

# BOS

## Briefing Session



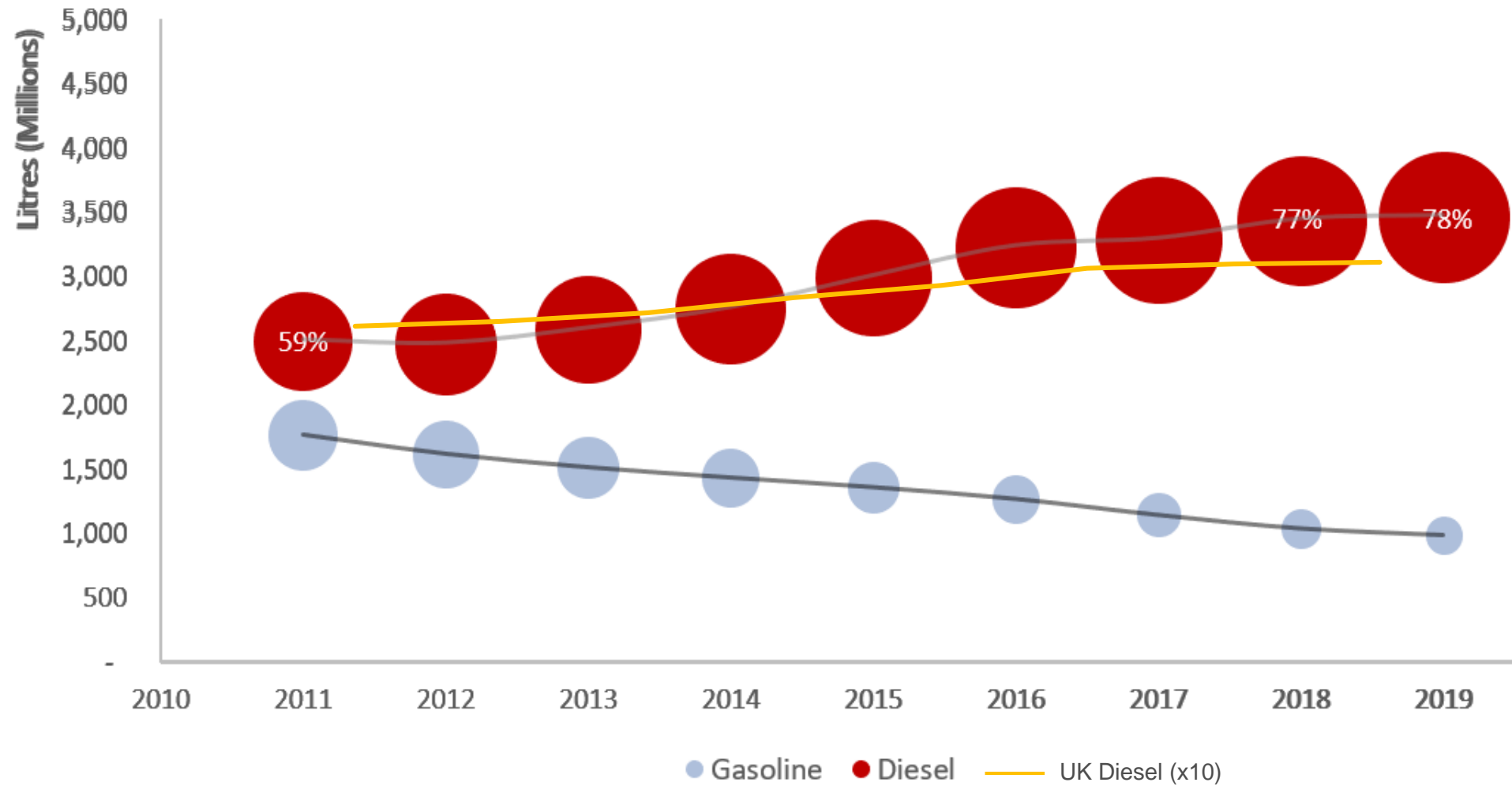
11<sup>th</sup> Mar 2020

# TODAY'S AGENDA

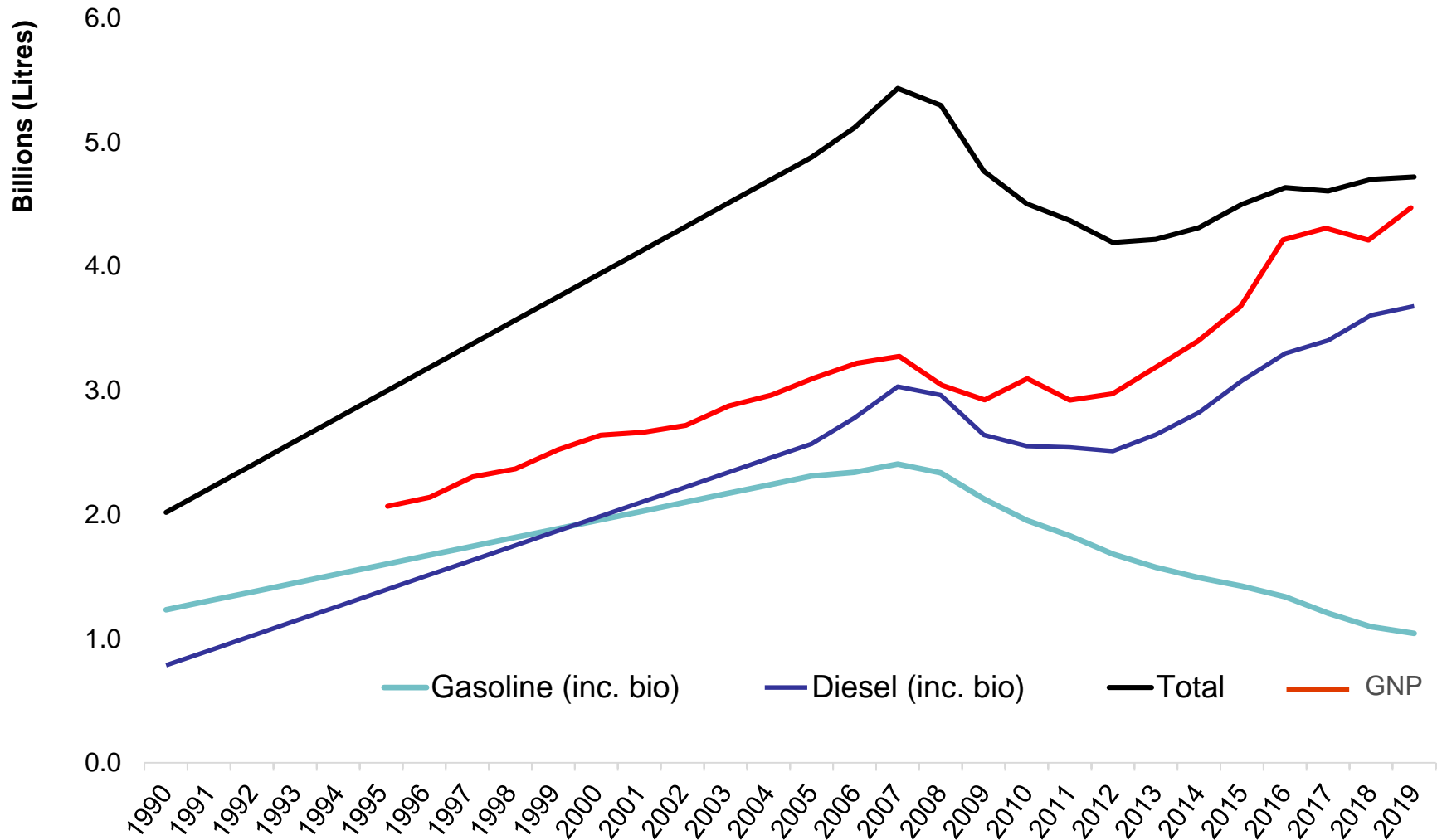
- Reconciliation of 2019 period
- Certs vs carbon savings
- BOS changes in 2020 Procedure & Guidance
  - Gasoil reporting
  - Electricity
  - UERs
- SI 160 (FQD) post-2020
- DCCAE update



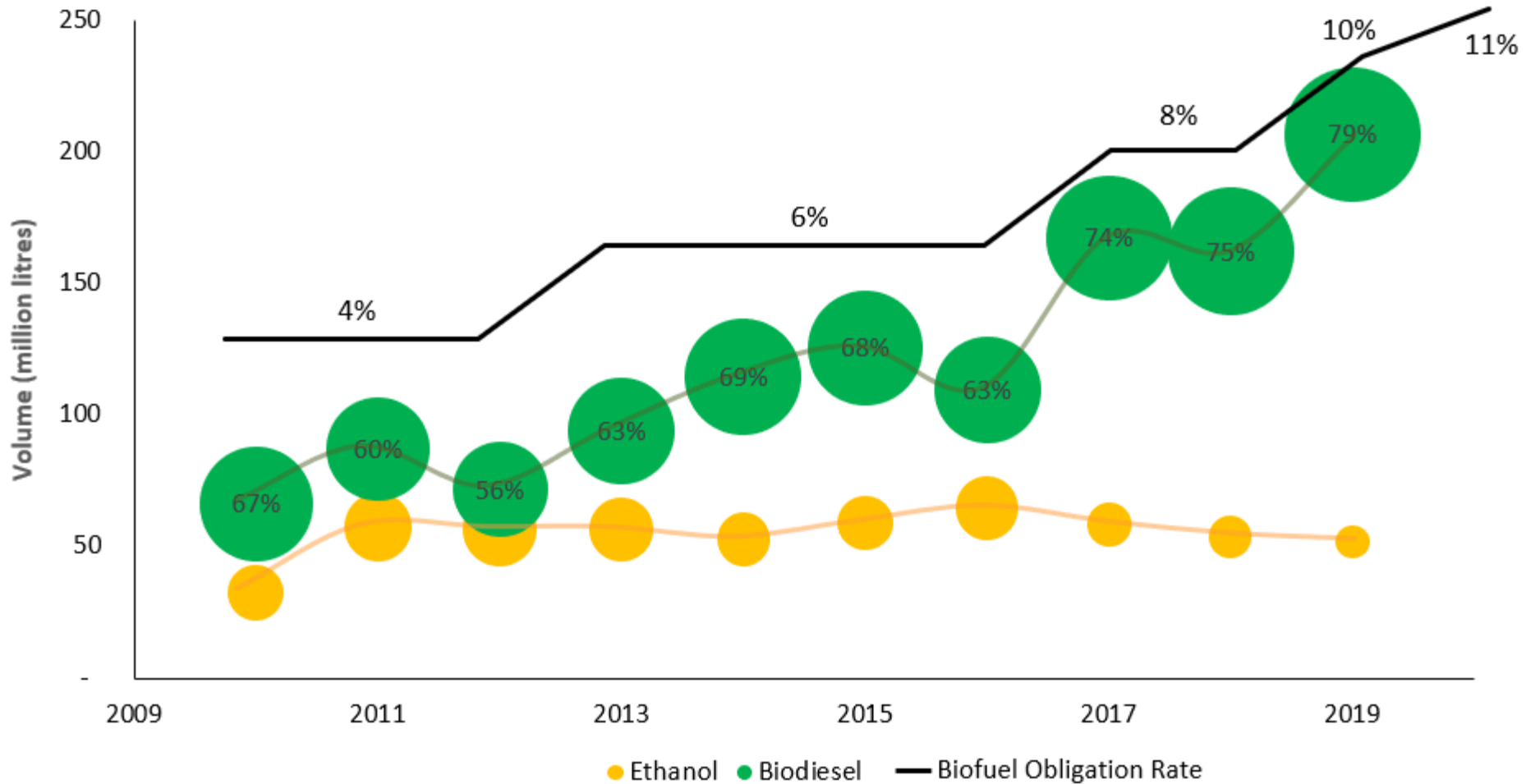
# RECONCILIATION OF 2019 PERIOD – FOSSIL FUEL



