

BOS

Briefing Session



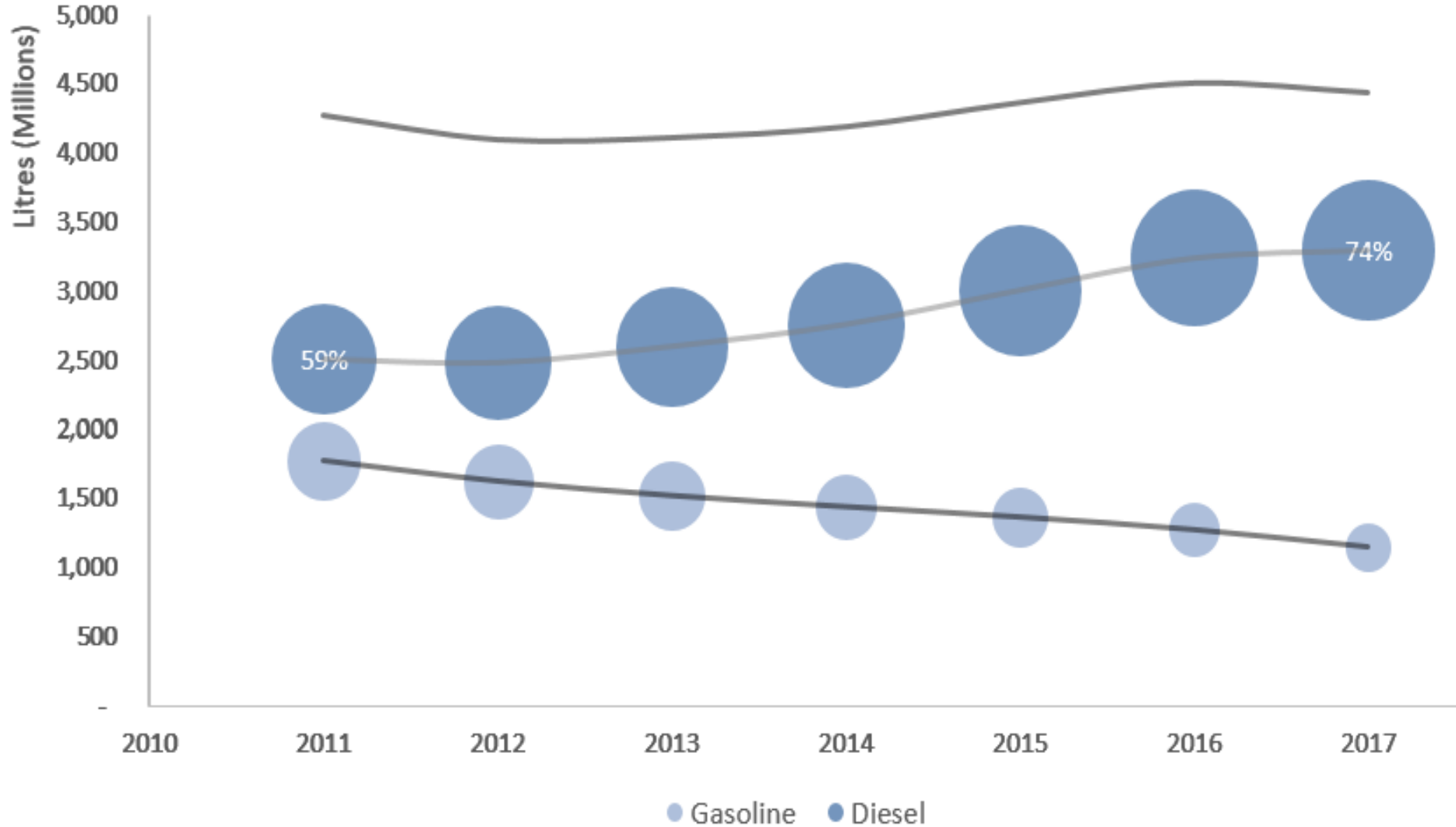
19th April 2018

TODAY'S AGENDA

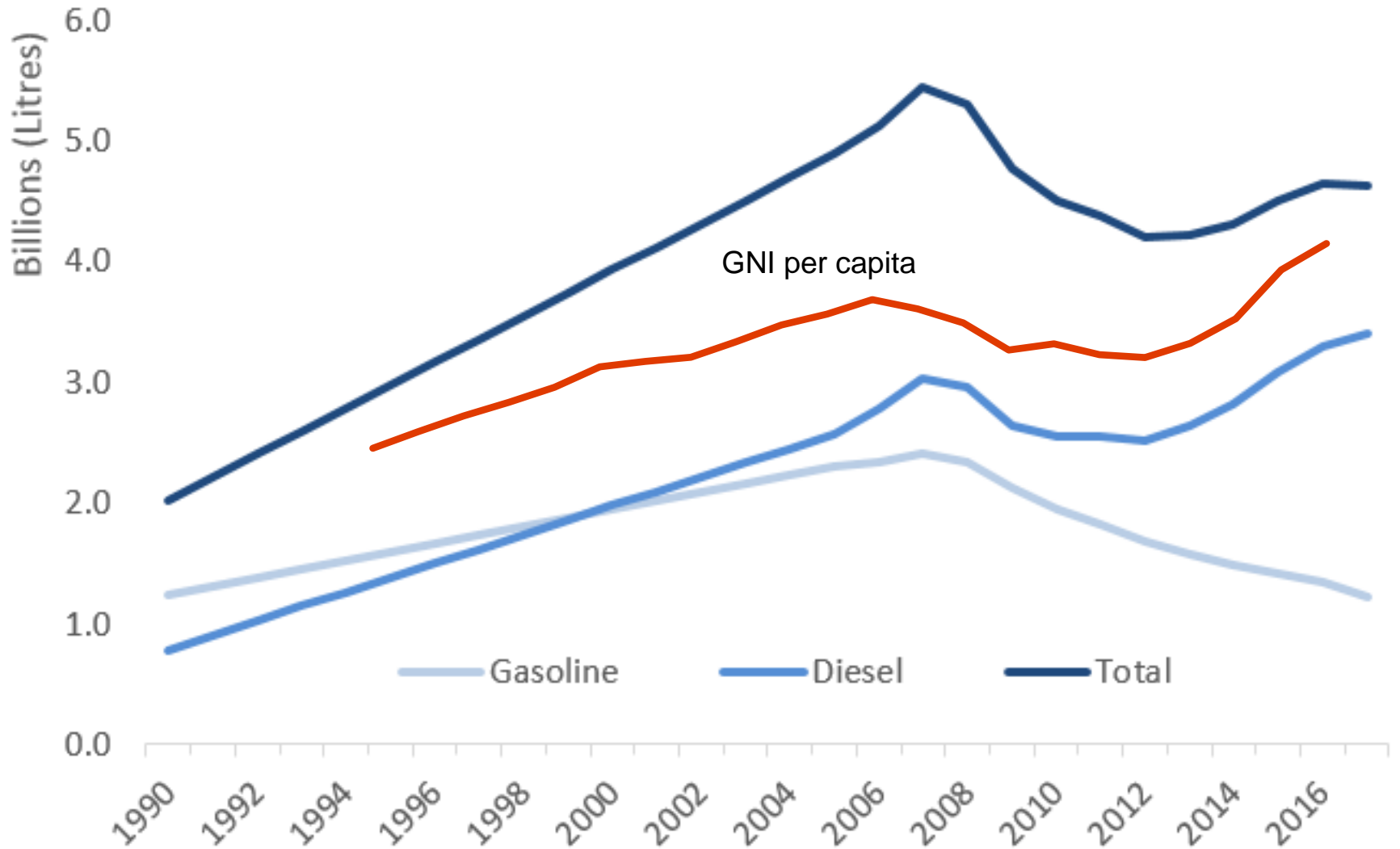
- Review of BOS 2017 period
- Auditing
- DCCAE – ILUC transposition & policy statement
- Industry perspective
- BOSOS changes – recap
- Open discussion



