



# BOS - Briefing Session

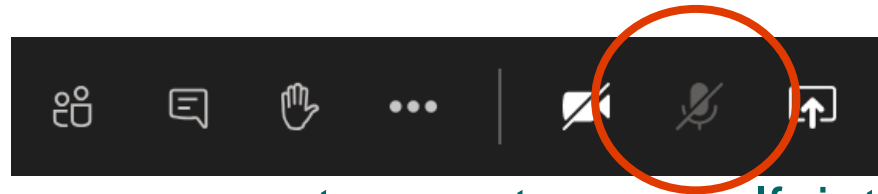
4<sup>th</sup> Dec 2020

(Ref: 457-20P1368)

- Turn video camera off



- When not talking, mute yourself



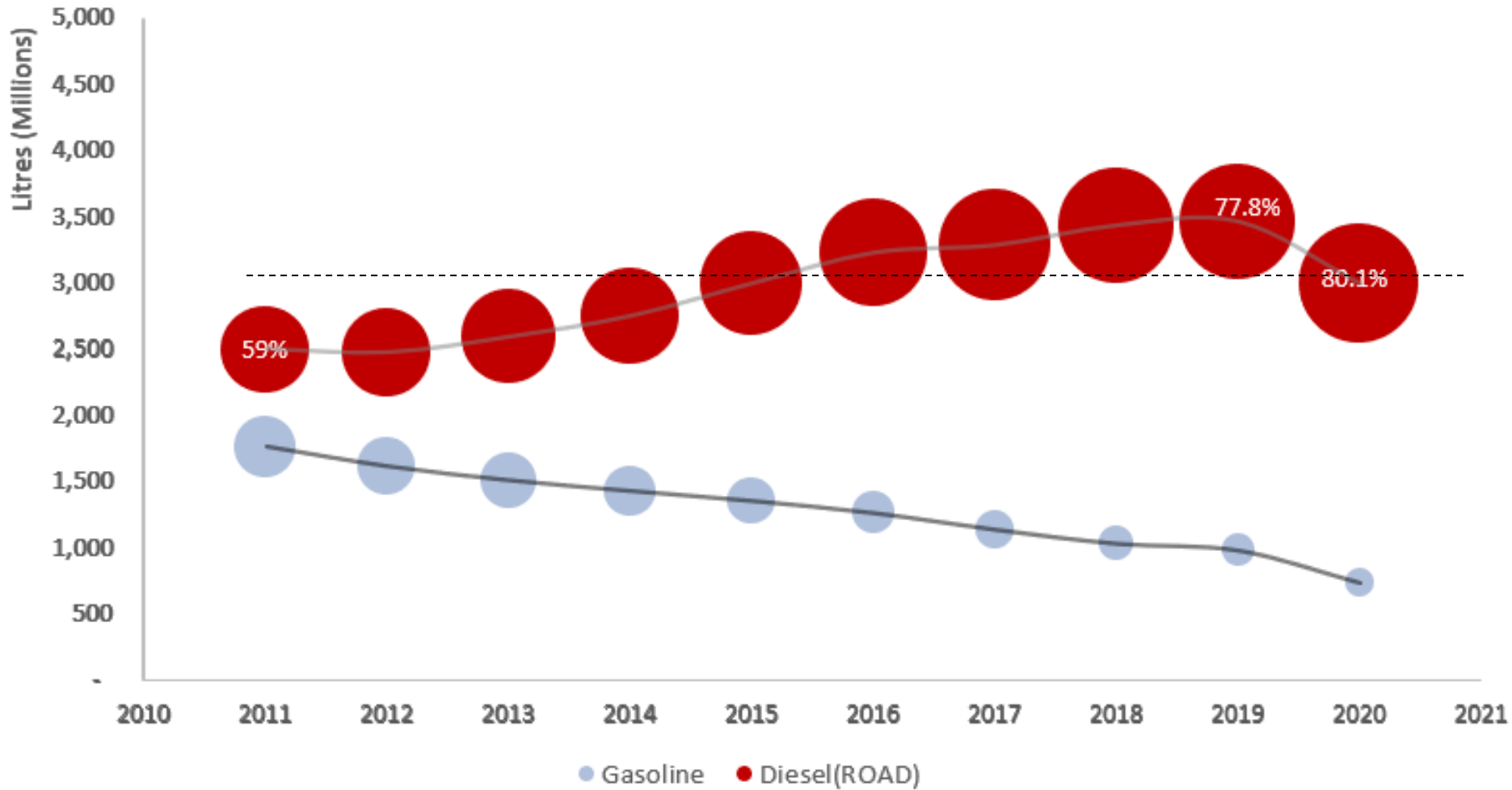
- To raise a query / provide a comment, unmute yourself, introduce yourself and talk, or use the chat

