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AUSTRIAN BIOFUEL POLICY

FQD, RED – Experiences and Current Challenges

TAIEX/ ECRAN Workshop Tirana – 14.04.2016

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OVERVIEW



14.04.2016

- Current situation in AT
 - Fuels, biofuels - types and quantities
 - Transposition of FQD and RED
- Experiences of implementation
 - Implementation of Directive 1998/70/EC
 - Fuel Quality – Fuel Quality Monitoring System – FQMS
 - Sustainability of biofuels and bioliquids

OVERVIEW



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- Experiences of implementation
 - Implementation of Directive 2009/28/EC
 - Biofuel target in the AT legislation
 - Sustainability of biofuels and bioliquids

OVERVIEW



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- Upcoming challenges of implementation
 - Implementation of Directive 2015/1513/EU
 - Subtarget for advanced biofuels
 - Implementation of Directive 2015/652/EU
 - Upstream Emission Reductions - UERs

CURRENT SITUATION IN AT



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- Fuels on the market
 - 80% diesel / 20% petrol
- Biofuels
 - blends: B7, E5,
 - pure: B100 (> B7), HVO, plant oil
- Production
 - 1 refinery
 - 1 plant producing ethanol, 8 plants producing FAME

CURRENT SITUATION IN AT



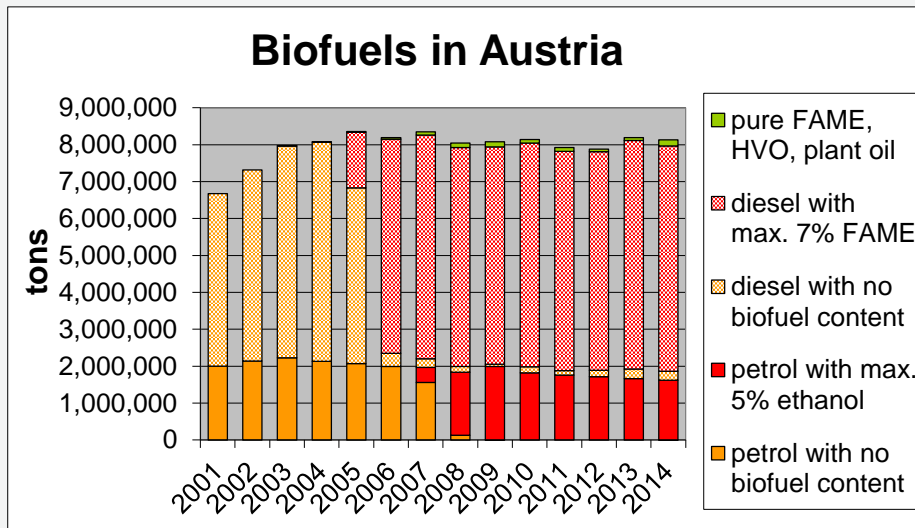
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- Tax exemptions
 - 2.8 EUR ct/l less for diesel with a min. 6.6% v/v biofuel
 - 3.3 EUR ct/l less for petrol with a min. 4.6% v/v biofuel
 - No mineral oil tax for pure biofuels e.g. B100, HVO

CURRENT SITUATION IN AT



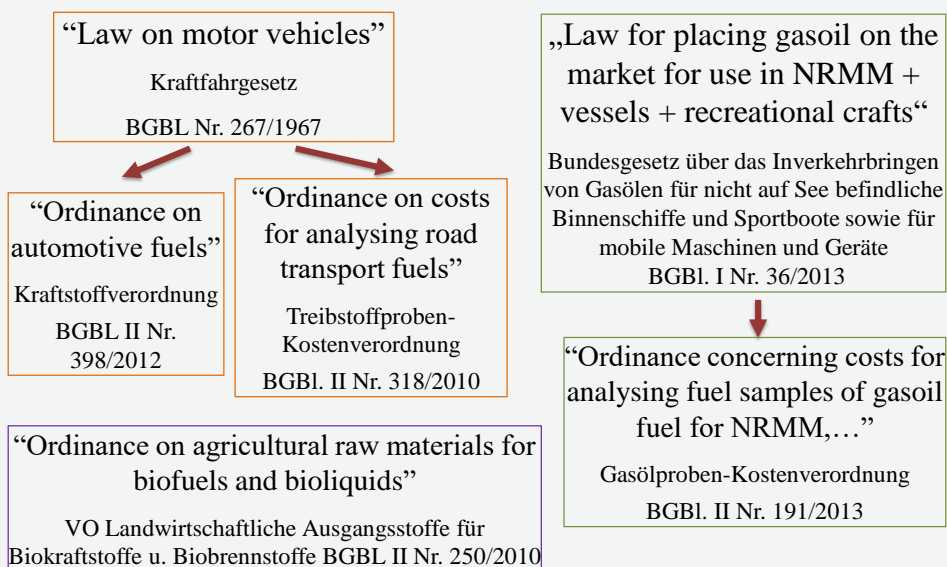
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TRANSPOSITION FQD AND RED IN AT



