Implementation of Directives (EU) 2015/652 (FQD) and (EU) 2015/1513 (ILUC)

6th ISCC Global Sustainability Conference
17 Feb 2016
FQD / RED targets

- **FQD**: Member States require **fuel suppliers** to reduce as gradually as possible life cycle GHG emissions per unit of energy **by at least 6 % by 2020**
- Optional intermediate targets (2/4%)
- Biofuels
  - main instrument for target achievement
  - GHG emissions calculated according to same methodology as for sustainability requirements
- **RED**: 10 % target addressed to Member States
- Includes multiple counting
Target implementation in DE

- Annual GHG targets:

<table>
<thead>
<tr>
<th>Years</th>
<th>GHG target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16</td>
<td>3.5%</td>
</tr>
<tr>
<td>2017-2019</td>
<td>4%</td>
</tr>
<tr>
<td>from 2020</td>
<td>6%</td>
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</tbody>
</table>

- National target continues after 2020 at the level of 6%
- Biofuels are currently the only way to fulfil the target, other instruments will follow during implementation of EU directives
ILUC
Cap / National subtarget

- **7 % cap** for „conventional“ biofuels (e.g. biofuels produced from cereal and other starch-rich crops, sugars and oil crops)

- National subtarget for „advanced“ fuels (Annex IX Part A RED) in 2020

- **Reference value: 0,5 %**

- MS may also set a national target below the reference value

- Level of national target has to be reported by **6 Apr 2017** to European Commission
Minimum threshold for GHG reduction

- Installations in operation **before** 5\textsuperscript{th} October 2015:
  - 35 \%
  - 50 \% from 2018

- Installations in operation **after** 5\textsuperscript{th} October 2015:
  - 60 \%
Reporting ILUC-Factors

• Annual reporting:
  – Biofuel production pathways
  – Biofuels amounts (separate for pathway / feedstock)
  – GHG emissions including provisional mean values of the estimated indirect land-use change emissions from biofuels (ILUC factors)
FQD
Baseline standard and default values

• Fuel baseline standard: 94,1 gCO$_2$/MJ
• Differentiated default values for petrol (93,2 gCO$_2$/MJ) and diesel (95,1 gCO$_2$/MJ)
• CNG/LNG and LPG are to be included with separate default values
• Provisions for Co-Processing of biofuels and fossil fuels
Renewable fuels of non-biological origin

- Default values for renewable fuels of **non-biological** origin:
  - Renewable Methane (3,3 gCO$_2$/MJ)
  - Renewable H$_2$ in fuel cell vehicles (9,1 gCO$_2$/MJ)

- Provisions for renewable power:
  - Requirements for origin of renewable power
  - Verification procedure
Electric vehicles

• electric power used in EVs to be counted toward GHG targets

• emission factors are to be determined according to average national power mix

• necessary national requirements:
  – mechanism and responsible economic entity (can sell GHG reduction units to fuel suppliers)
  – verification procedure / requirements for amount of electric power used in EVs
  – procedure for (regular) publication of emission factor
Upstream Emission Reductions (UER)

• verified project-related emission reductions prior to refineries
• UERs include avoided emissions from flaring / venting of associated gas during oil production
• Commission is working on non-legislative guidance
• UERs have an important role in the context of the 6% target in 2020
Reporting requirements

• Fuel suppliers have to report **origin** and **place of purchase**

• Fossil fuels:
  – Origin: Trade name of fuels (MCON)
  – Place of purchase: Refinery

• Biofuels:
  – Origin: Biomass / Fuel production pathway
  – Place of purchase: Country of origin of biomass
Outlook

• Transposition in national legislation probably within ordinances (implementing powers in § 37d of the Federal Immission Protection Act)

• Implementation deadlines: