



**Roinn Cumarsáide, Gníomhaithe
ar son na hAeráide & Comhshaoil**

Department of Communications,
Climate Action & Environment

Biofuels Obligation Scheme

Briefing Session, Davenport Hotel

22nd November 2017

Des Byrne, Heat and Transport Energy Policy Division

Introduction

- Policy Context
- Progress towards targets
- ILUC Directive
- RED 2
- BOS Consultation



Policy Context

- **20/20/20 Climate and Energy Targets**
- **Renewable Energy Directive 2009/28/EC**
 - Member States (MS) were assigned individual renewables targets ranging from 49% (Sweden) to 10% (Malta) in an effort to reach an overall EU target of 20% by 2020
 - Target assigned to Ireland's was 16% of all our energy from renewable sources
- **Fuel Quality Directive 2009/30/EC (amending Directive 98/70)**
 - By 2020 a 6% reduction in life cycle Greenhouse Gas (GHG) emissions per unit of energy in transport fuels compared to 2010

Article 7a transposed by S.I. No. 160/2017 European Union (Greenhouse Gas Emission Reductions, Calculation Methods and Reporting Requirements) Regulations 2017



Ireland's Renewables Targets

Article 3 of the RED assigned to Ireland a mandatory 16% target for energy from renewable sources.

How Ireland plans to achieve this (NREAP)

- 40% Electricity (RES-E)
 - » 2015: 25.3%
 - » 2016 : %
- 12% Heat (RES-H)
 - » 2015: 6.5%
 - » 2016: %
- 10% binding target for transport (RES-T, same for all MS)
Biofuels > 9%, Electric Vehicles < 1%.
 - » 2015: 5.7%
 - » 2016: %

Overall RES for 2015 : 9.1%

Overall RES for 2016 : %



Directive (EU) 2015/1513

ILUC Directive

- Amends provisions of the RED and the FQD
- No more than 7% of energy used in transport to come from biofuels produced from certain feedstocks considered to have an ILUC risk.
- Inserts a new Annex (Annex IX) into the RED which lists the types of biofuels which can be counted twice towards RES-T target
- MS must set a target for advanced biofuels (from the list of feedstocks set out in Annex IX but excluding UCO and animal fats). Target of 0.25% set.

Department currently working with the Office of the Parliamentary Counsel. Legislation to be in place next month

