

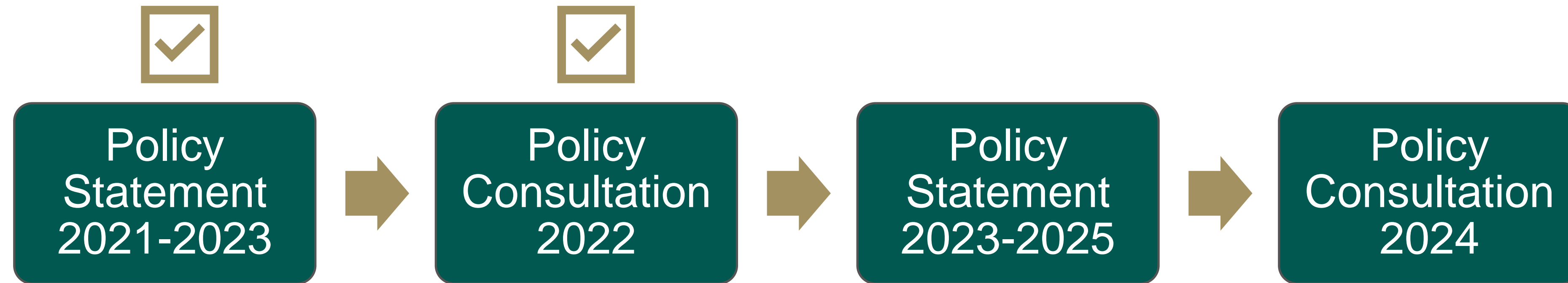


An Roinn Iompair
Department of Transport

Consultation on the draft Renewable Transport Fuel Policy 2023-2025

Department of Transport

Policy and Consultation timeline

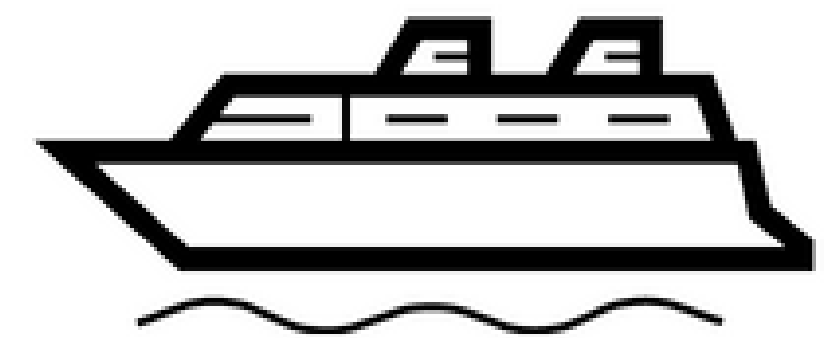
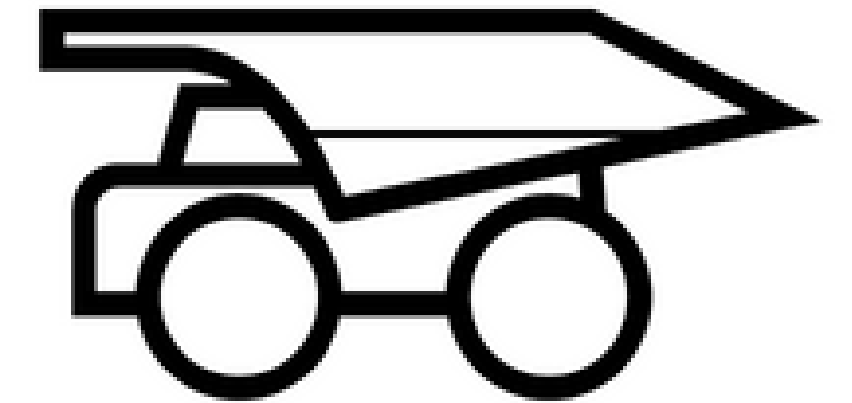
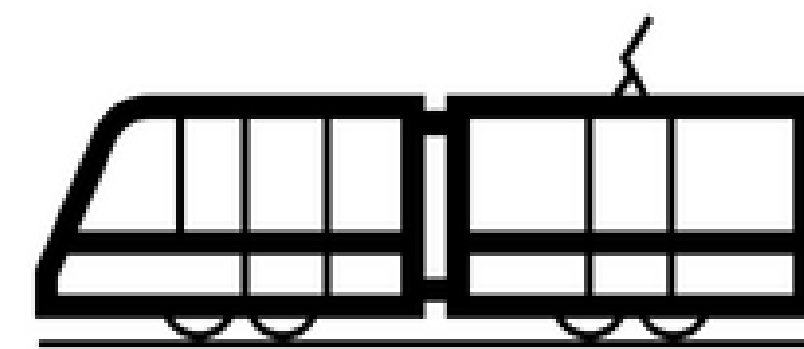


- This Policy Statement will form the basis for actions to be taken over the next two years from 2023 to 2025 (based upon an initial consultation in early 2023)
- The implementation of the policy will also be consulted upon in 2024.