# TODAY'S AGENDA

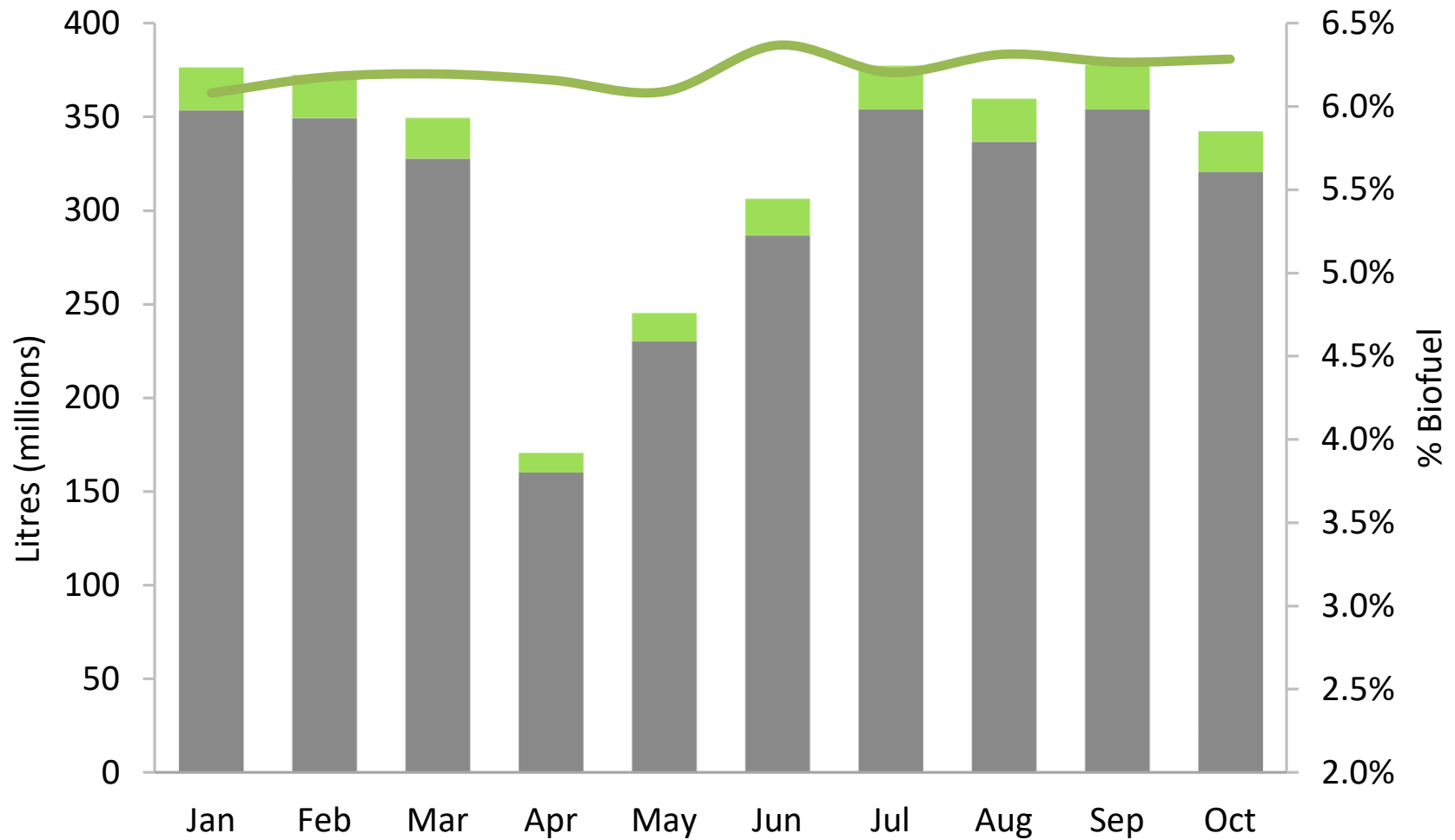
- Nine months of 2020
- DECC update
- Other BOS & SI 160 matters
- Discussion



# 2020 ESTIMATE – FOSSIL FUEL



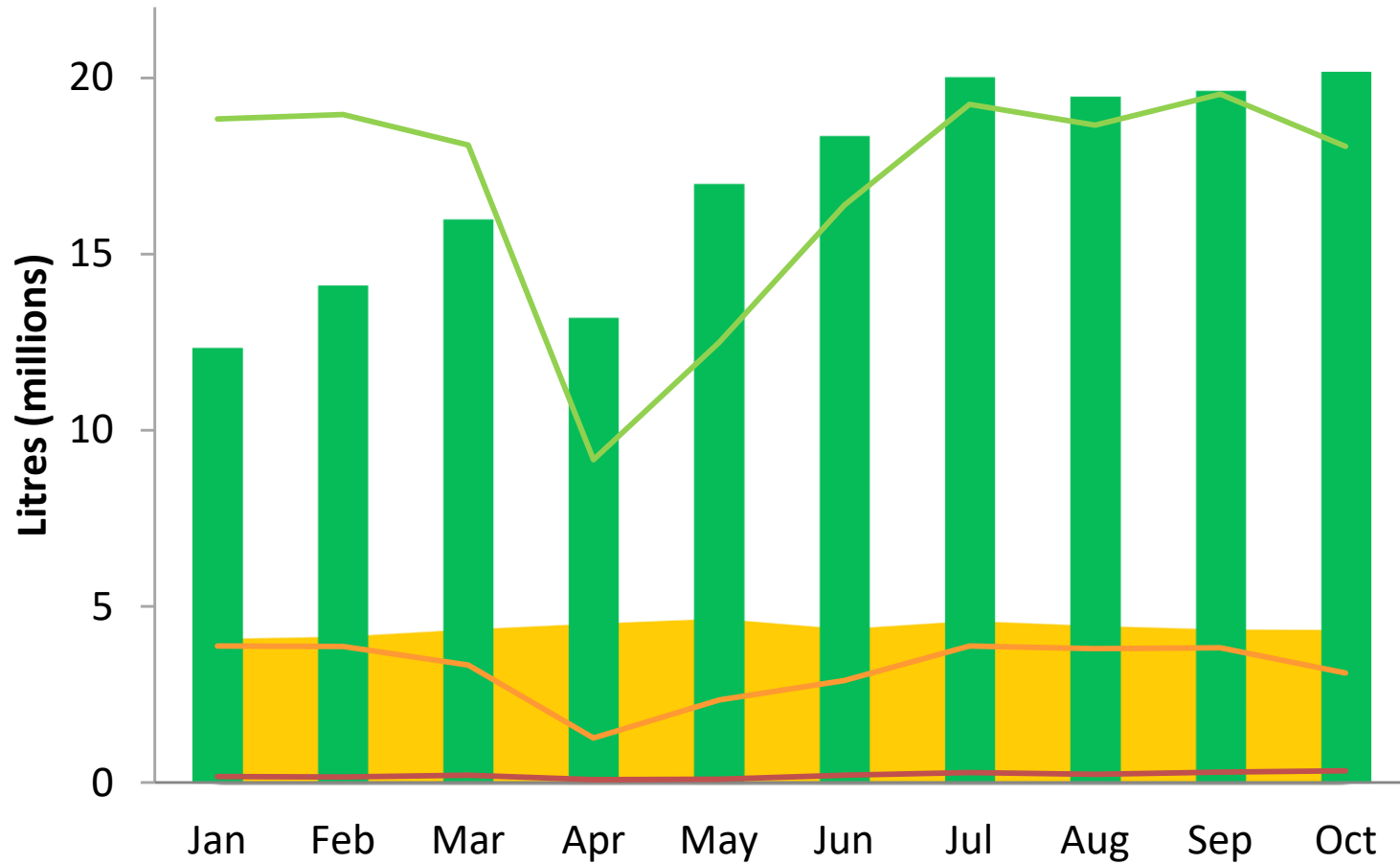
# 2020 PERIOD – FOSSIL & BIO



Diesel & Gasoline
  Biofuels
  % Biofuel



# 2020 PERIOD – BIOFUEL

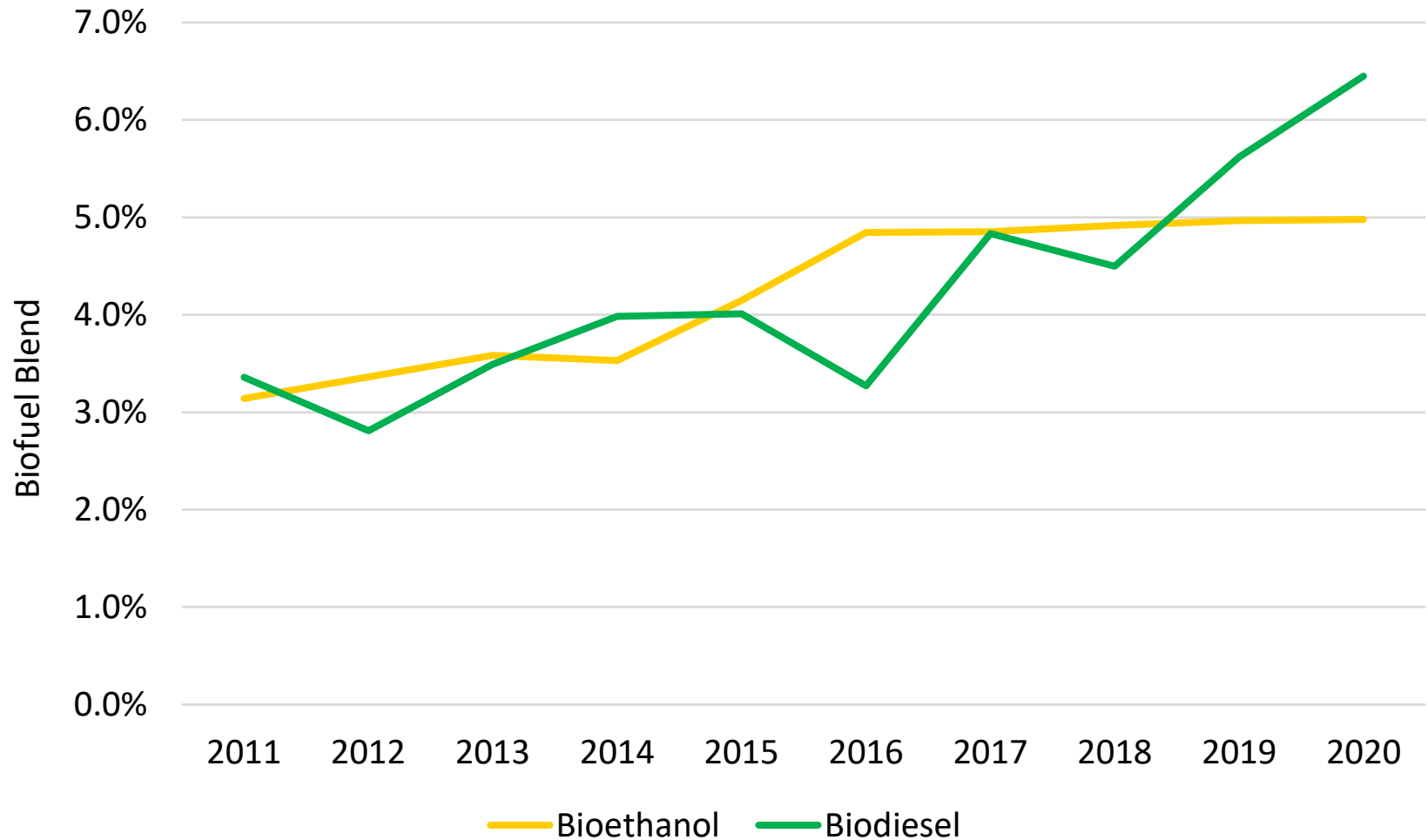


■ Ethanol (2019)  
■ Biodiesel (2019)  
■ Ethanol (2020)  
■ Biodiesel (2020)