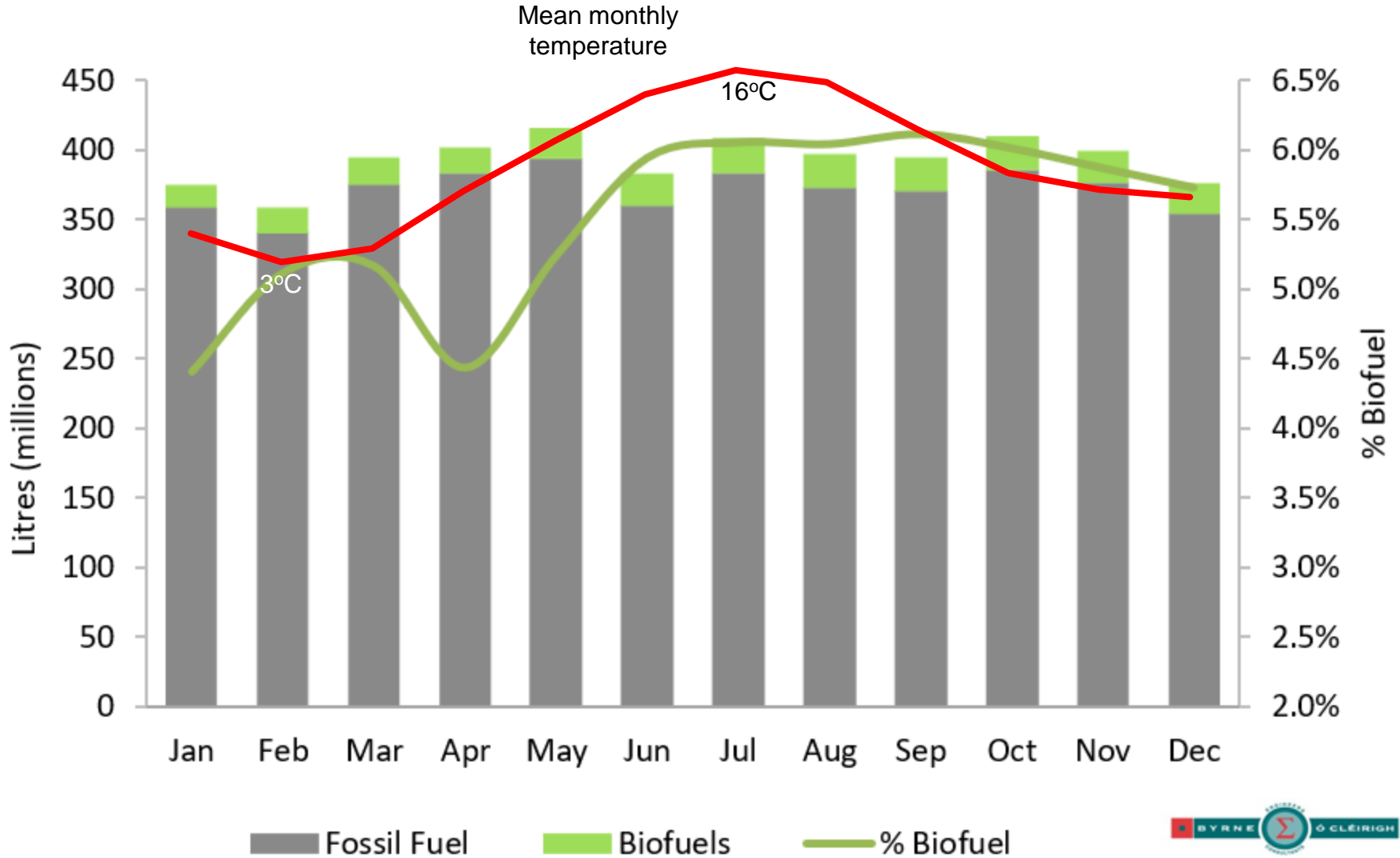
# RECONCILIATION OF 2019 PERIOD



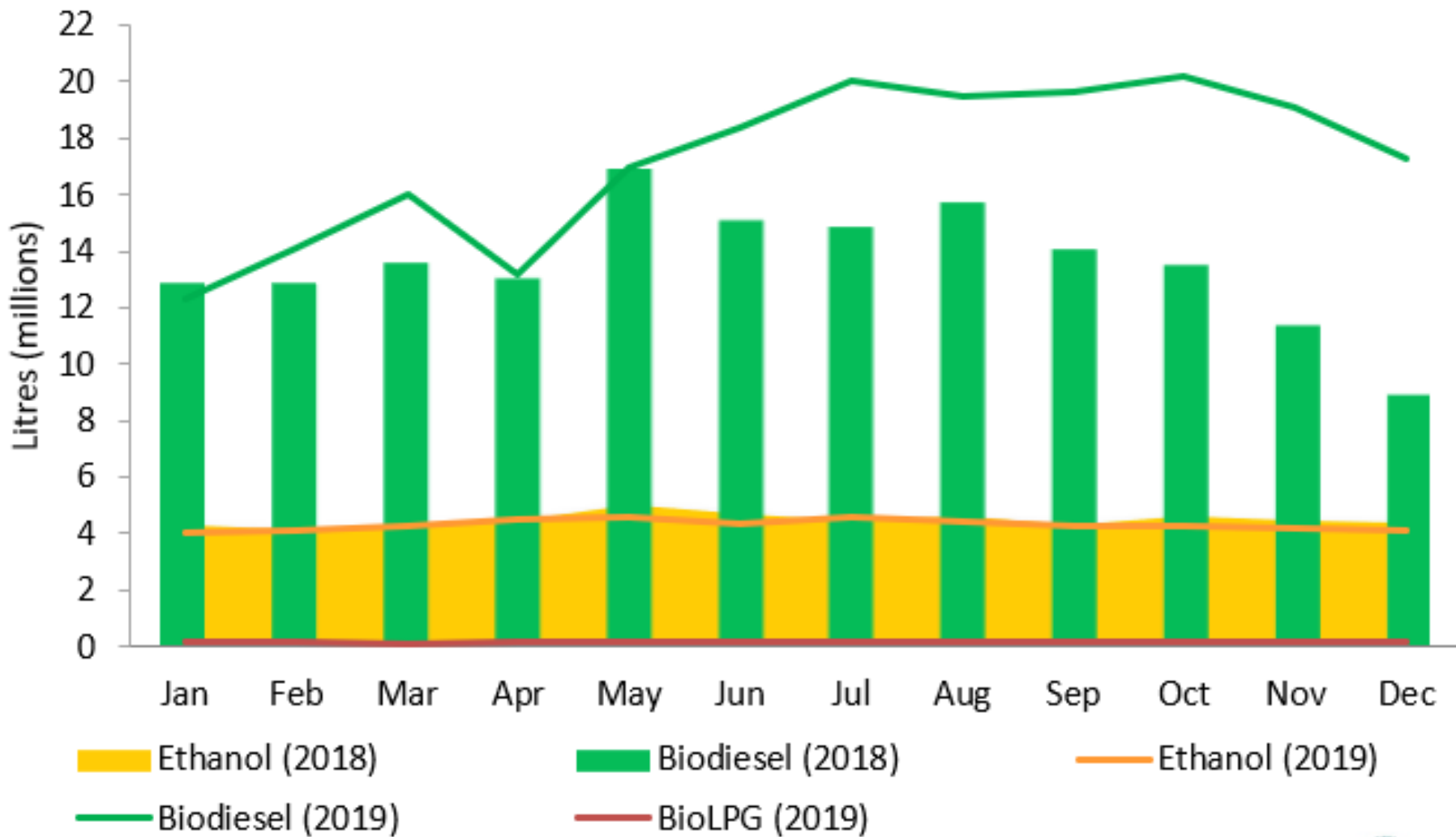
# RECONCILIATION OF 2019 PERIOD – BIOFUEL



