

Palm oil in biodiesel - A Greenergy perspective



Palm-based biodiesel has been linked with destruction of tropical rainforest and loss of habitat. This Perspective presents Greenergy's views on palm oil usage in biodiesel, on its characteristics as a biodiesel feedstock and on sourcing palm oil from sustainable sources.

Summary

Greenergy is a significant producer and supplier of petroleum and biofuels into the UK transport fuels market, supplying over 15% of the UK's overall petrol and diesel market and approximately one third of the biofuels market. The company has extensive worldwide sourcing experience, with manufacturing operations in the UK and a blending facility in Rotterdam from which we supply customers across Europe.

The biodiesel Greenergy supplies is derived from a combination of rape, soy and palm. The relative proportions depend on customers' requirements, on season as well as on quality, availability and price.

In this Perspective, Greenergy presents the following:

- Palm oil has distinct physical and chemical characteristics which are good for food use but which limit its potential as a biodiesel feedstock in northern Europe and in the UK.
- Currently 3% of palm oil produced globally is used for biodiesel production. Even allowing for increasing biofuel usage, it is expected that by 2010 no more than 2% of global palm oil is likely to be used for biodiesel in the EU.
- The main driver of palm oil demand is the food industry which is not subject to the sustainability standards that apply to biodiesel.
- Using palm oil for co-firing in power generation is inappropriate because many alternative solid state biomass feedstocks exist.
- Palm oil production has been established for a long time in some areas but production and demand have recently increased, contributing to a reduction in biodiversity through loss of habitats and species.
- The Round Table on Sustainable Palm (RSPO) has now developed an internationally recognised standard for sustainable palm, and this needs to become the basis on which palm oil is traded internationally. The first supply of Certified Sustainable Palm Oil (CSPO) has started to become available, and work is continuing to ensure a continued increase in CSPO on the market.
- Greenergy will only buy palm oil if it can be traced back to well managed plantations where there has been no recent land use change, whether rainforest or peatland destruction.