



An Roinn Iompair  
Department of Transport

# Renewable Fuels for Transport Policy Statement

BOS Briefing Session  
30/03/2022

# Structure of presentation:



- **Policy Context**
- **Overview of RfFTPS**
- **Current position**
- **Consultation**

# Climate Action Plan – Renewable Fuels



- ✓ Set out the planned level of biofuel use for the period 2021 to 2030 (277)
  - 2025 – B12/E10
  - 2030 – B20/E10
- ✓ Publish an updated policy statement on renewable fuels for transport (280)
- ✓ Support the development of renewable gas, such as biomethane, as a transport fuel in the transport sector (281)
- ✓ Carry out a review of the supply of renewable transport fuels in Ireland, such as biofuels, advanced biofuels, e-fuels, synthetic fuels, green hydrogen and biogas (288)

# Renewable Transport Fuels – policy context



- Renewable Energy Directive (2009/28/EC) – RED I
- Recast Renewable Energy Directive (2018/2001/EU) – RED II
- Fit for 55 – proposal for a third Renewable Energy Directive – RED III
- Fuel Quality Directive (Article 7A) (2009/30/EC) – GHG emission reductions (lifecycle)
- Energy (Biofuels Obligation and Miscellaneous Provisions Act) 2010 – amends the National Oil Reserves Agency Act 2007
- Biofuels Obligation 2010
  - *overall obligation*
  - *Award of certificates for every litre of sustainable biofuel placed on the Irish market*
  - *If suppliers do not meet blending obligation they can meet obligation by using additional certificates (surplus) or payment of buy-out charge*
- Requires fuel suppliers to ensure that biofuels make up a certain proportion of the fuel used in the road transport sector
- Administered by NORA (BOS Team)

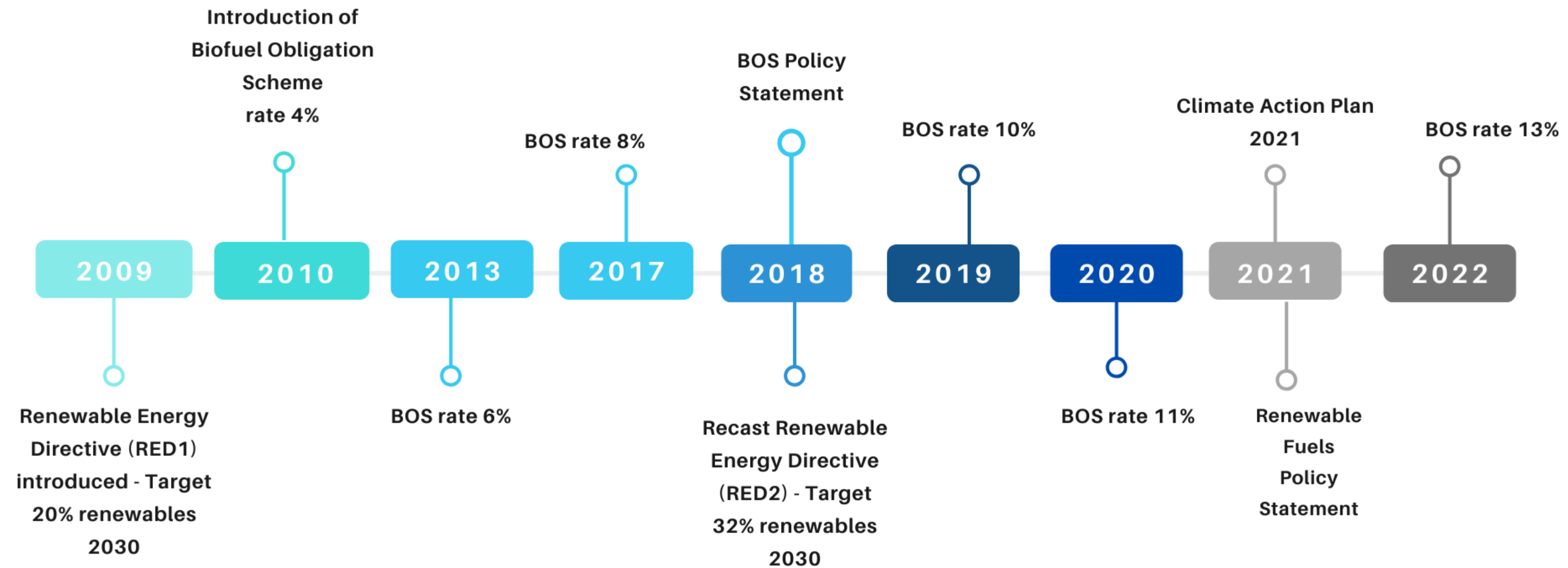
# Renewable Transport Fuels – policy context