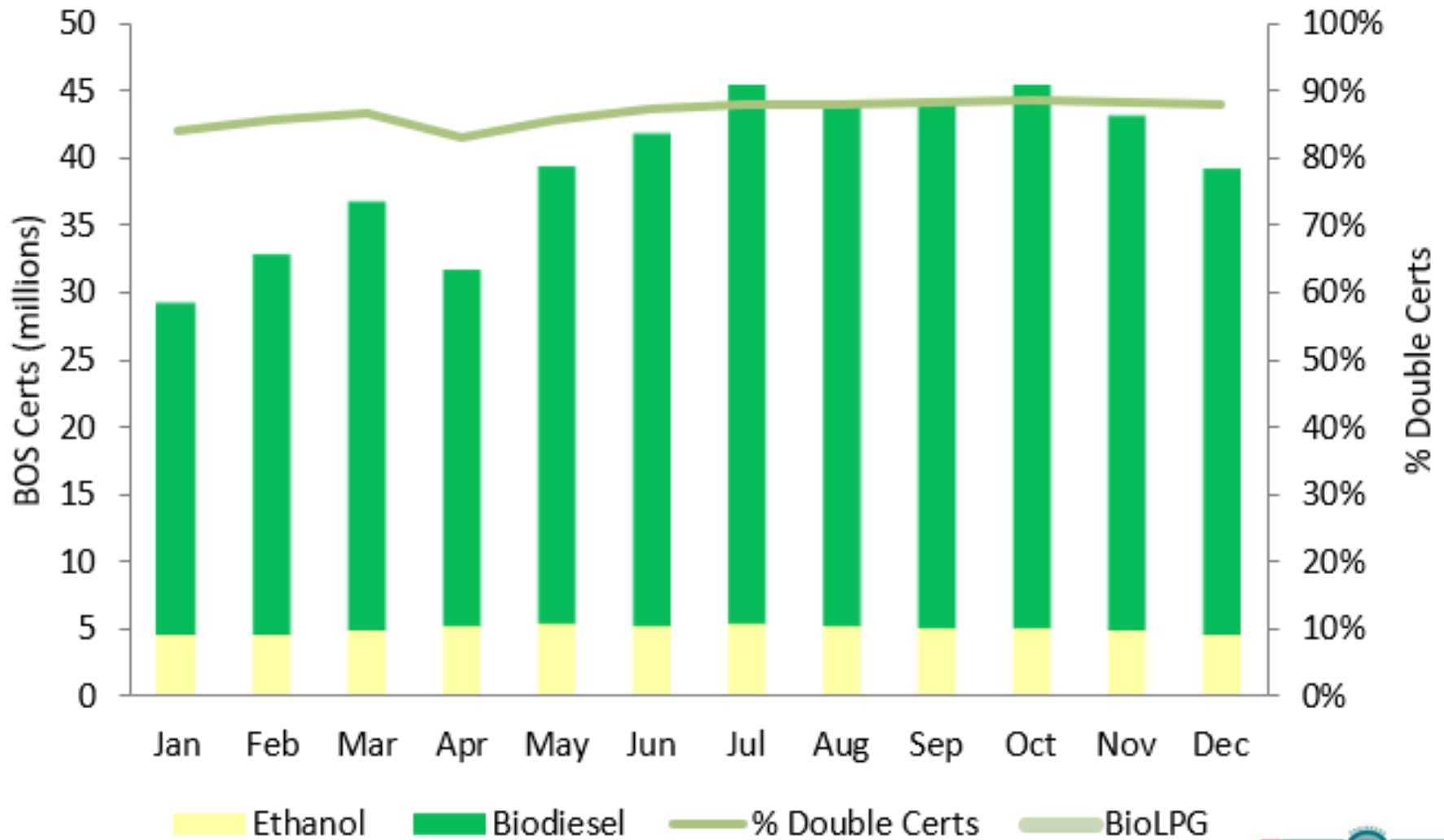
# RECONCILIATION OF 2019 PERIOD – FOSSIL & BIO



# RECONCILIATION OF 2019 PERIOD – BIOFUEL



# RECONCILIATION OF 2019 PERIOD – CERTS





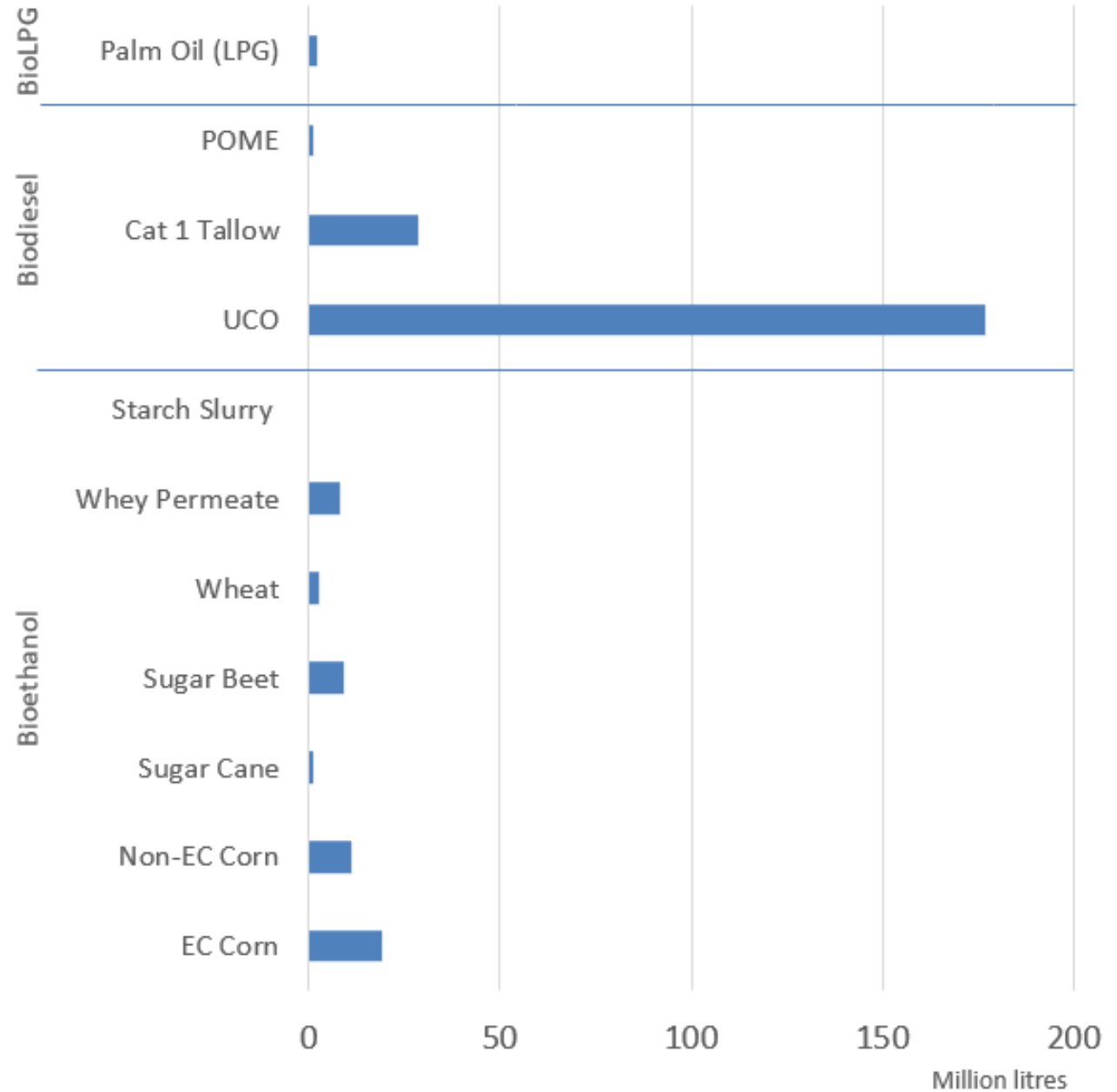
## RECONCILIATION 2019

- The numbers:
  - 4.5 billion litres fossil (+ 0.4%)
  - 260 million litres bio (+ 20%)
  - 4.7 billion litres in total (+ 1.4%)
  - Obligation 11.111% vs c.12% achieved
  - BOS Cert surplus of c. 49m Certs