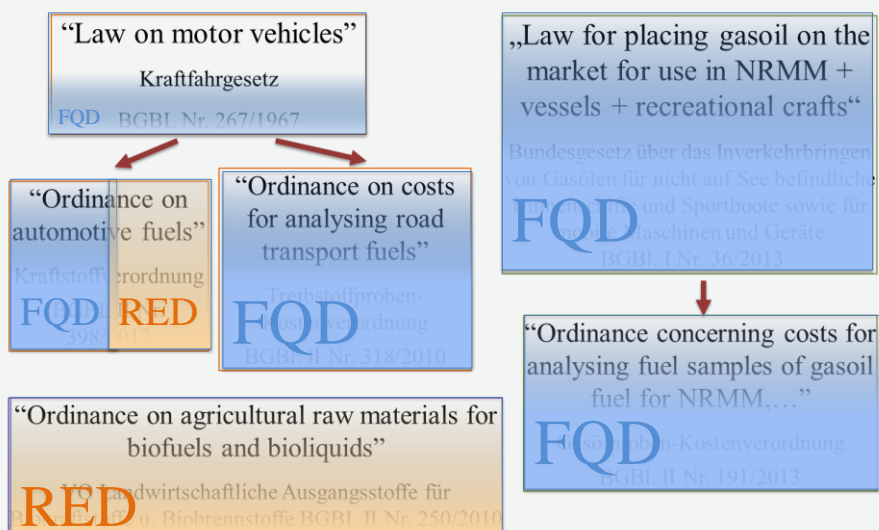
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TRANSPOSITION FQD AND RED IN AT



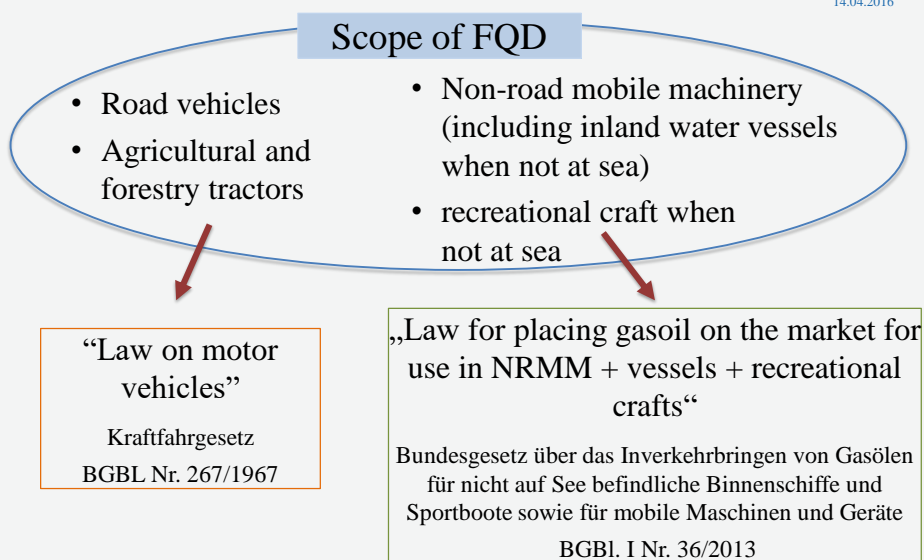
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FQD – TRANSPOSITION IN AT



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Article 8 - Monitoring compliance and reporting

- MS shall monitor compliance of petrol and diesel fuels, on the basis of the analytical methods in the
- MS shall establish a **fuel quality monitoring system** in accordance with the requirements of the relevant European standard (EN 14274, EN 14275). (The use of an alternative fuel quality monitoring system may be permitted provided that such a system ensures results of equivalent confidence.)