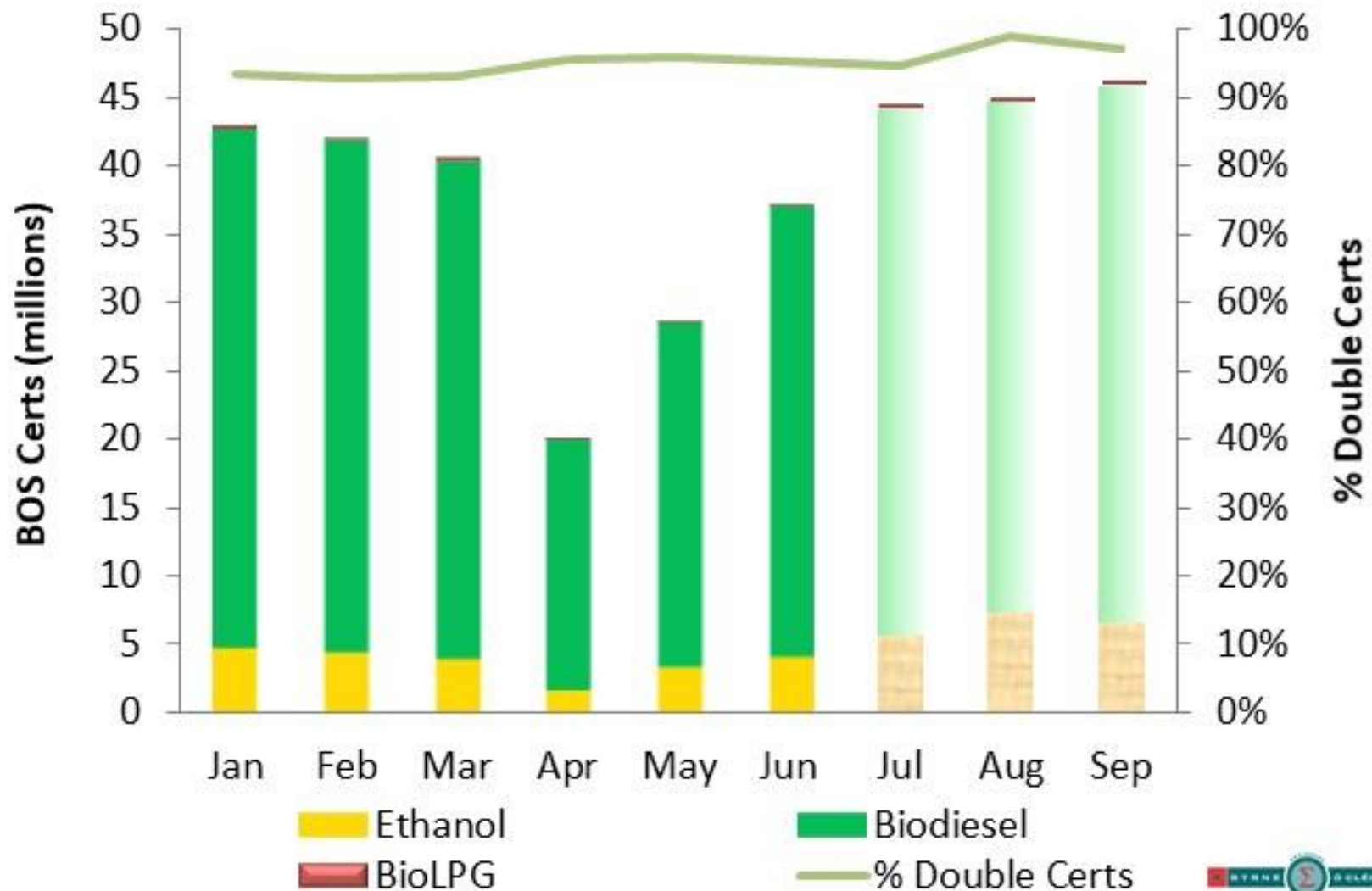
■ BioLPG (2020)

— Ethanol (2020)