- 2018 (Min. Communications, Climate Action and the Environment)
  - *Continuation of Biofuels Obligation until at least 2030*
  - *Progressive increases in the level of the obligation*
  - *Policy statement every 2 years (prior consultation)*
- 2019 - Consultation
- 2021 – Department of Transport
- 2021 – Climate Action Plan (CAP21) published
- 2021 – Renewable Fuels for Transport Policy Statement published
- 2022 – Renewable Fuels for Transport Policy Consultation

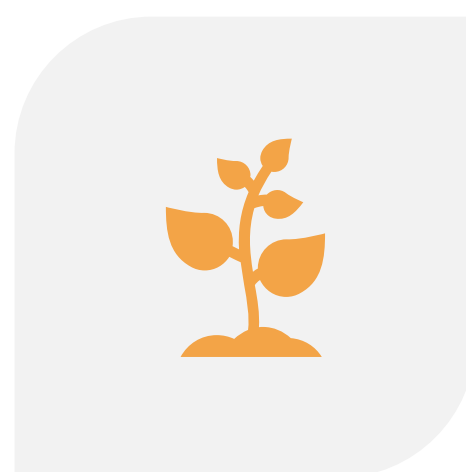


# RENEWABLE FUELS POLICY TIMELINE IRELAND





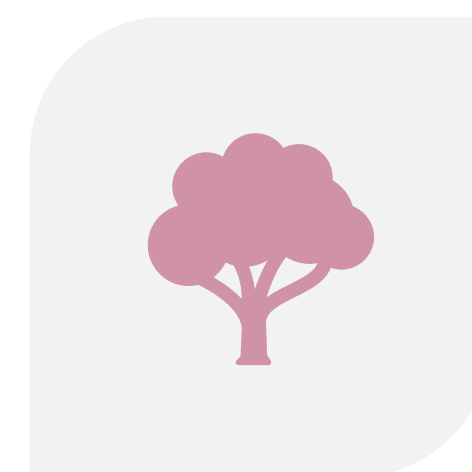
# Renewable Fuels Policy



INCREASE THE BIOFUEL OBLIGATION



PROMOTE RENEWABLE FUELS IN DEVELOPMENT



ENSURE SUSTAINABILITY





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# Renewable Fuels for Transport Policy Statement November 2021