Parameters of the AT FQMS System

- 100 samples of diesel EN 590 (50 winter / 50 summer)
- 100 samples of petrol EN 228 – 95 octane (50 winter / 50 summer)
- 2014 about 2.600 public fuel stations

FQD - FQMS



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Transposition of the FQMS System in AT

- “Law on motor vehicles”
 - The ministry **or experts entitled by the ministry** are allowed to control the fuels
 - **All costs** associated with sampling, analytics and reporting **have to be covered** by the natural or legal person on whose account and in whose name the business is operated

FQD - FQMS



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Transposition of the FQMS System in AT

- “Ordinance concerning costs for analyzing fuel samples of fuels for road vehicles”
 - Since 2010 the actual prizes per sample are:
 - 733 EUR for diesel
 - 855 EUR for petrol

FQD - FQMS



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Results

- Fuel quality is very good

Experiences – challenges

- Costs for the FQMS are covered, but:
 - Many complaints of “fuel sellers” about the high costs
 - Higher administrative burden (answering questions, high quality reports to the “fuels sellers”, court cases,...)
 - Adapting the prices in the ordinance is not easy

RED – BIOFUEL TARGETS



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„Ordinance on automotive fuels“

- Substitution requirement
 - Entities bringing fossil fuels on the market have to **substitute** a certain percentage with biofuels
 - Since 2009 **3.4%** of the energy content of **petrol** and **6.3%** of the energy content of **diesel** brought on the market have to be substituted with biofuels
 - **Either blending** biofuels **or** selling them **pure** (B100, E85, Bio-CNG)

RED – BIOFUEL TARGETS



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„Ordinance on automotive fuels“

- Substitution requirement
 - Possible to fulfill the target with B7 and E5
- Tax exemptions concerning mineral oil tax
 - 2.8 EUR ct/l less for diesel with a minimum of **6.6%** v/v biofuel
 - 3.3 EUR ct/ l less for petrol with a minimum of **4.6%** v/v biofuels
 - No mineral oil tax for pure biofuels e.g. B100, HVO

RED – BIOFUEL TARGETS



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Results

- Substitution requirement is fulfilled

Experiences – challenges

- Tax incentives helped a lot to overcome resistances
- 2012 plan for the introduction of E10, finally stopped due to political reasons
- Further biofuel policy currently discussed

RED + FQD SUSTAINABILITY CRITERIA



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Article 18 RED = article 7c FQD

- AT (and other MS) interpreted article 18 of the RED, that for biofuels the prove of compliance with sustainability criteria can be done in two ways:
 - National sustainability schemes
 - Voluntary sustainability schemes authorized by the Commission

RED + FQD SUSTAINABILITY CRITERIA



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National sustainability scheme - biomass

- A national system for agricultural biomass for the production of biofuels and bioliquids was set up to keep the costs for farmers and the administrative burden low
 - → 2010 (!) “Ordinance on agricultural raw materials for biofuels and bioliquids”
 - System is run by the official paying agency for EU agricultural subsidies “Agrarmarkt Austria” AMA

RED + FQD SUSTAINABILITY CRITERIA



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National sustainability scheme - biomass

- The reason for setting up the system in that way was, that AMA is auditing the farmers anyway, doing on site checks
- Problems for years with mutual recognition of the national system → solved with new ILUC Directive - article 18 (6) RED or 7c (6)

RED + FQD SUSTAINABILITY CRITERIA



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Voluntary sustainability schemes - biofuels

- A similar national sustainability scheme for the biofuel production was set up in the “Ordinance on automotive fuels“ but has not been used by now
- Prove of compliance with sustainability criteria is done by voluntary schemes

RED + FQD SUSTAINABILITY CRITERIA



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National biofuel register for Sustainable Biofuels – eINA

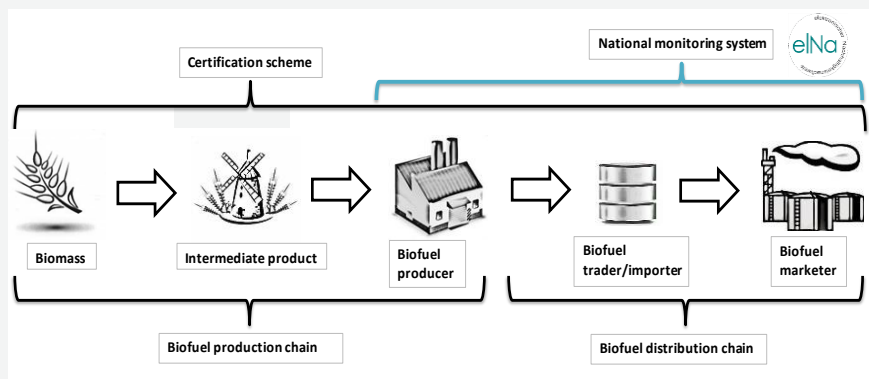
- Based on the “Ordinance on automotive fuels“ the Austrian Environment Agency has set up an **electronic system** for monitoring compliance with sustainability criteria **on a member state level** called eINA
 - Verification of data (within the system & on-site auditing)
 - Collection of data to fulfill reporting obligations
 - Providing reliable information for tax exemptions
- Electronically linked to the German system NABISY