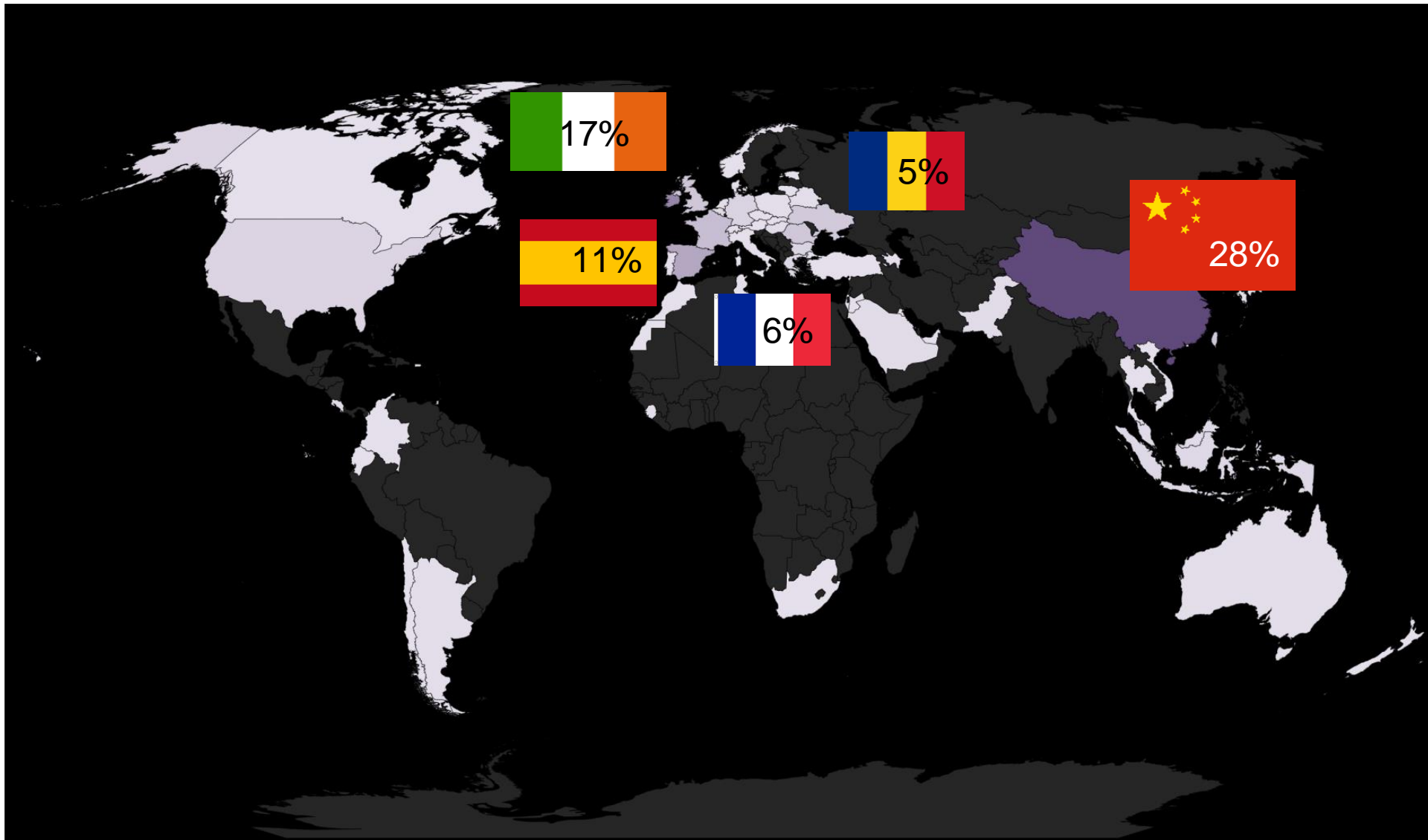




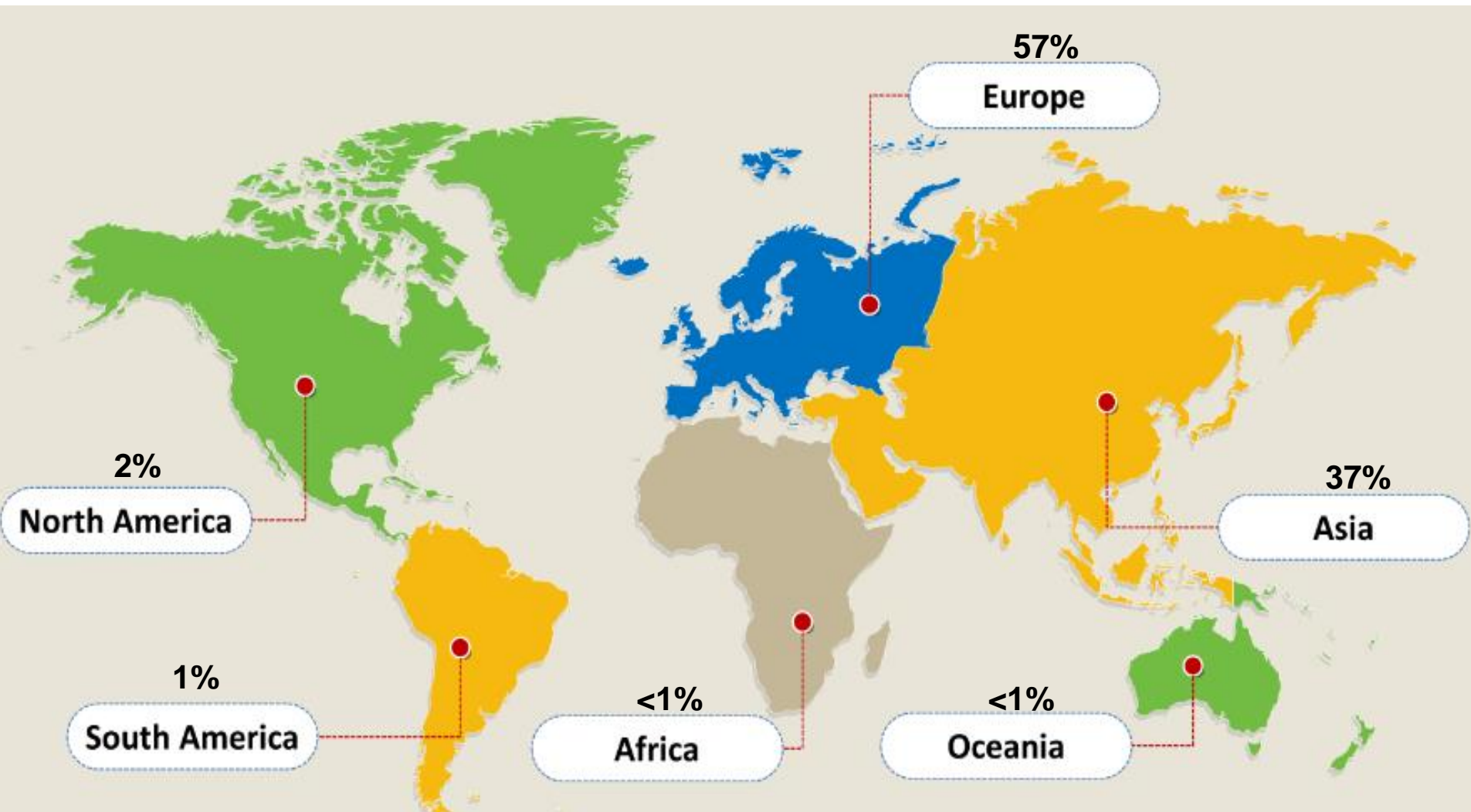
# RECONCILIATION 2019 – FEEDSTOCKS



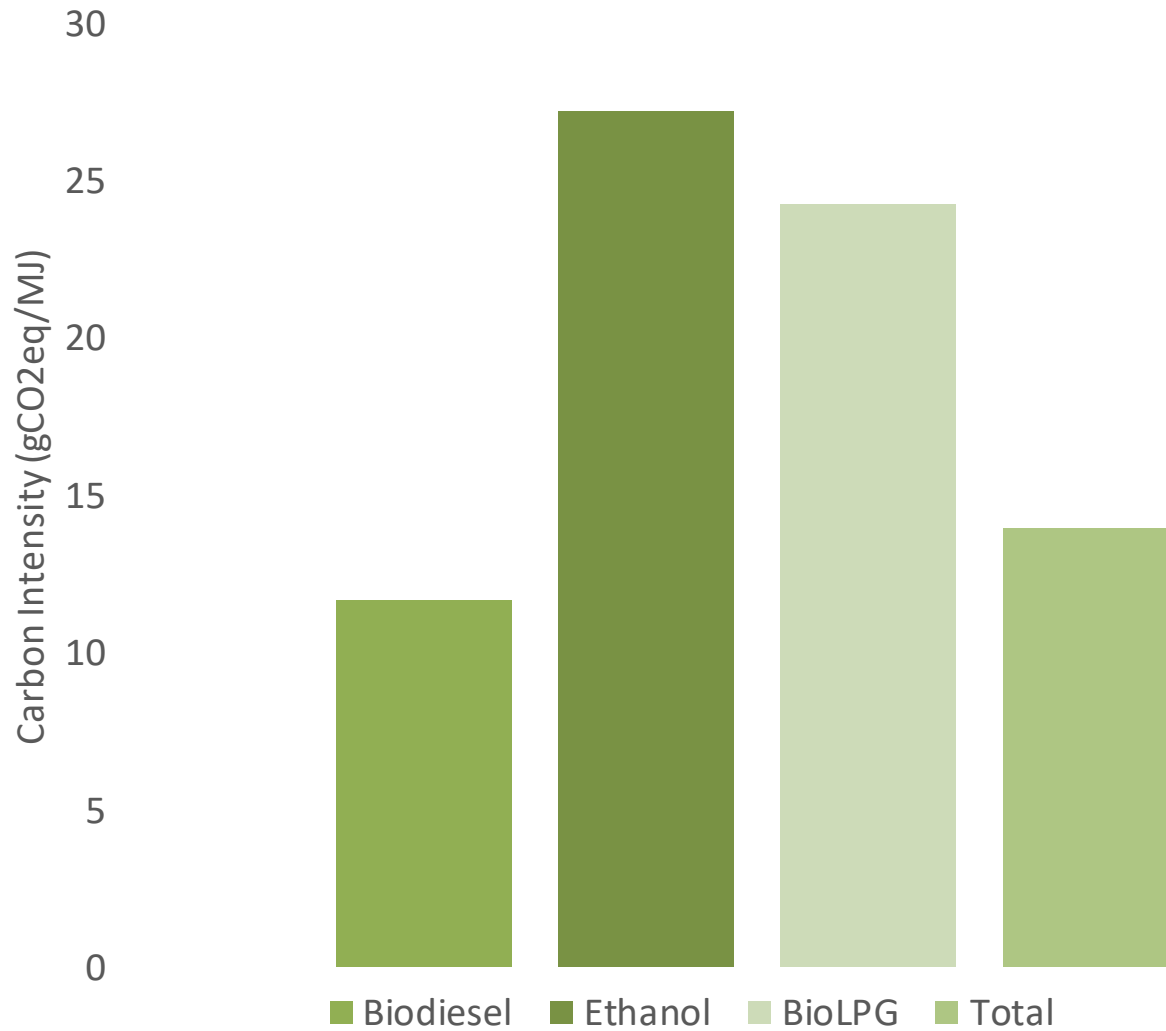
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