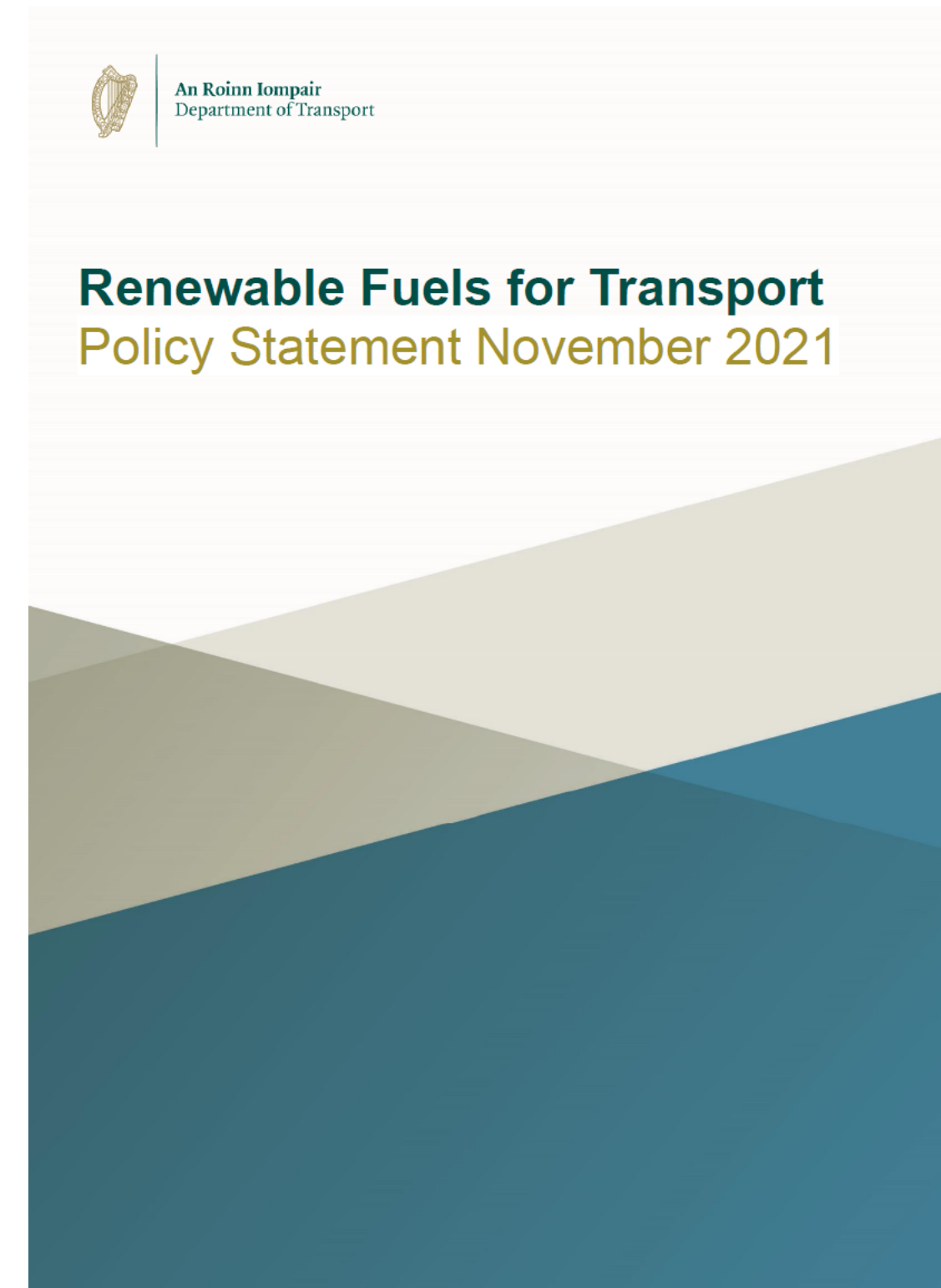
<https://www.gov.ie/en/policy-information/168c6-renewable-fuels-for-transport-policy-statement/>