RED + FQD SUSTAINABILITY CRITERIA



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National biofuel register for Sustainable Biofuels – eINA

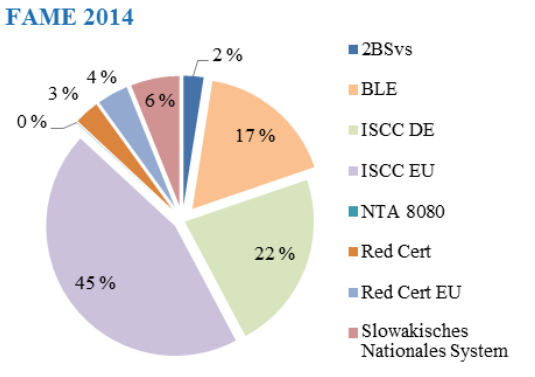


RED + FQD SUSTAINABILITY CRITERIA



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Results – eINA – different certification schemes

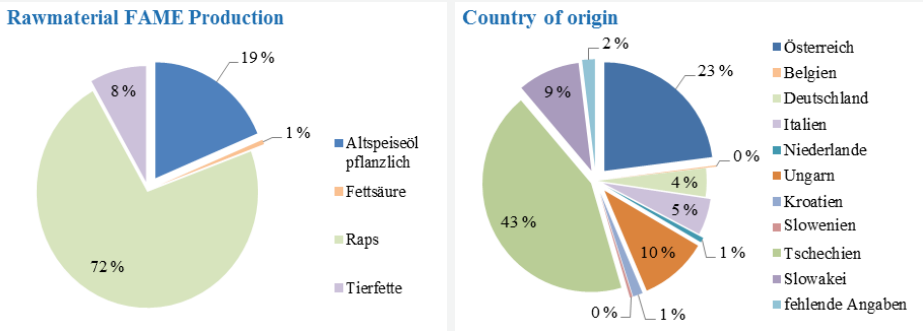


RED + FQD SUSTAINABILITY CRITERIA



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Results – eINA – FAME



RED + FQD SUSTAINABILITY CRITERIA



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Results

- The national sustainability scheme and eINa are working effectively

Experiences – challenges

- Transposition itself and especially to get the whole sustainability system up and running was challenging
- National sustainability system for biomass is the best solution for AT, though needed a lot of effort to achieve mutual recognition

UPCOMING CHALLENGES



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Implementation of Directive 2015/1513/EU

- Sub target for advanced biofuels
 - “indicative” target – “*MS shall seek to achieve...*”
 - Reference value of 0.5% - target can be set lower for different reasons mentioned in the directive
 - Commission will publish achievements of MS and the grounds of MS setting a lower target than the reference value

DIRECTIVE 2015/1513/EU



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From a today's perspective there will be

- Low amounts of advanced biofuels available in 2020 especially on the diesel side (P. fats??)
- Different levels of MS subtargets and different ambitions to reach the target

DIRECTIVE 2015/652/EU - UERs



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Implementing directive 2015/652/EU

- According to Article 7a Directive 2009/30/EC
Supplier target: reduction of 6 % CO₂ equivalent
- Many MS as AT will reach on average 4 – 4.5%
using “high performance” biofuels
- ➔ Upstream Emission Reductions - UERs will be
needed to reach the 6% target
- How to transpose is highly unclear

DIRECTIVE 2015/652/EU - UERs



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From a today's perspective there will be

- Different levels of ambition concerning the implementation of UER “systems” in different MS
 - ➔ Different UER “certificates” concerning quality, price and volume

DIRECTIVE 2015/652/EU - UERs



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From a today's perspective there will be

- No central EU database for UER
 - ➔ no centralised registry, no centralised splitting of certificates, no centralised fraud prevention
- A lot of political decisions necessary before the actual transposition

AT REPORTS



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Biofuel report

<https://www.bmlfuw.gv.at/umwelt/luft-laerm-verkehr/verkehr-laermschutz/alternativkraftstoffe/biokraftstoffbericht.html>



AT REPORTS



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FQMS report

http://www.umweltbundesamt.at/aktuell/publikationen/publikationssuche/publikationsdetail/?pub_id=2125





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**THANK YOU VERY MUCH FOR
YOUR ATTENTION !**

HEINZ BACH

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