

Practical implementation of sustainability criteria in the EU

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- Implementation of the RED in Member States
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Introduction

- MS must transpose RED regulation into national law by December 5, 2010
- RED and FQD first legislation to include sustainability criteria (Articles 17, 18, 19 & 21)
- Some aspects are not yet clear
 - Definition of highly diverse grassland
 - If/how to include ILUC
- Some aspects give rise to many questions
 - What are "residues and wastes"
 - Details on interpretation of "mass balance system"

Introduction

- Two forums have been created for exchange of information on implementation of (biofuels parts of) the RED:
 - CA-RES
 Concerted Action on Renewable Energy Sources www.buildup.eu/news/11734
 Working Group 8 : RES in transport and biofuels
 - o <u>REFUREC</u> Renewable Fuel Regulators Club see <u>www.Refurec.org</u>



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Overview

- RED transposed into national law: Germany, Sweden
- RED close to transposition:
 Slovakia, Austria, Hungary, France, Ireland, Portugal,
 Spain, The Netherlands, UK, Malta, ...
- Other MS lag further behind



Implementation of the RED in MS Germany (1/3)

- RED is/will be transposed by:
 - Biomassestrom-NachhaltigkeitsV (BioSt-NachV) (Biomasselectricity-sustainability ordinance)
 - Biokraftstoff-NachhaltigkeitsV (Biokraft-NachV) (Biofuelsustainability ordinance) both published in July 2009, binding from 2011 on
- How are sustainability criteria implemented?: included in national legislation (adopted from RED one-to-one); the BLE guidance provides further practical specification





Germany (2/3)

- Authority:
 - Bundesanstalt für Ernährung und Landwirtschaft (BLE) (Federal Agency for Food and Agriculture)
- <u>Is double counting included?:</u>
 No; 36. BImSchV (Regulation on details of biofuels quota)
 will be amended in 2011 to implement this
- Are voluntary schemes being (1) developed, (2) assessed?:
 - 1. No, the government does not develop systems;
 - 2. Yes, BLE is the authority to recognize systems, two systems are recognized so far:
 - ISCC (basically financed by Min. of. Agric.)
 - REDCert (private initiative, companies, associations)



Germany (3/3)

- How to show compliance:
 - The proof is issued by the last interface of the supply chain. All interfaces have to be certified by a recognized system and need to implement a mass balance system.

 Cultivators have to sign a self-declaration committing to the
 - Cultivators have to sign a self-declaration committing to the requirements of Art. 17 (3 6)
- Is compliance required in 2011?:
 - Yes, since 1 Jan 2011, including the harvest of feedstock crops in 2010



Implementation of the RED in MS Sweden (1/3)

- RED is/will be transposed by:
 - Law on Sustainability Criteria, Aug 2010
 - Regulation on Sustainability Criteria, Dec 2010
 - Detailed regulations from Swedish Energy Agency, Feb 2011
 - Changes in the law for Energy tax and in the law for Electricity green certificates
- How are sustainability criteria implemented?:
 Included in national legislation

Sweden (2/3)

- Authority:
 - Swedish Energy Agency
- Is double counting included?:
 - No; Tax reduction for all sustainable biofuel
- Are voluntary schemes being (1) developed, (2) assessed?:
 - 1. No;
 - 2. No

Sweden (3/3)

- How to show compliance:
 Control system according to the Swedish legislation or a voluntary scheme approved by the commission
- <u>Is compliance required in 2011?:</u> Yes

Implementation of the RED in MS UK (1/3)

- RED is/will be transposed by:
 - Renewable Fuels Transport Obligation (RTFO) published 2007, regularly updated
- How are sustainability criteria implemented?:
 Included in national legislation (RTFO meta standard);
 Details given in Carbon & Sustainability (C&S) Technical Guidance;
 - Currently: consultation on Guidance for 2011/2012 obligation year

UK (2/3)

- Authority:
 - Renewable Fuels Agency
- Is double counting included?:
 No
- Are voluntary schemes being (1) developed, (2) assessed?:
 - 1. Yes, UK has RTFO meta standard;
 - 2. Yes, UK assesses (benchmarks) voluntary schemes



UK (3/3)

- How to show compliance:
 By using an accepted voluntary certification scheme or by using the RTFO meta standard
- <u>Is compliance required in 2011?:</u>
 Not fully: Information must be provided. But not fully RED-proof (as details of RED not yet clear). Fuels that do not meet criteria are accepted under RTFO in 2011.