# Objectives of Renewable Fuels for Transport Policy



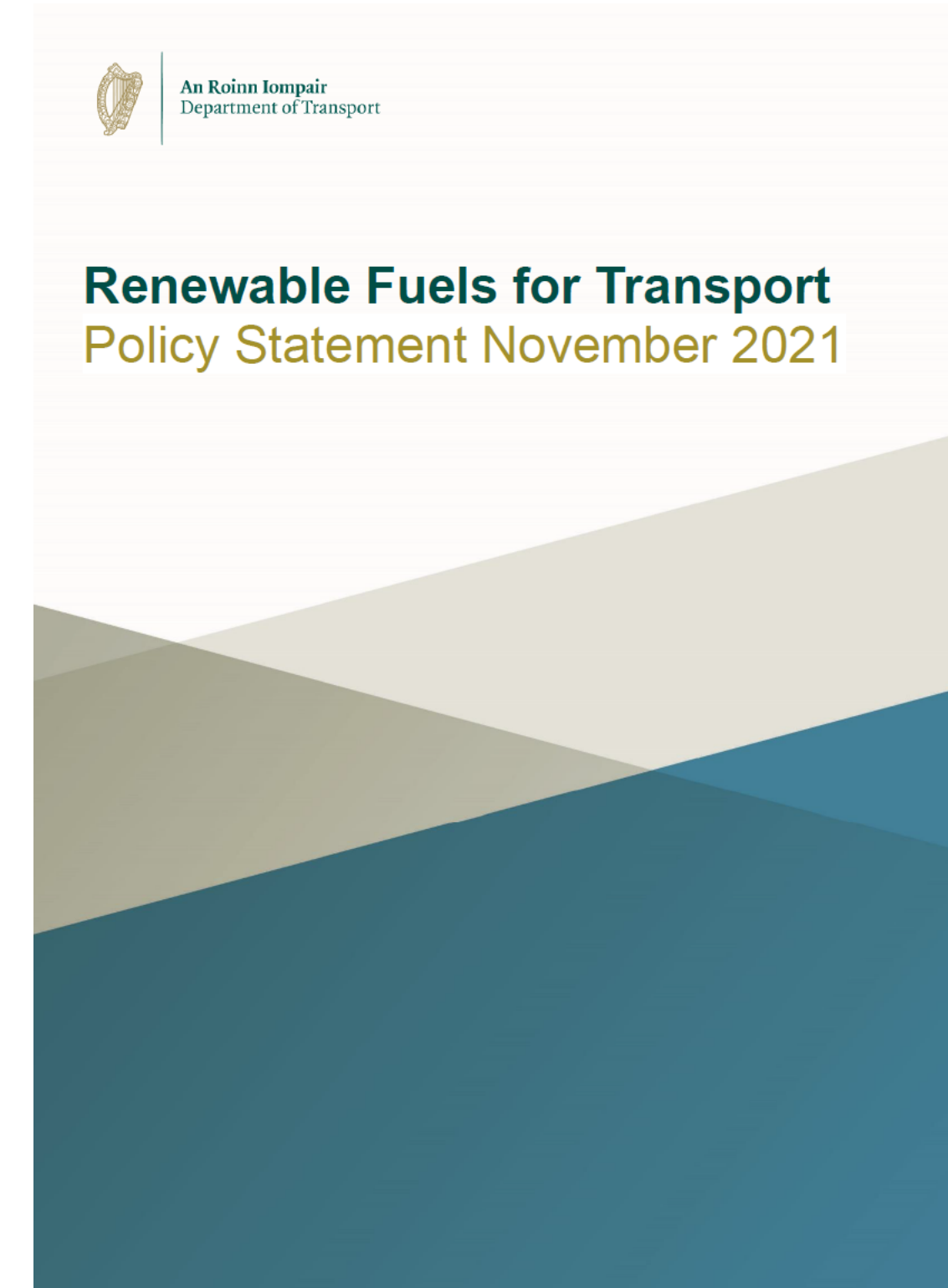
- To support Ireland's commitment to reduce greenhouse gas emissions
- To meet and exceed the renewable energy targets set out in RED II and future ambition under the EU Fit for 55 proposals.
- To ensure a shift towards non-crop fuels, more robust sustainability criteria for all renewable fuels and the principle of cascading use of bio-based products
- To provide certainty to industry and stakeholders facilitating future planning for compliance.
- To set a framework of obligations to support these objectives.



# Key policy drivers



- Increasing the share of renewable fuels
- Decarbonisation (42-50% emissions reduction)
- National commitments – Programme for Government, Climate Action Plan 2021
- International obligations – RED II, FQD, European Green Deal and Fit for 55, UN Sustainable Development Goals
- Supporting the transition to alternative and development transport energy and advanced biofuels – existing and development renewable fuels
- Obligation rate – trajectory of increase, incentivizing achievement of obligation
- Life-cycle emissions reduction
- Sustainability and availability
- Feedstocks
- Cascading uses of bio-energy, ILUC risk
- Policy that is fit for purpose – towards 2030 and beyond
- Accounting basis that reflects the diversity of renewable fuels





## **Intended Actions Going Forward**

- 1. Increase the level of evaluation, analysis and enforcement of robust sustainability limits to underpin renewable fuels in Ireland.**

Date to apply: Through late 2021 to early 2022

- 2. Increase in the level of renewables relating to petrol and diesel**

Relevant Policy: Climate Action Plan

- 3. Examine availability of Used Cooking Oil and certain Animal Fats with a view to seeking a higher limit for biofuels made from these feedstocks**

Date: In 2022

- 4. Limits on certain biofuels**

Anticipated date to apply: From 1 January 2023



## **5. Amend how the Biofuels Obligation Scheme operates**

## **6. Operation of the Biofuels Obligation Scheme on an Energy Basis**

Anticipated date to apply: From 1 January 2023

## **7. Increase the Overall Biofuel Obligation**

Date to apply: From 1 January 2022, and consultation in 2022 concerning the increase for 1 January 2023 and indicative rates out to 2030

## **8. Incentivise the transition to E10**

Date to apply: By 2023

## **9. Enforcement of Carbon Intensity Requirements**

Date to apply reviewed by the Department in 2022, with a possible graduated introduction from 1 January 2023 to end 2024.