RECONCILIATION OF 2017 PERIOD – FOSSIL FUEL



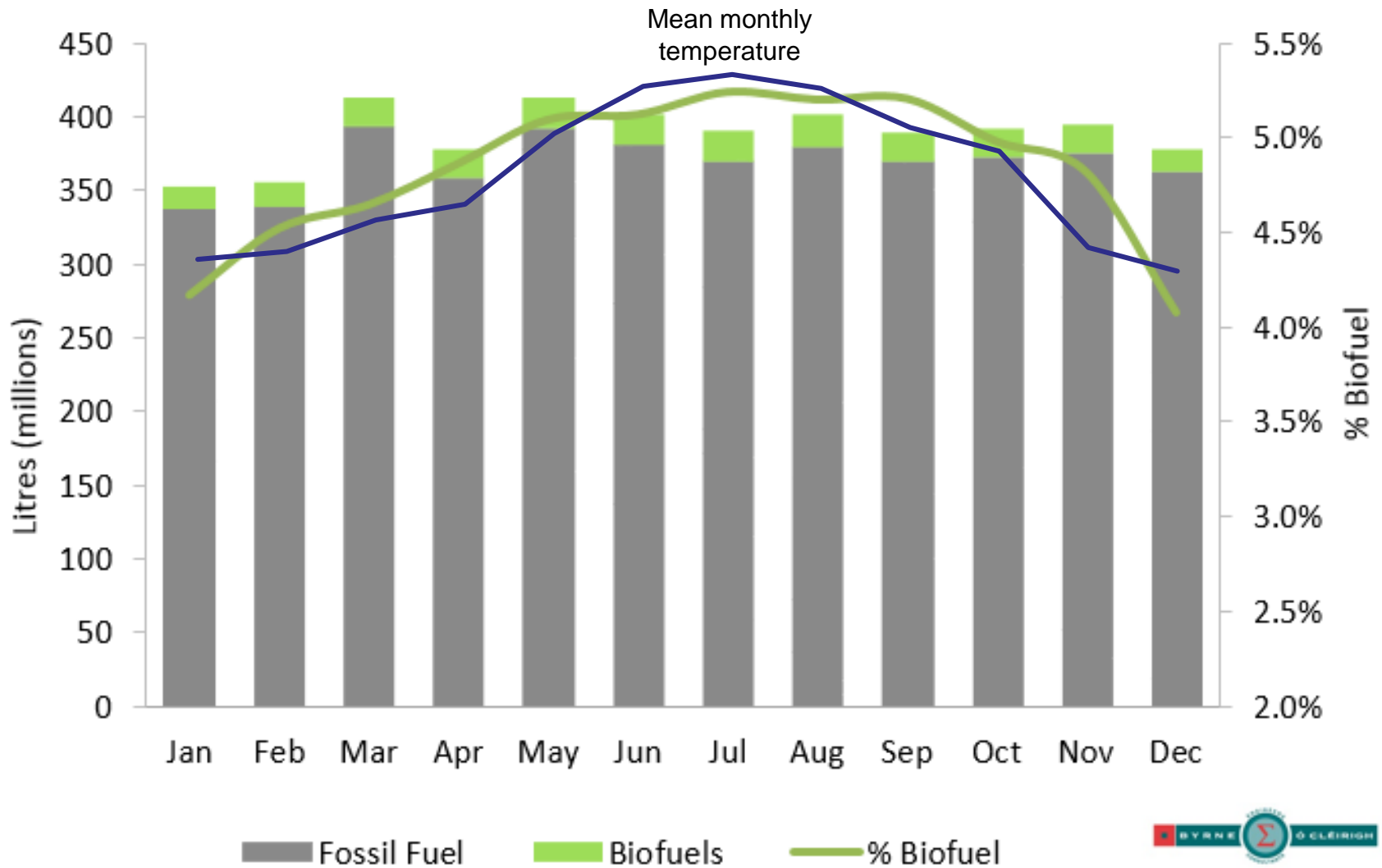
RECONCILIATION OF 2017 PERIOD – FOSSIL FUEL