Expanding the scope of the Obligation



- Currently the scope of the obligation relates to road transport fuels.
- What about other sectors in transport, such as non-road mobile machinery, aviation and maritime?
- Further contribute to decarbonising transport
- Aligning to other jurisdictions e.g. SAF mandates in some EU countries, NRMM in UK RTFO



Section 1 Scope of the Obligation



- **RAIL** - Mirror the scope of the EU RED and include rail within the national obligation on fuel suppliers?
- **Renewable Electricity** – road and/or rail - The supply of renewable electricity in transport, is set to grow with the role out of EVs to meet climate action plan targets and ongoing electrification of rail
- **Aviation and Maritime Fuels** - Aviation Refuel EU and Maritime FuelEU regulations will have direct effect
- **Non-Road Mobile Machinery** - NORA estimate that to apply the RTFO to all gas-oil could yield a 0.9MT CO₂eq abatement between now and 2030.



Section 2: RTFO rate, targets and limits: Context

- From 2023 the RTFO rate is expressed in energy terms, rather than in volume terms previously.
- In 2022, **307m litres** (9.6 PJ) of liquid biofuels [**246m litres** (7.6 PJ) in 2021] 0.04 PJ of gaseous fuels [**618k Nm³** (0.2 PJ) in 2021] placed on the market.
- The Biofuels Study Report 2022, estimates **72-78m litres** of bioethanol and between **570-730m litres** of biodiesel/HVO could be required to meet the Climate Action Plan transport targets by 2030.
- RED II (proposed RED III) and FQD Requirements

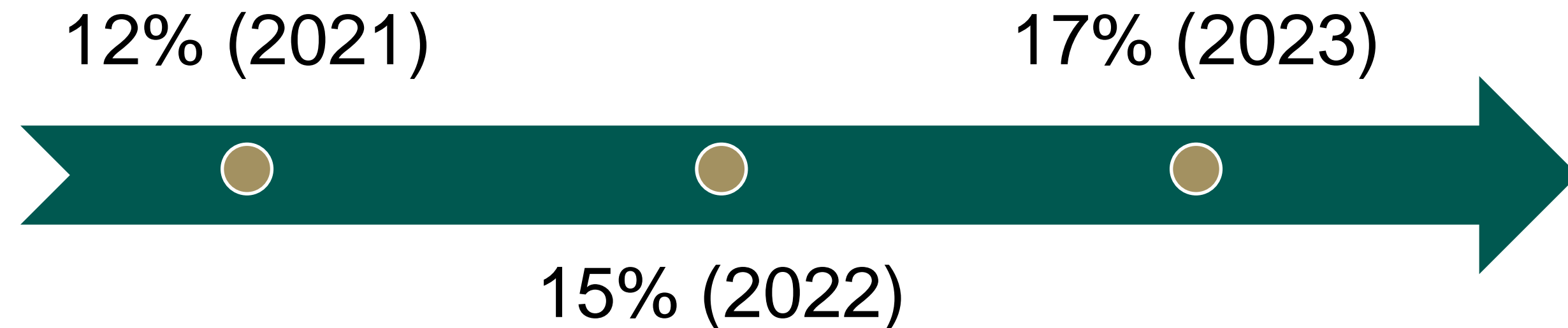


Section 2: Proposed RTFO rate, targets and limits

- The RTFO Rate
- E10 Mandate
- Advanced Biofuel Obligation
- Renewable Fuels of Non-Biological Origin (RFNBO)
- Additional Certificates to Incentivise Certain Renewable Transport Fuel (RTF) Supply