## **10. Introduce an Advanced Biofuel Obligation**

Date to apply: From 1 January 2023 subject to consultation in 2022 concerning the rate of advanced biofuels for 1 January 2023 and indicative rates out to 2030



## **11. Expand the biofuel obligation to the rail sector**

Date to apply: From 1 January 2024 or earlier subject to readiness of the rail sector

## **12. Treatment of Alternative Fuels**

Date to apply: In 2022

## **13. Inclusion of Renewable Fuels of Non-Biological Origin**

Anticipated date to apply: From 1 January 2023

## **14. Treatment of Development Renewable Fuels**

Subject to enabling legislation, the fuels in question and the multipliers to apply from 1 January 2023 are set out below.



**15. Treatment of renewable electricity used in transport**

Anticipated date to apply: 1 January 2023

**16. Award of double credits based on Annex IX of the recast Renewable Energy Directive**

Anticipated date to apply: From 1 January 2023

**17. Implement a new Buy Out Charge regime**

Date to apply: From 1 January 2022

**18. Use of Emergency Supplies**

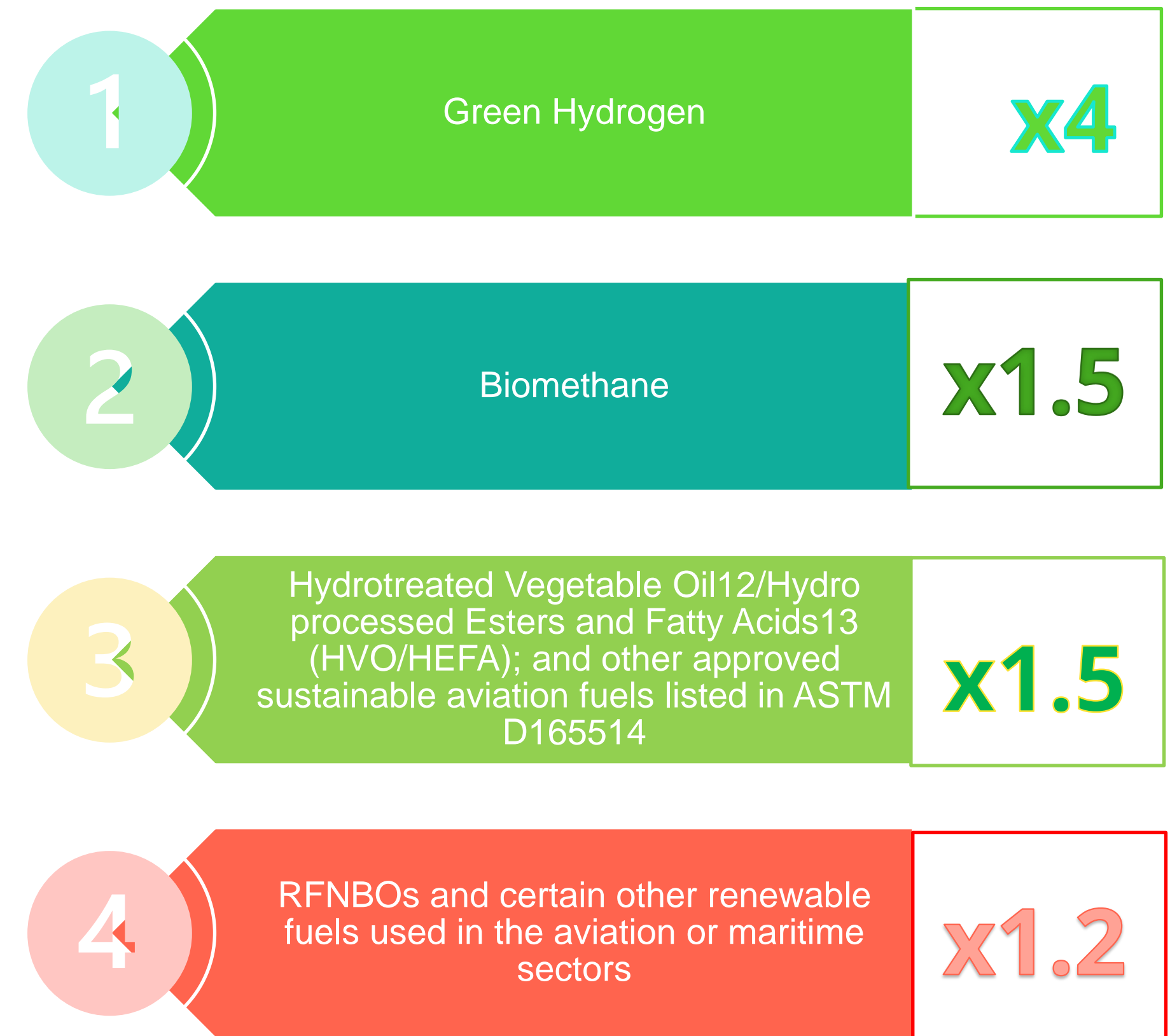
Anticipated date to apply: From 1 January 2023