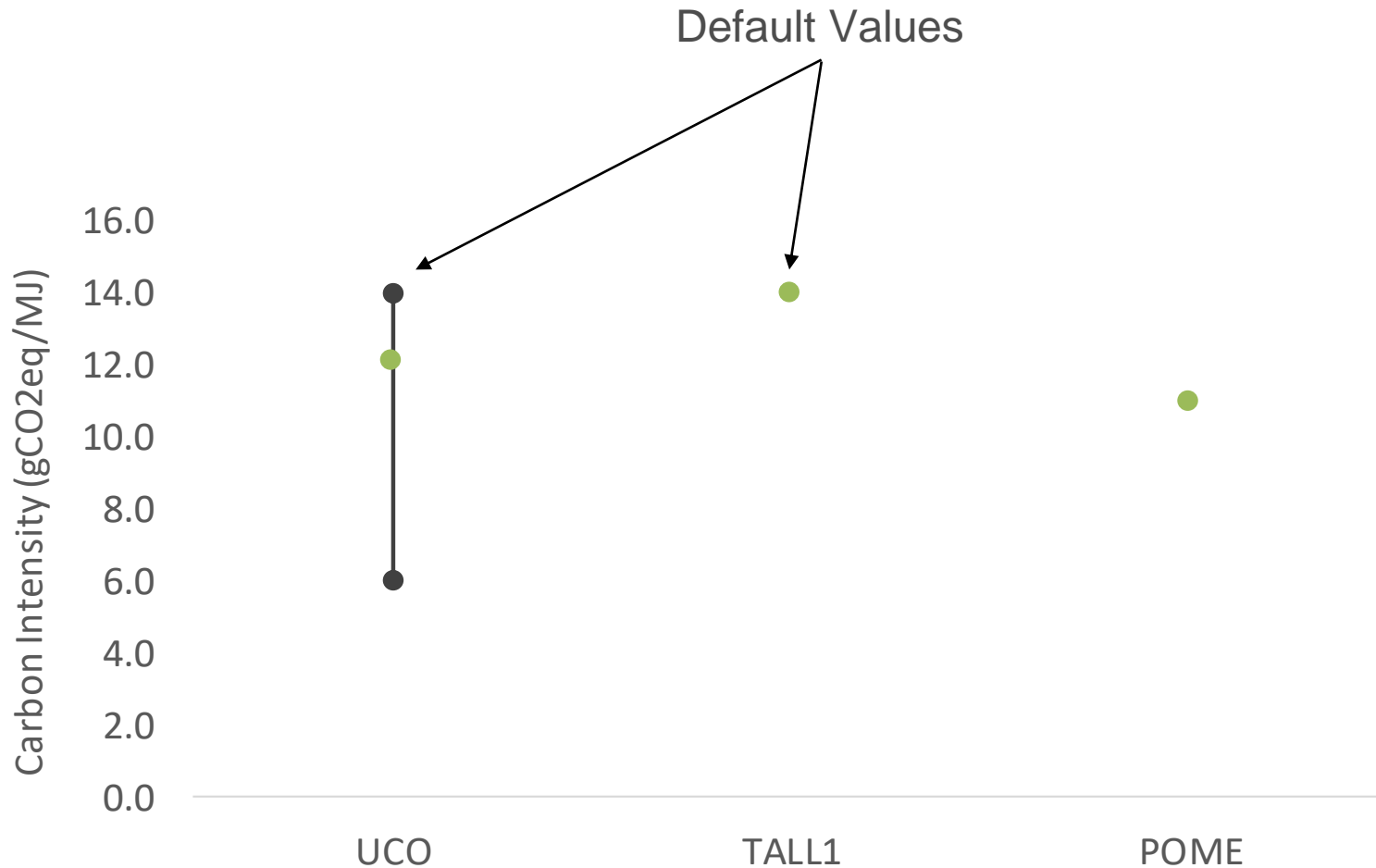
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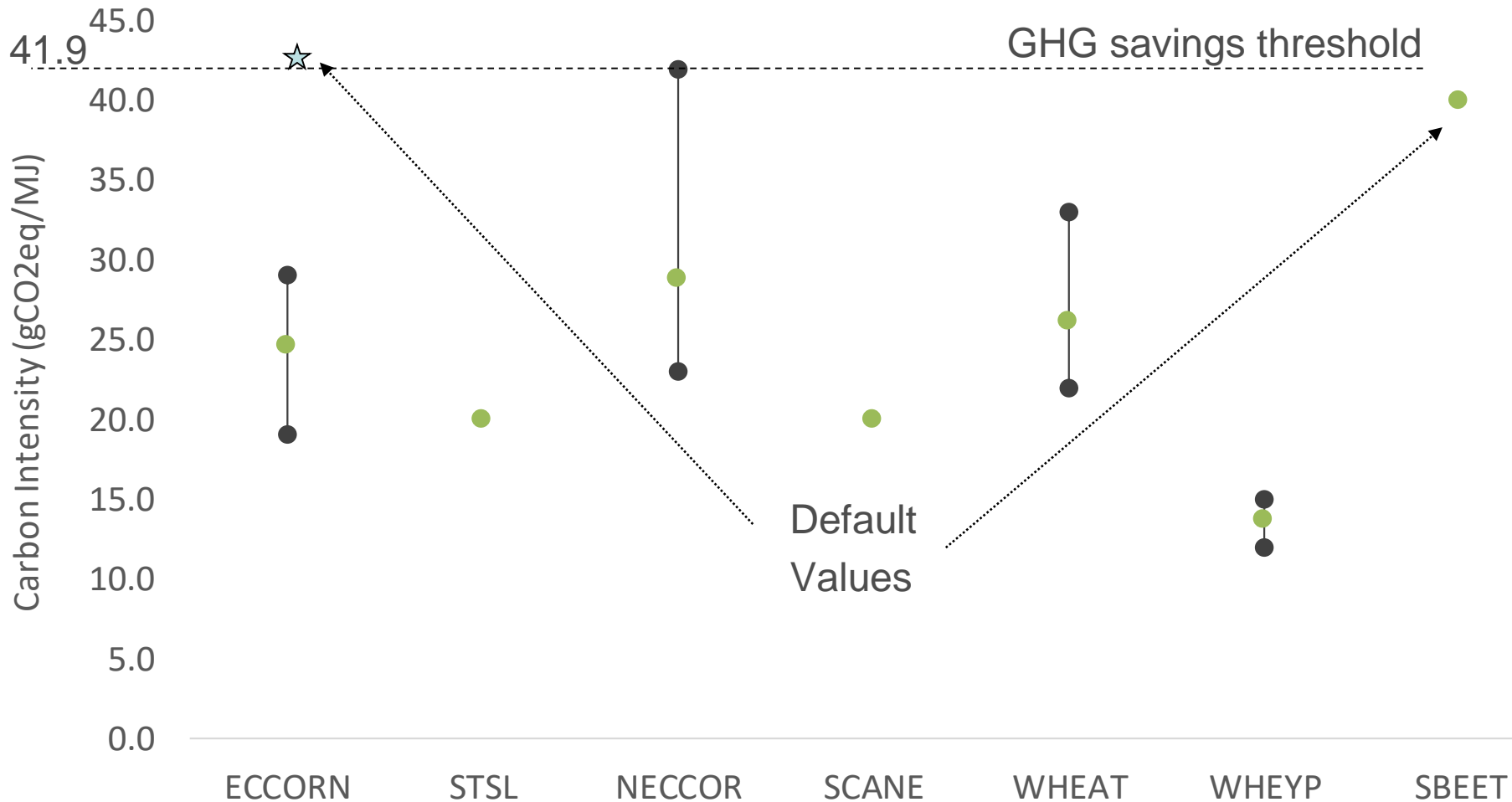
# RECONCILIATION 2019 – CARBON SAVINGS