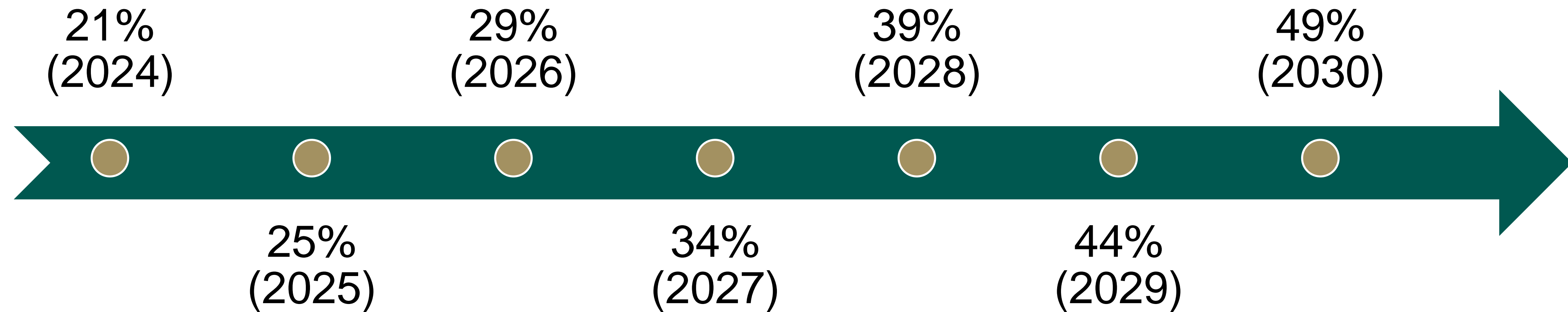
Obligation, targets and limits



- January 2023 the RTFO rate was further increased to approximately 17% by energy (as a % of road fossil fuel)
- It is proposed to increase the RTFO rate annually. The last Policy Statement set out an indicative projected trajectory for annual increases in the RTFO to 2025 up to an estimated 38% by energy rate from 2030.



Proposed obligation, targets and limits



- The trajectory to 2025 has been reviewed and adjusted, supported by analysis by the NORA RTFO Team.
- Assumptions: 15% disposal using certificates from previous years, and multipliers that will be applied to actual volumes placed on the market, E10/B20 by 2030 target.

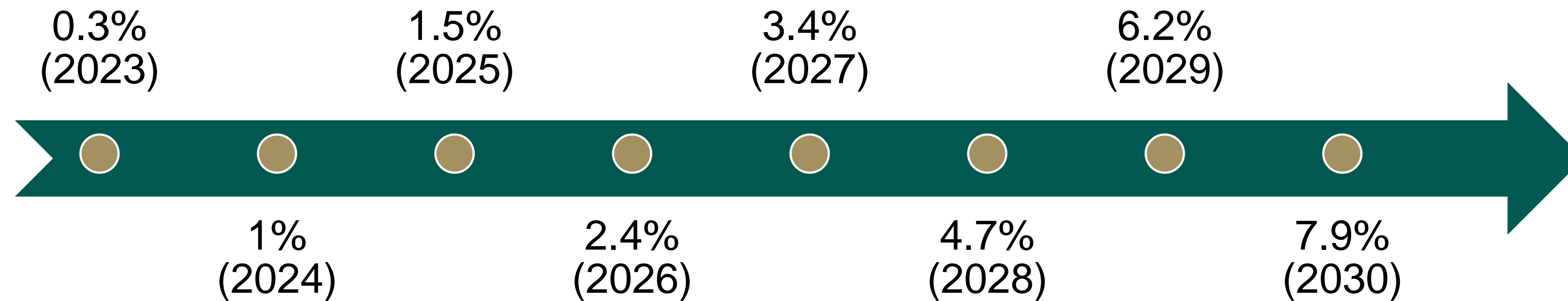


Move to E10

- The minimum percentage ethanol in petrol [5.5%] to be specified in Regulations proposed 1 April 2023.
- The policy aim is to ensure that the actual supply of ethanol achieves Climate Action Plan target of E10 by 2025, while maintaining a crop-based biofuel contribution in Ireland's RTF supply within the EU RED limit of 2%.
- Regulations will be reviewed over 2023/2024.



Advanced Biofuel Obligation Rate



- Targets for advanced biofuels supply - EU RED - ABO 2023 at 0.3% by energy, biofuels from feedstocks listed in Annex IX Part A
- EU targets at least 1% in 2025 and 3.5% in 2030.
- Indicative rate of increase of the advanced biofuel obligation to 2030
- Assumptions: 15% disposal using certificates from previous years, and multipliers that will be applied to actual volumes placed on the market.



A Sub-Target Rate for RFNBO's

- Proposed EU RED under EU Fit for 55 - sets out a sub-target for supply of renewable fuels of non-biological origin (RFNBO) in the transport sector of a [binding 1.5% target by 2030 complemented by a non-binding target of 5.2%].
- Implemented by a percentage contribution for RFNBO being established within the RTFO rate in 2025, with a corresponding buy-out charge
- The Biofuel Study recommends further examination of the potential availability and supply of renewable fuels of non-biological origin (RFNBOs) and recycled carbon fuels (RCFs).

