

Van:
Verzonden: vrijdag 7 oktober 2011 15:34
Aan: @ec.europa.eu'; @bmu.bund.de'
CC: @ec.europa.eu'
Onderwerp: Re: FQD/oil sands

Dear
 Thank you for sending out the draft implementing act.
 I'm available on 11 October in the afternoon.

Van: @ec.europa.eu [mailto: @ec.europa.eu]
Verzonden: Thursday, October 06, 2011 04:54 PM
Aan: @bmu.bund.de < @bmu.bund.de>;
Cc: @ec.europa.eu < @ec.europa.eu>
Onderwerp: FQD/oil sands

You will have seen news and hopefully the draft implementing act.....We are planning to hold a committee meeting on 25 October and I thought that it may be useful to have a chat before then to see how we should handle this - and to see whether you know anything about other countries' views.

Would you be free for a conference call on 11 October in the afternoon?

Thanks

*Transport and Ozone - CLIMA.C.2
 + 32*

Van: ENV-98-70-Implementation@ec.europa.eu
Verzonden: vrijdag 7 oktober 2011 16:24
Aan:

●
CC:

●
Onderwerp: FQD: Article 7a implementing measure and committee meeting
Bijlagen: Draft Directive.pdf; New rules of procedure.pdf; 2nd meeting Fuel Quality Committee 26-03_meeting notes to the MS.pdf; 111025 Draft Agenda Fuel Quality Committee.pdf; Invitation.25.10.Signed.pdf.pdf

Urgentie: Hoog

Dear Colleagues,

Please find attached the invitation letter and all supporting documents for a committee meeting to be held on 25 October 2011 in Brussels Belgium. Please make sure that you bring the invitation letter with you as it might be required by security services. Please know that the Commission will reimburse travel costs for only one attending State representative. Please also respond to this email address by 18 October with the name and email of the designated participant. We will forward the reimbursement forms to the designated attendees.

We look forward to seeing you again and discussing this legislation

Best Regards,

European Commission
DG Climate Action
Unit C2 - Transport and Ozone
Team for Transport, Environment, & Climate Change
Postal address:
Office BU-
B-1049 Brussels, Belgium

24

From: ENV 98-70 IMPLEMENTATION
Sent: Tuesday, October 04, 2011 12:52 PM

Subject: FQD: Article 7a implementing measure for your consideration
Importance: High

Dear Colleagues,

Please find attached the draft legislative text laying down calculation methods and reporting requirements pursuant to Article 7a of Directive 98/70/EC. We welcome any specific comments in writing prior to the next committee meeting. Please also know that we intend to facilitate a discussion on this topic during the upcoming committee meeting.

We will inform you by the end of this week regarding scheduling of this committee meeting.

Best Regards,

European Commission



EUROPEAN COMMISSION

Brussels, XXX
[...] (2011) XXX draft

COMMISSION DIRECTIVE .../.../EU

of XXX

laying down calculation methods and reporting requirements pursuant to Directive 98/70/EC of the European Parliament and of the Council relating to the quality of petrol and diesel fuels

EXPLANATORY MEMORANDUM

1. BACKGROUND AND PURPOSE

The Climate and Energy package adopted by the Council and Parliament on 22 April 2009 sought to achieve a 20% reduction in greenhouse gas emissions by 2020. It contained a revision to Directive 98/70/EC¹ on the quality of petrol and diesel.

The revised Directive obliges suppliers² to reduce by 6% the lifecycle greenhouse gas intensity of fuel and other (electric) energy supplied for use in road vehicles and of fuel for use in non-road mobile machinery by the end of the compliance period in 2020. The article establishing this new element is Article 7a of the Directive which effectively establishes a "low-carbon fuel standard" in Union legislation. The Directive also obliges suppliers to report information, from 2011, on the greenhouse gas intensity of the fuel they have supplied, to authorities designated by the Member States.

The 6% reduction is likely to be achieved through the use of biofuels, renewable electricity and a reduction in the flaring and venting of gases at the extraction stage of fossil fuel feedstocks.

More specifically Article 7a requires the Commission to prepare a draft Directive to be adopted through the regulatory procedure with scrutiny. The Commission was asked to consider proposals for:

- A method for calculating greenhouse gas emissions of fuels and other energy from fossil sources (elements dealing with the calculation of greenhouse gas emissions for biofuels are already included in Annex IV of the Directive);
- A method for calculating the baseline fossil fuel greenhouse gas intensity to be used as a reference for measuring compliance with the target;
- Calculation and verification of the greenhouse gas intensity of electric energy used in electric vehicles;
- Any rules necessary to give effect to the requirement that two or more suppliers are allowed to report their greenhouse gas intensity jointly.

The draft Directive addresses the first three elements outlined above. The last item on joint reporting is not believed to be necessary at this time following the consultation process described below.

¹ Directive 2009/30/EC

² The entity responsible for passing the fuel or electricity through the excise duty point e.g. the oil refiner

2. CONSULTATION WORK UNDERTAKEN & TECHNICAL BASIS

A public consultation³ was launched in July 2009 which focussed on the issues to be addressed in the draft Directive. This was followed by a stakeholder meeting comprising the fossil and biofuel industries, Member States and NGOs in January 2010. In March 2010 the Commission Services discussed a concept paper with the Member States with a view to developing an appropriate draft Directive.