# RECONCILIATION 2019 – CARBON INTENSITY BIODIESEL



# RECONCILIATION 2019 – CARBON INTENSITY BIOETHANOL





# RED and FQD implementation

**BOSOS**

OLA data

Sustainability st.

Electricity

UERs

## Sustainability criteria

### RED

- Biofuel certificates
- Double counting
- Indicator for crop-based biofuel
- 0.25% indicator for advanced

### FQD

- CO<sub>2eq</sub> saving (tonnes)
- GHG intensity of fuels

**FQD**  
6%  
reduction in  
GHGi

Trading certs & CO<sub>2</sub> savings

Acc. holder

Acc. holder

Acc. holder

## 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)
- Once awarded, Certs are **independent** of carbon savings (and *vice versa*)
- Certs and carbon savings can be traded/transferred, but in the **BOSOS they are independent transactions.** Need to transfer separately

# TRANSFER CERTS

Home > Cert transfer application

- Transfer BOS Certs
- Transfer carbon savings
- BOS Cert transfer history
- Carbon savings transfer history

## Cert transfer application

ID	Transfer Status
—	Draft

1. Select the company that you wish to transfer BOS Certs to (the transferee).

TransfereeID (Account) \*

2. Enter the number of BOS Certs that you wish to transfer.

Cert Type	Year	Balance Before Transfer	Number of Certs to Transfer	Balance Following Transfer
Red	2019	1,000,000	0	1,000,000
Green	2019	0	0	0
Orange	2019	0	0	0