# BIOFUEL BLENDING



# CERTS AWARDED – 2020



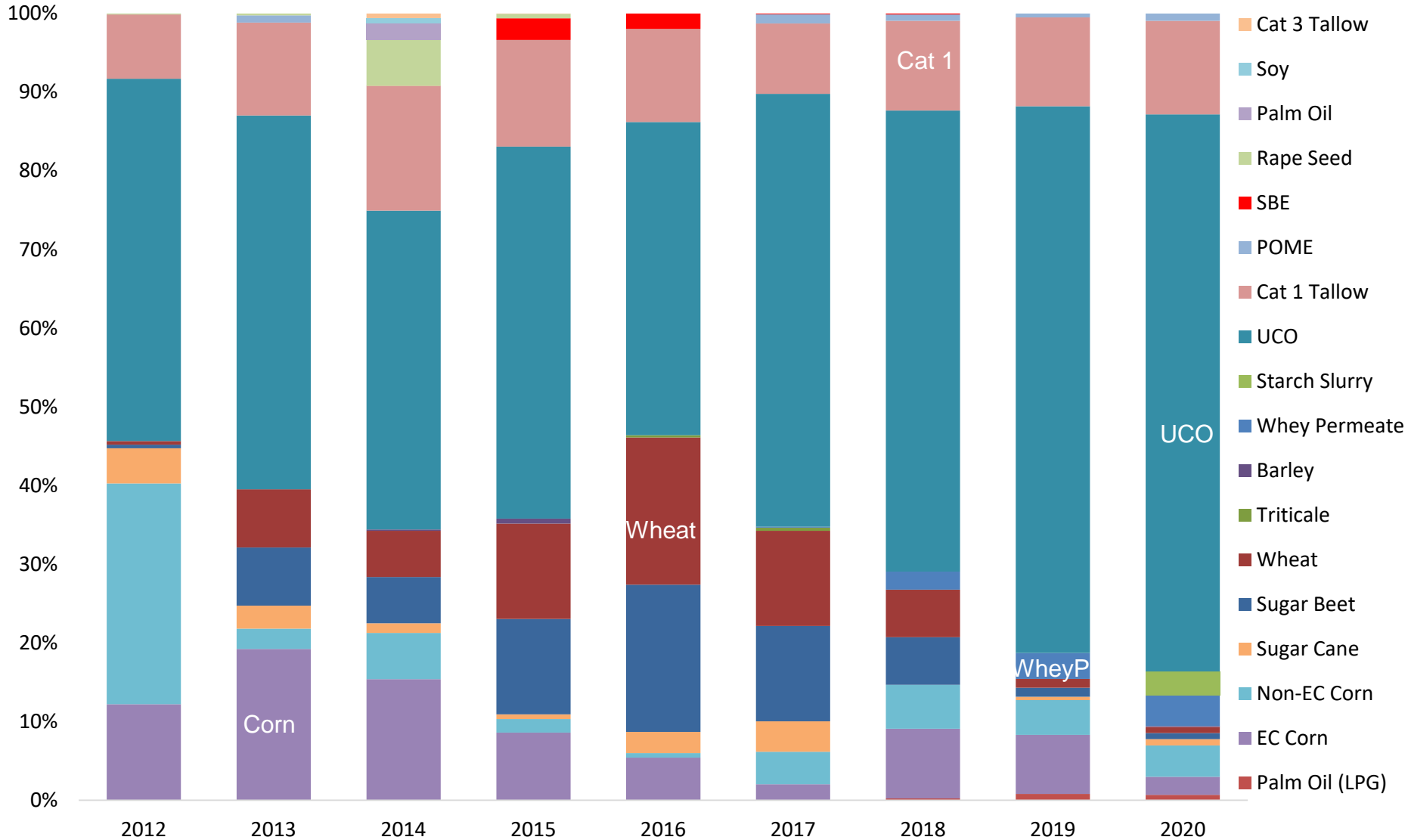
## FIRST TEN MONTHS 2020

- The numbers:
  - Obligation 12.36% vs c.12.7% achieved
  - 3.07 billion litres fossil (- 18%)
  - 204 million litres bio (- 5%)
  - 3.3 billion litres in total (- 17%)
  - BOS Cert surplus of c. 49m Certs from last year