In formulating the current proposal the Commission has relied upon:

- The work of the JEC and its "well to wheels" study⁴;
- The Brandt study on natural bitumen⁵;
- The Brandt study on shale oil⁶;

The work of Dr. Brandt was subjected to an external peer-review process whose findings were discussed with stakeholders at a public meeting on 27 May 2011⁷.

3. APPROACH AND CONTENT OF THE PROPOSAL

3.1. Overview

The main features of the draft Directive regarding the method for calculating greenhouse gas emissions of fuels and other energy from fossil sources are:

- The use of one average default value⁸ to represent the unit greenhouse gas intensity per fuel and feedstock type;
- An option for suppliers of high greenhouse gas intensity fuels to calculate actual emissions;
- A method for claiming greenhouse gas savings from changes in upstream practices⁹ from projects validated in accordance with voluntary schemes to be recognised by the Commission (all non-CDM projects);
- The annual reporting of the origin of each fuel or energy supplied on a country level basis, of the greenhouse gas intensity, of the volume and of the purchase location;

³ <https://circabc.europa.eu/faces/jsp/extension/wai/navigation/container.jsp> for both the questions and responses

⁴ The JEC consortium comprises the JRC, EUCAR and CONCAWE. Thus the Commission, EU automobile industry and oil industry take part in this work.

⁵ <https://circabc.europa.eu/w/browse/9e51b066-9394-4821-a1e2-ff611ab22a2d>

⁶ <https://circabc.europa.eu/w/browse/9ab55170-dc88-4dcb-b2d6-e7e7ba59d8c3>

⁷ <https://circabc.europa.eu/w/browse/9e51b066-9394-4821-a1e2-ff611ab22a2d>

⁸ Default values represent unit GHG intensities.

⁹ Recital 9 "...this reduction should amount to at least 6 % by 31 December 2020, compared to the EU-average level of life cycle greenhouse gas emissions per unit of energy from fossil fuels in 2010, obtained through the use of ... reductions in flaring and venting at production sites."

- Reporting of the origin of fuel or energy on the oil/gas field or project level twice within the compliance period;
- A review of the draft Directive and of the average default values and of the calculation method.

3.2. Approach to determine the greenhouse gas intensity of specific fossil fuel feedstocks

The aim of Article 7a of the Fuel Quality Directive is to reduce the greenhouse gas emissions associated with the production and use of transport fuels. This includes those greenhouse gas emissions associated with the production of fossil fuel feedstocks, their subsequent transport and processing as well as the use in road vehicles. The greenhouse gas emissions associated with production depend upon the chemical and physical parameters of the particular fossil fuel deposit and the related production methods.

Although, it would be desirable to attribute a specific greenhouse gas intensity to each fossil fuel feedstock from each and every geographical source globally, such an approach requires a massive amount of information which is currently not readily available on evenly distributed geographical basis. In the light of the consultation exercise and discussions with the Member States, the Commission concluded that the most appropriate methodology, at least in the short term, should be based on "average default greenhouse gas intensity values" (gCO₂ per MJ) for petrol and diesel which reflect the underlying feedstock. These default values are typical and representative of particular types of fossil fuel feedstock. The feedstock based approach is already contained in the Fuel Quality Directive as regards biofuels.

In this context it should be recalled that specific default values for biofuels already exist even when such biofuels represent a very low share of the total fuel used in transport, e.g. biodiesel from sunflower (0.09%) or bioethanol from wheat (0.21%, where this percentage is further differentiated into five default values according to different production processes).

The approach taken in this proposal is to establish a limited number of fossil fuel feedstock categories which are distinguishable in terms of their average or typical greenhouse gas intensity and the underlying physical and chemical properties and related extraction techniques. Such an approach has been employed in other Union legislation where, for example, the greenhouse gas emissions of natural bitumen (i.e., oil sands and tar sands) and oil shales are differentiated in the European Emissions Trading System guidelines for monitoring and reporting greenhouse gas emissions (i.e. a higher emission factor for "oil shale and tar sands", is recommended than for conventional crude oil¹⁰), in line with the emission factors established by the Intergovernmental Panel on Climate Change in its 2006 Guidelines for National Greenhouse Gas Inventories.¹¹ Accordingly, the present proposal distinguishes, in Annex I, a number of average default values for different conventional fossil fuel

¹⁰ OJ L 229, 31.8.2007, p.1 (and p.33). This is further substantiated by the 2006 IPCC "Guidelines for National Greenhouse Gas Inventories."

¹¹ 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Vol. 2 (Energy), see http://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2/V2_2_Ch2_Stationary_Combustion.pdf

feedstocks such as crude oil, natural gas, liquid petroleum gas, as well as for greenhouse gas intensive unconventional oil feedstocks, such as coal converted to liquid, natural gas converted to liquid, oil shale and natural bitumen.

As these unconventional crude oil feedstocks are not included in the baseline calculated in Annex II, against which the achievement of the 6 % reduction target in lifecycle greenhouse gas intensity of fuels consumed in the EU will be measured, by definition, the reduction of their greenhouse gas intensity will not contribute directly to achieving this target. However, the very purpose of the target is to reduce the greenhouse gas intensity of fuels consumed in the EU. In case new fuels, which are more greenhouse gas intensive than the baseline (i.e. 88.3 gCO₂eq/MJ), enter the Union market without having to account for their higher emissions and without being subject to any incentive to reduce their greenhouse gas intensity (as is the case for the venting and flaring emissions, for which a saving incentive is foreseen in Annex II of this proposal), this will unavoidably mean that, in real terms, part of the savings in greenhouse gas intensity of EU fuels will be offset. Therefore, a transparent framework for accounting for the higher greenhouse gas intensity of all unconventional feedstock sources is necessary in order not to undermine the credibility of the 6 % saving target and of climate policies more generally.

