



# BOS - Briefing Session

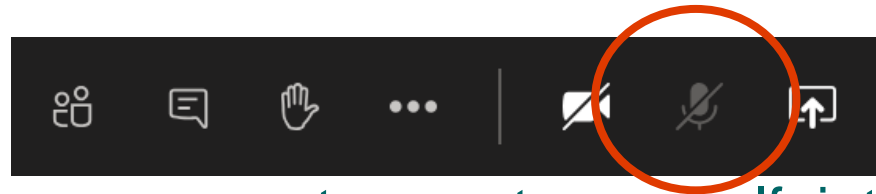
17<sup>th</sup> Sept 2020

(Ref: 457-20P1081)

- Turn video camera off



- When not talking, mute yourself



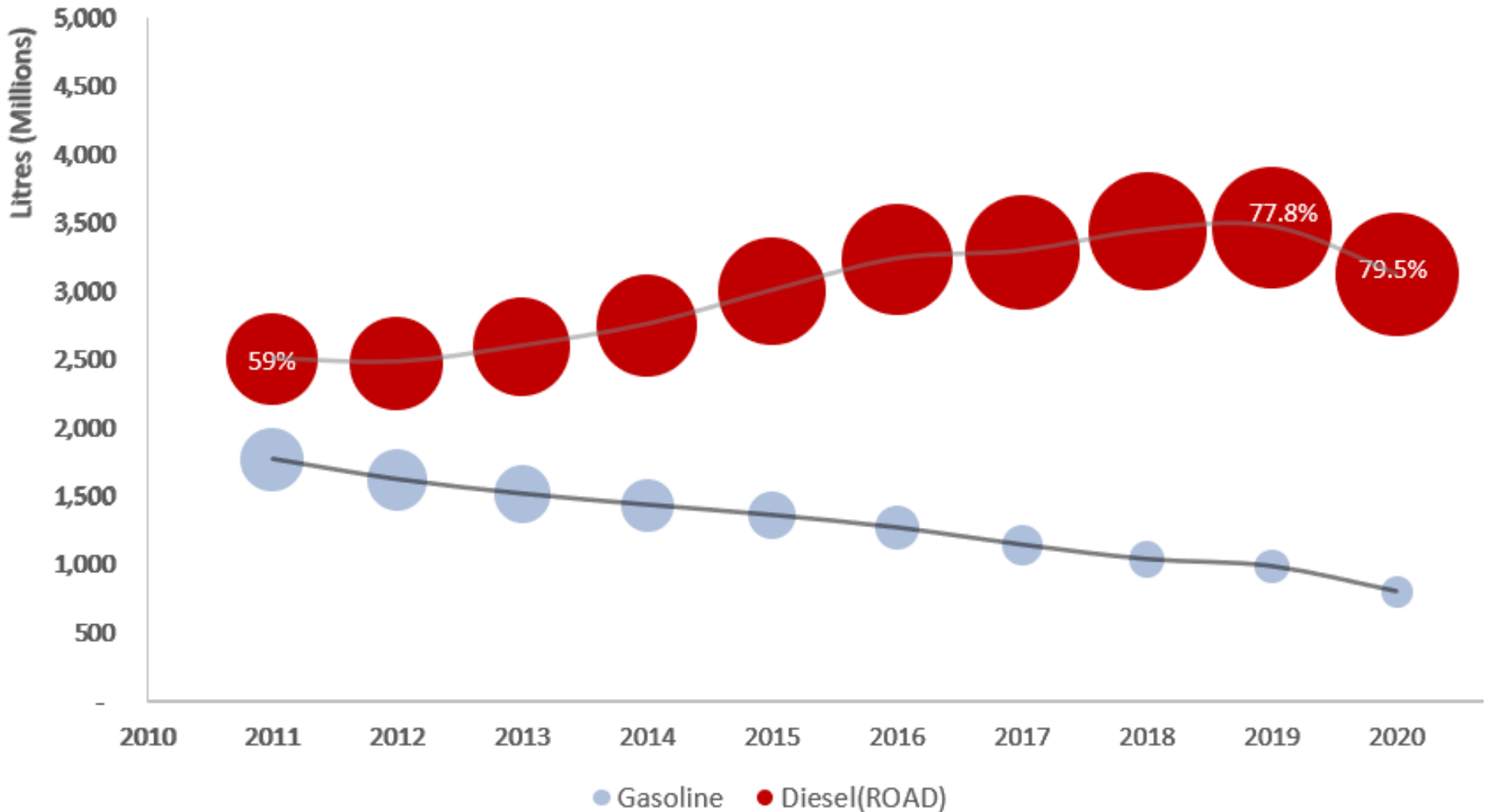
- To raise a query / provide a comment, unmute yourself, introduce yourself and talk

