RenovaBio: THE CCS MACHINE

Miguel Ivan Lacerda de Oliveira

Biofuels Department Ministry of Mines and Energy miguel.oliveira@mme.gov.br

MINISTÉRIO DE MINAS E ENERGIA



We have a problem...



World needs carbon sequestration...

- "TOTAL announced \$ 400 million fund focused on carbon offset initiatives: TOTAL CARBON NEUTRALITY VENTURES (TCNV) seeks startups around the world in areas such as smart energy, energy storage, smart mobility, bioplastics and recycling."
- ✓ "Global carbon market negotiations are running out of (over)time"
- "Brazil and EU face off over future of carbon trading: The generation of carbon markets could make or break the Paris Agreement, say negotiators as talks resume in Bonn...
- "...The scheme has generated more than 1.9 billion CERs and counts more than 8,100 projects and programs across 111 countries. Projects such as <u>coal-fired plants in India and China</u> and <u>dams in Guatemala</u> have been tarnished by human rights abuses. More systematically, the mechanism has been criticized for funding projects that would have happened anyway: a <u>2016</u> <u>report</u> commissioned by the EU concluded 85% of offsets had a "low likelihood" of driving emission cuts...."

... the fact is: we can do it safely and sustainably





Land Use in Brazil

Native vegetation: 551 Mha (65%)

Agriculture Production: 71 Mha (8%)

Sugarcane (for ethanol) Oilseed crops for Biodiesel (B11) = 0.6% (2018) = 0.9% (2018)

Non-Agriculture Areas: 38 Mha (5%)

Pasture Areas: 190 Mha (22%)

Source: IBGE (2016) MAPA (2018)

Complimentary solutions for necessary changes



Less Fossils More Bio Flex Hybrid Vehicles on more efficient platforms Car Sharing

So, what to do then?



Transforming the problem into a solution

Dialog with society and Stakeholders

PROBLEM

- Lack of predictability to economic agents
- Decarbonizing the fuel matrix
- Contribute to the security of domestic fuel supply by encouraging biofuels production and use
- High domestic prices

SOLUTION

- Market driven incentive mechanisms
- Coase Market for pricing externalities
- Transfer the costs (social/ environmental) of using fossil fuels as an income to the production of biofuels
- Efficiency incentives to its sustainable expansion

The New Brazilian Biofuels Policy

RenovaBio

RenovaBio Concept: 3 Axes





RenovaBio: What is it?

- It is the Brazilian National Biofuels Policy created in the MME that recognizes the **strategic** role of renewable fuels for the **national energy matrix** (Law 13.576/2017)
- Materializes an effective contribution to a cleaner energy matrix
- Sustainable environment for investments up to R\$ 1.3 trillion until 2030
- Creates the Brazilian "Carbon Capture Machine" per unit of energy increasing efficiency in the production of biofuels
- Creates an integrative agenda with the Brazilian automotive industry (ethanol electrification) and the petroleum industry (smooth transition)
- Creates competition in the fuel market benefiting the consumers, which will pay less for fuels
- **Reduces** the growing national **deficit** with fuel imports

RenovaBio: A Market Solution



- It is **not subsidy**
- It is not an increase in taxes
- It is a Brazilian "CARBON CAPTURE MACHINE"
- It values the service of CO₂ withdrawal from the atmosphere made by the national production of biofuels
- Generates more competition and efficiency for the market, which results in lower prices for consumers

Machine Modeling



Vehicle carbon footprint (cradle to grave) Tailpipe emissions

RenovaCalc – LCA Calculator

Renova Calc Renovabio Helps to increase (A) Nome da Usina: and to decrease (B) CNPJ 00.000.000/0000-00 Responsável pelo preenchimento. Telefone : (00) 0000-0000 Biodiesel Intensidade de Carbono 0,4 Nota de Eficiência Energético-Ambiental (g COzeq/MJ) Óleo de soja próprio - agrícola 86,1 (g CO2eq/MJ) 0,0 Óleo de soja próprio - extração 0,0 óssil substituto: Diete Outros óleos 0,0 86.5 Transesterificação 0,0 transporte Redução de emissões USO 04 Fase agrícola - Dados consolidados Informações gerais Área total ha Produção total (base úmida) t soja Umidade Corretivos Calcário calcítico kg/t sola Calcário dolomítico kg/t soja Gesso kg/t soja struções Diretório Sementes E1G2G EIG Flex EIGM EIGMI E2G Biodiesel CombAlterHEFA **Renova** Calc tanol de acucar sometano de Res ianol de milh

ELETRIFICATION FUEL CELL

Helps to decrease (B)









Can we do CCS using bioeconomy?





SOFC : Solid Oxide Fuel Cell

We need a new product to save the world and Renovabio can deliver it.