3.3. Differences between natural bitumen and conventional feedstocks

In most simple terms, the greenhouse gas intensity of extracting and preparing any petrol/diesel feedstock for further refining is, inter alia, directly linked to the energy needed for extraction. Consequently, the greenhouse gas intensity of such activities is related to how immobile the feedstock is, as found in-ground, prior to extraction. There is evidence¹² to show, on this basis alone, that it is appropriate to differentiate natural bitumen and oil shale feedstocks from other feedstock sources. Furthermore, numerous publications differentiate "tar sands"¹³, as an unconventional fossil fuel feedstock source^{14, 15, 16} compared to more conventional fossil fuel feedstocks.

Natural bitumen feedstocks are generally more dense and viscous and do not flow freely under natural conditions¹⁷. The further differentiation of natural bitumen feedstock from conventional crude oil is linked to the extraction methods employed^{18, 19, 20}. This also stems from its viscosity and density. Natural bitumen is

¹² E.g. World Energy Outlook 2010", International Energy Agency (IEA), p.156;

¹³ The public consultation included the words "tar sands" which are mentioned in Union legislation (e.g. Commission Decision of 18 July 2007 establishing guidelines for the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council); it is also the way in which the NGO community¹³ describes these feedstock deposits. However the expression is not used by the Canadian authorities who employ the words "oil sands". In preparing this draft Directive the Commission has concluded that "natural bitumen" forms the appropriate definition of the feedstock concerned when taking account of the available science.

¹⁴ "Crude Oil and Oil Sands Market Outlook – LCFS impacts on Oil Sands", Purvin and Gertz International Energy Consultants, 2010, p. 23; see http://www.purvingertz.com/userfiles/products/LCFS_Description.pdf

¹⁵ "World Energy Outlook 2010", International Energy Agency (IEA), p.145

¹⁶ "An Evaluation of the Extraction, Transport and Refining of Imported Crude Oils and the Impact on Life Cycle Greenhouse Gas Emissions", US Department of Energy's National Energy Technology Laboratory (NETL), 2009, p. 5

¹⁷ "Enhanced Recovery Methods for Heavy Oil and Tar Sands" Speight, 2009, p.23

¹⁸ "Enhanced Recovery Methods for Heavy Oil and Tar Sands" Speight, 2009, p.20-22

extracted through mining or thermally enhanced gravity drainage where the fossil fuel deposit is heated with steam so as to lower its viscosity and where the thermal energy is mainly derived from sources other than the feedstock source itself²¹. It is important to note that the presence of natural bitumen is not unique to any one location. United States Geological Survey (USGS) reports the presence of natural bitumen in specific geological provinces discovered in North and South America, Europe, Asia and Africa²².

Different tariff classification further underlines the fact that certain feedstock sources vary from others. Natural bitumen and oil shale are classified under the same CN code (CN 2714 10 00), separate from other conventional crude oil.

In addition, it is clear from the study on oil sands²³ that there is an overlap in the greenhouse gas emissions of the worst performing conventional crude feedstocks (due, for example, to uncontrolled or illegal flaring and venting) and the best performing natural bitumen feedstocks (because of efficient extraction). It is important to note that this overlap does not stem from the naturally occurring differences in physical properties of the respective feedstock sources (described in Section 3.3) that are directly linked to fuel lifecycle greenhouse gas emissions. For example, flaring and venting emissions occurring during extraction of oil, result from the inappropriate management of the simultaneous extraction of two separate fossil fuels; crude oil and natural gas.

4. SPECIFIC PROVISIONS

4.1. Article 1: definitions

Article 1 contains definitions for "upstream emissions"; "natural bitumen"; "oil shale" and "conventional crude". The last three definitions relate to feedstocks for the production of petrol and diesel.

The feedstock approach is already contained in the Fuel Quality Directive as regards biofuels. Indeed, for biofuels Annex IV contains a set of differentiated values where feedstocks with higher greenhouse gas emissions (e.g. biodiesel made from palm oil or soybean) are differentiated from those feedstocks with lower greenhouse gas emissions (e.g. biogas or sugarcane ethanol). This differentiation is appropriate to account more accurately for the greenhouse gas impact of these different feedstocks on the achievement of the 6% greenhouse gas savings target set out in Article 7a.

¹⁹ "World Energy Outlook 2010", IEA, 2010, p.145

²⁰ "Handbook of Alternative Fuel Technology", Speight, p.198

²¹ "Upstream greenhouse gas (GHG) emissions from Canadian oil sands as a feedstock for European refineries", 20 June 2011, Brandt

²² "Heavy Oil and Natural Bitumen Resources in Geological Basins of the World" USGS, 2007, p.36

²³ The graph on page 41 of the Brandt study shows an overlap in GHG emissions between oil sand feedstock crudes and conventional crudes.

4.1.1. Natural bitumen

Natural bitumen is defined on the basis of its specific physical properties regarding density and viscosity. The index of the American Petroleum Institute (API²⁴) gives a measure of specific gravity and is measured according to testing method ASTM²⁵ D287^{26, 27}. Natural bitumen has also been defined in these terms by the United States Geological Survey (USGS)²⁸ and the International Energy Agency (IEA)²⁹. According to all four references, natural bitumen is generally defined as exhibiting an API of 10 or less.

