French biofuels policies

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What are we going to talk about?

- Two major tools for French energy policies: National low carbon strategy, and Multiannual Energy Plan
- Focus on French incentive mechanism for biofuels: latest evolutions
The French low-carbon strategy


- Roadmap for the French mitigation policy

- In coherence with the European targets

- Sets long term objectives and carbon budgets for periods of 5 years, up to 2028, based on a scenario

- Defines policy orientations to achieve the goals

- Revised every 5 years: the revision was published end of 2018
Where do we want to go? Carbon Neutrality in 2050

- **An ambitious yet reachable goal** (urge for concrete and strong measures but strategy developed on a realistic scenario)
- **A necessary step to respect the Paris Agreement commitments**
- **A desirable future**: opportunity for economic development (more GDP and jobs according to the economic evaluation of the Strategy), other important co-benefits (climate consequences, air pollution, biodiversity...)

![Graph showing greenhouse gas emissions decline from 2005 to 2050](image)
How do we get there? Lessons learned from the scenario

- Strong efforts to **reduce energy consumption** (divided by two in 2050 compared with 2017)
- **Critical management of biomass**, of which resources will be limited. Oriented towards uses with high value added and with low substitution possibilities.
- Decarbonization implies an **electrification** of energy consumption

Halved final energy consumption compared with 2017

- Electricity production (530 TWh in 2017)
- Renewable Heat (multiplied by 3 to 4)
- Bioenergy (multiplied by 3)
Transforming the mobility sector

- **Decarbonizing mobility**
  - Limit the increase of passenger and goods traffic (modal shift, car sharing, coworking...)
  - Insist on vehicle performances
  - Electrify passenger cars (100% electric fleet by 2050)
  - Base goods transportation on new technologies (gas, electricity, hydrogen, biofuels...)
  - Biofuels will play a big role in the aviation sector (50% in 2050)

- **Preventing and maximizing the value of waste**
  - Reduce waste production and enhance (bio)waste recovery
  - Respect waste treatment hierarchy

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<th>Evolution of GHG emissions (2015 baseline)</th>
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<td>2030</td>
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<td>-31 %</td>
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<td>2030</td>
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<td>-38 %</td>
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Revision of the Multi annual energy program (PPE)

- Tool created by the law of 2015 to define a 10 years roadmap for energy consumption and production, in coherence with the Low carbon strategy
- Revision every five years → new PPE for 2019-2028 to be adopted first semester of 2019, draft published in January 2019.
- 4 objectives:
  - Turn our back on fossil energies
  - Lower energy consumption
  - Diversify the energy mix by developing renewables and reducing nuclear power’s share
  - Control energy expenses, preserve competitiveness of companies, implement an inclusive transition especially regarding vulnerable households, develop jobs and innovation
Fuels have to become biosourced without negative impact on environment

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<th></th>
<th>2016</th>
<th>2023</th>
<th>2028</th>
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<tr>
<td>Target for gasoline (%)</td>
<td>0.3</td>
<td>1.8</td>
<td>3.8</td>
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<tr>
<td>Target for diesel (%)</td>
<td>0.35</td>
<td>0.85</td>
<td>3.2</td>
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Rate of advanced biofuels within fuels sold

7%
Cap for 1st generation biofuels

Specific caution
On raw materials with high risk of land use change, on sustainability and traceability
Biofuels incentive mechanism in France

- Tool: mandatory incorporation under tax requirements
- The 2005 Finance act created a general tax on polluting activities (TGAP): Distributors are exempt from the tax if they incorporate a given amount of biofuels.
- They may buy certificates from other distributors that have incorporated more than the requisite amount.

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<td>Target for gasoline (%)</td>
<td>6,75</td>
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<td>Target for diesel (%)</td>
<td>6,75</td>
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What changed in 2019?

- Name of the tax: **Incentive tax relating to the incorporation of biofuels**
- Same mandate for petrols and diesel: **7,9%**
- Double counting: **Raw materials from annex IX, except tall oil**
- **Double counting until 0,9%**, further incorporation of annex IX-A materials is single counted.
- Palm oil based products will not benefit from the incentive from 2020.
- **Focus on sustainability and traceability**, especially for used oils.
Thank you for your attention