



Brussels, 5.10.2020
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COMMISSION IMPLEMENTING DECISION

of 5.10.2020

**on the request from Ireland for a derogation pursuant to Article 3(4) and (5) of Directive
98/70/EC**

(Only the English text is authentic)

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel and amending Council Directive 93/12/EEC, and in particular Article 3(4) and (5) thereof,

Whereas:

- (1) Commission Decision C(2011) 3771 of 15 June 2011 on the request from Ireland for a derogation pursuant to Article 3(4) and (5) of Directive 98/70/EC ('the Directive') will expire on 31 December 2020.
- (2) By letter to the Commission registered on 24 March 2020, the Republic of Ireland ('Ireland') notified a request for derogation to permit the placing on the market during the summer period of petrol with a maximum vapour pressure of 70 kPa, due to its low ambient summer temperatures, for duration until the end of 2030. A supporting report was submitted in addition to the notification letter.
- (3) According to Article 3(4) of the Directive, Member States with low ambient summer temperatures may, in accordance with the first subparagraph, permit the placing on the market during the summer period of petrol with a maximum vapour pressure of 70 kPa instead of 60kPa.
- (4) In accordance with Article 3(5) of the Directive, Member States that wish to apply either of the derogations provided for in paragraph 4 shall notify the Commission and provide all relevant information. The Commission shall assess the desirability and duration of the derogation, taking account of both:
 - (a) the avoidance of socioeconomic problems resulting from higher vapour pressure, including time-limited technical adaptation needs; and
 - (b) the environmental or health consequences of the higher vapour pressure and, in particular, the impact on compliance with EU legislation on air quality, both in the Member State concerned and in other Member States.
- (5) Under Article 3(5), the Commission shall assess the desirability and the duration of each derogation requested. If, taking into account relevant target values, the assessment shows that the derogation will result in a lack of compliance with EU legislation on air quality or air pollution, including limit values and emissions ceilings, the application shall be rejected.

- (6) Directive 2009/30/EC amending Directive 98/70/EC by i.a. introducing Article 3(2) to (6) had to be transposed into national law by 31 December 2010. A failure to comply with the vapour pressure requirements of the Directive after this date would constitute an infringement of EU law, unless a derogation is in place.
- (7) The notification was assessed in line with Directive 98/70/EC and with the general recommendations for assessment set out in the public document ‘Guidance note on notifications of exemptions from the vapour pressure requirements for petrol under Article 3(4) of Directive 98/70/EC relating to the quality of petrol and diesel fuels’ (‘the Guidance note’)¹.

The Guidance note provides that the notification by the Member State is assessed considering the forecast quantity of petrol concerned, the share it represents of the Member State's total produced amount, the quantity of petrol exported, the forecast quantity of petrol for which a derogation is sought and – if relevant – the associated percentage of bioethanol content of that petrol. In addition, the assessment of notifications will be conducted in accordance with the following socioeconomic and environmental criteria:

- Any social, financial or economic impact to implementing the regulated vapour pressure of 60 kPa.
 - Compliance with Community air quality and pollution legislation encompassing realistic and reliable predictions of their emissions of non-methane volatile organic compounds (NMVOCs), ozone, including additional measures being considered to outweigh the additional emissions caused by the derogation.
- (8) First, the notification was assessed in accordance with information requirements set out under point 4 of the Guidance note. Ireland provided information on petrol sales, export and import conditions and distribution in Ireland, which the Commission considers sufficient to evaluate the notification.
- (9) Second, as set out under point 4.1 of the Guidance note, Ireland provided information of the direct socioeconomic problems on the impact on petrol producers and/or petrol suppliers of not having the derogation. This concerns any social, financial or economic impact of implementing the regulated vapour pressure of 60 kPa.
- (10) Ireland informed that the only refinery located on its territory has a simple hydroskimming configuration with no fluid catalytic cracking conversion facilities. As a consequence, producing lower vapour pressure gasoline is not technically feasible with the current configuration of the installation. Ireland further informed that the refinery is insufficient to supply Ireland's demand for gasoline, which necessitates an on-going reliance on trade in petrol and blending components.
- (11) Consumption of petrol in Ireland has reduced significantly in recent years, from 1,478 ktoe (1,874 million litres) in 2010 to 934 ktoe (1,205 million litres) in 2017. However, Ireland is still a net importer of petrol and approximately 68% of 2017 consumption, or 641 ktoe, was met with imports.

Irish gasoline trade consists almost entirely of imported petrol. Approximately 99% of Ireland's imported petrol consumption comes from jurisdictions with the 70 kPa summer vapour pressure limit, in particular from the UK which are the primary source of gasoline imports to Ireland with approximately 90% for the period 2017 to 2019.

¹ https://ec.europa.eu/clima/sites/clima/files/transport/fuel/docs/guidance_note_vapour_pressure_en.pdf

Imports are forecast by Ireland to decrease towards 2030. However, with domestic production of petrol projected to remain fixed (at approximately 880 million litres per year from 2018 to 2030), Ireland will remain dependent on imports to meet at least 31% of its consumption in 2030, assuming no domestically produced petrol is exported. Exports from Ireland are currently limited.

Complying with a 60 kPa summer vapour pressure limit would therefore require a significant change in trade flows for Ireland to secure its future gasoline.

