BIOGRACE workshop 19th May 2011

Practical implementation of sustainability criteria for biofuels and bioliquids in France

ement durable ts et ma



des Transports

Ministère de l'Industrie, de l'Énergie et de l'Économie Numérique

I – Context

- Legal framework before RED and FQD
- Grenelle Environment Round Table

II – Transposition of sustainability system for biofuels and bioliquids

- Calendar
- Specific legislation
- Description of the sustainability system : main principles





I - Context

Legal framework in France before RED and FQD

- French Biofuels Plan (2004): translation of the indicative targets for biofuels set by the Directive 2003/30/EC
- Energy Act (July 2005): statutory definition of objectives and major orientations of France's Energy Policy.

« the state creates [...] the conditions to bring in line with our European commitments, the share of biofuels and other renewable fuels in the energy content of all petrol and diesel for sale on the national market for transport at 5.75% at December 31 2008, 7% at 31 December 2010 and 10% at 31 December 2015.»

∠ Financial laws

- 1) until 2013, reduction of additional costs related to biofuels production through a partial exemption from the tax on domestic consumption;
- 2) in 2005, introduction of a taxation system for fuels to favour the use of biofuels factorial tax on polluting activities: its rate decreases according to the share of proporated biofuels by energetic content).



Legal framework in France before RED

∞ other regulations: increase of the rate of biofuels incorporation in diesel (7% since 1 January 2007), creation of new fuels (eg, SP95-E10, which can contain up to 10% by volume of bioethanol; non-road diesel; E85, specially designed for flex fuel vehicles; B30 in captive fleets)



| | Diesel | Gasoline | Total incorporation | National objectives | Energy (ktep) |
|------|---------|----------|---------------------|---------------------|------------------|
| | (% LCV) | (% LCV) | (% LCV) | (% LCV) | (1 / |
| 2006 | 1,77% | 1,75% | 1,76% | 1,75% | 682 |
| 2008 | 5,75% | 5,55% | 5,71% | 5,75% | 2 400 |
| 2010 | 6,00 % | 6,80 % | | 7% | |





"Grenelle" Environment Round Table (2007)

The aim of the Environment Round Table was to define the key points of government policy on ecological and sustainable development issues for the coming years.

The development of biofuels has been identified as one of the priority sectors for green growth and for fighting against climate change.

Outputs of the round table:

- realization of a **study about life cycle analyses** applied to first generation biofuels used in France (ADEME)
- → Biofuels used in France allow, in most cases, GHG reductions above 50% (without land use change).
- introduction into law of the **principle of biofuels sustainability**, without identifying specific criteria



II - Transposition

Calendar

January-July 2009

Experts mission to identify technical choices at the national level for the implementation of the RED

Since early 2010

Inter-ministries
working group for
the transposition of
the RED
Information of
economic operators

August 2010

Publication of the National Renewable Energy Action Plan

May 2010

2010

Notification of French Nuts 2 areas to the EC

2009

June 2009

Publication of RED and FQD

June 2010

Communications of the EC

October 2010

First meeting of the committiee on the sustainability of biofuels and bioliquids

2011

January 2011

Notice of the EC to France for delayed transposition of the RED

2nd quarter 2011

Publication of the

for the sustainability

system for biofuels

implementing legislation





Specific legislation for the transposition of the sustainability system

- <u>August 2009</u>: transposition of the 23% renewable energy national target (Grenelle Law)
- ∠ January 2011: publication of a law allowing the government to transpose the RED and the FQD by an ordinance
- renewable energy national targets for transport (art 3.4 of RED);
- sustainability criteria (art 17 of RED);
- demonstration of sustainability to take into account biofuels and to allocate tax incentives;
- implementation of the sustainability system, economic operators' responsabilities (art 18 of RED).

The application of this ordinance shall be specified by a decree and an order.

• <u>June 2011 (expected)</u>: publication of the ordinance and of the implementing texts (procedure through the Council of State).





Description of the sustainability system : main principles (1)

• Sustainability criteria

GHG: for the cultivation phase, economic operators could use regional values which were calculated for the definition of Nuts 2 areas; for the entire process, they could refer to the national study about LCA.

<u>Biodiversity / Carbon stocks</u>: areas have been identified at the national level (distinction between « red », « orange » and « green » zones).

Mapping will be directly accessible to economic operators (level: 1/5 000).

Chain of custody: from agricultural cooperatives to fuel distributors.



Description of the sustainability system : main principles (2)

• <u>Compliance with sustainability criteria</u>: fuel distributors have to prove that the requirements of sustainability for biofuels are respected through a "claim of sustainability".

To establish this "claim of sustainability", they can use one of the following methods:

<u>Voluntary schemes</u>: application of schemes recognized by the European commission

Agreements between third countries and the EU

<u>National system</u>: economic operators who do not use a voluntary scheme should join the national system.

A national commission will be charged with reviewing the application for membership of economic operators in the national system.

Mutual recognition of national systems between France and other Members States should be possible.



Description of the sustainability system : main principles (3)

• Recognition of certification bodies : accreditation

Provisions for 2011

Direct recognition of certification bodies by the ministry for the environment.

Competent authority

A competent authority should be created to provide support to the administration for the following tasks:

- establishing and managing databases ("statements of sustainability", information compiled under the national system);
- providing information and tools to economic operators (GHG calculator, mapping);
- administrative control;
- reporting to the EC.





Conclusions

- -The legislative framework for the implementation of the sustainability system for biofuels will be ready **mi-2011**.
- Applicable to the 2011 crops
- Full operationality for products that will be consumed from 2012.
- Major suppliers of biofuels have already come together to establish a voluntary scheme that should be soon recognized by the European Commission.