# TODAY'S AGENDA

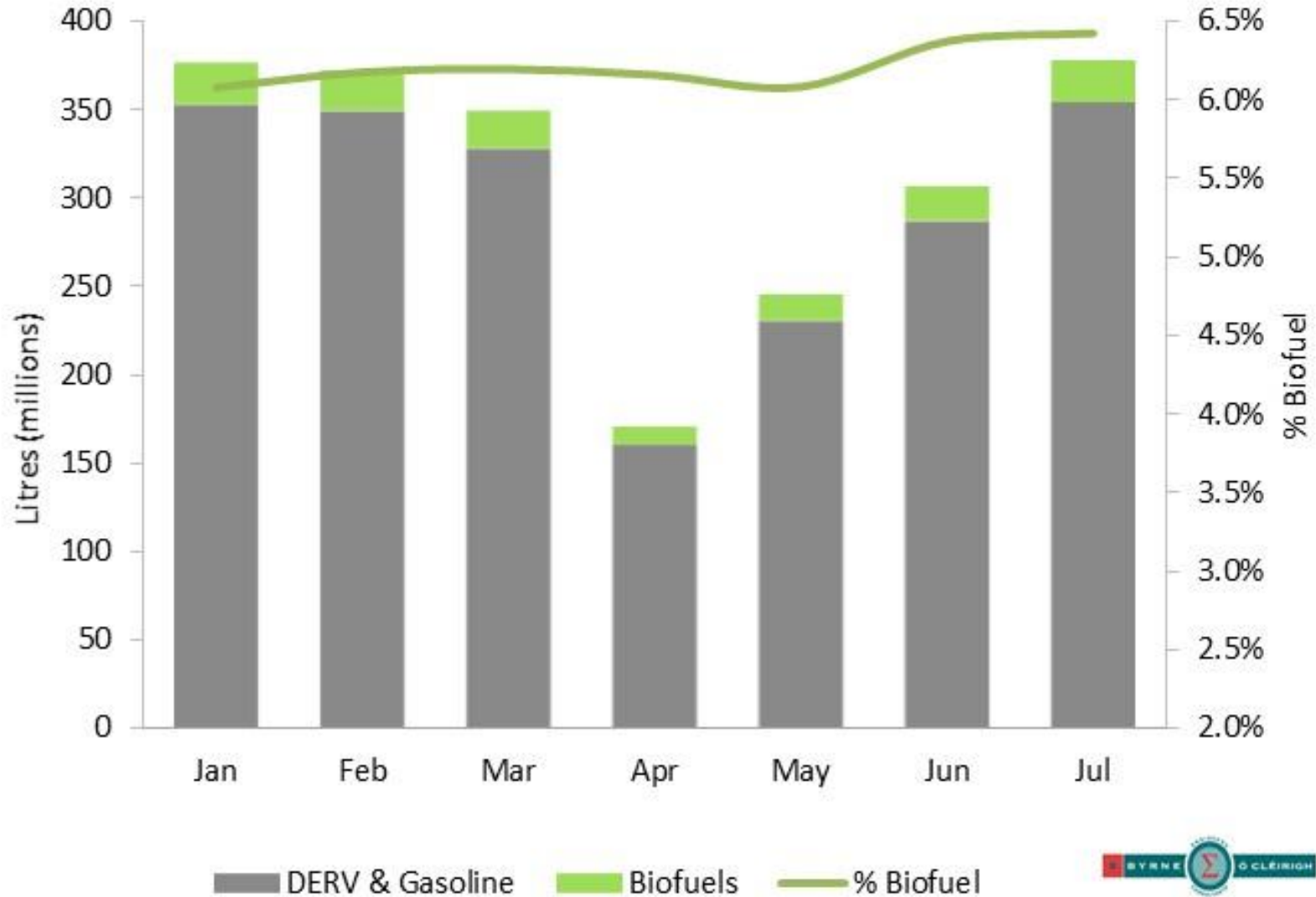
- First half of 2020
- Determination process
- Gasoil reporting (80:20)
- DCCAE update
- NORA's position on SI 160
- Other housekeeping
- Discussion