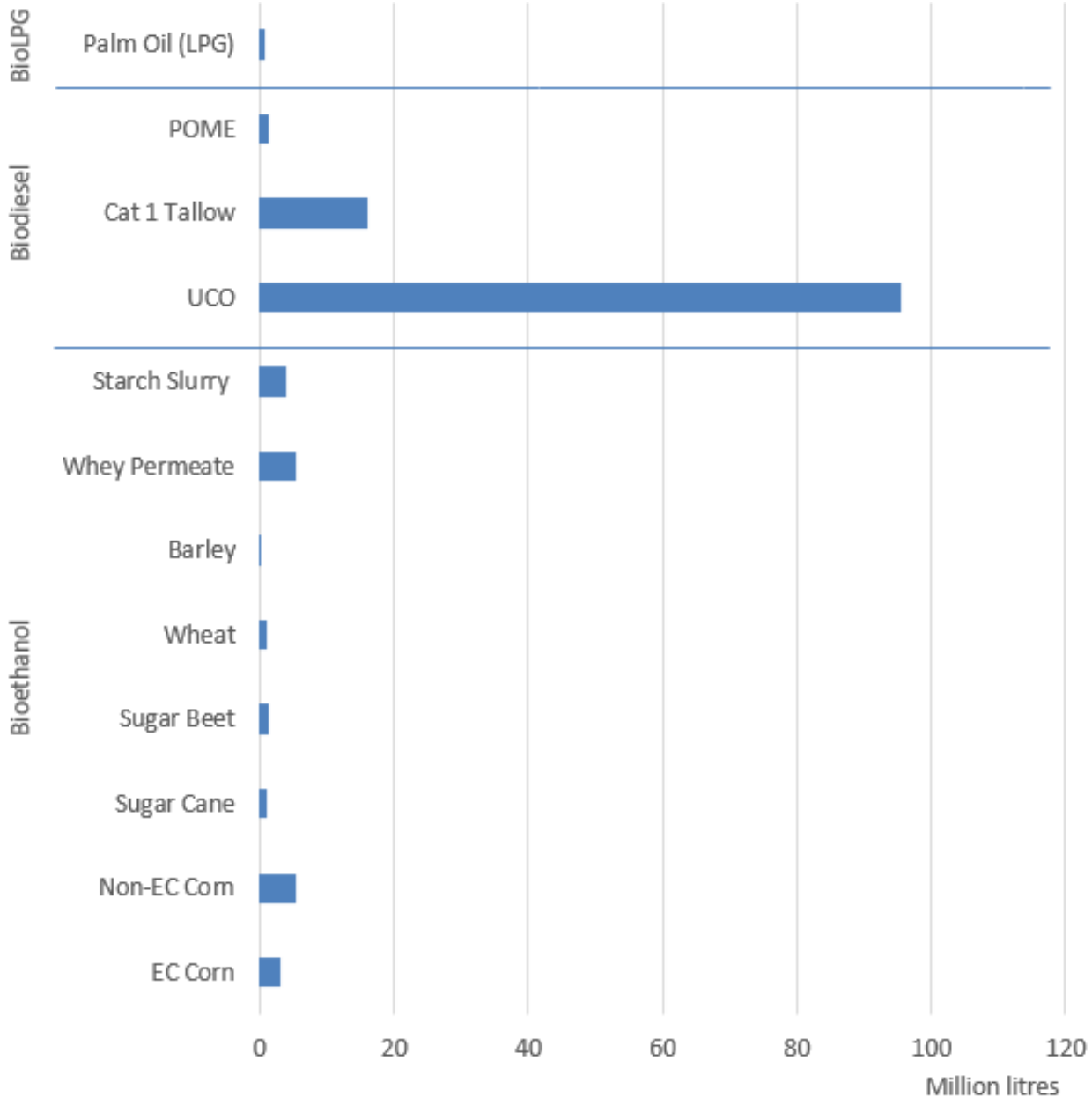




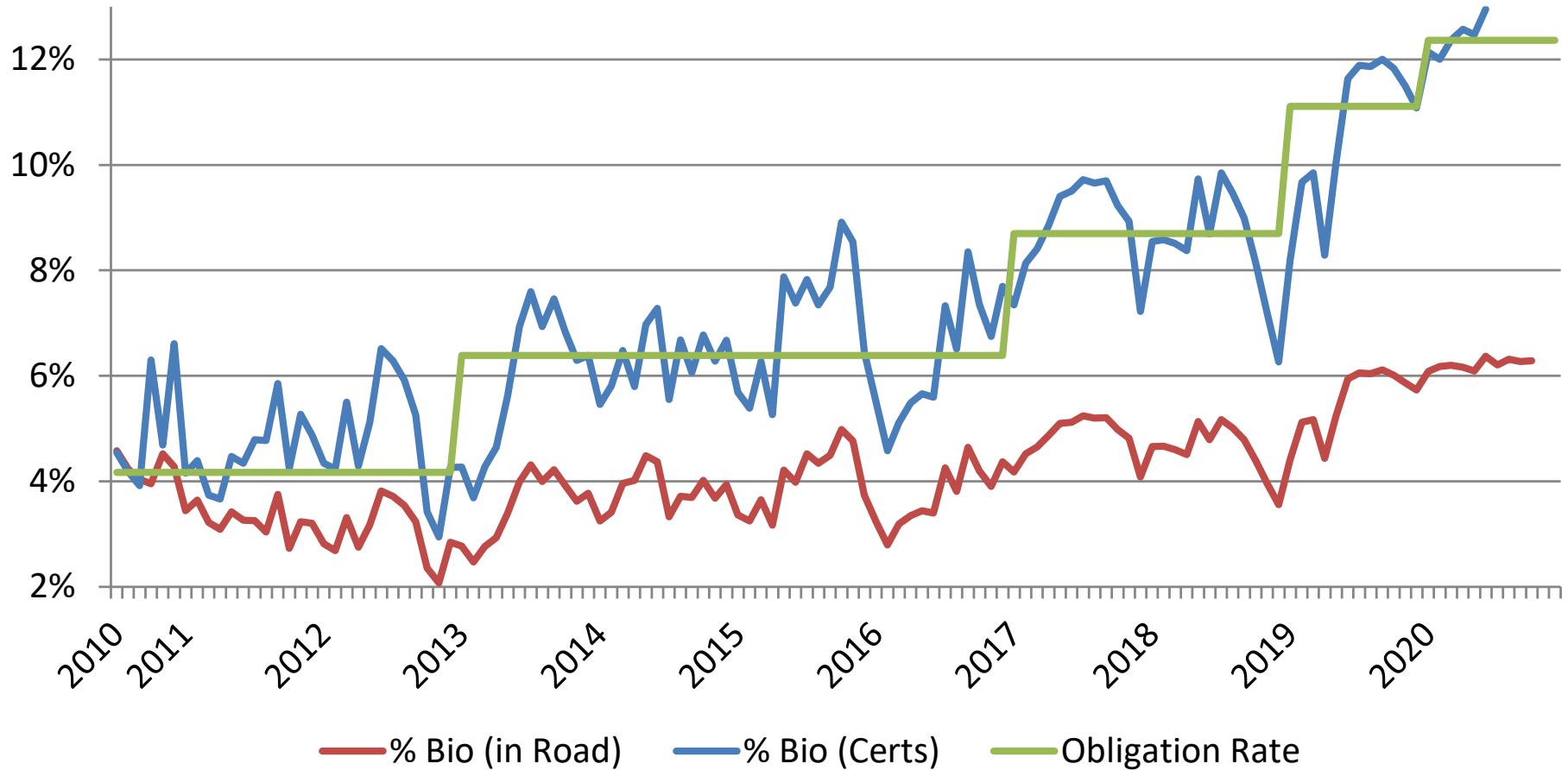
# FEEDSTOCKS



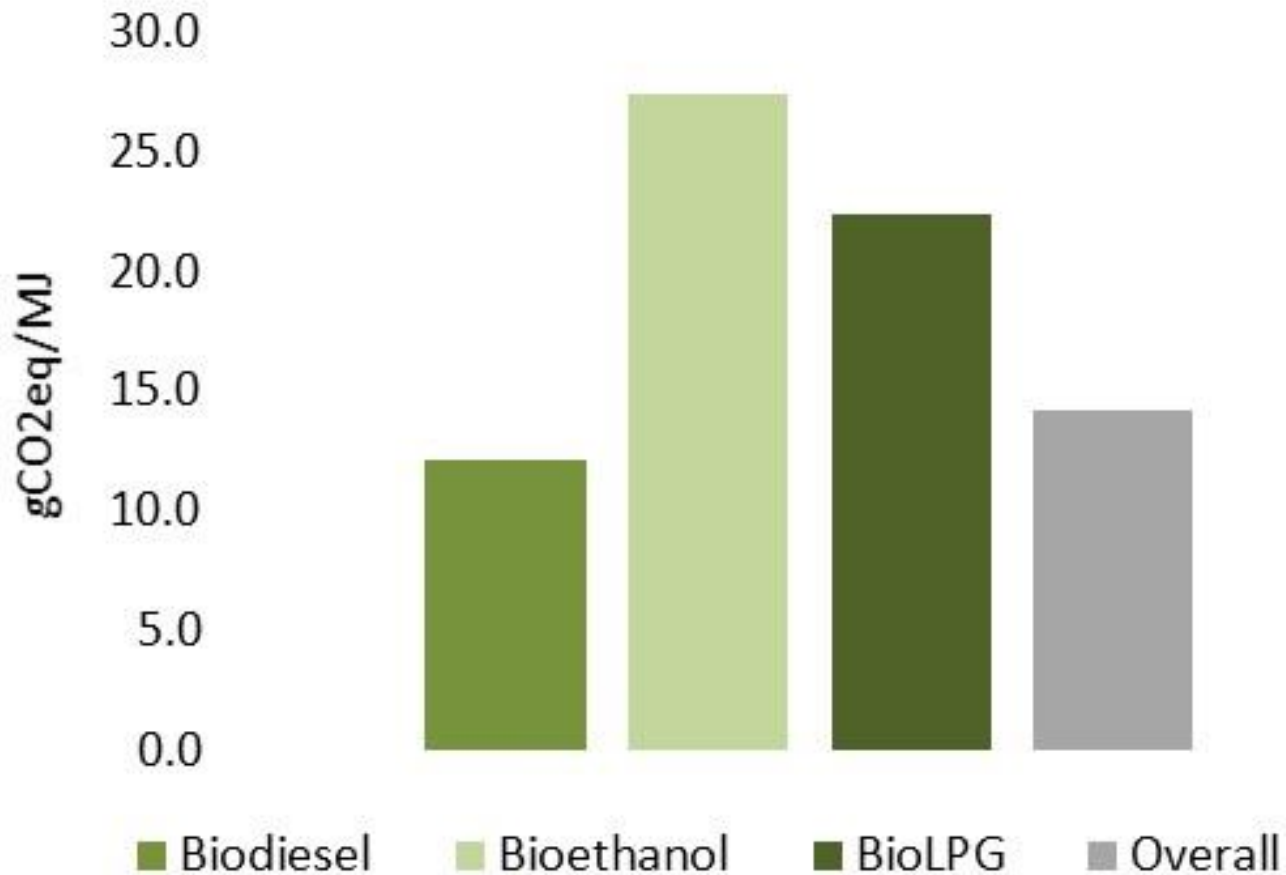
# FEEDSTOCKS



# OVERALL BLEND & OBLIGATION

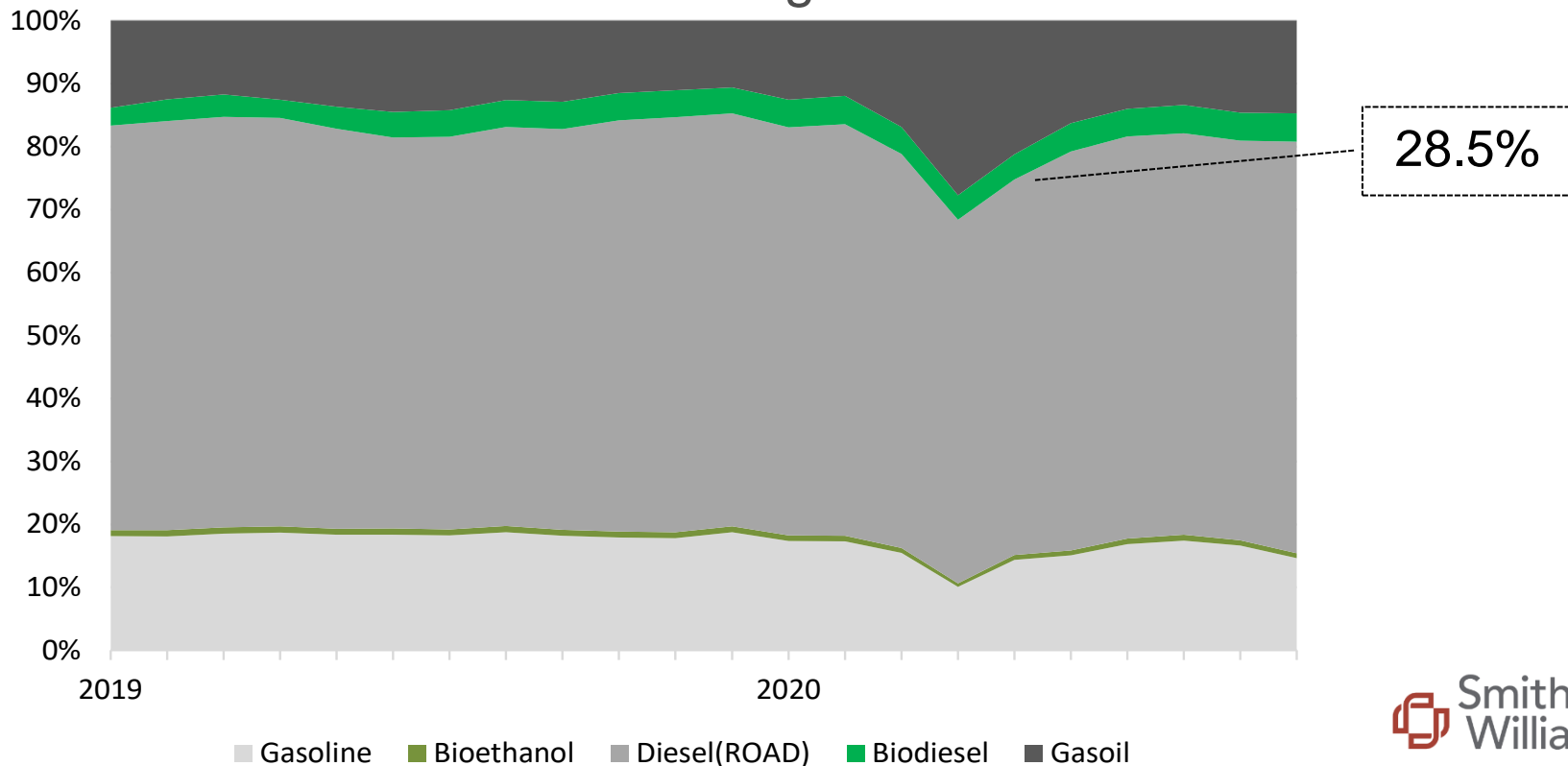


# CARBON INTENSITY



## CARBON SAVINGS TO-DATE (PRELIMINARY)

- For nine months of 2020:
  - 3.2% overall CI saving
  - Shortfall of 324 ktCO<sub>2eq</sub>
- Gasoil sales remained strong: 17% in 2020 vs 13% in 2019