# TRANSFER CARBON SAVINGS



Applications ▾

Transfers ▾

Home > **Transfer carbon savings**

Transfer BOS Certs

Transfer carbon savings

BOS Cert transfer history

Carbon savings transfer history

**Transferee \***



**Comments**

Balance Before Transfer (tCO<sub>2eq</sub>)

0

Amount to Transfer (tCO<sub>2eq</sub>)

0

Balance Following Transfer (tCO<sub>2eq</sub>)

0

Save In Draft

Submit Transfer

## REVISED PROCEDURE & GUIDANCE

- BOS Application and Sustainability [Procedure](#) & [Guidance](#)
  - Incorporates requirements of SI 160
  - Modifications to reflect practice and BOSOS upgrades
- Main changes for SI 160 compliance:
  - All fossil fuel consumed in road, rail & non-road mobile machinery (NRMM): diesel; gasoline; gasoil; CNG; LPG
  - Electricity consumed in road vehicles
  - Upstream Emission Reductions (UERs)
- NORA has designated ‘fuel suppliers’

# GASOIL REPORTING

- In OLA, report **80%** gasoil (10 ppm) under ‘Gasoil (transport)’ & report **20%** under ‘Gasoil (non-transport)’
- Examined gasoil market and SEAI data, and discussed with suppliers
- Inclusion of gasoil will increase burden on suppliers for SI 160 compliance – does not impact compliance with biofuel obligation.
- Carbon intensity of gasoil 95.1 gCO<sub>2eq</sub>/MJ vs. fuel baseline standard of 94.1 gCO<sub>2eq</sub>/MJ



# GASOIL REPORTING

- 80:20 rule

		Gasoil		Calculation
		10ppm Sulphur	10ppm Sulphur	
		(transport)	(non-transport)	
		(Litres)	(Litres)	
A	<i>Opening stock in beneficial ownership</i>			
K	Total Sales (observed)	93	22	
L	Statistical difference	-	-	
M	Sales to listed parties	8	2	
N	Levy paid sales to listed part	-	-	
O	Marine bunkers	5	-	
P	Aviation fuels	-	-	
Q	Refinery production	-	-	
<b>R</b>	<b>Total levy liability in litres</b>	<b>80</b>	<b>20</b>	=K-M-O-P
S	Total levy liability in Euro	€ 1.60	€ 0.40	R * €0.02

# ELECTRICITY

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





## 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

## SI 160 COMPLIANCE

- An 'average' supplier:
  - Average CI biofuel (12 & 27 gCO<sub>2eq</sub>/MJ)
  - Average diesel:gasoline mix (78:22)
  - Average diesel:gasoline:gasoil mix (68:19:13)
- 2019 data:
  - 5.6% biodiesel & 5% bioethanol
  - Achieved 3.4% CI reduction, excluding gasoil
  - Achieved 2.8% CI reduction, including 80% gasoil



## ELECTRICITY & UER CONTRIBUTION

- Assume in 2020 6.5% biodiesel and 5% bioethanol – results in ~3.4% CI reduction (shortfall ~470 kt CO<sub>2eq</sub>)
- All electricity supplied to road vehicles eligible
- Assuming 10,000 BEVs and 20,000 PHEVs (and other efficiency and mileage assumptions, and grid emission factors), could amount to 11 kt CO<sub>2eq</sub>
- UERs Germany – approved one UER project for 70 kt CO<sub>2eq</sub>
- UK approved 3 UER projects for 544 kt CO<sub>2eq</sub>



## EU COMMISSION & FQD



- Until recently, MSs understood 6% FQD target was for 2020 only  
*...reduction shall consist of... 6 % by 31 December 2020*
- Commission position changed on foot of legal advice
  - *6% by 31 December* means in 2020 and every year thereafter
- Commission advised MSs to notify fuel suppliers of change
- SI 160 transposed 6% target into Irish law  
*...reduction shall consist of... 6 % by 31 December 2020*

## NORA'S APPROACH

- Continue with monitoring & reporting on compliance with 6% obligation post 2020
- SI 160 does not have € per tonne penalty – max €250k
- NORA may consider non-compliance action (Reg 17 of SI 160) and follow 'polluter pays' principle
  - non-compliance decision would be proportionate to the quantity of CO<sub>2eq</sub> shortfall
- *...penalties [for non-compliance]..... must be effective, proportionate and dissuasive. (Art 6, Directive 2015/652)*

## NORA'S APPROACH

- Reg 17 (5) (c) SI 160 – penalty shall consider ...*the circumstances of the non-compliance, including-*
  - (i) its duration,*
  - (ii) the effect on reporting requirements, or*
  - (iii) any excuse or explanation for the non-compliance.*
- NORA will engage with obligated parties during 2020, and thereafter, to monitor progress towards compliance



## POST 2020

- Germany establishing a UER registry which will go beyond 2020
- More EVs coming on the market, so > potential from elec
- E10, so > contribution from biofuel
- More CNG, so > potential from bio/fossil gas
- More biofuels
  - HVO
  - Biomethanol
  - Hydrogen

# BOSOS Modifications

- New fuels added:
  - Diesel for rail transport
  - Methanol & biomethanol
  - Gasoil for use in NRMM & biogasoil
  - CNG & bioCNG
  - LNG & bioLNG
  - LPG (already have bioLPG)





## E10 – UK

- Consultation published. Propose to:
  - Introduce E10 as standard grade of petrol
  - 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>



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ar son na hAeráide & Comhshaoil  
Department of Communications,  
Climate Action & Environment

# Biofuels Obligation Scheme

*DCCAE Update*



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Department of Communications,  
Climate Action & Environment

# Reorganisation of Energy Divisions

- New division called ***Transport Energy and Climate Action Fund Division***
- John O'Neill, PO, heading up the Division
- APs: John Twamley: Oil Security
- James Rowan: CAF
- New AP: Biofuels , EVs and LEVs

(currently James)



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# 2019 Consultation BOS

- Consultation on:
  1. *the development of the Biofuels Obligation Scheme for the period 2021 to 2030*
  2. *including the implementation of the elements relating to renewable transport fuels in the recast Renewable Energy Directive*



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Department of Communications,  
Climate Action & Environment

# 2019 Consultation BOS

- Closed November 2019
- 42 submissions received – can be viewed at <https://dcca.gov.ie/en-ie/energy/consultations/Pages/Public-Consultation-on-Biofuels-Obligation-Scheme.aspx>
- Wide range of views received
- Department examining responses with a view to preparing submission to government



# 2019 Consultation BOS

- No changes to the BOS prior to 2022
- However, E10 could possibly be introduced before then
- Certain proposals will need a long lead in time e.g. E10, move to energy basis, heat obligation



# Developments at EU level

- FQD: The European Commission informed MS that requirements for the 6% reduction are to be kept in place after 2020
- European Green Deal: Intention to increase GHG reductions to 50-55% by 2030 and no net emissions by 2050  
[https://ec.europa.eu/info/publications/communication-european-green-deal\\_en](https://ec.europa.eu/info/publications/communication-european-green-deal_en)





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# Covid -19

- Business continuity arrangements
- Contingency/prioritisation
- Government Action Plan

# NEXT UP



-- Thank you for your attention --