



# German RED III implementation

## Biofuel Industry Perspective

Association of the German Biofuel Industry e.V.

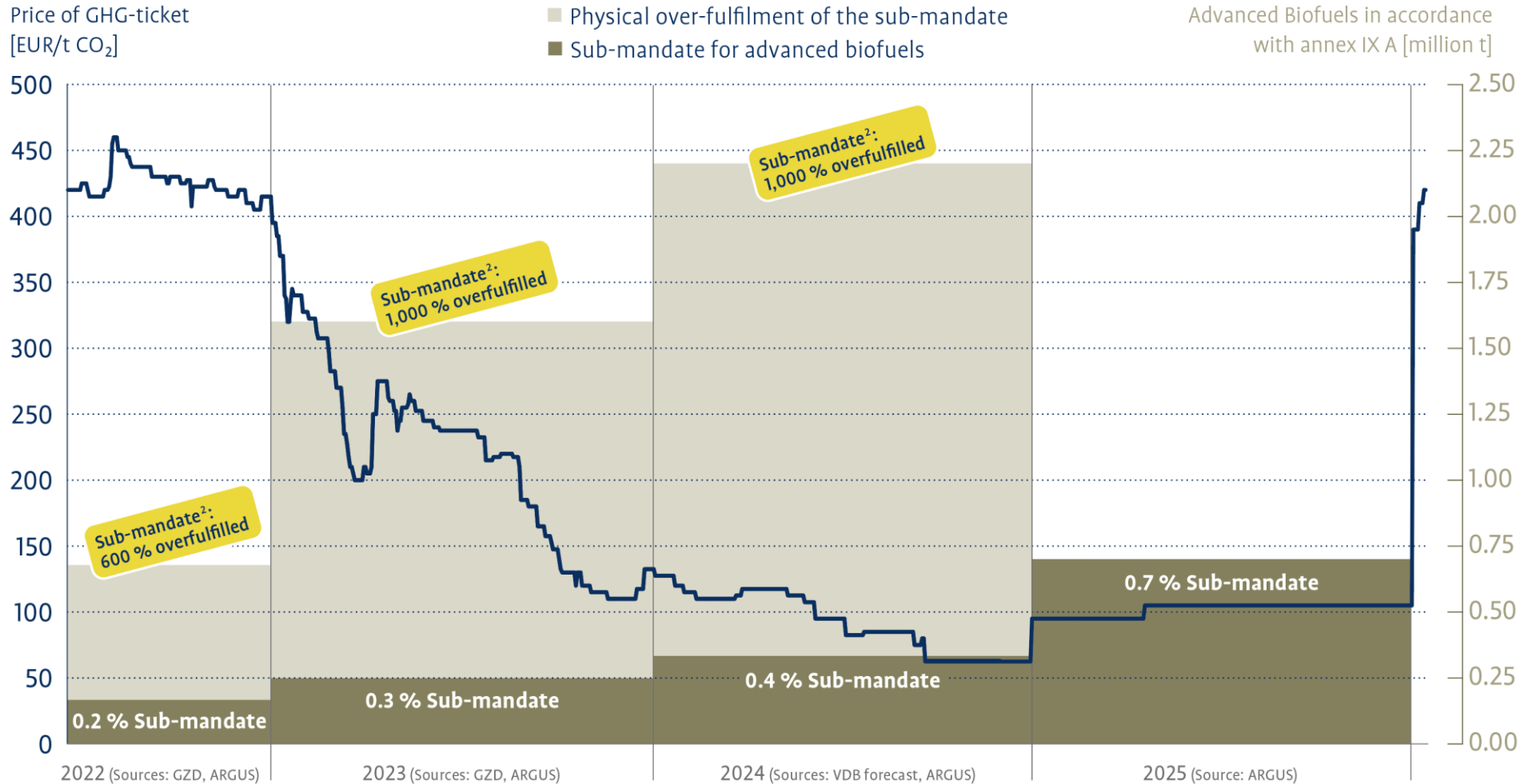


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# Where do we come from?

## Abundance of Advanced Biofuels reduced GHG-Ticket price



<sup>1</sup> The lower the price of the GHG-ticket, the less money is available for E-charging station operators, producers of biofuels or of green hydrogen. Hence, new investments into the de-fossilization of road transport will come to an end.

<sup>2</sup> The quantities of advanced biofuels that exceed the sub-mandate can be counted twice toward the GHG mandate or can be carried over to the following year.