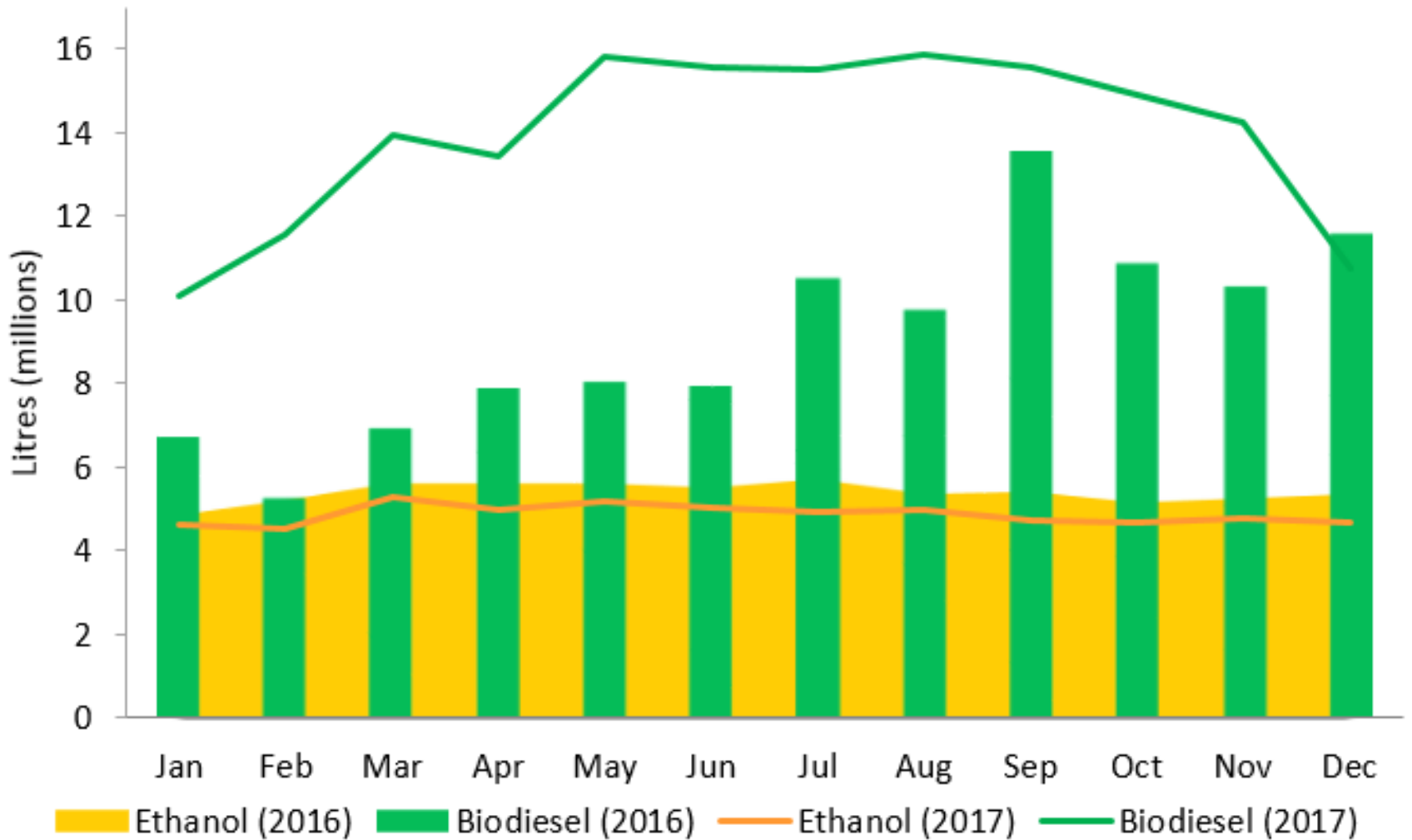
RECONCILIATION OF 2017 PERIOD – BIOFUEL



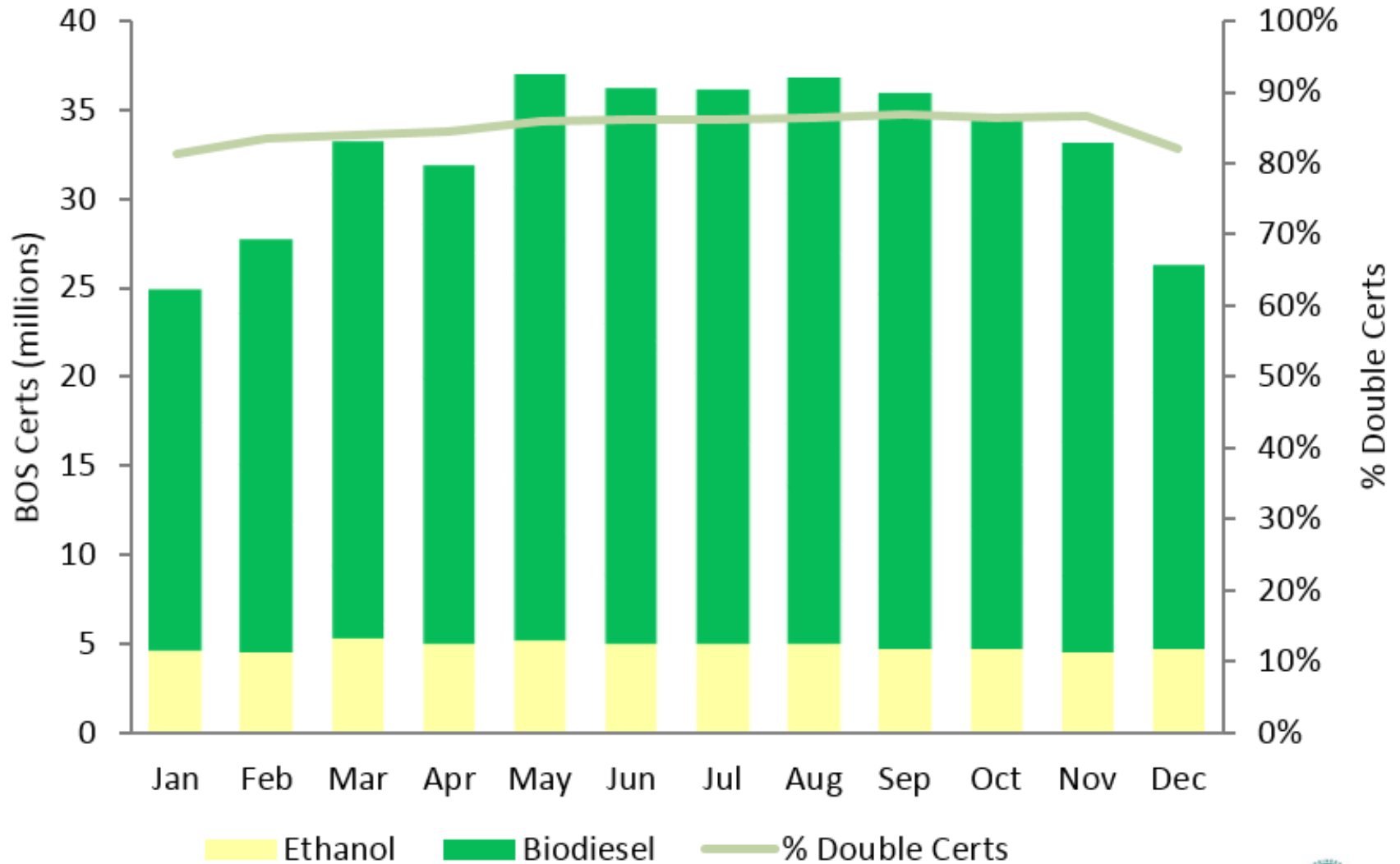
RECONCILIATION OF 2017 PERIOD – FOSSIL & BIO



