



An Roinn Iompair
Department of Transport

Renewable Transport Fuel Policy 2023-2025 Stakeholder Workshop:

*Implementing the revision of the EU Renewable
Energy Directive (III)*

Andrea Lennon
25 October 2023



Status of the RED III

- ❖ RED III is a Revision of Directive EU 2018/2001 (RED II) by amendment
- ❖ A final text as agreed by Member States and adopted by Parliament and Council is to be published shortly
- ❖ It will enter into force 20 days after publication. The Articles relevant to transport have a transposition deadline of 18 months after entry into force – approx. mid-2025
- ❖ Implementation through transposition will be by means of secondary legislation, as such any amendment to the NORA Act 2007 would need to be necessitated by the Directive
- ❖ A working group – inputs from D/Transport, D/ECC, NORA, SEAI has been established to progress the legislative transposition

What's new in RED III – to be implemented by 2025



- ❖ Change in **scope – denominator for RES-T expands** from road and rail to all transport (incl. aviation and maritime)
- ❖ The **increase in targets** for renewable energy in transport consumption:
 - a share of at least 29% by 2030 (from the current 14% by 2030 target) or
 - a GHG reduction of 14.5% by 2030 (from the current annual 6%)
- ❖ The **sub-target for advanced biofuel and renewable fuels of non-biological origin (RFNBO)** of at least 5.5% by 2030, with at least 1% of this share being RFNBO – with possible additional certificates awarded for RFNBO from Annex IX and supplied for use in aviation and maritime sectors.
- ❖ That renewable fuel and **renewable electricity supply in the transport sector** shall be included in the obligation on fuel suppliers by Member States.



1. RED III Consideration of Scope

- What is counted as RES-T?
- What is obligated?

Question of Scope & RED III



RTFO

- RTFO

RTF supply (in any transport sector)

relevant disposals of petroleum product (in road transport) placed on the market in the State



RED II

- RES-T [RED II]

Renewable Energy supply (in all transport sectors)

energy consumption in road and rail transport in the State



RED III

- RES-T [RED III]

RTF & REI supply (in all transport sectors)

energy consumption in all transport in the State

Knowledge gaps and possible research?



EU ReFuel

- SAF:
- 2% 2025 6% 2030 70% 2050
- RFNBO 1.2% 2030
- Transition provision to 2035

– The quantum/modelled demand of RTF required in Ireland to meet the future EU mandates/targets for (SAF) supply in aviation & renewable energy in maritime transport, **incl. consideration of renewable energy for domestic aviation and marine navigation?**

– The supply availability and constraints to meet the modelled demand: short-term (biofuels) & long-term (efuels), and any supporting infrastructure requirements?

– Can renewable electricity for portside charging of ships and aircraft on stand be counted to RES-T?



FuelEU

- GHG reduction relative to 2020:
- 2% 2025
- 6% 2030
- 80% 2050



2. Increased overall RES-T targets:

Article 25(1)

- 29% Share of renewable energy, or
- 14.5% GHG reduction?

Increased RES-T targets measured by energy or GHG reduction



- ❖ The increase in targets for renewable energy in transport consumption:
 - a share of at least 29% by 2030 (from the current 14% by 2030 target) or
 - a GHG reduction of 14.5% by 2030 (from the current annual 6% FQD)

2021-2022 snapshot data:

RTFO rate increase from 11- 13% by volume

RES-T in 2021 - 4.4%
in 2022 - 5.5%

FQD in 2021 - 3.1%
in 2022 - 3.8%

IE Actual (SEAI)	[RED I]	RED II (2021)
2021	[10.1%]	4.4%
2022	[12.2%]	5.5%

Increased RES-T targets measured by energy or GHG reduction



Consideration of RTFO:

What does this mean for the RTFO rate trajectory under the RTF Policy, incl. continuing to meet the CAP (and potential increased biofuel 2030 scenario for transport decarbonisation) ?

In the context of the first question - how does achievement of renewable energy share in transport energy consumption compare with achievement of GHG reduction in the transport sector?

What are the implications for administration of the RTFO on a GHG reduction basis, e.g. award of certificates, disposal of the obligation with certificates from previous obligation periods or through buy-out?

Noting advanced biofuel and RFNBO sub-targets in the RED are expressed as share of renewable energy.

Increased RES-T targets measured by energy or GHG reduction



Broader policy consideration:

For the purposes of EU RED (EU SHARES) and National Energy and Climate Plan (including RES-E, RES-H and RES-T), accounting and reporting both share of renewable energy and GHG reduction will be necessary.

