

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

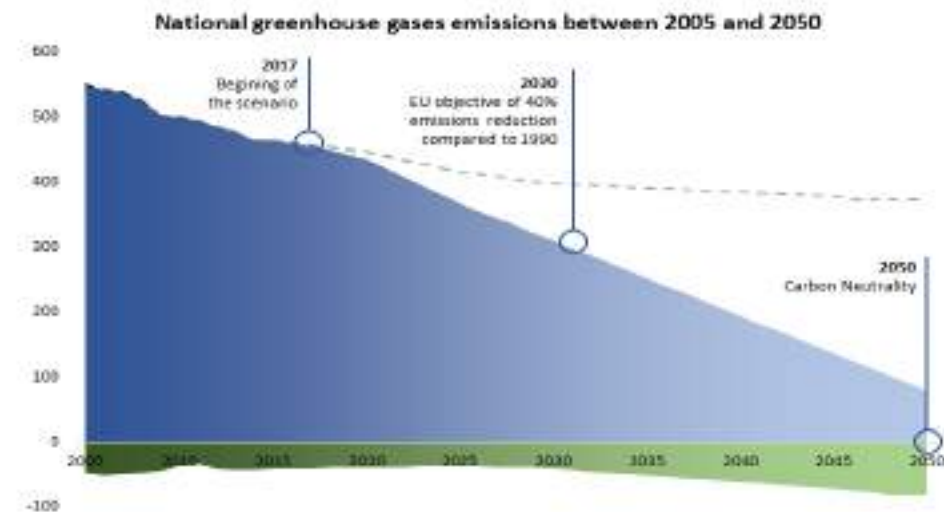
The French low-carbon strategy

- A first strategy adopted in 2015 in application of the law for Energy Transition and Green Growth of 2015
- **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

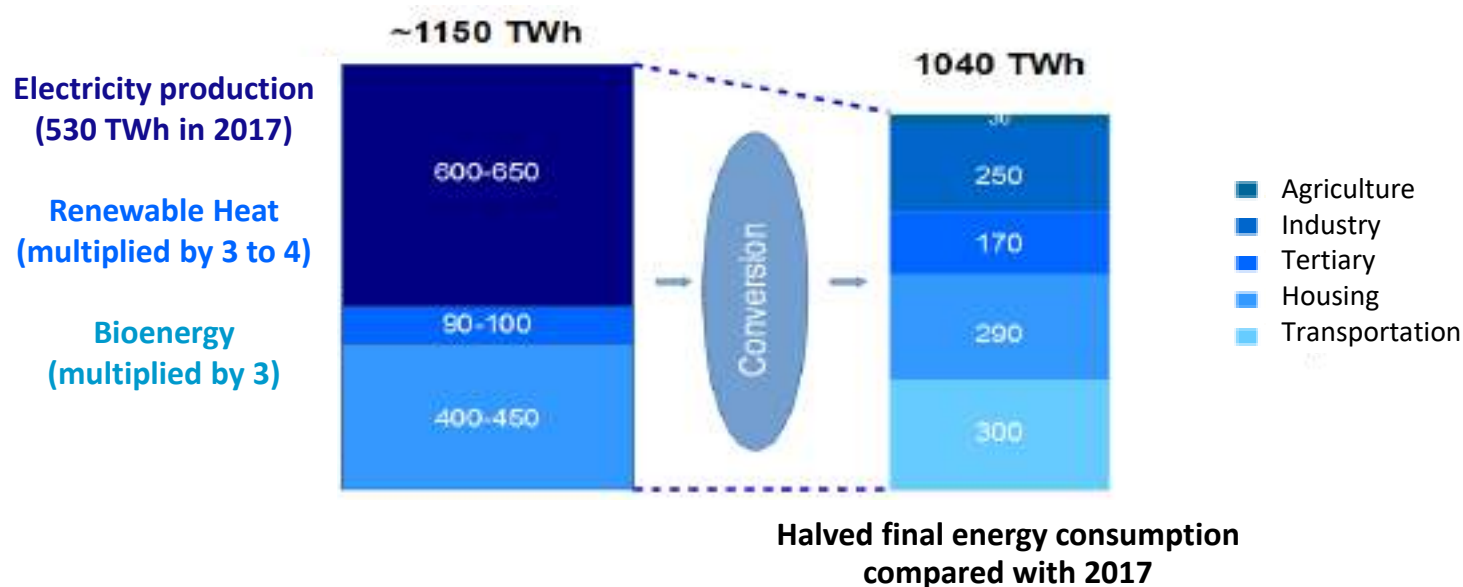


- **An ambitious yet reachable goal** (urge for concrete and strong measures but strategy developed on a realistic scenario)
- **A necessary step to respect the Paris Agreement commitments**
- A **desirable future** : opportunity for economic development (more GDP and jobs according to the economic evaluation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



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



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



Evolution of GHG emissions (2015 baseline)	
2030	2050
-31 %	Complete Decarbonization

Evolution of GHG emissions (2015 baseline)	
2030	2050
-38 %	-66%

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

What's in the plan for biofuels ?

Fuels have to become biosourced without negative impact on environment

	2016	2023	2028
Target for gasoline (%)	0,3	1,8	3,8
Target for diesel (%)	0,35	0,85	3,2

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.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Target for gasoline (%)	6,75	7	7	7	7	7	7	7	7,5	7,5
Target for diesel (%)	6,75	7	7	7	7	7,7	7,7	7,7	7,7	7,7

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

