

Biofuel issues in the new legislation on the promotion of renewable energy
Public Consultation Exercise
Energy and Transport Directorate-General, European Commission

Views of Neste Oil Corporation on the questions posed by DG TREN.

Question 1.1

- In the long run this is possible. However, the biggest regulatory challenges come from data collection, verification and monitoring which will require significant international co-operation. It is very important that all the Member States apply the same standards for verification and monitoring and thus allowing the industry to operate in the most effective way in all markets.

Question 1.2

- The administrative burden is expected to be significant unless there is a harmonized system among Member States. The system should be as practical and straight-forward as possible.

Question 1.3

- The criteria for sustainability should be based on existing standards in order to avoid overlapping and conflicting regulation. Special emphasis should be put on the definition of each criteria to help the Member States to interpret the criteria in a similar manner. Harmonized system for verification and monitoring would help the Member States and the industry to implement the promotion of renewable energy in the most efficient way.

Question 1.4

- The method used to determinate the previous land use should be transparent and applicable to prevailing infrastructure.

Question 1.6

- The definition of exceptional biodiversity should be based on existing definitions.

Question 3.1

- Defining of different biofuel generations is not relevant. The direction and speed of technology development in biofuels can be steered by making technology neutral regulations, which incentivize the desired performance criteria. The Commission should encourage the production and use of all biofuels that contribute to achieving the overall targets set for biofuel in the European Union without compromising the environment, fuel quality or user friendliness. Such an encouragement would accelerate technology development, scale up of biofuel production and commercialization and therefore speed up the penetration of advanced biofuels.

Question 3.2

- Biofuel regulations should be technology neutral to ensure a level playing field for all alternative technological solutions. Any support mechanisms should be based on performance criteria, such as GHG reduction, fuel specifications, tail pipe emission reductions, etc, rather than on technology or product specific incentives.

Question 3.3

- Any support mechanisms should be based on performance criteria, such as GHG reduction, tail pipe emissions, driveability, etc, rather than on technology or product specific incentives.

Question 4.1

- The 10 % target by 2020 should be met while limiting FAME use to the currently allowed 5% share. The target can be met by using maximum 5% share of FAME and with existing technologies like hydrotreated renewable diesel. In addition, technologies like Fischer-Tropsch type BTL are expected reach the market well before 2020. Therefore, it is realistic to achieve 10 % energy content based target by 2020 without any other measures than making the regulations technology neutral. Any changes to fuel specifications, whether biofuel related or other, should be processed through CEN.
- Renewable diesel, which is produced via hydrotreating, is a pure hydrocarbon. It is a potential solution in achieving significantly higher biofuel content than 10% in diesel.

Question 4.2

- There should not be fuel or technology specific measures in the biofuel regulations. Alternatives, which are compatible with existing fuel specifications, environmental targets and vehicle technology, are available and make higher bio contents feasible. Fuel quality should not be compromised in order to promote specific biofuel technologies. All biofuel blends should be compatible with existing and future vehicle technologies. Suitable blending ratio of biofuels should be guided by fuel specifications.
- The use of biofuels should not increase VOC emissions nor tail pipe emission like:
 - NOx emissions
 - Particle emissions

Question 4.3

- Biofuel regulations should be technology neutral to ensure a level playing field for all alternative technological solutions. Any support mechanisms should be based on performance criteria, such as GHG reduction in order to enhance efficiency of GHG reduction and rational land use, rather than on technology or product specific incentives. Fuel quality should not be compromised in order to promote specific biofuel technologies. All biofuel blends should be compatible with existing and future vehicle technologies.

Question 4.5

- The 10 % biofuel share based on energy is targeted for 2020. The risk of not reaching this with existing and future technologies is small as long as the biofuel regulations are technology neutral, provided that sufficient volumes of sustainable feedstock are available..
- Considering the 2020 target a suitable date for a review could be for example in 2015.

Question 4.6

- All incentives whether based on taxation or other mechanism should be technology neutral and based on desired performance criteria for biofuels.