As viscosity varies with reservoir temperature, a specific empirical equation identifying the viscosity-temperature relationship is used to define the natural bitumen feedstock³⁰. The formula presented in Article 1 of the Directive follows the empirical lower viscosity-temperature limit for Lloydminster "heavy oil". Not all heavy oils above this line are natural bitumen. This more conservative lower limit was chosen to allow for variances in the reported viscosity data measurements. Employing the 10 API density factor in conjunction with this formula for viscosity in the definition is considered to be the most reliable approach to identifying natural bitumen. Viscosity is measured in accordance with testing method ASTM D445.

In addition, the specific tariff classification is used to define Natural bitumen / tar sands and oil shale.

4.1.2. Oil shale

Oil shale is defined as any refinery feedstock source as situated in a shale formation containing solid kerogen and falling within the definition for oil shale under CN 2714 10 00 outlined in Council Regulation (EEC) N° 2658/87. Mobilization of the feedstock source is achieved by mining extraction or thermally enhanced gravity drainage.

²⁴ American Petroleum Institute (API) is an American National Standards Institute (ANSI). API provides quality, environmental, and occupational health and safety management systems certification through APIQR. This service is accredited by the ANAB (ANSI-ASQ National Accreditation Board) for ISO 9001 and ISO 14001. It therefore, operates with approved standards and development procedures and undergoes regular audits of its processes. API gravity was established in 1921 and became a global standard (see <http://www.api.org/>)

²⁵ American Society for Testing and Materials, <http://www.astm.org/index.shtml>

²⁶ "Kirk-Othmer Encyclopaedia of Chemical Technology", Speight, p.8

²⁷ "Handbook of Alternative Fuel Technology", Speight, p.199

²⁸ "Heavy Oil and Natural Bitumen Resources in Geological Basins of the World" USGS, 2007, p.1

²⁹ "World Energy Outlook 2010", IEA, p.145

³⁰ As published e.g. by the USGS, by Dr. Speight and the *Oil and Gas Journal* – extraction data 2010. Speight has also suggested a different set of characteristics to corroborate the API-and-viscosity approach. These draw a distinction between natural bitumen and heavy oil feedstocks and, consequently, clearly define the feedstocks in accordance with their extraction methods. This latter approach would define natural bitumen – oil sands in terms of their "pour point" (determined according to testing procedure ASTM D97; the pour point of a liquid is the lowest temperature at which it will pour or flow under prescribed conditions. It is a rough indication of the lowest temperature at which oil is readily pumpable) and the reservoir temperature. While the "pour point" approach is an acceptable methodology, supporting the conclusion that natural bitumen is a separate feedstock, it is less demonstrable than API due to a smaller amount of published data being available.

4.1.3. *Conventional crude*

Conventional crude is defined as any refinery feedstock source exhibiting an American Petroleum Institute Gravity that is higher than 10 degrees when situated in a reservoir formation at its place of origin as measured per testing method ASTM³¹ D287 and not falling within the definition for CN 2714 10 00 as outlined in Council Regulation (EEC) N° 2658/87. If it can be demonstrated that the conventional crude oil was not subjected to thermal or mining processes at the time and project place of extraction from the subsurface, then the CN code identity of the raw material does not have to be verified.

4.2. **Article 2 and annex I: methodology for calculating the greenhouse gas intensity of fuels and energy supplied other than biofuels**

As explained in section 3.3 there is basis to distinguish between Natural bitumen and conventional crude oil. The public consultation set out average default values for a number of petrol and diesel feedstocks. These default values were derived, in the main part, from the "Well to Wheel"³² work carried out by the JEC consortium.³³ However the JEC has not developed default values for other feedstocks (such as oil sands/natural bitumen and oil shales) which were expected to enter the EU market during the next few years.

The Commission services were able to develop default values for the public consultation exercise for oil sands/natural bitumen and oil shales based on public data. However, to ensure that robust values were developed for the draft Directive, external expertise was considered necessary.

Accordingly studies were commissioned to establish default values for oil sands/natural bitumen and oil shales. The studies were subject to a peer review and discussed at a stakeholder meeting on 27 May 2011. The peer review comments as well as the revised studies have also been published on the Commission's website.³⁴

The majority of stakeholders in response to the 2009 consultation preferred the choice of using the best available average emissions value without allowing the option to report actual values. The underlying reason is that average default values strike a balance between the required level of accuracy and the respective administrative burden. Further, for this reason, the majority of the stakeholders preferred one average default value for refining that encompasses the performance of simple and complex refineries and one average default value for conventional crude oil. It is also apparent that for the specified EU refinery mix, natural bitumen/oil sands have higher greenhouse gas emissions than conventional crudes³⁵.

³¹ American Society for Testing and Materials, <http://www.astm.org/index.shtml>

³² <http://ies.jrc.ec.europa.eu/jec-research-collaboration/activities-jec/jec-well-to-wheels-analyses-wtw.html>

³³ The JEC consortium comprises the JRC, EUCAR and CONCAWE. Thus the Commission, EU automobile industry and oil industry take part in this work.

³⁴ http://ec.europa.eu/clima/studies/transport/fuel/index_en.htm

³⁵ See table on page 37 of the Brandt study.

4.3. Article 3 and annex II: calculation of greenhouse gas intensity reduction

Article 3 and annex II contain the method for calculating the baseline fossil fuel greenhouse gas intensity to be used as a reference for measuring compliance with the target.

The calculation is based on the average greenhouse gas default values set out in annex I and the volume of fuels consumed. The consumption data for the calculation has been extracted from the Member States' reporting to the UNFCCC in 2007, the latest year for which the information is available.