**19. Review and Consultation on the next Policy Statement**



## Treatment of Development Renewable Fuels

- Inclusion in scheme from 2023
- Multiple credits to incentivise deployment



# Current position



- ✓ 2022 implementation - blend rate increase (13% by volume) has been implemented
- ✓ Increase in the buy-out charge
- ✓ Proposed legislation to implement changes from 2023
- ✓ Research on sustainability and availability of renewable transport fuels
- ✓ Consultation
- ✓ Transition to E10



# 2022 Blending rate



- S.I. No. 21/2022 National Oil Reserves Agency Act (Biofuel Obligation Rate) Order 2022  
<https://www.irishstatutebook.ie/eli/2022/si/21/made/en/print>
- From 01 January 2022.
- *“2. The percentage rate referred to in section 44C(3)(b) of the National Oil Reserves Agency Act 2007 (No. 7 of 2007) shall be 14.942 per cent.”*
- Buy-out charge Order for 2022 biofuel obligation period (increase to €1 p/l) – DECC

## Excise duty changes –

To mitigate against the possible economic impact of the obligation rate increase, in terms of fuel price increase, Minister for Finance announced a 1c reduction in excise from 01 April 2022 until Budget 2022 and a 1c reduction in the NORA levy (currently 2c per litre)

# Proposed legislation to implement policy statement



- D/Transport engagement with D/ECC
- From 2023
  - References to biofuels will become renewable fuels where applicable
  - Operation of obligation on an energy base and conversion of certificates to credits
  - Limits on certain biofuels - credits for crop-based biofuels (incl. high ILUC risk) to meet a max. 2% of an obligated party's overall obligation. Only parties who placed high ILUC risk biofuels on the market in 2019 would be able to claim credit for them (at 2019 levels)
  - Indicative trajectory of obligation increases out to 2030 to support CAP 21 ambition to introduce higher blend rates by 2030 (including interim 2025 targets) – indicative obligation of 16% in 2023, 19% in 2024 and 23% in 2025. Indicative trajectory from 2025 to 2030 will be subject to analysis and will give due regard to domestic obligations (Climate Action Plan) and future obligations under EU Fit for 55
  - Amendment to buy-out charge to reflect the transition to an energy based obligation
  - Advanced biofuel obligation – indicative rate of 0.3% (energy) in 2023
  - RFNBOs – eligible for credits from 2023
  - Inclusion of development renewable fuels – multiple credits
  - Inclusion of renewable electricity
  - RED II (recast Renewable Energy Directive) Annex IX Feedstocks – double credits
  - Fuel Quality Directive, Article 7a – compliance with 6% carbon intensity reduction
  - Any required measures to support transition to E10
  - Emergency supplies
- From 2024
  - *Expansion of obligation to rail*

# Research on sustainability and availability of renewable transport fuels



- The Department of Transport will be carrying out a study on the availability and sustainability of renewable fuels, giving due regard to domestic commitments under the Climate Action Plan to increase renewable transport energy to 2030 and the future obligations under the EU Fit for 55.