RECONCILIATION OF 2017 PERIOD – BIOFUEL



RECONCILIATION OF 2017 PERIOD – CERTS

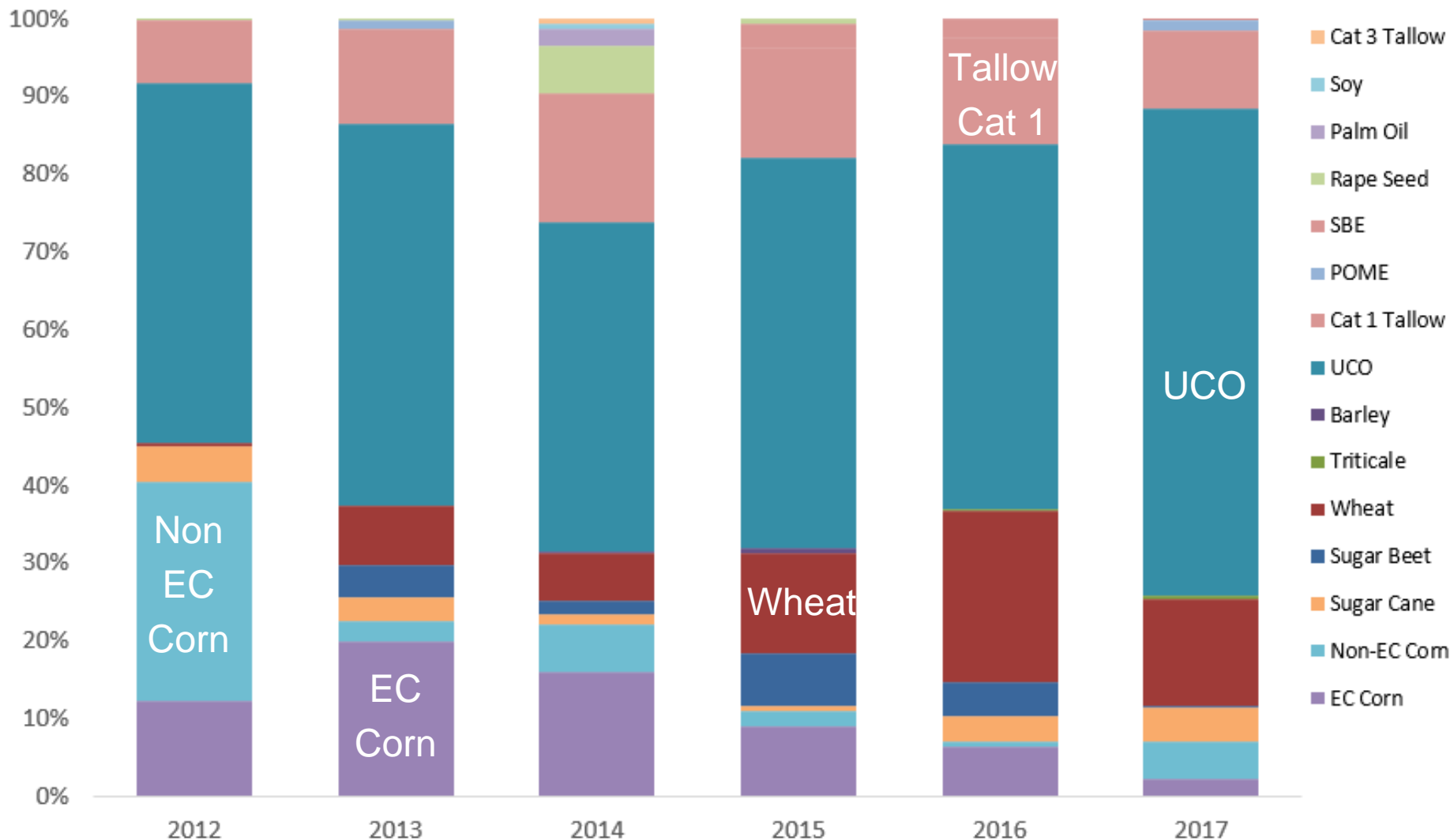


RECONCILIATION 2017

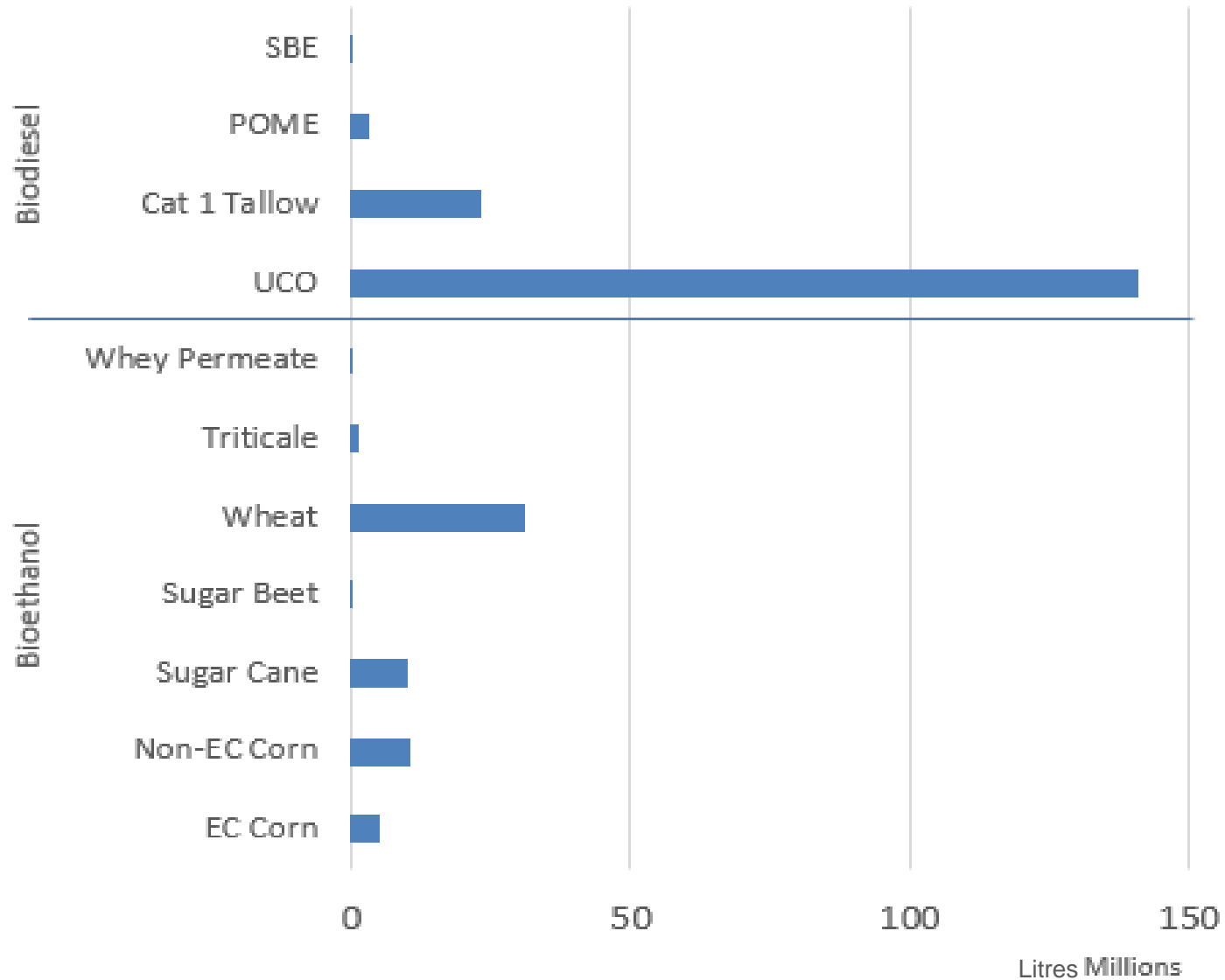
- The numbers:
 - 4.4 billion litres fossil (-1.5%)
 - 226 million litres bio (+30%)
 - 4.6 billion litres in total (-0.3%)
 - Obligation 8% vs 8.4% achieved
 - Surplus of 55 million Certs
 - Approx. 75 million Certs carried forward to 2018



