

Question 1.1:

Do you think the "possible way forward" described above is feasible?

The main question is if or how to use the financial support is the future impact of 2nd generation technologies.

Because the commercial entry to the market is very close, it could be smart to wait for Biofuels directive update, until we will have more precise data about the economics, greenhouse reductions of the new biofuels from 2nd generation.

But mainly, the Directive has to solve the problem of unbalanced governmental support and ask Member state to balance the different bio- and (non) renewable energy support if there is a „competition“.

The directive should impose the „solution of the „competitive“ position of biomass consumers and non.balanced financial support in Member States.

The example of Czech legislation as of today is clear :

The CNG for vehicles is totally supported, excise duty is equal 0.

The blended biofuels are under obligatory blending, set to 2% from 1.9.2007 (FAME) and 2% from 1.1.2008, no financial support, excise duty is equal to fossil fuels.

The biomass for power generation is financially supported by the double, even tripled purchasing price of MWh, 15 years guaranteed.

The result will lead to

- **radically increasing use of CNG (which is not renewable source !!!), because the price of 1 km drive is around half cost**
- **shortage of biomass for motor fuels 2nd generation (energy crops, wood) or increase of price of 2nd generation motor fuels**

Question 1.2

What do you think the administrative burden of an approach like the "possible way forward" would be? (If possible, please quantify your answer.)

The best way how to limit the administrative burden to minimum is to apply the similar approach as EU has applied to Co2 emissions. Each of the energy crops has to be certified by the difference between how much of energy (Co2) is put in and how much of energy (Co2) is liberated during use. These certificates can be traded as the emissions. The producers manufacturing the most contributing biofuels will have a financial support from them with less contributing. The national level of „free“ certificate should reflect the actual level of emissions and be gradually decreasing.

Question 1.3

Please give your general comments on the "possible way forward", and on how it could be implemented. Does it give an adequate level of assurance that biofuels will be sustainably produced?

If you think the problem should be tackled in a different way, please say how, giving details of the procedures that would be used.

See above.

Question 3.1:

How should second-generation biofuels be defined? Should the definition be based on:

a) the type of raw materials from which biofuels are made (for example, "biofuel from cellulosic material")?

Yes, on the type of feedstocks. Generally – biomass which is not suitable for food industry and food purpose (animals as well), in order to avoid the increase of food raw material prices.

b) the type of technology used to produce the biofuel (for example, "biofuels produced using a production technique that is capable of handling cellulosic material")?

No, because the same technology process can treat the 1st generation feedstock as 2nd generation (hydrolysis for example).

Question 3.2:

Please give your comments on the "possible way forward" described above. If you think the problem should be tackled in a different way, please say how.

Question 3.3

Should second-generation biofuels only be able to benefit from these advantages if they also achieve a defined level of greenhouse gas savings?

If there will be a system of Co2 trading scheme, the difference in subsidies will be given automatically.

Yes, the 2nd generation should get more support, if there is more reduction of greenhouse gases, the relationship should be derived from this ratio.

Question 4.1:

Should the legislation include measures to ensure that diesel containing 10% biodiesel (by volume) can be placed on the market, and is in fact placed on the market?

Czech republic has longterm experience with the „blended diesel“ – 31% of FAME in diesel.

Czech state subsidised many years the blending of 31% FAME and diesel engines were running without any problems.

The way to increase the „standard“ content of FAME in diesel up to 10% is not the optimal, because of the large volume of diesel to reach this 10% and availability of rape seed in the country.

I propose to implement excise duty removal in the case of 31% of FAME in diesel.

Question 4.2:

Should the legislation include measures to encourage the use of ethanol and biodiesel in high blends? If so, what?

Yes, because only by that measures we can get this 10% of biofuels and to compete to CNG gas support.

The measures can be :

- **excise duty removal for blends higher than 30% of FAME and 80% of ethanol**
- **incentives to invest to 2nd generation plants**

Question 4.3:

Should the legislation include measures to encourage the use of biomethane, methanol and DME in transport? If so, what?

Bioethanol in high contents, see above.

Question 4.5:

Should the legislation ask the Commission to review, by a given date, whether it is possible to be confident that the 10% target can be achieved through:

- a) rules that allow 10% blending by volume of ethanol in ordinary petrol, plus*
- b) rules that allow 10% blending by volume of biodiesel in ordinary diesel, plus*
- c) the four options listed under 'other options for solving the problem';*

If so, what should the date be?

Yes, the latest in 2010. In that time the technology of 2nd generation will be much more clear and all Member States will have their strategy how to reduce the greenhouse gases emissions updated.

If the review were to conclude that the target is unlikely to be met, what action should the Commission take?

As in all cases, when the binding target in Directive is set.

Question 4.6

More generally, what role should taxation play in the promotion of biofuels (considering different situations such as low blends, high blends and second-generation biofuels)?

Definitely in the case of high content biofuels (because of large price difference between 1st generation biocomponents) and 2nd generation biofuels because of their radical contribution to greenhouse gases contribution.