# Consultation



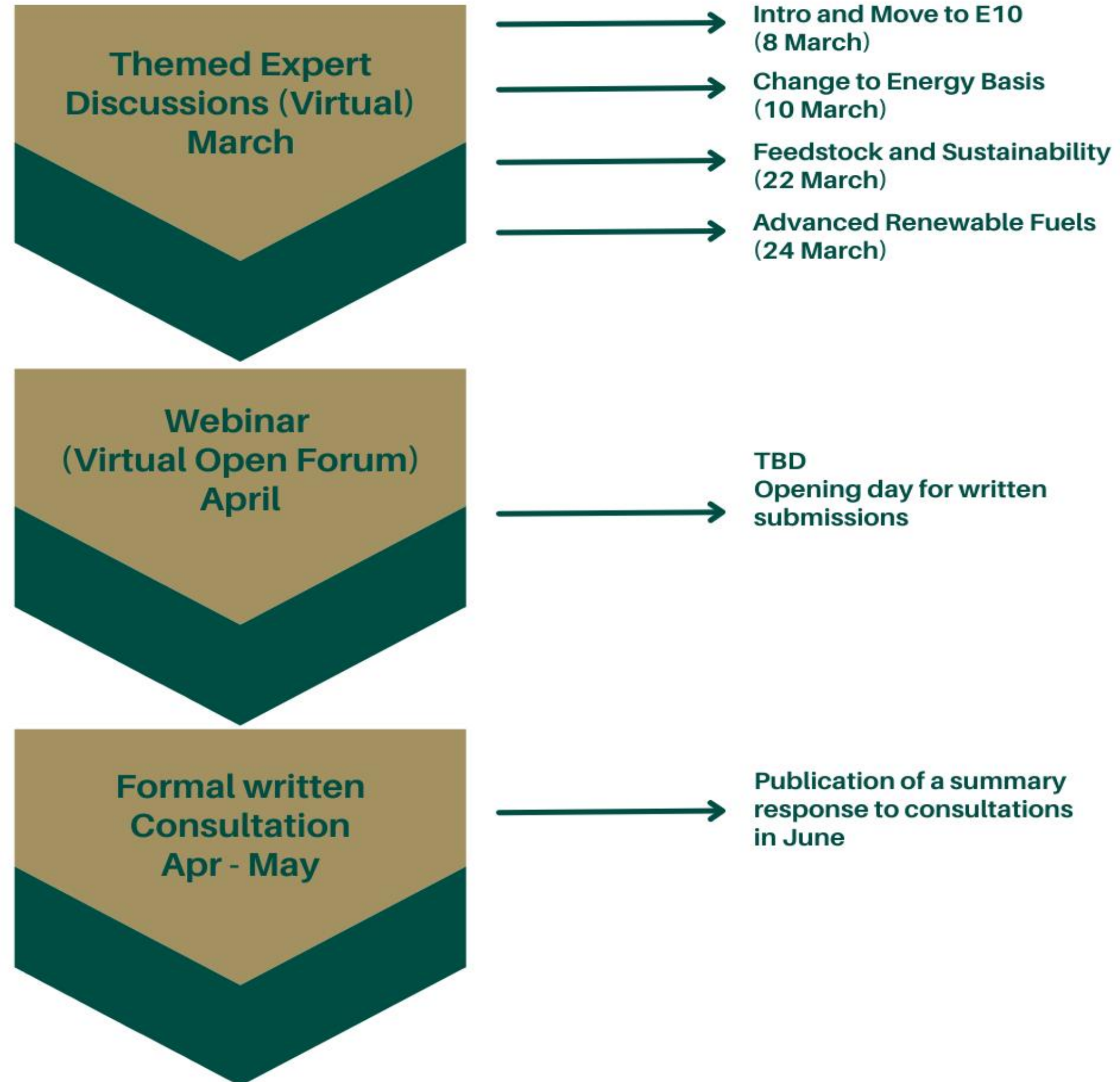
- Proposed obligation, scope, and rates from 2023, including for advanced biofuels and alternative fuels
- Proposals for the phasing out of high-ILUC feedstocks
- Assess the potential to use a resource availability target framework for future policy direction
- Potential for innovation in renewable energy in the transport sector, including the development of advanced biofuels and RFNBOs
- Treatment of Development Renewable Fuels going forward
- Proposals set out in the EU Fit for 55, including the potential to change the obligation rate to a carbon intensity target



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# Renewable Fuels for Transport Policy - Consultation Timeline 2022



# E10



## RFFTPS Action 8: Incentivise the transition to E10 (by 2023)

- Date to apply: By 2023
- Higher blend of bioethanol in petrol
- To support an early transition to E10 (CAP21 action – by 2025)
- Consideration of options for transition to E10:
  - *Incentivisation only*
  - *Mandate*
  - *Mandate plus other incentives*
- Public communications strategy on the transition to E10