How will the RTFO, expressed as a GHG reduction align to the Climate Action Plan target for achievement of emission ceilings within carbon budgets – E10/B20 by 2030 (as modelled based upon achievement of all transport decarbonisation measures in the CAP)?

In incentivising renewable energy, Ireland must also adhere to overall energy consumption reduction requirements of the Energy Efficiency Directive.



3. RES-T sub-targets for renewable energy shared of:

Article 25(1)

- 5.5% by 2030 of advanced biofuel and renewable fuels of non-biological origin (RFNBO) combined
- 1% by 2030 minimum of RFNBO

3. RES-T Sub-target for Advance Biofuel and RFNBO



- ❖ The sub-target for advanced biofuel and renewable fuels of non-biological origin (RFNBO) of at least 5.5% by 2030, with at least 1% of this share being RFNBO
- ❖ [RFNBO from Annex IX x2 and RFNBO in aviation and maritime x1.5]

Q1 – 5.5% minimum or 5.5%+ by 2030 overall target? For IE to achieve the RES-T

Q2 – what combination of RTFO and ABO to meet the overall target? While adhering to the 1% minimum for RFNBO

Q3 – What trajectory of increase to 2030 – straight line, stepped or curved?

- ❖ Option 1: minimum 1% RFNBO & 4.5% ABO = 5.5%
- ❖ Option 2: Higher RFNBO & Lower ABO than Option 1 = 5.5%
- ❖ Option 3: Higher RFNBO & Lower ABO than Option 1 = **5.5%+**
- ❖ Option 4: Higher RFNBO & Higher ABO than Option 1 = **5.5%+**
(if setting higher targets than required in the RED III – then how high?)

Review of award of multiple additional RTFO certificates



- ❖ Currently under Section 44G:
- ❖ 2 RTFO Certificates for Annex IX, otherwise 1 RTFO Certificate
- ❖ Additional RTFO Certificates by Ministerial Regulation (Green Hydrogen, Biomethane, FAME Tallow, HVO & RTF in aviation and maritime)

- ❖ ***For consideration:***
- ❖ RED II - Renewable Electricity in Road x4 and in Rail x1.5
- ❖ RED III - RFNBO from Annex IX x2 and RFNBO in aviation and maritime x1.5
- ❖ Additional RTFO certificates that align with achievement of RED III advanced biofuel and RFNBO sub-targets



4. Credit for renewable electricity supply in transport within the obligation

Article 25(1)



“Each Member State shall set an obligation on fuel suppliers to ensure that:

- (a) the amount of renewable fuels and renewable electricity supplied to the transport sector leads:
 - (i) to a share of renewable energy within the final consumption of energy in the transport sector of at least 29 % by 2030; or
 - (ii) to a greenhouse gas intensity reduction of at least 14,5 % by 2030, compared to the baseline set out in Article 27(1), point (b), in accordance with an indicative trajectory set by the Member State;”

“Member States shall establish a mechanism allowing fuel suppliers in their territory to exchange credits for supplying renewable energy to the transport sector. Economic operators that **supply renewable electricity to electric vehicles through public recharging points shall receive credits**, irrespectively of whether the economic operators are subject to the obligation set by the Member State on fuel suppliers, and may sell those credits to fuel suppliers, which shall be allowed to use the credits to fulfil the obligation set out in paragraph 1, first subparagraph. Member States **may include private recharging points** in this mechanism provided it can be demonstrated that renewable electricity supplied to those private recharging points is provided solely to electric vehicles.”

Renewable electricity in the transport sector bring renewable electricity within the obligation?



The current RTFO is a % RTF (in all transport) of relevant disposals of petroleum products (in road transport fuel)

- ❖ Option 1: Setting a percentage RTF [and renewable electricity] in relevant disposals of petroleum products [and electricity] (in [road] transport)
- ❖ Option 2: Provide for the award by the NORA of RTFO certificates to RTF account holders for supply of renewable electricity on the market for use in road transport.

- ❖ Additionally consider:
 - ❖ Provide for consumers of renewable electricity to benefit from RTFO certs/use in transport, e.g. through a broker as in German system
 - ❖ Provide for award of RTFO certs to suppliers to be permitted only if benefit is directed to investment in electrification, e.g. Netherlands system

- ❖ Consideration of how any new renewable electricity certificates could be incorporated within the RTFO trajectory to meet NECP, RES-T and CAP [biofuel] targets?