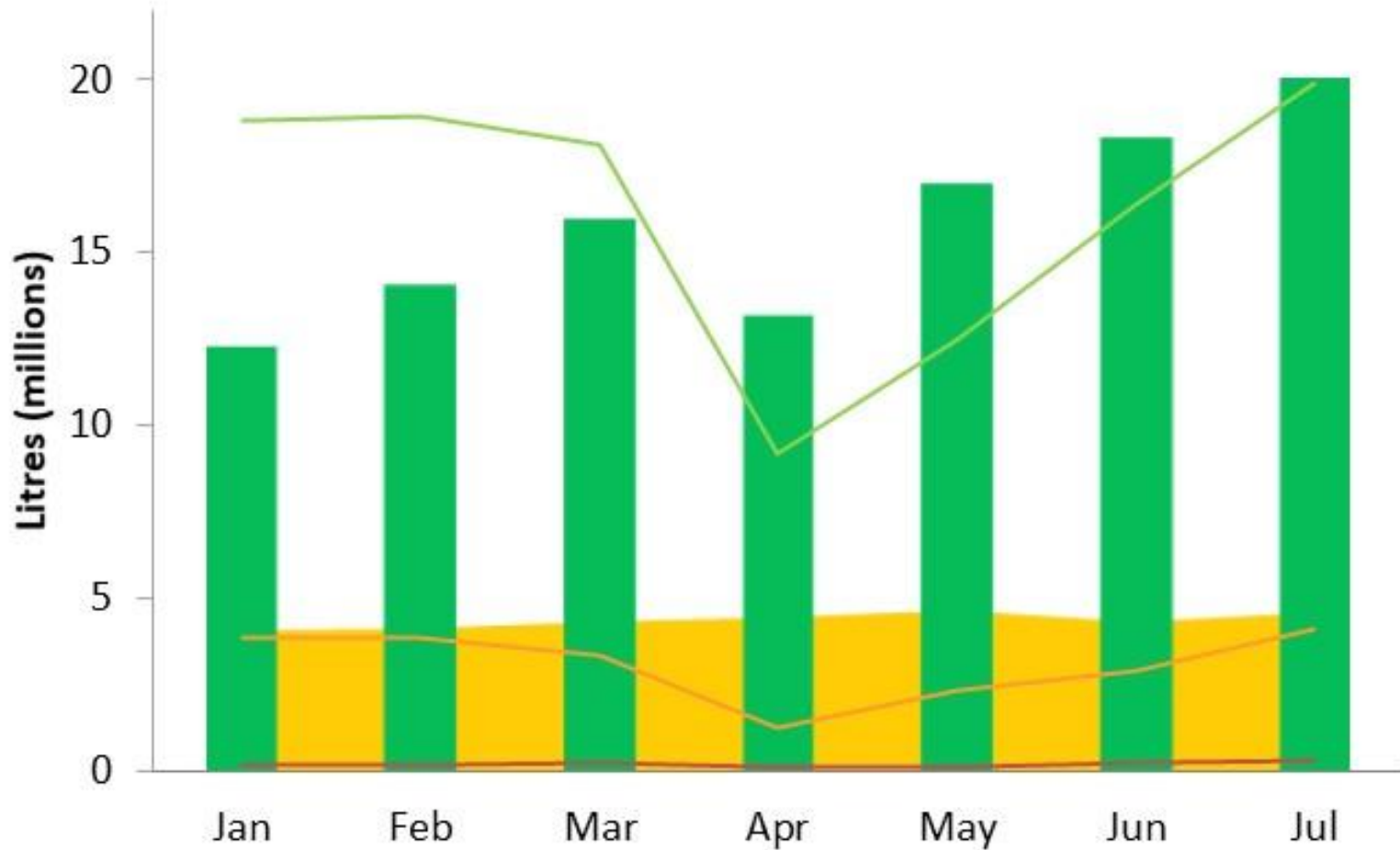
# 2020 ESTIMATE – FOSSIL FUEL



# 2020 PERIOD – FOSSIL & BIO



# 2020 PERIOD – BIOFUEL

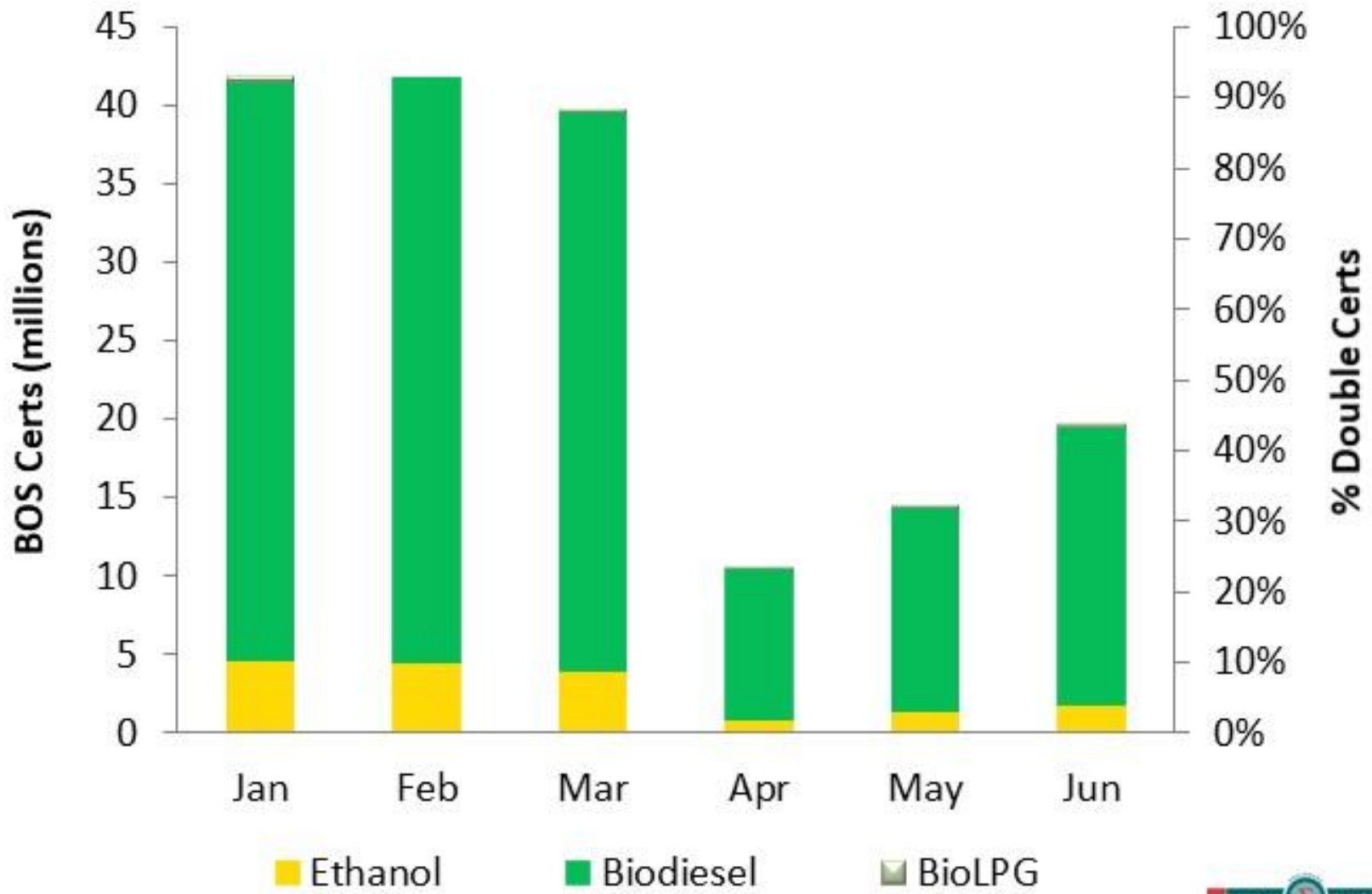


Ethanol (2019)  
 Biodiesel (2020)

Biodiesel (2019)  
 BioLPG (2020)

Ethanol (2020)