## BOS & SI 160 COMPLIANCE



- **BOS** compliance achieved with **BOS Certificates**
  - awarded per litre of sustainable biofuel
- **SI 160** compliance achieved with **carbon savings**
  - awarded based on carbon intensity of the fuel (bio & fossil)
- Certs and carbon savings can be traded/transferred, but in the **BOSOS they are independent transactions.** Need to transfer separately
- Certs **can** be carried forward, carbon savings **cannot**



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ar son na hAeráide & Comhshaoil  
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Climate Action & Environment

# Biofuels Update

- John O'Neill
- Transport Energy Division
- 4<sup>th</sup> December 2020



## EU Policy Context

- Fuel Quality Directive - beyond 2020!
- Review of FQD on-going - EU
- RED II – July 1<sup>st</sup> 2021 – Transposition (Jan 1<sup>st</sup> 2022)
- Review of RED II
  - *European Green Deal*
  - *NECPs*
  - *Climate Target Plan (55%)*
  - [https://ec.europa.eu/energy/topics/renewable-energy/renewable-energy-directive/overview\\_en](https://ec.europa.eu/energy/topics/renewable-energy/renewable-energy-directive/overview_en)
- Impact on RES-T target?
- Impact on GHG intensity target?





## National Policy

- Climate Action Plan (June 2019):
  - Increasing the biofuel blend to E10 and B12 by 2030
  - Planned biofuel use and trajectory in NECP
  - Transpose recast RED – Q2 2021
- Programme for Government (June 2020)
  - 7% average annual GHG reduction - 2021 – 2030
  - Net zero by 2050
  - Climate Action Bill



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## **Fuel Quality Directive**

- SI 160 of 2017 currently being amended to:
  - clarify that the obligation on fuel suppliers shall remain in force after 31 December 2020;
  - provide for the enforcement of subsequent failures to meet the 6% carbon intensity reduction target; and,
  - provide for compliance orders in respect of subsequent breaches.



## **REDII and the FQD**

- Need to comply with both REDII and the FQD
- Some uncertainty re the EU review processes – 2021?
- However ambition is going up!
- Continue with FQD as before for 2021 (except for minor amendments)
- Two targets – (RES-T and GHG intensity reduction) & two policy instruments (BOS and FQD)
- Overall context - EU Trajectory and PfG commitments to 2030
- Publish Biofuels Policy statement before end of 2020!



## **Policy Direction under consideration (BOS)**

- Current volume based obligation replaced with an energy based obligation
- Biofuels Obligation from 11 % (volume) to 11 % (energy) 1 Jan 2022
  - *Will be continually reviewed upwards - e.g. 13% by 2025?*
- Targets for advanced biofuels (i.e. 0.2% - 2022, 1% - 2025, 3.5% - 2030)
- Broaden the types of fuels (i.e. green hydrogen – multiple credits based on energy content)
  - *Other fuels?*
- Consultative process to examine how best to facilitate the introduction of E10



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## **Finally to note:**

- ***Transport Energy*** moving to Department to Transport in January!
- Same team, same Minister, different department!



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Department of Communications,  
Climate Action & Environment

*Thank you*

## UPSTREAM EMISSION REDUCTIONS (UERs)

- Upstream emissions: all GHG emissions occurring prior to the facility at which the finished transport fuel is produced
- UERs are carbon savings from projects undertaken to reduce upstream emissions
- Savings claimed for the year in which reductions were achieved

ISO 14064 - 66

Project accreditation – independently verified



Project implemented - independently verified



UER created – independently verified



Supplier buys UER & applies for carbon savings. UER independently verified (ISAE 3000)



UER becomes carbon savings



Carbon savings traded & redeemed

## UERS

- ISAE 3000 for verification of:
  - Sustainability data for biofuels
  - UER data
- **‘Limited’** assurance for applications for BOS Certs and carbon savings from biofuels. As limited assurance involves limited evidence gathering activities, the assurance opinion is expressed in the negative form, for example: "*Based on our review, nothing has come to our attention to cause us to believe there are errors in the data.*"
- **‘Reasonable’** assurance for applications for carbon savings from UERs.
- Reasonable assurance requires a higher level of evidence gathering and as such the assurance opinion is expressed in a positive form, for example: "... *based on our assessment, the data is free from material misstatement.*"



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# ELECTRICITY

- Procedure and guidance in place
- Electricity suppliers only – submit a single application for 2020
- Application must contain:
  - the **total quantity of electricity** consumed (an estimate)
  - the **lifecycle GHG emission factor** for electricity
- Both values will be provided by NORA to electricity suppliers wishing to participate
- Deadline: 14<sup>th</sup> February 2021
- Open to reviewing methodology in future years



## AUDITING – MARINE GASOIL

- Marine Bunkers: *petroleum products that are exempt from excise duty as being intended for the fuel tanks of sea-going vessels.*
- Revenue goes on to further define what is eligible for excise duty relief: applies to *commercial sea navigation*
- Documentation required for marine gasoil NORA Levy refunds:
  - Contained in *NORA Levy Returns Guidelines and Online Levy Application (OLA) User Manual'* (October 2018 version)
  - Respondents should retain the Customs and Excise form 1132 for audit purposes



## E10 – UK

- Consultation closed. Propose to:
  - Introduce E10 as standard grade of petrol - *intend to amend the UK regulations to include an additional requirement that 95 octane petrol has a minimum of 5.5% ethanol.*
  - Ensure E5 availability via ‘super’ grade
- Come into force in 2021
- Protection grade for 5 years



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<https://www.gov.uk/government/consultations/introducing-e10-petrol>

## BOS Changes

- In 2020 and thereafter, 15% of obligation can be met with Certs from previous periods
- Rounding in sustainability statements (CI to one decimal place)
- RED II by June 2021 (advanced biofuels; crop cap; Annex IX)
- RED II and FQD plan to be aligned at EU level – possible changes needed
- EU database (Mass balance)
- Supervision of CBs
- Need to include for Hydrogen (fossil-based and renewable)
- Moving to energy-based system

# NEXT UP



-- Thank you for your attention --