

BIOFUELS REGULATORY UPDATE

Issue N°. 16
July 2018

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What's new

New regulatory developments since April

1. In Italy, the GSE has published guidelines for the application of the biomethane decree, including the procedure for the registration of advanced biofuels producers.
2. In Spain, the transposition of the ILUC directive was published on May 1, including the legal enforcement of double counting.
3. The Swedish government issued final regulations for the Fuel Shift (GHG mandate) and corresponding guidelines.
4. The list of advanced feedstocks in the Netherlands has been fixed by decree.
5. In Austria, a text of law has been published to transpose the ILUC directive and the methodology applied to art 7a of the Fuel Quality directive, including an unclear mention of the scraping of the double counting scheme for waste based biofuels. In parallel, local sources affirmed that the increase of the mandate to 8.45% e.c in 2020 has been canceled.
6. Mid-July, the Czech Parliament has voted on the new Air Protection Act that transposes the ILUC directive and introduces the double counting of waste based biofuels. It should be signed by the President by the end of July.
7. In the US, the EPA has proposed to increase the RVO by 3% to 19.88 billion gallons in 2019.

Current situation

As the DC decree is still blocked in the limbo of the various ministries, there is nothing new to report in France since April. From January 1, 2018, 100% of the non-road gasoil sector is under the biodiesel mandate.

MANDATE	2017	2018	2019
Biodiesel	7.7% e.c	7.7% e.c	7.7% e.c
Advanced biodiesel	-	?	?
Ethanol	7.5% e.c	7.5% e.c	7.5% e.c
Advanced ethanol	-	?	?
Road/non-road applicability	Road + 75% non-road	Road + 100% non-road	Road + 100% non-road
RED	x	x	x
FQD	-	-	-

DOUBLE COUNTING	2017	2018	2019
Enforcement	x	x	x
CAP	0.7% e.c separate mandate, 0.6% e.c for ethanol	0.7% e.c separate mandate, 0.6% e.c for ethanol	0.7% e.c separate mandate, 0.6% e.c for ethanol
UCOME	x	x	x
TME cat. 1	x	x	x
TME cat. 2	x	x	x
TME cat. 3	-	-	-
Fatty acids	-	-	-
POME	-	x (advanced)	x (advanced)

QUOTA (EUR /CUM)			
Diesel tax, (incl. CO2 Tax)	530.7	594	594
Biodiesel tax Break	0	0	0

PENALTIES IN CASE OF NON-COMPLIANCE

The fuel distributor pays a tax called TGAP, calculated each year by the spread between the mandate and the actual blending. For more details, see: <http://www.douane.gouv.fr/informations/bulletins-officiels-des-douanes?da=15-016>

TICKETS SYSTEM

Yes, details are also available in the link above.

DEADLINE TO SUBMIT COMPLIANCE FILE

April 10

CLIMATE CHOICES EN14214:2012

Summer (April 1 to October 30): CFPP max 0°

Winter (November 1 to March 31): CFPP max -5°

The initial plan set by the decree published at the Official Journal on April 26, 2016 to introduce a sub-target for advanced fuels, in line with the RED2 directive, has been revised down. The 1% e.c advanced sub-target will not be introduced but a 0.1% e.c tiny objective could be. The decree planned to double count all feedstocks listed at Annex IX of RED2 (including POME and tall oil) plus three feedstocks: acid oils, molasses and residual starch from 2018 when the advanced fuel target would be introduced. This list will be updated in the coming weeks, after a delay of more than one year. In 2023, the target should increase to 2.3% e.c but it remains unlikely at this stage.

The official confirmation about the Fame standard to apply to blends above B7 will contain a CFPP of -10°, commanding RME use only for the volumes between B7 and B10 and up to B30, has yet to be released.

We still (!) anticipate that the specific target for waste based Fame (0.7% e.c DC) shall evolve at one stage, while the idea to favour local wastes production (tallow, ucos) remains well present within the debate. The generalization of the Register of Biofuels Origination (RBO) can notably be a game changer if it goes through in the coming months.

Thank you!
The next issue will be released
in January 2019.

List of abbreviations

NDY	Not Determined Yet
DC	Double counting
MS	Member State
RED	Renewable Energy Directive
FQD	Fuel Quality Directive
Fame	Fatty Acid Methyl Ester
UCOME	Used Cooking Oil Methyl Ester
TME	Tallow Methyl Ester
PFAD	Palm Fatty Acids Distillates
POME	Palm Oil Mill Effluent
e.c	energy content
vol.	volume
ILUC	Indirect Land Use Change
Cap	Limitation of waste based biofuels' use

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