# CERTS AWARDED – 2020

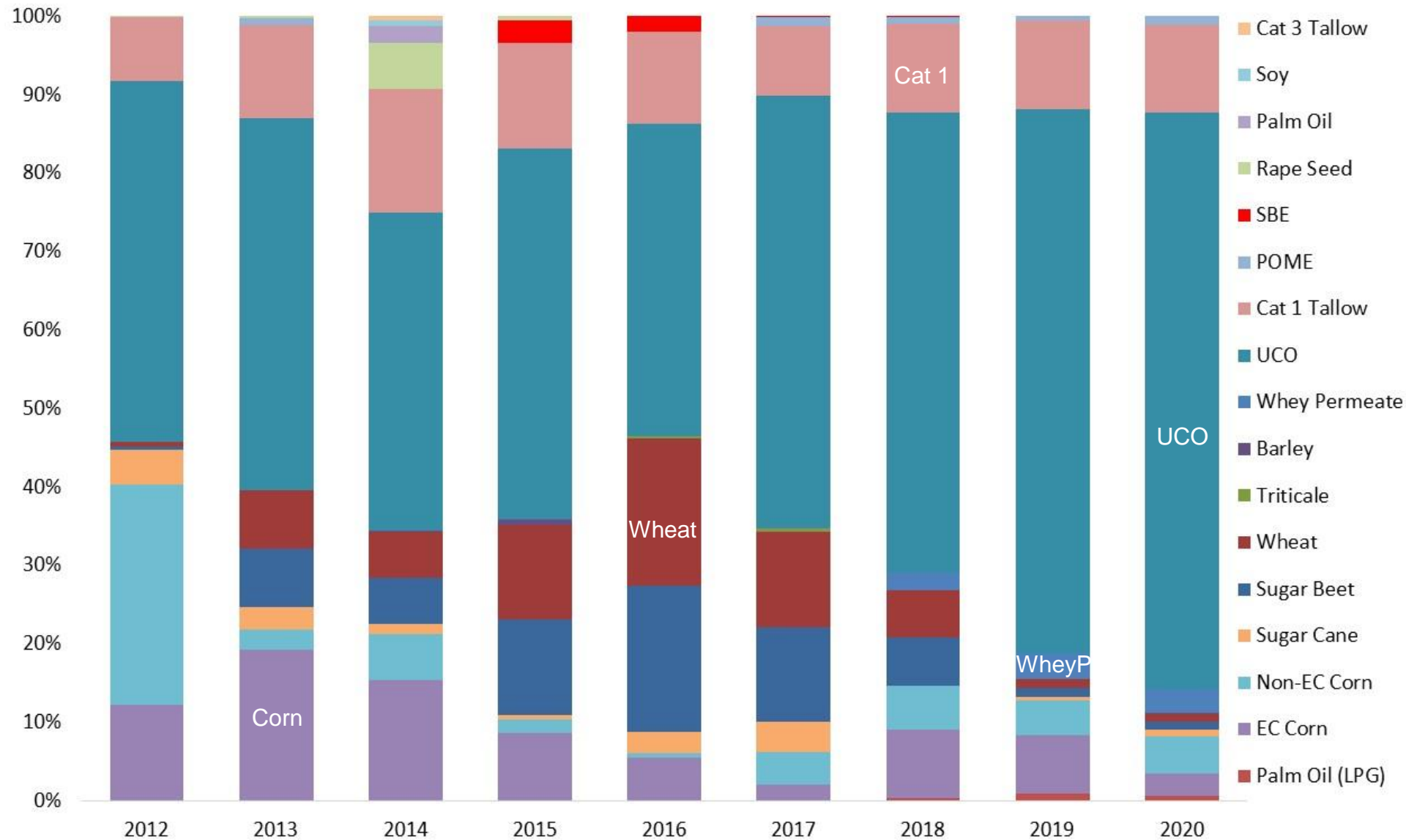


## FIRST SEVEN MONTHS 2020

- The numbers:
  - 2.1 billion litres fossil (- 21%)
  - 137 million litres bio (- 4%)
  - 2.2 billion litres in total (- 15%)
  - Obligation 12.359% vs c.11.5% achieved
  - BOS Cert surplus of c. 49m Certs from last year