4.4. Articles 4 and 5 and annexes III and IV: reporting by suppliers and Member States

Pursuant to Directive 98/70/EC suppliers are required to report annually to Member States' designated authorities on the greenhouse gas intensity of fuel and energy supplied, the volume, the origin and the place of purchase of the fuel supplied. Member States are to report fuel quality data to the Commission on an annual basis.

It is important to consider the administrative burden associated with these requirements for imported fossil fuel products. Although it is true that fuel products are fungible (i.e. traded prior and after mixing), the current system of fuel trading includes an established system for data tracking as differentials in product quality and origin affect product price. This system of data transfer should be utilized to also transfer information pertinent to this implementing measure as also employed for biofuels. The question of burden is therefore related not to the burden of establishing and maintaining a similar system but to:

- the level of the burden of verification to be imposed on the competent authorities of the Member States to verify the data and,
- the level of rigor required to assure that the proper level of precision is reflected in the collected data.

Validation of data provided by the suppliers lies with the Member States. In line with the principle of subsidiarity, the Commission does not intend to mandate verification procedures. However, the Commission could issue guidance to assist the Member States in this task if they indicate that such guidance is necessary. In particular, a harmonized certification scheme would not be necessary as self-certification by producers of fuel to report the feedstock source and the country of extraction (i.e. the origin and the place of purchase) could be sufficient, as self-certification by farmers of biofuel feedstocks was deemed to be acceptable in the method established for biofuels in Annex IV to Directive 98/70. It is important to note that U.S. producers already report to their national authorities the API, the country of origin³⁶, and

³⁶

ftp://ftp.eia.doe.gov/pub/surveys/petroleum_supply/form814.pdf

feedstock stream (market) name³⁷. The Member States could also rely on other relevant published data³⁸.

Given that the collected information is intended for corroborating and periodically updating the greenhouse gas intensity default values, the level of aggregation and averaging of the collected data should be proportionate to the level of aggregation and averaging inherent in the greenhouse gas intensity values. On this basis, it is readily evident that it is not necessary to conduct batch-by-batch reporting. Rather, data averaged annually would yield the appropriate level of precision.

In addition, in order to keep the administrative burden as low as possible the Commission is proposing to make use of existing reporting requirements under customs and duty legislation. Importers will have to make arrangements to obtain the required information from the respective foreign refiners.

As regards electric vehicles, it is proposed in the draft Directive that the measurement and verification of electric energy use will vary between estimated and measured amounts based on the level of electric and plug-in hybrid vehicles registered in each Member State. The greenhouse gas intensity of electricity used will be the Member State average.

In addition to the annual reporting the Commission is requiring twice in the period to 2020 periodic reporting by suppliers and Member States on the origin of the fuel or energy. The purpose of this reporting is to collect information on the feedstock source location and API density for fossil fuel production facilities and on the processing fuels for biofuels.

4.5. Article 6: review

Any methodology included in this implementing act should be adapted for relevant technical and scientific progress. Article 6 contains a review clause, which foresees that the Commission shall review the current implementing act by no later than 31 December 2015. This review shall be accompanied by an evaluation, impact assessment (that would include a consideration of the level and composition of the administrative burden) and proposals to modify the current implementing act if appropriate. In particular the review shall address:

- the effectiveness of Article 7a of Directive 98/70/EC to incentivise reductions in greenhouse gas intensity and overall greenhouse gas emissions as well as the impacts on the EU refinery sector and supply of fossil fuel feedstocks to the EU;
- the overall greenhouse gas calculation methodology set out in this Directive taking into account the effects and potential of any self-initiated industry or Member State efforts to incentivise reductions in the greenhouse gas intensity of fossil fuels;

³⁷

http://www.eia.gov/pub/oil_gas/petroleum/survey_forms/eia856i.pdf

³⁸

Inter alia the publically available list, under California regulations (CARB), of fossil fuel feedstocks (identified by market names) that have not been extracted using thermal or mining techniques (cf. <http://www.arb.ca.gov/fuels/lcfs/070111lcfs-rep-adv.pdf>) or country average crude mix produced in the producing country.

- how to address high greenhouse gas intensity sources in the greenhouse gas calculation methodology for fossil fuels and any significant impacts from any potential indirect emissions of fossil fuels;
- the accuracy and reliability of the monitoring and reporting of fossil fuel greenhouse gas intensity;
- the appropriateness of introducing elevated default values and/or, actual reporting by operators;
- the potential for extending the possibility for reporting, on the basis of actual values, a greenhouse gas intensity for the upstream part of the fuel or energy lifecycle that is lower than those included in the table of default values in Annex I.

The Commission shall update at periodic intervals the default greenhouse gas intensity values in this Directive in line with the latest technical and scientific information.

Draft

COMMISSION DIRECTIVE/.../EU

of XXX

laying down calculation methods and reporting requirements pursuant to Directive 98/70/EC of the European Parliament and of the Council relating to the quality of petrol and diesel fuels

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC³⁹, and in particular Article 7a(5) thereof,

Whereas:

- (1) Article 7a(2) of Directive 98/70/EC requires suppliers to reduce by 6% by 31 December 2010 the life cycle greenhouse gas emissions per unit of energy ("greenhouse gas intensity") of fuels used in the Union by road vehicles, non-road mobile machinery, agricultural and forestry tractors and recreational craft when not at sea.
- (2) Article 7a(5) of Directive 98/70/EC requires that a method be established for the calculation of life cycle greenhouse gas emissions from fuels other than biofuels, and other relevant energy sources such as electricity. Such a methodology should cover emissions over the whole lifecycle of the production and use of the fuel or energy.
- (3) Such a method should balance the necessary measurement accuracy with the complexity of the associated administrative requirements whilst providing an incentive to suppliers to reduce the greenhouse gas intensity of the fuel they supply. In view of the complexity of the Union refining sector, careful consideration should also be given to the impact on refineries when establishing the methodology.
- (4) The calculation method should be based on average greenhouse gas intensities that represent an industry average value which is typical for a particular fuel source ("average default values"). This has the advantage of imposing a smaller administrative burden on suppliers and Member States.
- (5) The calculation method should distinguish between the different fossil fuel sources ("feedstocks") on the basis of significant differences in their greenhouse gas intensities

³⁹ OJ L 350, 28.12.1998, p.58.

which are linked to the physical and chemical properties of the different fossil sources and the processes deployed for their extraction.

- (6) Such a distinction is necessary in order to avoid that part of the reduction in greenhouse gas intensity achieved by fuels included in the baseline will be offset in real terms in case new fuels derived from feedstocks, which are more greenhouse gas intensive than the calculated baseline, enter the Union without having to account for their higher greenhouse gas intensity. Not accounting for the significant differences in the greenhouse gas intensities of unconventional feedstock sources through a transparent framework risks undermining the accuracy and credibility of the 6 % reduction target and of the Union's greenhouse gas reduction goals more generally.
- (7) In order to provide an incentive for greenhouse gas emission reductions from unconventional crude oil feedstocks and, at the same time, to avoid an unequal treatment with a limited volume of conventional crude feedstocks, due to overlaps in the greenhouse gas intensities of the feedstock categories, suppliers should have the opportunity to demonstrate to Member States that the fuel they supply has a lower greenhouse gas intensity than the respective applicable default values set out in Annex I.
- (8) In order to provide incentives for further greenhouse gas emission reductions, savings claimed for upstream emission reductions including from flaring and venting should be included in the calculation of suppliers' life cycle greenhouse gas emissions. Further, in order to facilitate for suppliers when they claim upstream emissions savings, the use of various emission schemes should be allowed for calculating and certifying emission reductions and a supplier should be able to report emissions against a default value. Only upstream reduction projects which start after the date when the particular default value was established should be eligible, as earlier savings would be reflected in the particular default value.
- (9) Greenhouse gas reductions associated with oil and gas upstream emissions should be estimated in accordance with principles and standards identified by the Commission and employed by voluntary schemes to be recognised by the Commission. It should be possible to claim upstream emission reductions only after such approval.
- (10) It is appropriate to consider the methodology further in respect of the use of high greenhouse gas intensity fuels and to update the methodology to take into account fuels derived from other emerging feedstocks. To this end, and if scientifically warranted, the Commission may, subject to impact assessment, introduce a future amendment to this Directive setting out greenhouse gas intensity default values for such feedstocks. The proposed amendment should be based on a review that will focus on the greenhouse gas intensity of such feedstocks as optimized for consumption in the EU.
- (11) Article 7a(5)b of Directive 98/70/EC requires a methodology to be established to determine the aggregate greenhouse gas intensity of fossil fuels used in the Union in 2010 (the "fuel baseline standard"). The fuel baseline standard is not the fossil fuel comparator to be used for calculating greenhouse gas savings from biofuels, which should remain as set out in Annex IV of Directive 98/70/EC.

- (12) Since the composition of the relevant fossil fuel mix changes little from year to year, the aggregate greenhouse gas intensity of the fossil fuels between years will also be small. It is therefore appropriate that the fuel baseline standard is based on the Union average 2007 consumption data as reported by the Member States to the United Nations Framework Convention on the Climate Change.
- (13) The 2010 fuel baseline standard should be calculated using the respective fuel default values and as such it should represent an average upstream greenhouse gas intensity and average complex refinery greenhouse gas intensity for fossil fuels. The fuel baseline standard emission value should remain unchanged for the period up until 2020 except if, pursuant to a review, the method for establishing the default values used to calculate the current baseline standard is changed in which case it may be appropriate to adjust the baseline emission value.
- (14) Directive 98/70/EC also provides for the adoption of a methodology to calculate the contribution of electric road vehicles. That methodology should be compatible with Article 3(4) of Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC⁴⁰. To ensure this compatibility the same adjustment factor should be used for powertrain efficiency.
- (15) Electric energy supplied for use in road transport may be reported by suppliers as part of their annual reports to the Member States. The right to make a claim to the consumption of electricity in a vehicle or a motorcycle for the purpose of Article 7a of Directive 98/70/EC belongs to the first owner of the electric vehicle or a motorcycle upon first registration of the road vehicle or motorcycle in classes M1, M2, N1, N2, and L. The basis on which suppliers could claim that their electricity supply is consumed in that road vehicle or motorcycle is by presenting to the designated Member State authorities a certificate signed by the owner of the vehicle, obtained at its purchase, declaring the transfer of this right to claim the consumption volume from the vehicle owner to the supplier. This right can be transferred to other suppliers.
- (16) In order to limit administrative costs it is appropriate that this Directive establishes a methodology based on an estimate rather than an actual measurement of the consumption of electricity in an electric road vehicle or motorcycle for the purpose of supplier reporting. This methodology permits the calculation of electricity used in road transport based on vehicle consumption specifications pursuant to Regulation (EC) No 385/2009 of 7 May 2009 replacing Annex IX to Directive 2007/46/EC of the European Parliament and of the Council establishing a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles⁴¹ and is applicable in Member States where the proportion of electric vehicles in classes M1, M2, N1, N2, and L in a Member State does not exceed 2% of the overall fleet of such vehicles in the Member State. Suppliers may also prove that the electricity consumed and the greenhouse gas intensity of that electricity is based on measurements rather than estimates.

⁴⁰ OJ L 140, 5.6.2009, p.16.

⁴¹ OJ L 118, 13.5.2009, p. 13.

- (17) If the share of electric vehicles in classes M1, M2, N1, N2, and L in a Member State's overall fleet of such vehicles exceeds 2%, the contribution should be based on an average number of kilometres driven by a representative sample size of the fleet of electric vehicles. Alternatively, suppliers may choose to report the actual figures of electricity consumption of electric vehicles. The greenhouse gas intensity of electricity used for reporting should be the Member State average.
- (18) Article 7a(1) of Directive 98/70/EC requires suppliers to report annually to the designated authority of the Member State. As a minimum they should submit information about the total volume of each type of fuel or energy supplied, indicating where purchased and its origin and the life cycle greenhouse gas emissions per unit of energy employing a "low-heating value" approach. The reported information should be verified by the Member States. Member States should allow suppliers to report by using data being collected pursuant to other Union or national legislation so as to reduce the administrative burden. Such Union legislation includes Commission Regulation (EC) No 684/2009 of 24 July 2009 implementing Council Directive 2008/118/EC as regards the computerised procedures for the movement of excise goods under suspension of excise duty⁴², Commission Regulation (EEC) No 2454/93 of 2 July 1993 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code⁴³, Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC⁴⁴ and subsequent implementing acts thereof as well as Commission Decision 2007/589/EC of 18 July 2007 establishing guidelines for the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council⁴⁵.
- (19) To ensure consistency and accuracy, monitoring, reporting and verification of life cycle greenhouse gas emissions per unit of fuel as well as of other data to be reported should be conducted in a stable and harmonized manner. In order to facilitate the tasks for the suppliers and the Member States respectively, the Commission should, where appropriate, establish guidelines for the implementation of these reporting requirements.
- (20) Pursuant to Article 8(3) of Directive 98/70/EC Member States are to submit an annual report of national fuel quality data for the preceding year in accordance with the format established in Commission Decision 2002/159/EC of 18 February 2002 on a common format for the submission of summaries of national fuel quality data⁴⁶. To cover the amendments introduced to Directive 98/70/EC by Directive 2009/30/EC⁴⁷ and the subsequent additional reporting requirements on the Member States it is necessary in the interest of effectiveness and harmonization to clarify which information, falling under the reporting obligation on fuel quality data in Article 8 of

⁴² OJ L 197, 29.7.2009, p. 24.

⁴³ OJ L 253, 11.10.1993, p. 1.

⁴⁴ OJ L 140, 5.6.2009, p. 16.

⁴⁵ OJ L 229, 31.8.2007, p. 1.

⁴⁶ OJ L 53, 23.2.2002, p. 30.

⁴⁷ OJ L 140, 5.6.2009, p. 88.

Directive 98/70/EC, should be reported and also adapt the format for the submission of that data.

- (21) This Directive should be reviewed periodically to take account of the latest technical and scientific information and possible changes in the sources of fuels used in the Union. Such reviews require more detailed reporting of relevant information but can be carried out less frequently than the annual reporting foreseen by this Directive. The default greenhouse gas intensity values should be subject to review based upon the latest technical and scientific information and taking into account the life cycle data and quantitative environmental impacts derived in compliance with the International Life Cycle Data System (ILCD) Handbook requirements and the data included in the European Reference Lifecycle Data System (ELCD) database which should be used as the preferred source of information.
- (22) The measures provided for in this Directive are in accordance with the opinion of the Committee on Fuel Quality.

HAS ADOPTED THIS DIRECTIVE:

Article 1

Definitions

For the purposes of this Directive, and in addition to the definitions already contained in Directive 98/70/EC, the following definitions shall apply:

- (1) "upstream emissions" means all greenhouse gas emissions occurring prior to transport and delivery of feedstocks to a refinery;
- (2) "natural bitumen feedstock source" means a source of refinery feedstock with the following properties:
 - (a) An American Petroleum Institute Gravity of 10 degrees or less when situated in a reservoir formation at its place of origin and measured at the standard temperature prescribed in testing method American Society for Testing and Materials (ASTM)⁴⁸ D287;
 - (b) An annual average viscosity at reservoir temperature greater than that calculated by the equation
$$\text{Viscosity (Centipoise)} = 518.98e^{-0.038T}$$
; where T is the temperature in Celsius;
 - (c) Falling within the definition for tar sands under combined nomenclature code CN 2714 10 00 as outlined in Council Regulation (EEC) No 2658/87⁴⁹;

⁴⁸ American Society for Testing and Materials, <http://www.astm.org/index.shtml>

⁴⁹ OJ L 287, 31.10.2009, p. 1

- (d) Mobilization of the feedstock source is achieved by mining extraction or thermally enhanced gravity drainage where the thermal energy is mainly derived from sources other than the feedstock source itself;
- (3) "oil shale feedstock source" means any refinery feedstock source as situated in a shale formation containing solid kerogen and falling within the definition for oil shale under CN 2714 10 00 outlined in Regulation (EEC) No 2658/87. Mobilization of the feedstock source is achieved by mining extraction or thermally enhanced gravity drainage.
- (4) "conventional crude feedstock source" means any refinery feedstock source exhibiting an American Petroleum Institute Gravity that is higher than 10 degrees when situated in a reservoir formation at its place of origin as measured per testing method ASTM D287 and not falling within the definition for CN 2714 10 00 as outlined in Regulation (EEC) No 2658/87. If it can be demonstrated that the conventional crude oil was not subjected to thermal or mining processes at the time and project place of extraction from the subsurface, then the CN code identity of the raw material does not have to be verified.