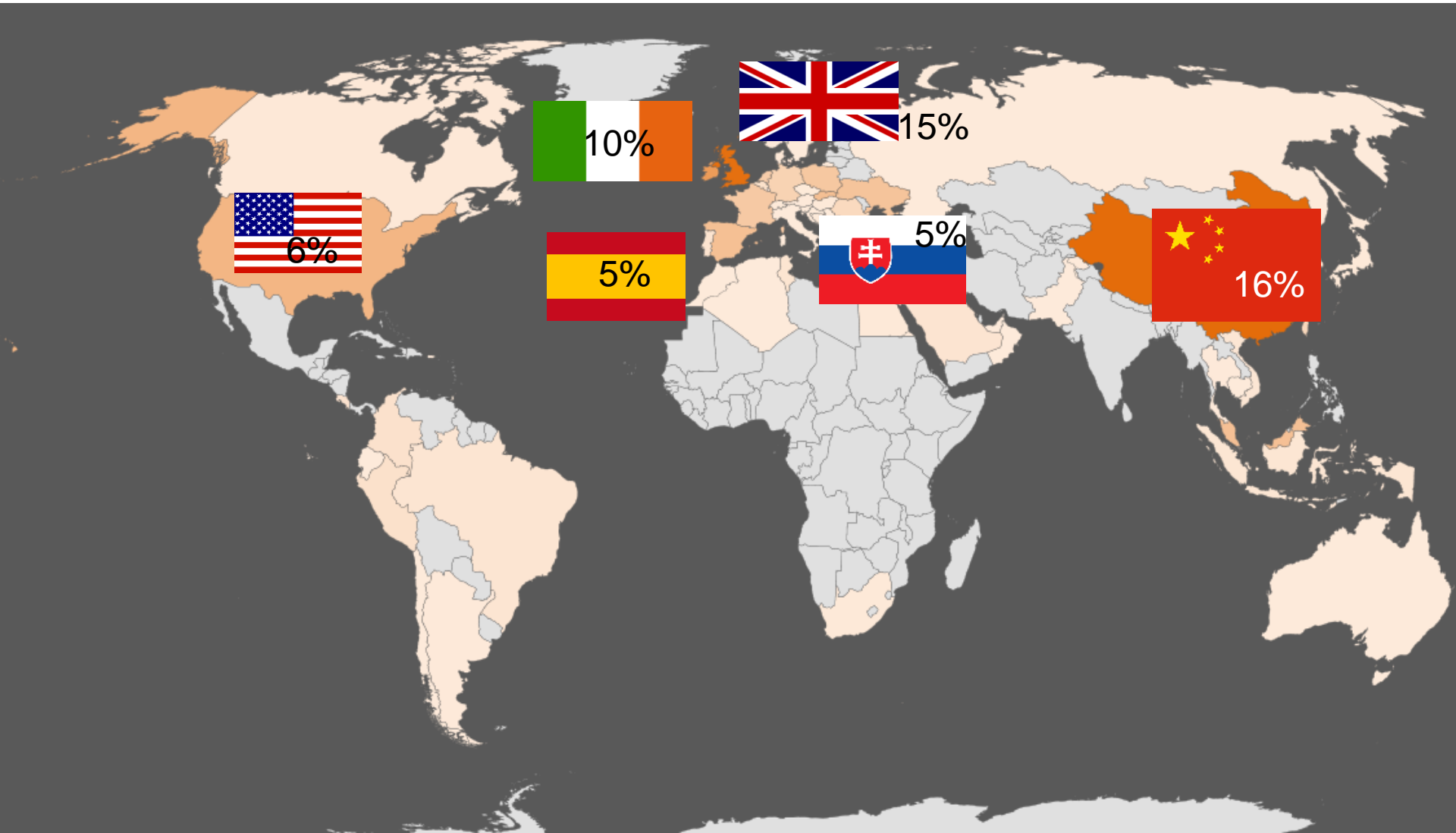
RECONCILIATION 2017 – FEEDSTOCKS



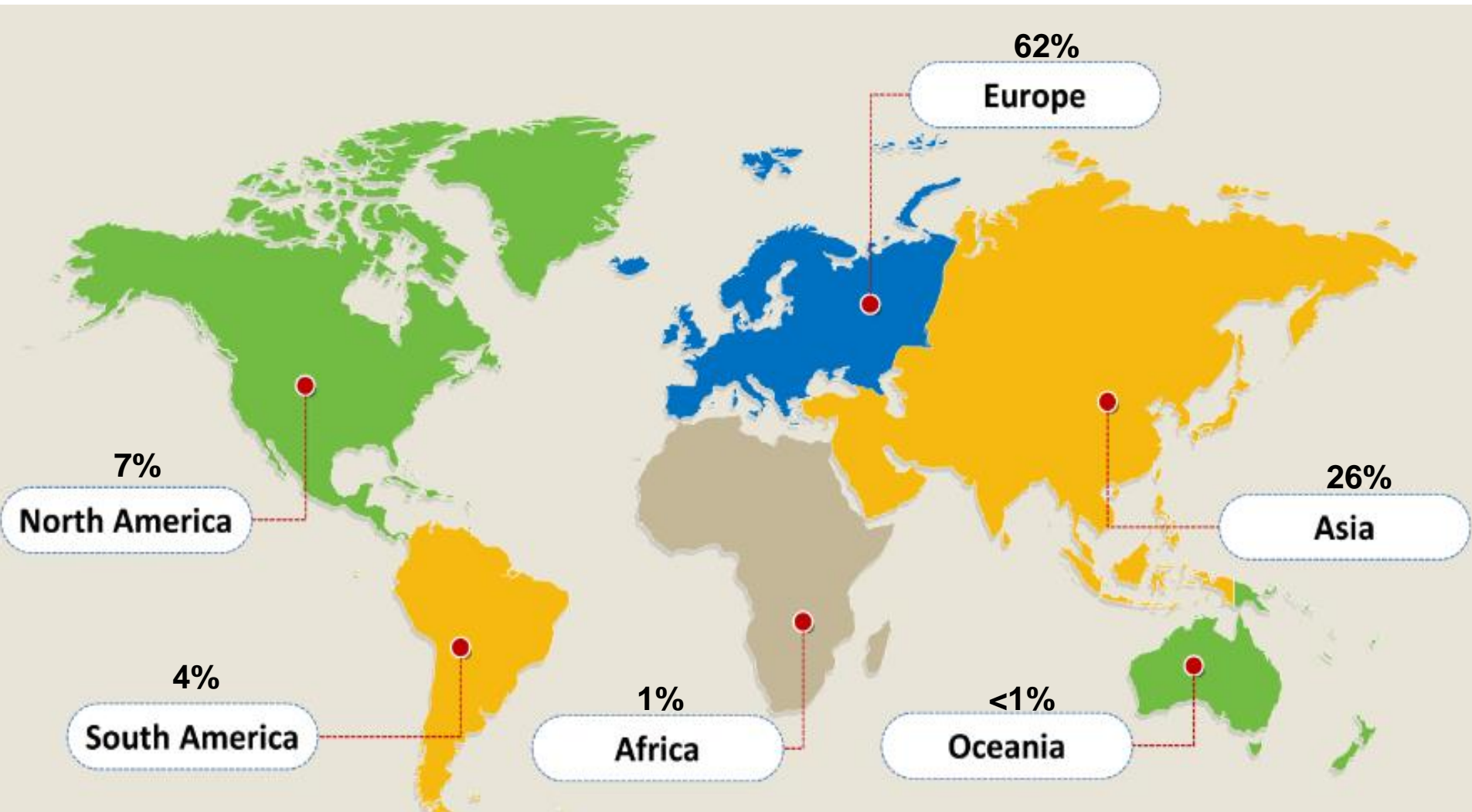
RECONCILIATION 2017 – FEEDSTOCKS



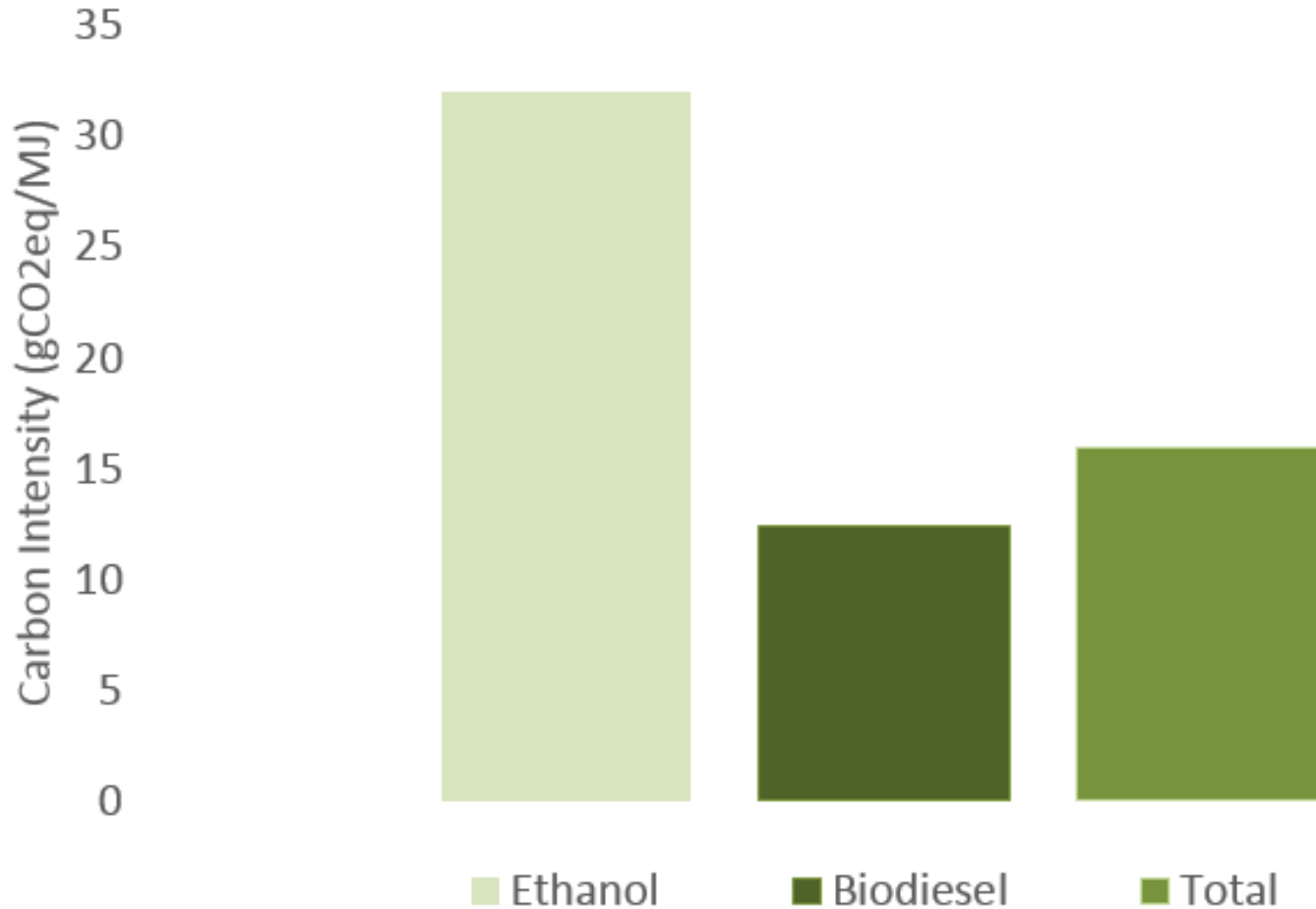
RECONCILIATION 2017 – FEEDSTOCKS



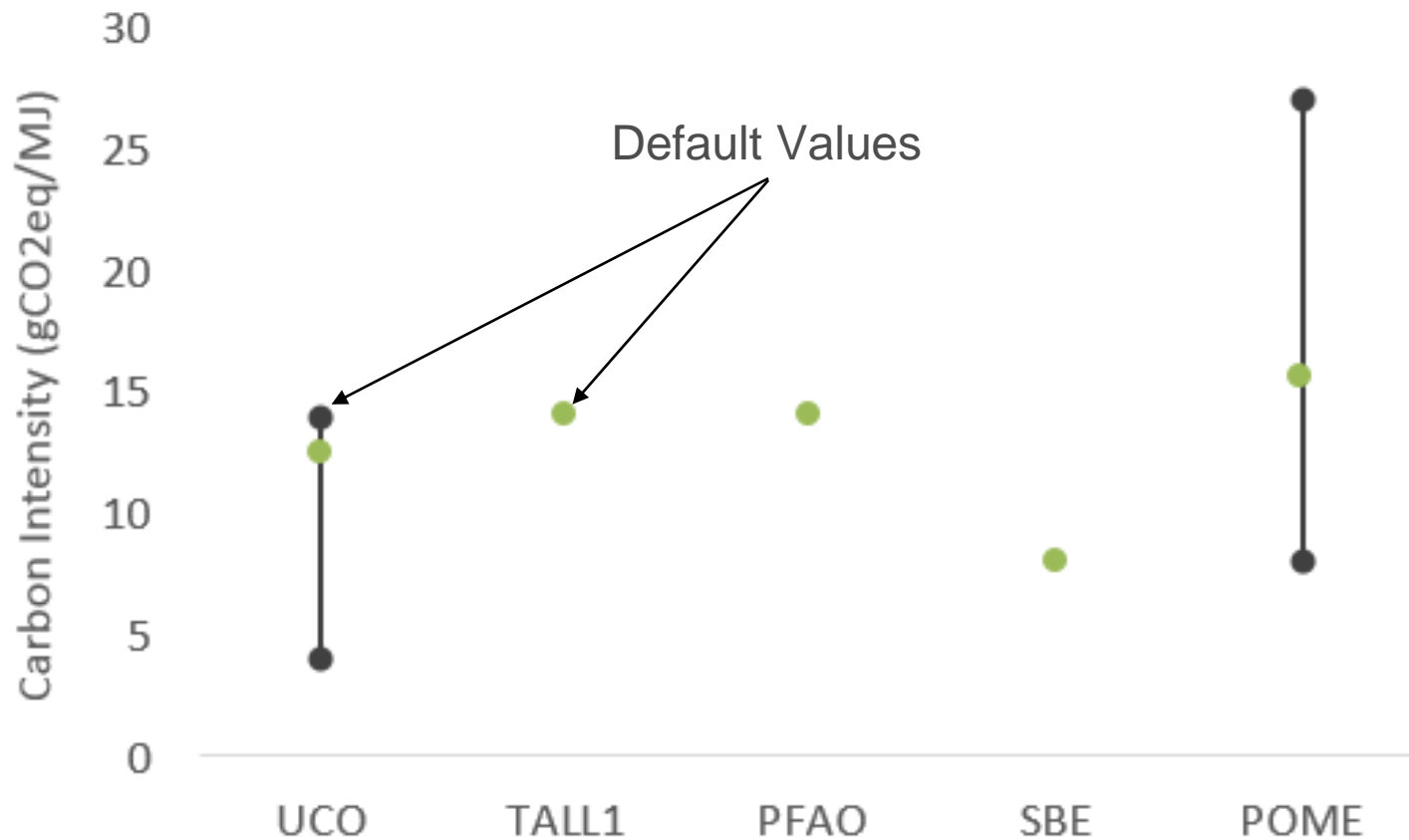
RECONCILIATION 2017 – FEEDSTOCKS



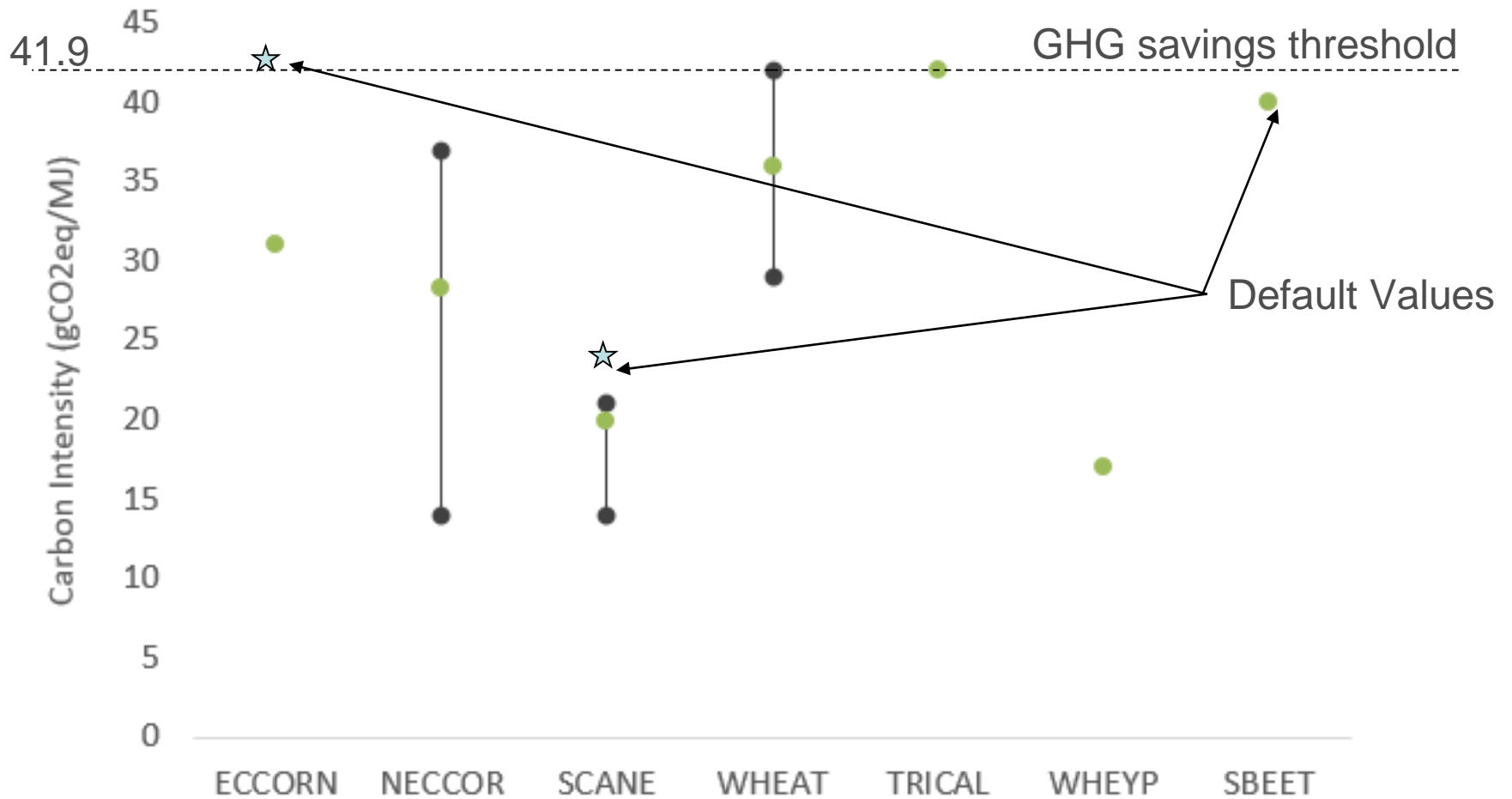
RECONCILIATION 2017 – CARBON SAVINGS



RECONCILIATION 2017 – CARBON INTENSITY BIODIESEL



RECONCILIATION 2017 – CARBON INTENSITY BIOETHANOL



AUDITING

- On-site audits
 - Over seven years, 28 audits
 - 2.8 audits per company over 7 years
 - Selection criteria:
 - Performance during period (BOS & OLA)
 - Audit history
 - Market share (bio & fossil)
- Desk-based audits
 - Over seven years, 20 audits



AUDITING