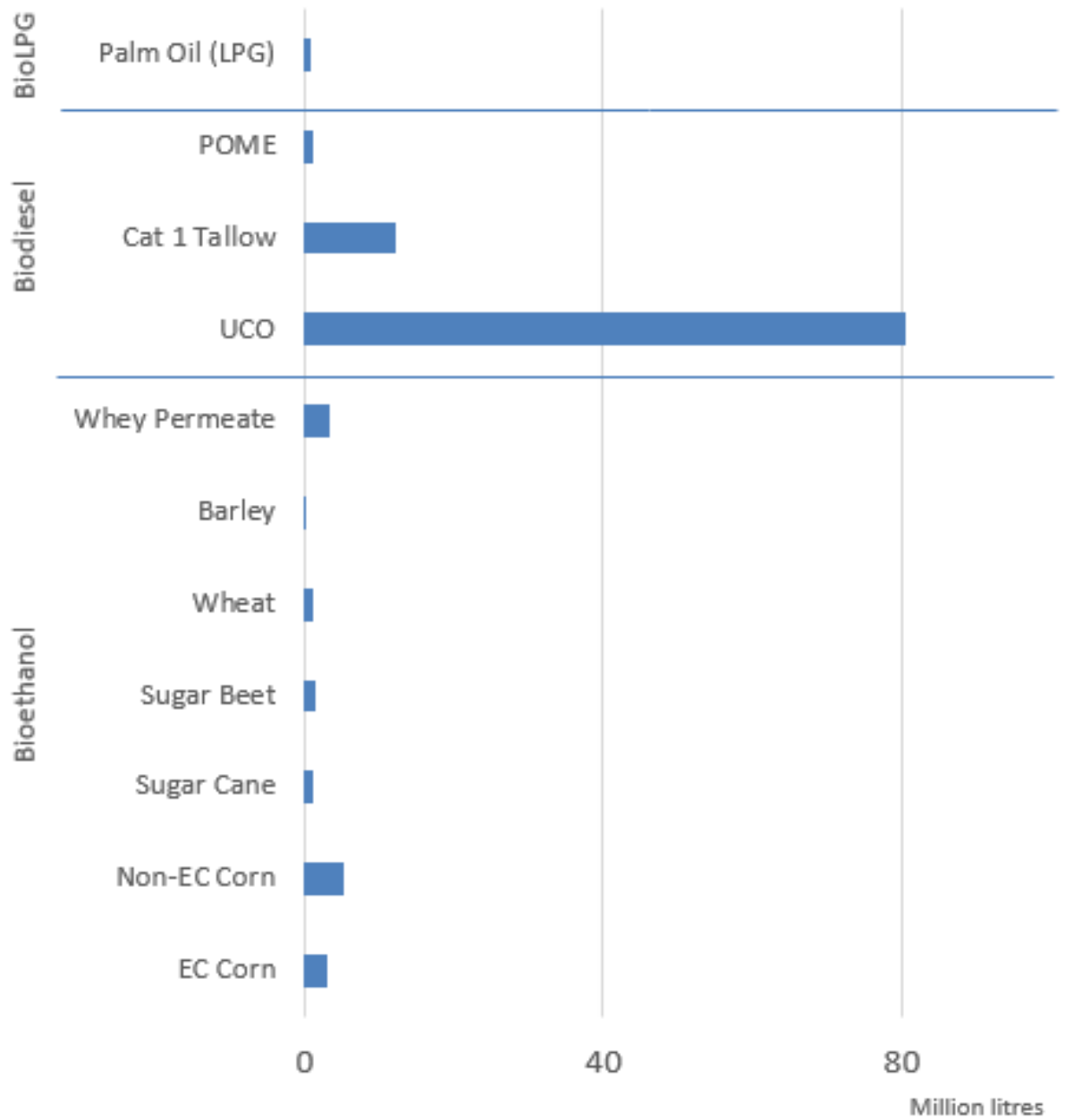


# FEEDSTOCKS

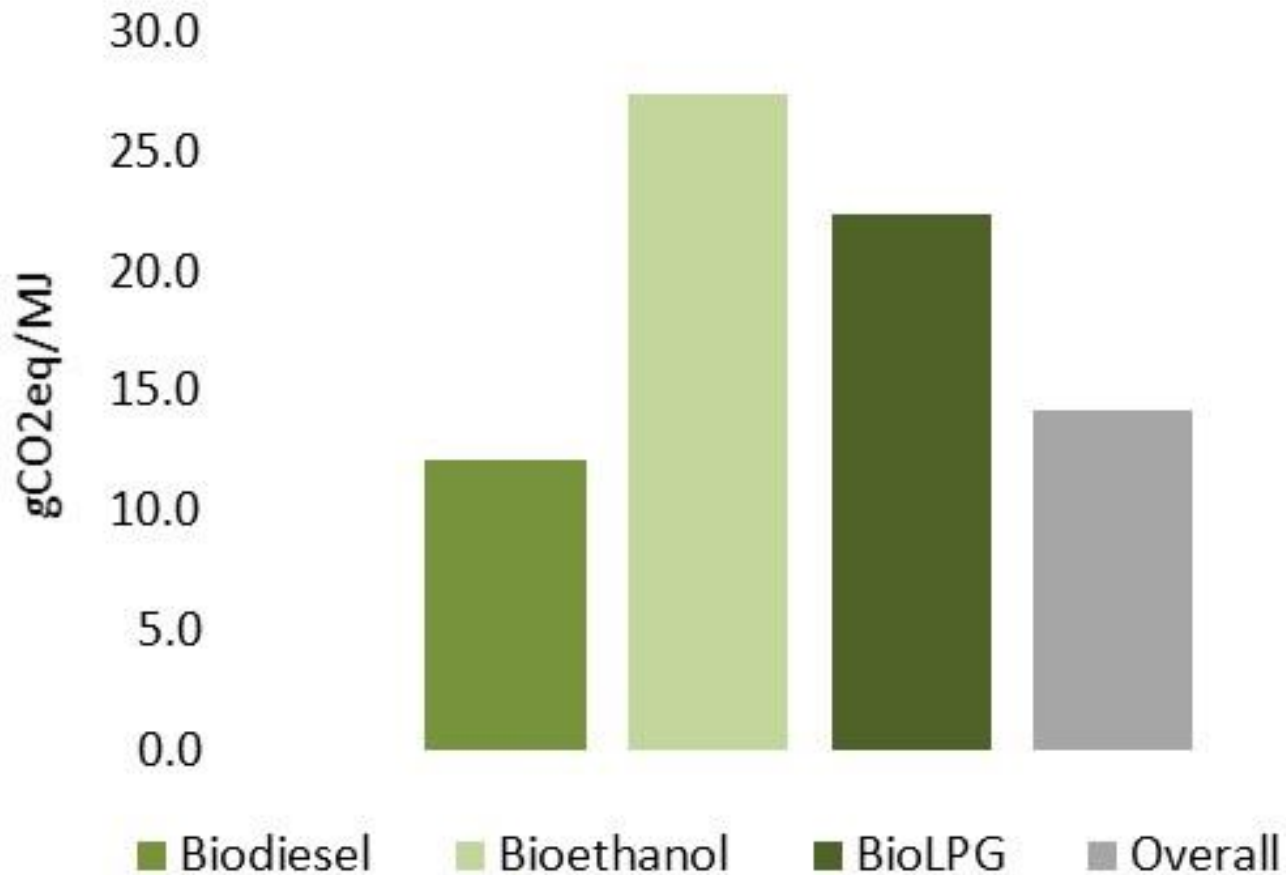




# FEEDSTOCKS

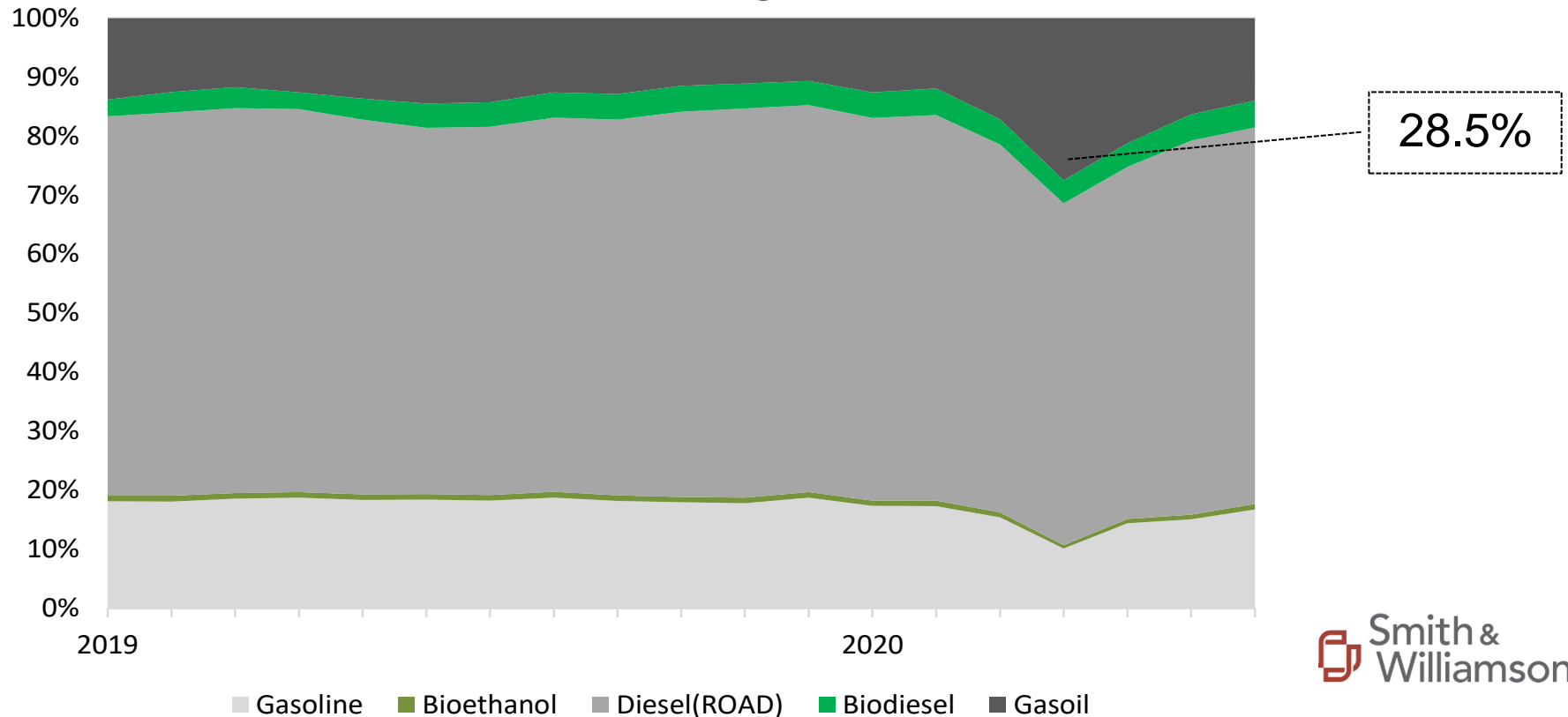


# CARBON INTENSITY

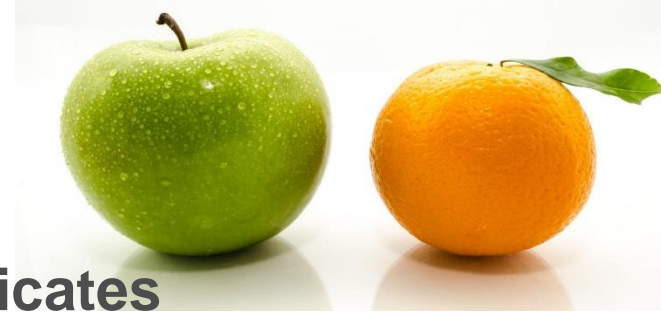


## CARBON SAVINGS TO-DATE (PRELIMINARY)

- For first half of 2020:
  - 3.1% overall CI saving
  - Shortfall of 211 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**

# DETERMINATION PROCESS

- Determination required for feedstocks for which two BOS Certs per litre are being sought and determination not previously carried out
- Biofuel must be placed on the market – advise a small volume initially
- Determinations listed for:
  - UCO, Cat 1 tallow, POME, SBE, Whey permeate, sewage sludge, waste starch slurry
  - All determined to be wastes/residues

# DETERMINATION PROCESS

- Advise the BOS Team you intend to apply for two BOS Certs for a feedstock not previously determined
- Application submitted as normal on the BOSOS, but additional information needs to be submitted by email:
  - How is the feedstock produced?
  - What happens to the feedstock if it is not used to produce biofuel?
  - Are there alternative uses for the feedstock?
  - How is the feedstock converted into a biofuel?
  - What laws / regulations govern the disposal / management of the feedstock?

# DETERMINATION PROCESS

- Required to consult with:

- SEAI
- NSAI
- EPA
- DCCAE
- And others we consider appropriate

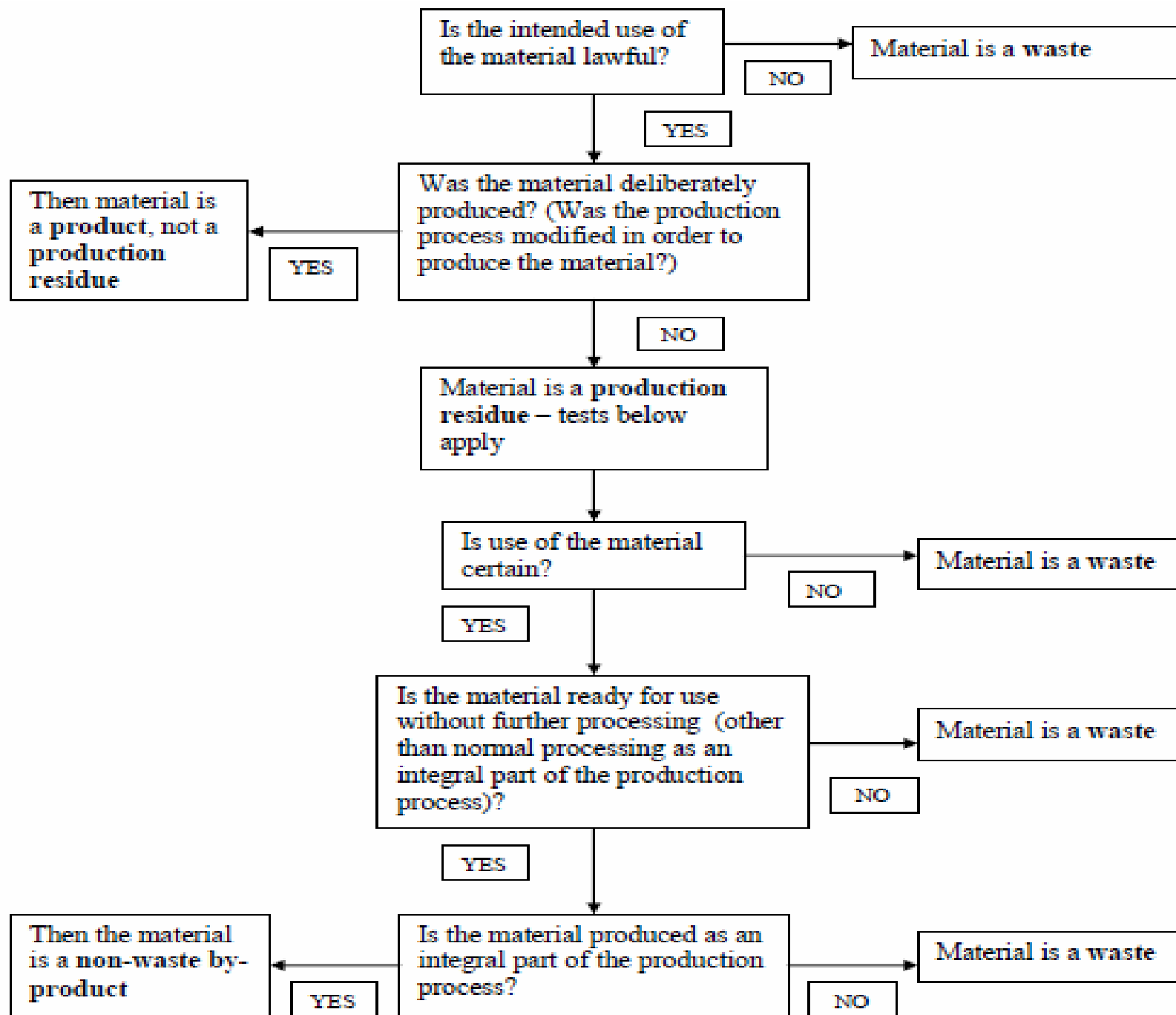


**NSAI**

National Standards Authority of Ireland  
Údarás Um Chaighdeáin Náisiúnta na hÉireann



- Examine position of other Member States
- Review data gathered (from applicant, from consultees, from BOS Team research, from applying WFD decision tree)





## GASOIL REPORTING

- In OLA, report **80%** gasoil (10 ppm) under ‘Gasoil (transport)’ & report **20%** under ‘Gasoil (non-transport)’



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

Calculation
=K-M-O-P
R * €0.02



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

# Biofuels Policy in Ireland

- John O'Neill
- Transport Energy Division
- 17 September 2020



**Roinn Cumarsáide, Gníomhaithe  
ar son na hAeráide & Comhshaoil**  
Department of Communications,  
Climate Action & Environment

## **EU Policy**

### Current Legislation:

- Renewable Energy Directive (2009/28/EC)
- Fuel Quality Directive (2009/30/EC)
- Indirect Land Use Change Directive (EU/2015/1513)

### Legislation for post-2020:

- Recast Renewable Energy Directive (EU/2018/2001)
- Fuel Quality Directive (2009/30/EC)



## **National Policy**

- Biofuels Obligation Policy Statement (April 2018):
  - Increases in obligation in 2019 & 2020 – in effect
  - Consult on post-2020
- Climate Action Plan (June 2019):
  - Increasing the biofuel blend to E10 and B12 by 2030
  - Public Consultation – Q3 2019
  - Set planned biofuel use and trajectory in National Energy & Climate Plan – Q3 2020
  - Transpose recast RED – Q2 2021



## **National Policy (Cont'd)**

- National Oil Reserves Agency (Amendment) and Provision of Central Treasury Services Act 2020 (July 2020)
  - Reduction in biofuel obligations levy from €0.02 to €0.001 - 1 August 2020
  - Reduction in carryover from 25% to 15% - for 2020 obligation period
- Programme for Government (June 2020)
  - 7% average annual greenhouse gas reduction over 2021 – 2030
  - Net zero by 2050