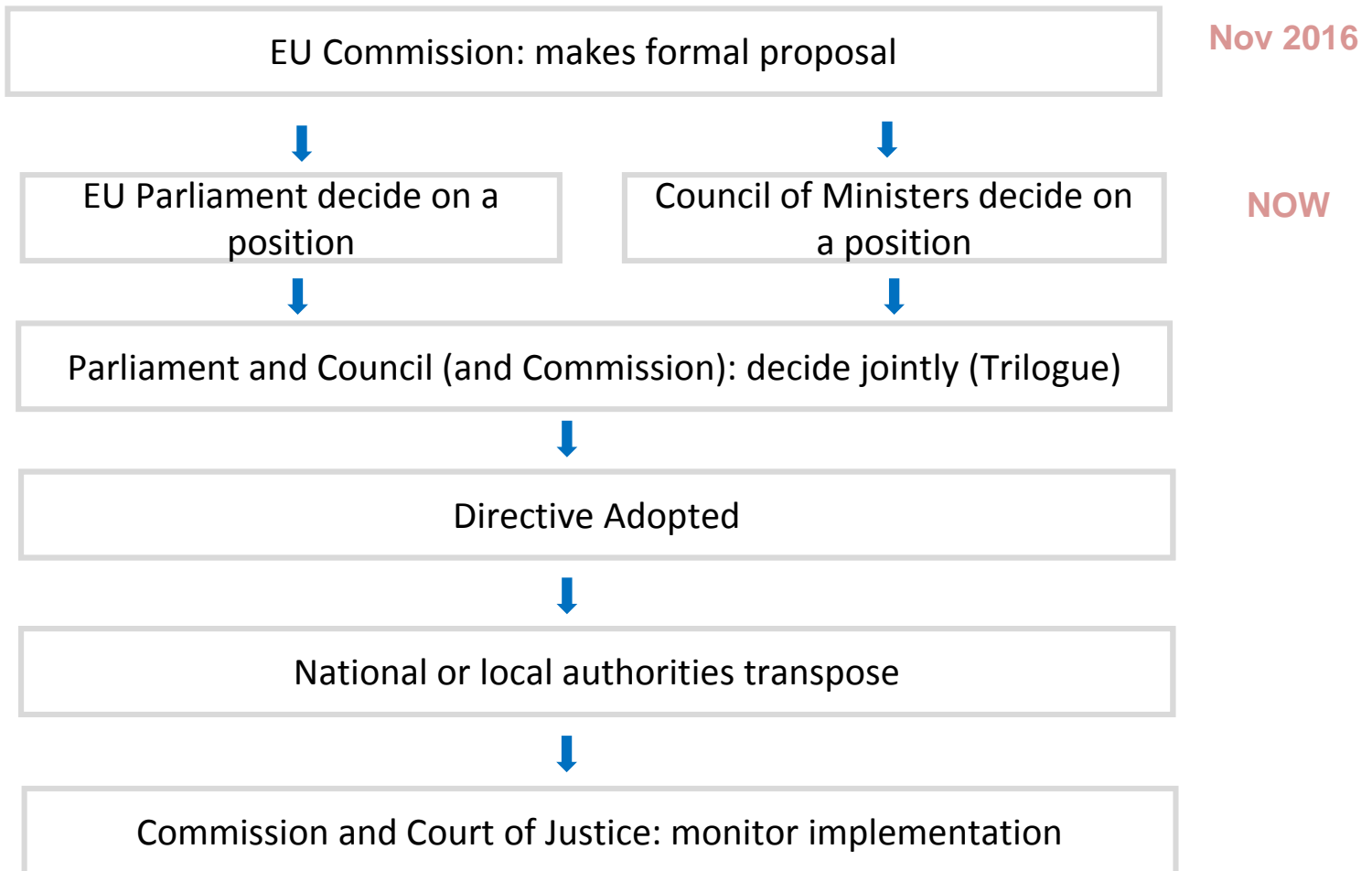


RED 2

- Proposal published in November 2016 by EU Commission as part of the **Clean Energy for all Europeans** package.
- Comes into effect 2021 (after RED1)
- Article 25 – ‘Mainstreaming renewable energy in the transport sector’
- Articles 26 – 28 replace Articles 17-19 (Sustainability Criteria)
- Currently under negotiation at European Council
- Position of EU Parliament not yet agreed



How EU Directives are made



Proposals by the Commission for the transport sector:

- 10% target for RES-T will no longer apply, though three trajectories are proposed (Annex X)
 - The cap of 7% for crop based biofuels/bioliquids to be reduced to 3.8% by 2030 (art 7)
 - for advanced biofuels (incl. biofuels from UCO, tallow and molasses*), renewable fuels of nonbiological origin, wastebased fossil fuels and EVs 1.5% in 2021 rising to 6.8% in 2030 (art 25)
 - advanced biofuels (not incl. UCO and tallow) 0.5% in 2021 rising to 3.6% by 2030 (art 25)
- Limit the contribution that UCO, tallow and molasses from sugar cane (Part B, Annex IX) to 1.7%
- 70% GHG savings required for all biofuels plants coming into operation after January 2021



Current compromise proposal from Presidency:

- 10% target for RES-T will no longer apply
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- ILUC Cap to remain at 7% until 2030
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- Target for advanced biofuels of 3% by 2030
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- (Unchanged)



Consultation on future increases to the BOS rate

- Plan to publish this week
- No increase to obligation rate in 2018
- Increases proposed for 2019 and 2020
- Will close mid January (7/8 weeks approx)



Questions

In order to meet Ireland's 2020 renewable energy target in the transport sector, it is proposed increase in the biofuel obligation rate to 10% from 2019 and circa 12% from 2020.

- Do you support this policy measure?
- What biofuels do you envisage contributing to meeting these increased rates?
- What alternative approaches do you view as being more likely to achieving Ireland's 2020 renewable energy target in the transport sector?
- What impact do you believe this will have on fuel prices?
- What alternative approaches could provide a more cost effective method of achieving Ireland's 2020 renewable energy target in the transport sector?



Questions

It is proposed to restrict/reduce the current level of use of carried over certificates in 2020.

- What would be the appropriate level of carryover for use in 2020?
- If you feel the current level should be maintained, please provide reasoning including an alternative approach to maximising the contribution from biofuels to achieving Ireland's renewable energy target in the transport sector.

The Fuel Quality Directive (Directive 98/70/EC) places obligations on suppliers to reduce emissions – specifically the reduction in carbon intensity of at least 6% to be met by 31 December 2020 compared to 2010.

- How do you envisage this requirement being met?
- Are there any measures that Government could take to assist obligated parties reach the Fuel Quality Directive target?



Questions

- Can fuels such as E10 and B7 be brought to the market in Ireland by 2020?
- Are there technical barriers to achieving 7% conventional biodiesel blend (B7) averaged across the full year, including the winter months?
- For Biodiesel blend rates higher than 7%, are drop-in biofuels a viable solution for Ireland?
- How should the development of increased levels of advanced biofuels be supported in Ireland?
- Is there potential for an obligation scheme (similar to the Biofuels Obligation Scheme) in the heat sector?





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Biofuels Obligation Scheme
Industry Briefing Session Tuesday 22nd November 2017