



**EUROPEAN COMMISSION**  
Impact Assessment Board

Brussels,  
D(2013)

**Opinion**

**Title**                    **DG CLIMA - Impact Assessment on the calculation methods and reporting requirements pursuant to Article 7a of Directive 98/70/EC of the European Parliament and of the Council relating to the quality of petrol and diesel fuels**

(resubmitted version of 30 July 2013)\*

**(A) Context**

In 2009, the Fuel Quality Directive (FQD) introduced an obligation on fuel suppliers to reduce by 6% the lifecycle greenhouse gas (GHG) intensity of road (and non-road mobile machinery) fuels by 2020. To comply with this requirement fossil fuel suppliers need to report and account for the GHG emissions associated with the fuels they supply. To this end, the Article 7(a) of the FQD requires the Commission to adopt inter alia an implementing measure establishing a calculation method for the GHG emissions from fuels, other than biofuels, and energy. The methodology for calculating the GHG emissions for biofuels is already included in the FQD at the time of adoption. This impact assessment supports a proposal for such methodology calculating the lifecycle GHG intensity of fossil fuels.

**(B) Overall opinion: POSITIVE**

**The report has been improved to a substantial extent in line with the Board's recommendations, but needs further work in a number of respects. Firstly, as accuracy is one of the main criteria for defining the suitable methodology for calculating GHG emissions from fossil fuels, the report should better define the precise level of accuracy when defining the objectives. Secondly, it should further improve the assessment of the options by clarifying the arrangements foreseen for SMEs and whether microenterprises need to be covered by this initiative. Thirdly, the report should better explain how stakeholder concerns have been addressed, for example with regard to potential discrimination against tar sands from third countries and competitiveness impacts for fuel suppliers.**

**(C) Main recommendations for improvements**

**(1) Clarify the objectives and their link to problem drivers.** The report should better link the objectives to the key drivers for high GHG intensity in fossil fuels, for example increasing production of unconventional oil sources and the need for greater differentiation between feedstock. While the report now clearly presents a hierarchy of objectives, it appears that only option E could fully deliver on the operational objective

\* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted

of 'as accurate as possible' methodology. The report should therefore better define the precise level of accuracy to verify the compliance of fuel suppliers with the 6% emission reduction target. It should provide more details on the timing, main focus and purpose of the evaluation.

**(2) Better assess and compare options.** While the report acknowledges that SMEs may be more sensitive to any increase in administrative burden, and so simplified SME specific reporting provisions may be needed depending on the final methodological choice, it should be more specific about the arrangements foreseen in this regard for all feasible options. It should explicitly state if microenterprises (e.g. individual gas stations) need to be covered and why. The report should also clarify why information collected from the fuel suppliers outside the EU seems to present a challenge only for option E. The report should present the table in section 6 in a way that the feasible options can be more directly compared in terms of effectiveness and key impacts.

**(3) Better address the critical stakeholder views.** While the report now presents critical stakeholder views, it should better explain how their concerns have been addressed, for example with regard to potential discrimination against tar sands from third countries. Similarly, it should explain why industry holds a different view on the competitiveness impacts for fuel suppliers. As one of the main criticisms from industry is that the proposed approach of differentiating between conventional and unconventional feedstock could actually lead to increase in global GHG emissions, the report should explain how this will be avoided in practice and also dealt with in the monitoring arrangements.

*Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.*

**(D) Procedure and presentation**

The language of the report should be streamlined to make it more accessible for the non-expert reader.

<b>(E) IAB scrutiny process</b>	
Reference number	2012/CLIMA/009
External expertise used	No
Date of IAB meeting	Written procedure This opinion concerns a resubmitted draft IA report. The first opinion was issued on 3 July 2013.