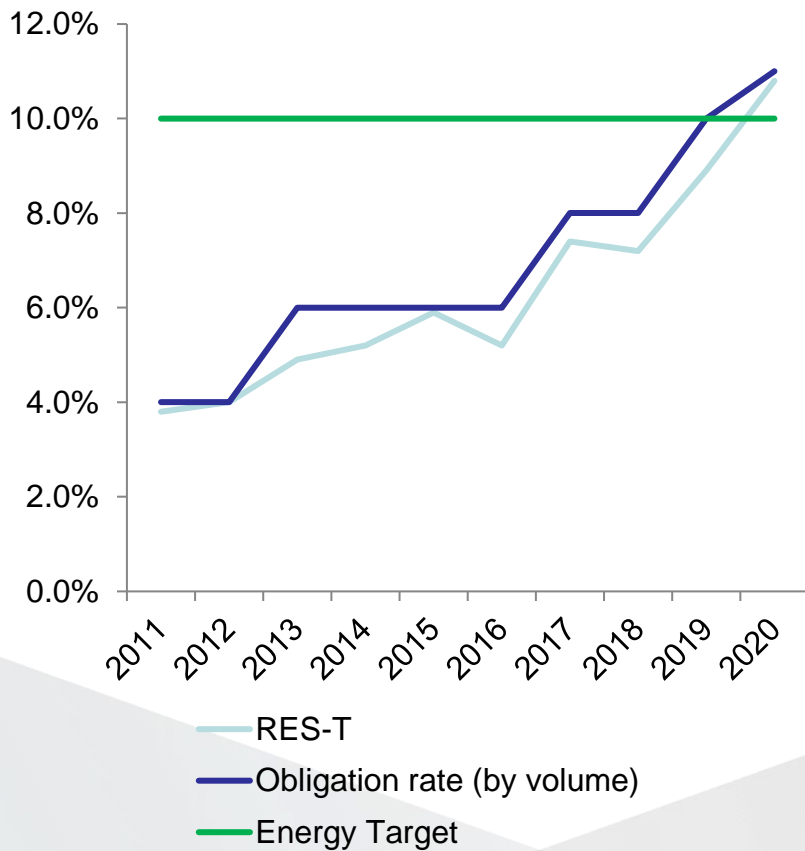


## Fuel Quality Directive compliance

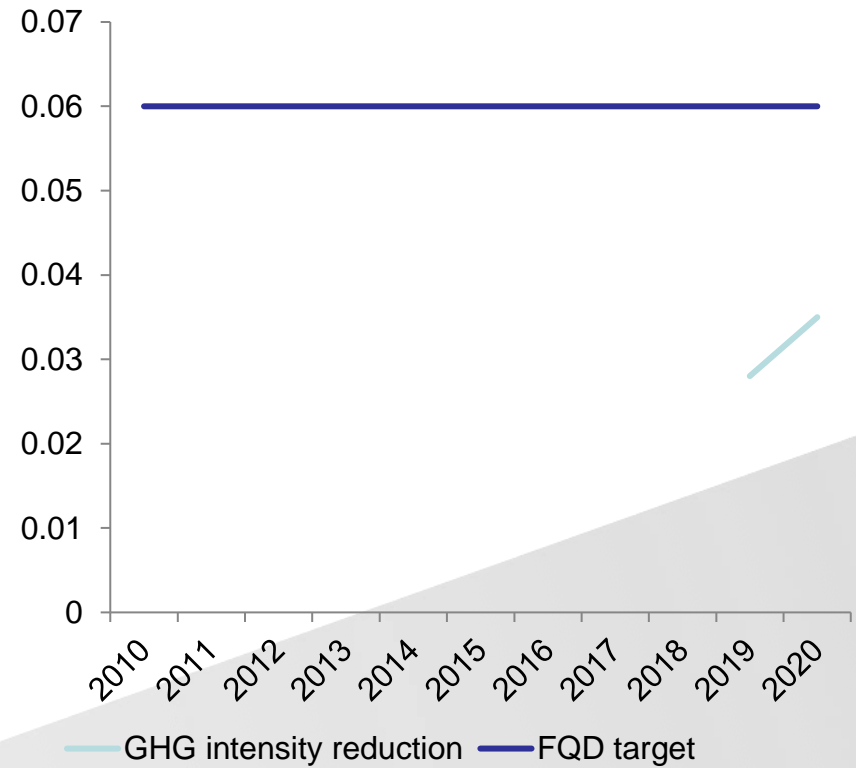
- European Commission letter of November 2019 indicated that 6% GHG lifecycle reduction target imposed on fuel suppliers must continue to be enforced by Member States after 31 December 2020
- SI 160 of 2017 is the current legislation governing FQD compliance
- DCCAE has taken legal advice on European Commission interpretation of FQD
- To give effect to this letter, SI 160 of 2017 must be 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 fuel baseline standard; and,
  - provide for a revised system of compliance orders in respect of subsequent breaches.
  - “effective, proportionate and dissuasive”



## Progress to RES-T Target



## Progress to FQD target





## **Complying with REDII and the FQD**

- Both REDII and the FQD are European Union Directives and Ireland is committed to complying with these important environmental measures
- Two targets (RES-T and GHG intensity reduction) and two policy instruments (BOS and FQD) – overall context is PfG GHG reductions to 2030
- Achieving 6% GHG intensity reductions is necessary and will require bringing forward the planned increase in blending rates





## **Revised policy trajectory under consideration**

- Again – two targets to work with – either way the system requires a planned increase in blending rates
- By when? – Planning is required (2021-2022-2023) but as soon as possible
- Amend SI 160
- Policy direction - to be agreed with Minister (BOS & FQD) - November



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

*Thank you*

## 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

## NORA'S APPROACH TO SI 160

- Continue with monitoring & reporting on compliance with 6% obligation post 2020
- SI 160 to be amended by end of 2020
- Cost of non-compliance will increase
- Currently, SI 160 does not have € per tonne penalty – max €250k
- NORA has engaged with obligated parties during 2020 and is monitoring progress towards compliance

# SUBMISSIONS IN RESPONSE TO NORA'S LETTER



- Overarching limits/constraints
  - BOS and SI 160 targets are not aligned. Industry has increased biofuel blend rate in response to increase biofuel obligation
  - Approaching EN590 and EN228 limits and 6% cannot be reached using E5 and B7
  - HVO and E10 required to reach 6% carbon intensity reduction target
  - No clear indication of where the BOS will be post-2020
  - Need medium- to long-term direction, to facilitate planning and change

## SUBMISSIONS CONT'D



- HVO
  - HVO difficult to source
  - HVO production is being examined at Whitegate
  - 100% HVO is not approved for use in all vehicles
  - Need to engage with engine manufacturers to establish % HVO that can be added, particularly for older Euro III, IV and V engines (for high % blends)

## SUBMISSIONS CONT'D

- E10
  - E10 will help achieve 6%, but not in 2020
  - E10 needs entire market adoption, but need to address market concerns
  - Research on vehicle compatibility for E10 needed
- SI 160 penalties
  - May wish to make representations to NORA, if Court route followed
  - Not enough notice of potential fines
  - Previously indicated court action for non-compliance with 6% would not be pursued

## SUBMISSIONS CONT'D



- UERs and EVs
  - UERs very difficult to source
  - UERs cannot be claimed because the company does not have an upstream presence
  - EVs will not contribute in 2020
  - Government EV (and alternative fuel) policy has not worked, so EVs will not contribute to 6% target



## SUBMISSIONS CONT'D

- Other
  - Awaiting output from DCCAE consultation (Dec '19) and advice/guidance on future of BOS and its requirements
  - Achieving higher carbon intensity reductions and biofuel blends will require planning
  - UCO widely in use, so large GHG reductions being achieved
  - Waste-derived ethanol in use, so large GHG reductions being achieved
  - Gasoil consumed in transport (in NRMM) should be obligated
  - Moves to promote B20 in captive fleets

## NORA'S APPROACH

- Monitoring compliance – displayed in BOSOS
- Engaging with electricity suppliers to encourage participation
- NORA may apply to the High Court to impose a penalty for not complying with the requirements of SI 160
- Will support DCCAE with amending SI 160
- Will ensure the systems put in place are user friendly and facilitate 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

# 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
- Could amount to 11 kt CO<sub>2eq</sub>



## 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

## BOS Changes

- In 2020 and thereafter, 15% of obligation can be met with Certs from previous periods
- Biofuel Levy €0.001 (0.1 cents). NORA Levy remains €0.02 (2 cents)
- Rounding in sustainability statements (CI to one decimal place)
- RED II by June 2021 (advanced biofuels; crop cap; Annex IX, part B limit)
- REDII and FQD to be aligned at EU level – possible changes needed
- SI 160 amended by end of 2020
- EU database (Mass balance)
- Supervision of CBs

## E10 – UK

- Consultation closed and being assessed. 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



This Photo by Unknown Author is licensed under CC BY-SA

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

# NEXT UP





-- Thank you for your attention --