Implementation of the RED in MS The Netherlands (1/3)

- RED is/will be transposed by:
 - "Wet milieubeheer" (Environment protection law)
 - Besluit hernieuwbare energie vervoer (Decree on renewable energy in transport)
 - Regeling hernieuwbare energie vervoer (Regulation on renewable energy in transport)
 - To be published in February or March 2011
- How are sustainability criteria implemented?:
 Reference to RED





The Netherlands (2/3)

- Authority:
 - NEa = Dutch Emission Authority
- <u>Is double counting included?:</u>
 Yes, a double counting regulation that was in force 2009 and 2010 is moved into the new Regulation
- Are voluntary schemes being (1) developed, (2) assessed?:
 - 1. Yes, the double counting regulation will be assessed;
 - 2. Yes, an assessment protocol has been made, for assessing voluntary schemes:
 - a) that are not yet recognised
 - b) that have been recognised by other MS
 - c) that have been sent to the Commission for recognition

The Netherlands (3/3)

- How to show compliance:
 - By providing a verifier statement.
 - The verifier gives a statement after checking that
 - sustainability information is delivered for all batches supplied
 - information on quantity & quality of biofuels is correct (mass balance is also fulfilled after the point of issuing sustainability certificates)
- Is compliance required in 2011?:
 - No, no full compliance is required in transition year 2011. Requirements in 2011 are to provide information on:
 - the (voluntary) certification scheme(s) used
 - the verifier of the information
 - crop/feedstock, country of origin and GHG reduction



Implementation of the RED in MS Spain (1/3)

- RED is/will be transposed by:
 - Royal Decree 1088/2010, September 2010, transposing partially FQD and regulating the technical specifications of petrol and diesel, use of biofuels and sulphur content of marine use fuels
 - Royal decree 1738/2010, December 2010, transposing partially RED and setting the minimum obligatory objectives for biofuel consumption in 2011, 2012 and 2013
- How are sustainability criteria implemented?:
 Not enough information available;
 National authority is waiting for CTN303 report



Spain (2/3)

- Authority:
 CNE (National Energy Commission)
- Is double counting included?:
 Yes, according to IDAE, there is the commitment to include it and currently they are working on the definitions of wastes and residues
- Are voluntary schemes being (1) developed, (2) assessed?:
 - 1. No, no voluntary scheme is developed by government, but a Spanish company (Abengoa) has developed a voluntary scheme and has sent it for recognition;
 - 2. Thd



Spain (3/3)

- How to show compliance:
 - According to the national authority, there is still not enough information on requirements to show compliance
- Is compliance required in 2011?:
 No



Implementation of the RED in MS France (1/3)

- RED is/will be transposed by:
 - Law 2011-12 (5/01/2011): adaptation to EU regulation
 - Ordinance modifying energy law of July 2007, decree in State Council and order detailing terms of implementation
 To be published before end of June 2011
- How are sustainability criteria implemented?:
 Included in national legislation



France (2/3)

- **Authority:** Tbd
- Is double counting included?: Yes, included in the decree under preparation
- Are voluntary schemes being (1) developed, (2) assessed?:
 - 1. Yes, a national scheme would be set up;
 - Yes, recognition of other national systems of MS



France (3/3)

- How to show compliance:
 - providing sustainability declaration;
 - obligation of an independent and transparent control of information related to sustainability criteria;
 - control under voluntary scheme or national system by verifier which check accuracy of information
- Is compliance required in 2011?: No, no full compliance required;

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Voluntary certification schemes

- The European Commission will recognise voluntary certification schemes
 - Commission has hired an advisor for assessments
 - Many schemes were sent in, first recognitions April 2011?
 - GHG calculation tools are also "voluntary schemes"
- Many certification schemes exist
 - A recent study identified 67 certification initiatives on the sustainability of bio-energy Van Dam, Junginger & Faaij,

Renewable and Sustainable Energy Reviews 14 (2010) 2445–2472

Most of these initiatives are not specifically developed for biofuels (e.g. forestry, agriculture)



Voluntary certification schemes

- o Schemes being developed by consortia / roundtables
 - Bonsucro (formerly BSI, sugarcane) www.bettersugarcane.com
 - ISCC <u>www.iscc-system.org</u>
 - NTA 8080/8081 <u>www.sustainable-biomass.org</u>
 - REDcert <u>www.redcert.org</u>
 - RSB www.rsb.epfl.ch
 - RSPO (palm oil) www.rspo.org
 - RTRS (soy) <u>www.responsiblesoy.org</u>

Red colour:

Send to EC

for recognition

- o Schemes being developed by companies
 - Abengoa (RED Bioenergy Sustainability Assurance)
 - French stakeholders 2BSvs
 - Nesté Oil
 - Red Tractor http://www.nfuonline.com/News/Red-Tractor-scheme-proposed-for-biofuels/
 - SEKAB/UNICA <u>www.sustainableethanolinitiative.com</u>

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Overview of developments

- Most MS that are late with implementation are catching up quickly
- Tendency is that MS choose for:
 - biofuel obligation (majority of MS)
 - independent authority for administration (11 MS, increasing)
 - not developing a national voluntary scheme (majority of MS)
 - using the voluntary schemes developed by roundtables and industry for showing compliance with sustainability criteria
- Some MS benchmark voluntary schemes and/or accept schemes nationally (UK, GE, NL) but most MS wait for recognition by EC
- Late MS learn from other MS (CA-RES, REFUREC)





Overview of developments



www.ca-res.eu

- Topics discussed in CA-RES (1 meeting held):
 - Legislation, voluntary schemes, audits, administrators
 - Harmonisation of legislation
 - Export and import between Member States
 - Interpretation of mass balance



- Topics discussed in REFUREC (4 meetings held)
 - Registers (database on biofuels supplied)
 - Mass balance
 - Double counting

Thank you for your attention

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