Incentives for specified RTFs



- From 1 April 2023 authorisation for NORA to grant additional certificates for supply of specified RTFs, in specified sectors, with the aim of targeted incentivising of supply.
- To review in 2023/2024 against the objectives, unintended consequences, regulatory changes.



Section 3: Supporting compliance

- EU Greenhouse Gas (GHG) Intensity Reduction Target
- Sustainability and GHG Criteria Compliance – European (EU) Database & Supervision of Certified Bodies
- Safeguarding Against Risk of Fraud and Other Indirect Effects
- High Indirect Land Use Change (ILUC) risk

EU Greenhouse Gas (GHG) Intensity Reduction Target



- Article 7(a) of the EU Fuel Quality Directive (FQD) requires fuel suppliers, at a minimum, to reach a 6% reduction in lifecycle carbon intensity (lifecycle emission) of fuel supplied to the transport sector
- In 2021, in aggregate, suppliers failed to meet the EU FQD target 6%, only achieving 3%, [this is currently estimated to be 3.8% in 2022]
- It is projected that with planned increases in the RTFO rate, in aggregate, this FQD target may be achieved by end 2024 or in 2025 and in the years after 2025 Ireland will likely exceed the target.
- Policy consultation stakeholder responses in 2022 broadly supported the RTFO as a means to achieve this target rather than penalties and fines.
- *Should the renewable transport fuel obligation be solely based upon a greenhouse gas intensity reduction in 2025 rather than a renewable energy obligation?*

Sustainability and GHG Reduction Criteria



- EU Database
- Supervision of CBs by competent authorities
- The Biofuel Study Report 2022 recommends continued progress in implementing these new supervision elements, as key to safeguard against the risks around sustainability of biofuels supply.
- The system administrator and Departments will continue to engage at an EU level with the European Commission and with stakeholders to ensure implementation of the EU supervision updates.
- *Establish the focus for activity over the next two years?*

High ILUC-Risk



- Supply of high ILUC-risk biofuels is capped as the amount supplied in 2019 by the companies who supplied it, unless it is certified as low ILUC-risk.
- The volume contribution to the RTFO rate from high ILUC-risk biofuel will be reduced to 0% by 2030 in line with the EU Renewable Energy Directive.
- It is the intention to reduce the contribution of high ILUC-risk biofuels to the RTFO commencing in the 2024 obligation period.
- *Does this reduction need to be accelerated?*



Safeguarding Against Risk of Fraud and Other Indirect Effects

The Biofuel Study Report 2022 recommends further work to study how indirect emissions could arise, in light of Ireland's current reliance on UCO and tallow feedstocks, to examine the indigenous market and potential for deliberate 'downgrading' of category 3 tallow to category 1, and, to Investigate first-hand how fraudulent activity may be carried out.

- It is proposed to establish a working group to carry out a vulnerability assessment concerning the risk of biofuel fraud (leading to high ILUC-risk) and other indirect impacts, and making recommendations where improvements are needed.
- *What are your views concerning the scope of this assessment?*
- *Who should be on the Working Group?*



Section 4: Ongoing review of evidence and research supporting the Policy

Targets

- CAP B20/E10
- EU RES-T by 2030

Benefits

- Carbon & GHG reduction

Risks

- Biodiversity
- ILUC & Crop-Cap

Impacts

- Fuel prices
- Air Quality

air quality and non-carbon emissions

inputs from stakeholders

supply of crop-based biofuels

deep dive research

high-ILUC-risk biofuels

lifecycle GHG emissions

carbon reduction

fuel price impacts

review policy every 2 years

Availability of Advanced Biofuel & RFNBO



- The Biofuel Study Report concludes that in order to ensure that Ireland meets the EU requirements in the context of ambitious national targets for biofuels, it will be necessary to both increase the share of renewable electricity in transport (delivering on CAP EV targets) and incentivise the supply of advanced biofuels (i.e. Annex IX listed feedstocks other than UCO and tallow). It recommends further examination of the potential availability and supply of renewable fuels of non-biological origin (RFNBOs) and recycled carbon fuels (RCFs).
- A Proposed Working Group to be established in 2023 by the Department – steering research in this area, taking into account research and analysis in Europe, UK and beyond
- *What are your views concerning the scope of this examination?*
- *Who should be on the Working Group?*



Consultation

The Department of Transport is now seeking views in relation to the draft **Renewable Fuel for Transport Policy Statement 2023-2025**.

Accompanying the draft policy statement is a response template containing specific consultation questions in a format to facilitate written contributions from stakeholders.

Submissions may be made by;

Link to online form [Link to online form](#)

email to climateadaptationresearch&energydivision@transport.gov.ie

The closing date for submissions is the 28th of April at 5pm