# E10



## Potential legislation – considerations

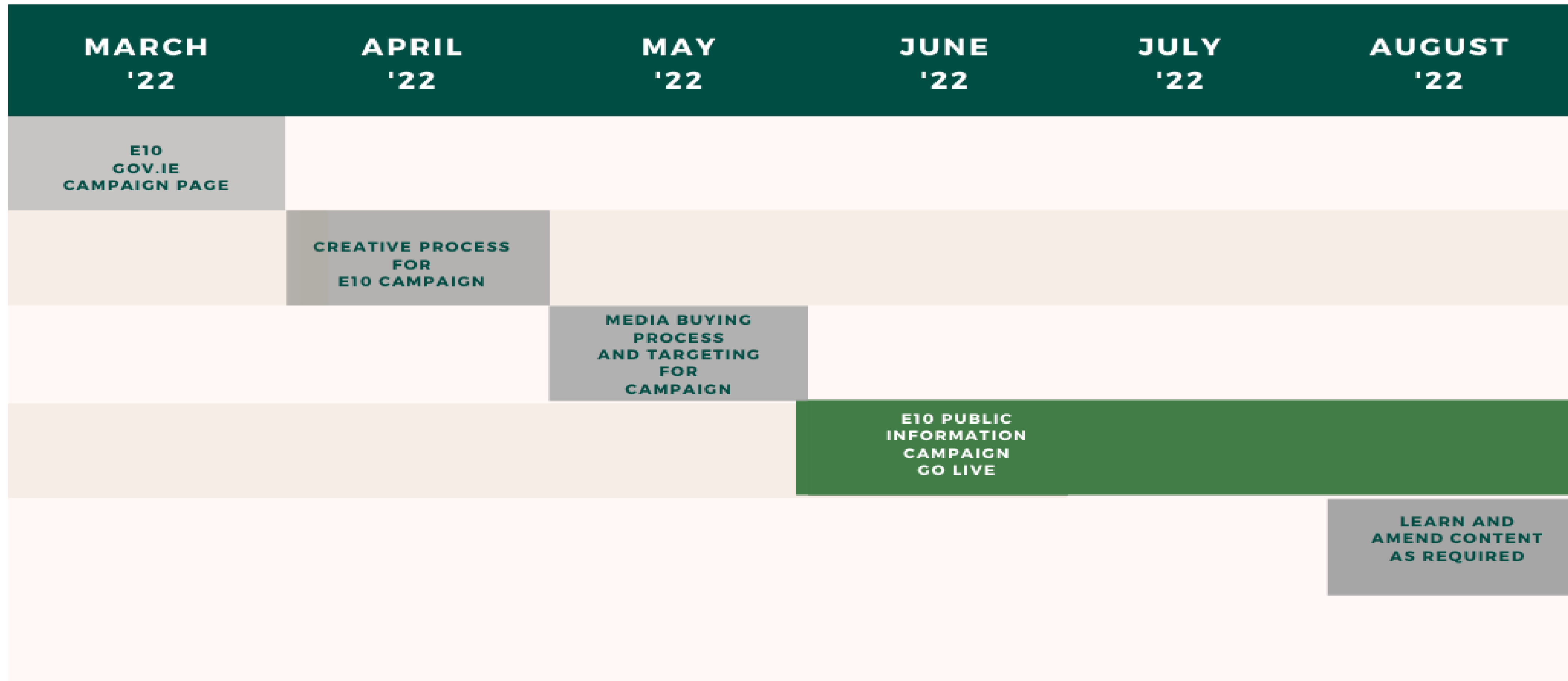
- Definitions and standards
- European Directives and national legislation
- Blending above 5.5% by volume
- Design of mandate? (e.g. UK S.I. Schedule sets out min. and max. limits for petrol and diesel)
- Labelling – required under European Standard (CEN) EN16942 (Fuels Identification of Vehicle Compatibility Graphical Expression for Consumer Information)

## UK:

- *England/Scotland/Wales – September 2021*
- *The Motor Fuel (Composition and Content) and the Biofuel (Labelling) (Amendment) (No. 2) Regulations 2021 (No. 894 of 2021)*
- *Northern Ireland – 2022*
- *Communications campaign in 2021 and impacts upon implementation*
- *Protection grade*

## Other jurisdictions - learning

# E10 COMMUNICATIONS TIMELINE







Thank you