# What has lead to the ticket price meltdown?



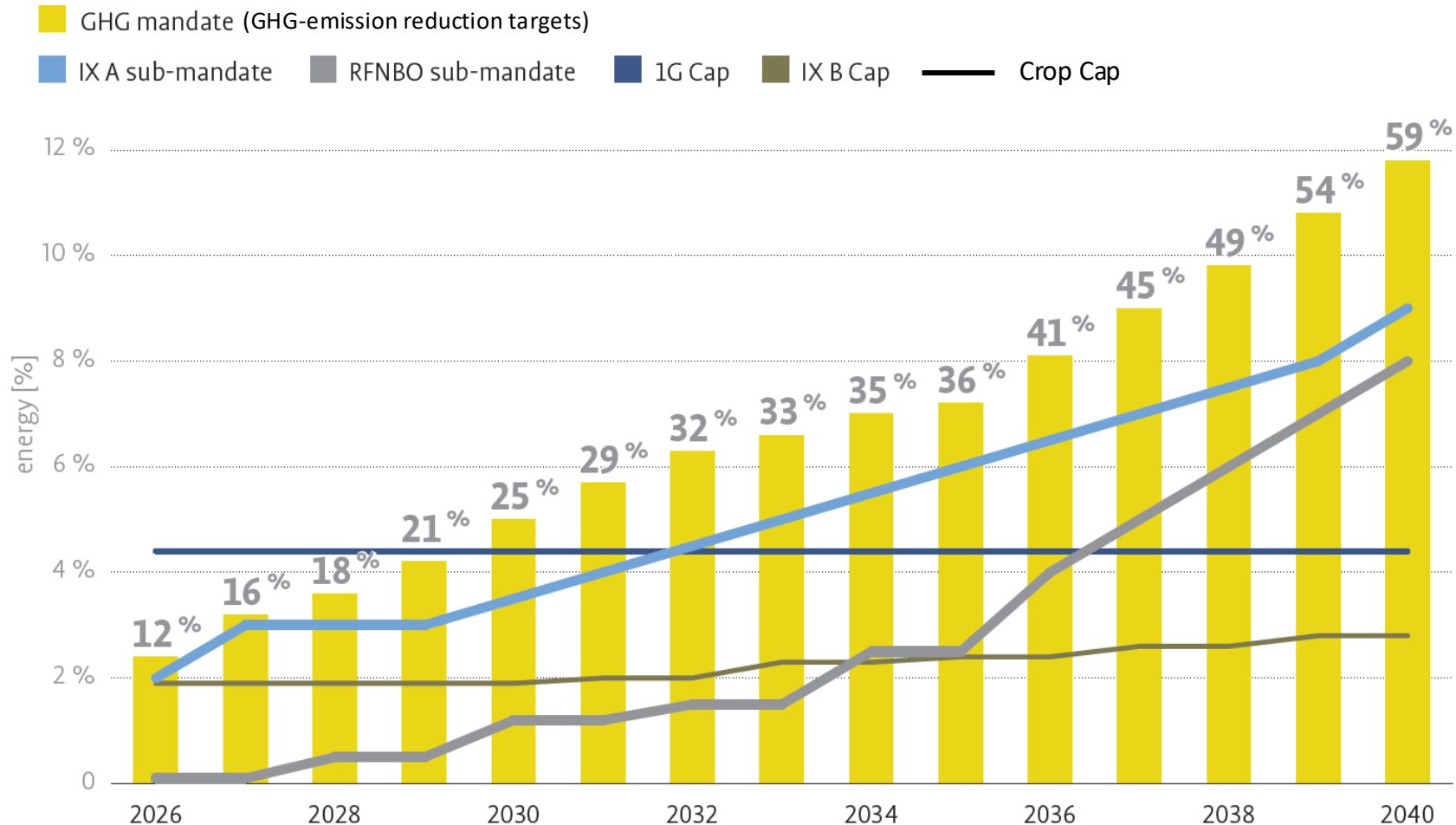
- Long reaction time of all involved authorities
- Generous definition of protection of trust principle (no risk for purchaser!)
- Artificial incentive of double counting of Annex XI A based biofuels
- No mandatory information exchange between Auditors, Systems and Authorities
- No on-site audit before granting of certificates (min. 6 month delay)
- No traceability along the chain

# What can we expect?

## GHG mandate according to cabinet decision of December 2025



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# What can we expect? Fraud prevention measures



## **BImSchG (emission law) and resp. ordinances**

- Mandatory authority access for witness audits to keep mandate eligibility (2027)
- Elimination of double counting of biofuels from Annex IX A feedstocks

## **Biokraft-NachV (Sustainability Ordinance)**

- Limitation of the protection of trust principle
- Accreditation/Registration of Certification Bodies under German standards, unless foreign Certification Body is operating outside of Germany
- Requirement for producers to give full information access to BLE

# What needs to be improved in the parliamentary process?



- The elimination of double counting for IX A from 2026, as provided for in the cabinet decision, is absolutely necessary to prevent fraud.
- Reducing overrun from 2024: increasing GHG mandate to 17.5% in 2027
- Mandatory authority access for witness audits to keep mandate eligibility
  - already as of 2026
- Strictly separating mandate compliance between road, maritime and air transport
- Allowing biogenic CO<sub>2</sub> as compliance option in oil refineries
- Retroactive application of the law and ordinances as of January 2026

# What needs to be improved at EU level?



- Reducing lead time of rule setting (example: Implementing Act 2022/996)
- Access for national authorities incl. Witness Audits for all certification bodies
- Frequent communication between DG ENER, Systems, National Authorities, Industry
  - Create transparency through regular set of meetings
  - Prompt reaction in case of certification challenges, market distortions etc.
- More detailed and consistent rule setting for all Systems (e.g. mass balances)
- Recognition of UDB deficiencies and elimination of same for timely implementation
- UDB does not take away the need for robust and consistent certification and its control, especially for feedstocks and conversion processes



**Thank you!**



**VDB**

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