- On-site audits
 - Review mass balance (OLA)
 - Examine PoS
 - Evidence of inter-company purchases & sales
 - OLA and BOS revisions
- Desk-based audits
 - Specific discrepancies, typically include statistical differences, and purchases and sales discrepancies



AUDITING

Summary of findings:

- Certs revoked: 196 k
- Additional levy payments: €100 k
- Certs awarded: 1.2 M
- Levy refunds: €1.3 M (€1 k to €770 k)



On average per on-site audit:
43 k Certs awarded and €46 k refunded

RED II

- There will be a post 2020 regime dictated by RED II
- There will be renewable energy targets in transport for 2030
 - 6.8% / 10% / 12% / 14% / ??
- Sub-target for advanced biofuels (Part A of Annex IX)
 - 3.6% and detailed trajectory / 3% and indicative trajectory
 - Annex IX Part B limited to 1.7% / no limit
- Cap on biofuels produced from agricultural feedstock
 - Max 7% and min 2% / gradual reduction to 3.8% / 7% and lower if desired
 - Focus on palm oil
- Multipliers for aviation, maritime, electricity in road & rail, advanced bio

DCCAE

—

TRANSPOSING THE ILUC DIRECTIVE & POLICY STATEMENT



INDUSTRY INPUT

E 10

- Why has it not yet been introduced into the UK market?

E10 Markets in 2017		Introduced
Germany	12%	2011
France	39%	2009
Finland	63%	2011
Belgium*	85%	2017

*Government mandated

- Protection Grade
- New Pump Labelling

Upstream Emission Reductions (UERs)

- Are there enough in 2020 to bridge the bio gap?
- How are they generated?
- Where are they likely to come from?

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% target for advanced

FQD

- CO_{2eq} saving (tonnes)
- GHG intensity of fuels

FQD
6%
reduction in
GHGi

RED
10%
Ren'ble
energy

Trading certs & CO₂ savings

Acc. holder

Acc. holder

Acc. holder

BOSOS Upgrade

- Updated BOSOS will go live at the end of April
- Usernames and passwords will be issued in advance
- Streamlined application process
- No new information needed to apply for BOS Certs
- Tuition was given last month



BOSOS Upgrade

- Q1 2018 applications must be made using the new system
- Prepare information as normal for Q1 applications
- Important to make applications in advance of deadline
- Original BOSOS will remain available but should **not** be used to apply for BOS Certs

NEXT UP



-- Thank you for your attention --