- (12) This risk of significant disruption of the Irish imports distribution is increased in view of the plans from Ireland to increase linearly the bioethanol blend rate from 5% in 2020 to 10% in 2030. This is due to the fact that blending ethanol into the base blendstock increases the vapour pressure of the resultant fuel. A required vapour pressure of 52 kPa of the base blendstock would be necessary to meet the vapour pressure limit of 60 kPa after blending 10% ethanol.
- (13) In view of the above, Ireland has also submitted information concerning the estimated costs if a derogation for a 70 kPa limit would not be granted. It is estimated that the costs of changing the configuration of the refinery would be in the range of €42 million. Furthermore, the additional costs of importing lower vapour pressure base blendstock would be in the range of €5.2 million to €6.4 million per year from 2021 onwards. These overall costs are not considered tenable.
- (14) On the basis of the submitted information, the Commission can consider as valid and reasonable the arguments brought forward by Ireland with regards to the socio-economic criteria.
- (15) Third, as set out under point 4.2.1 of the Guidance note, Ireland provided information concerning the compliance with the national emissions ceilings and reduction commitments for non-methane volatile organic compounds ('NMVOC').
- (16) Ireland has adjusted its national emission inventories for NMVOC, which were approved by the Commission in June 2017, following a review under Article 10(3) of Directive (EU) 2016/2284. Ireland exceeded its NMVOC emission ceiling in 2010 and was compliant with the ceiling from 2011 onwards. Annual emissions for 2017 were 46.4 kt.

Ireland's adjusted NMVOC emission projections are projected to be 3.05 kt below the target for 2020 and 1.85 kt above the target for 2030. Ireland informed that the projected NMVOC exceedance in 2030 is expected to be offset by projected savings of 2.78 kt resulting from 1 million electric vehicles targeted in its National Air Pollution Control Programme and National Climate Action Plan of 2019.

Ireland provided information on the estimated effect of reducing the petrol vapour pressure reduction during the summer months from 70 kPa to 60 kPa. The results indicate that this would result in a very small reduction in NMVOC emissions in Ireland between 0.2% (108.3 tonnes) and 0.1% (93.8 tonnes) of the total emissions.

- (17) Ireland also informed that the estimated cost to industry in Ireland of reducing the summer vapour pressure from 70 kPa to 60 kPa and the consequent reduction in NMVOC emissions for each year from 2021 to 2030 would be in the range of €52,000 to €56,000 per avoided NMVOC tonne in 2018 prices.

Furthermore, Ireland provided information on the costs of damage caused by VOC emissions as estimated by the Clean Air for Europe ('CAFE') programme. These

damage costs are estimated at €680 to €2,000 per tonne, in 2005 prices. These values take into account damage to human health and the environment (crop damage). Inflated to 2018 prices, the cost of damage caused by VOC is in the range of €783 to €2,305 per tonne.

- (18) The Commission notes that the methodologies employed by Ireland appear to be consistent with those required under Directive (EU) 2016/2284 and considers that:
- requiring a petrol vapor pressure limit at 60kPa would have a negligible impact on reducing NMVOC emissions
 - Ireland is planning to take measures to address the projected exceedance of the NMVOC target via other measures in the transport sector, in particular the deployment of electromobility which will have significantly higher positive impacts on the NMVOC emissions reductions.

The Commission therefore sees no grounds for objecting to this part of the notification.

- (19) Fourth, concerning the ozone criteria, Ireland provided information as set out under point 4.2.2 of the Guidance note.

Ireland has submitted information on the results for ozone air quality for 2017. According to the monitoring results, the ozone target value was only exceeded in a one location for two days.

Ireland has further submitted information on the exposure of vegetation to ozone during the growing season (May to July) for years 2006 to 2016. Data indicate that ozone levels are higher in remote regions and tend to be highest along the western coast. The values in Ireland are significantly below the target value of 18,000 µg/m³·h, specified in Directive 2008/50/EC.

- (20) The Commission finds that the use of monitoring data is appropriate for identifying any current or historical problems with achieving the ozone target value. The methods employed appear therefore to be suitable. It is established that there were no reported exceedances of the ozone related target value linked with the current use of summer petrol with a vapour pressure up to 70kPa.

Based on the information provided, the Commission considers that the extension of the derogation to 2030 is expected to have no or minimal impact on the number of exceedance days in Ireland. The Commission finds that it is unlikely that the target value for ozone will be exceeded in 2021 and forward. The Commission finds no reasons to object to the request in this part.

- (21) Fifth, in order to assess compliance with air quality limit value for benzene, Ireland provided information as set out under point 4.2.3 of the Guidance note.

Ireland submitted information based on the monitoring results for 2017 and also the trend in mean annual benzene concentration for the years 2006 to 2016. Mean annual concentrations of benzene remains low and significantly below the EU annual limit value of 5 µg/m³, including at the urban monitoring sites where oil storage facilities are located.

- (22) The Commission finds that Ireland has no existing problems with complying with the benzene limit value and that any such exceedance is unlikely to arise by 2021 and following years to 2030, with or without the application of the derogation. As Ireland

is already applying the derogation for a maximum vapour pressure exceeding 60kPa and is complying with the benzene limit value, it is unlikely that any issues will arise in the future. The Commission raises no objection to this part of the notification.

- (23) In conclusion, the Commission finds that considering Ireland's petrol supply situation is predominantly depending on imports and taking into account the measures taken to comply with air quality legislation, a derogation is justified.

In light of the above considerations, the Commission finds that these conditions justify a duration of a derogation limited to the end of 2030.

HAS ADOPTED THIS DECISION:

Article 1

The Commission raises no objection to the notification from Ireland to permit the placing on the market during the summer period of petrol with a maximum vapour pressure of 70kPa (derogation) until 31 December 2030.

Article 2

This Decision shall be invalidated in the event of non-compliance with EU legislation on air quality or air pollution, including the relevant limit values and emission ceilings established during the derogation period.

Article 3

This Decision is addressed to Ireland.

Done at Brussels, 5.10.2020

For the Commission
Frans TIMMERMANS
Executive Vice-President