Article 2

Methodology for calculating the greenhouse gas intensity of fuels and energy supplied other than biofuels

1. For the purposes of the second subparagraph of Article 7(a)1 of Directive 98/70/EC Member States shall require suppliers to use the methodology set out in Annex I to this Directive for the calculation of life cycle greenhouse gas emissions from fuels others than biofuels, and from all electric energy.
2. For fuel-feedstock combinations with a greenhouse gas intensity higher than that of conventional crude based fuels, a lower greenhouse gas intensity for the upstream part of the fuel or energy lifecycle value may be used than the default values set out in Annex I if the supplier demonstrates to the Member State that this value is derived using an ISO 14064 compatible methodology.

Article 3

Calculation of greenhouse gas intensity reduction

For the purposes of Article 7(a)2 of Directive 98/70/EC, Member States shall require suppliers to compare their achieved reductions of life cycle greenhouse emissions from fuel and from electric energy to the fuel baseline standard set out in Annex II to this Directive.

Article 4

Reporting by suppliers

Reports by suppliers to the Member States pursuant to Article 7a(1) of Directive 98/70/EC shall be provided in accordance with Annex III to this Directive.

Member States may allow suppliers to refer to data being reported pursuant to other Union legislation or national legislation.

Article 5

Reporting by Member States

When submitting reports to the Commission under Article 8 of Directive 98/70/EC, Member States shall provide the Commission with information relating to compliance with Article 7a of that Directive and Annex IV to this Directive.

Member States may refer to data being reported pursuant to other Union legislation or national legislation

Article 6

Review

1. The Commission shall review this Directive by 31 December 2015 at the latest. This review shall be preceded by an evaluation and an impact assessment that shall include a consideration of the level and composition of the administrative burden and shall be accompanied by proposals to modify this Directive, if appropriate. In particular the review shall address the following:
 - (a) the effectiveness of Article 7a of Directive 98/70/EC to incentivise reductions in the greenhouse gas intensity and the overall greenhouse gas emissions as well as the impacts on the EU refinery sector and supply of petroleum feedstocks to the EU;
 - (b) the overall greenhouse gas calculation methodology set out in this Directive taking into account the effects and potential of any self-initiated industry or Member State efforts to incentivise reductions in the greenhouse gas intensity of fossil fuels;
 - (c) how to address high greenhouse gas intensity sources in the greenhouse gas calculation methodology for fossil fuels and any significant impacts from any potential indirect emissions of fossil fuels;
 - (d) the accuracy and reliability of the monitoring and reporting of fossil fuel greenhouse gas intensity;
 - (e) the appropriateness of introducing elevated default values or, alternatively, actual reporting by operators;
 - (f) the potential for extending the possibility for reporting, on the basis of actual values, a greenhouse gas intensity for the upstream part of the fuel or energy lifecycle that is lower than those included in the table of default values in Annex I.

2. The Commission shall at periodic intervals update the default greenhouse gas intensity values in this Directive to bring them in line with the latest technical and scientific information.

Article 7

Transposition

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by [twelve months after adoption] at the latest. They shall forthwith communicate to the Commission the text of those provisions.

When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

Article 8

Entry into force

This Directive shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Article 9

This Directive is addressed to the Member States.

Done at Brussels,

*For the Commission
The President*

Annex I

Rules for suppliers to calculate the greenhouse gas intensity of energy carriers and fuels

1. Calculation of a supplier's greenhouse gas intensity
 - (a) Greenhouse gas intensity for fuels and energy carriers shall be expressed in terms of grams of carbon dioxide equivalent per Mega Joule of fuel (gCO_{2eq}/MJ.)
 - (b) The greenhouse gases taken into account for the purposes of calculating the greenhouse gas intensity of fuel shall be carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄). For the purpose of calculating CO₂ equivalence, emissions of those gases shall be valued in terms of CO₂ equivalent emissions as follows:

CO₂: 1

CH₄: 23

N₂O: 296

- (c) The intensity of a supplier's greenhouse gas intensity from the lifecycle use of all fuels they supply shall be calculated using the formula below:

$$\text{Greenhouse Gas intensity} = \frac{\sum_x (\text{GHGi}_x \times \text{AF} \times \text{MJ}_x) - \text{UER}}{\sum_x \text{MJ}_x}$$

Where:

x represents the different fuels and energy carriers falling within the scope this Directive

UER is upstream emission reduction in gCO_{2eq}

GHGi_x is the unit greenhouse gas intensity of the annual supply sold on the market of fuel x expressed in gCO_{2eq}/MJ. Only values presented or derived in accordance with point 0 shall be used.

MJ_x is the total energy supplied and converted from reported volumes of fuel x pursuant to points (0) and (3) of Annex III for each fuel and expressed in Mega Joules.

AF are the adjustment factors for powertrain efficiency.

Predominant conversion technology	Efficiency factor
Internal combustion engine	1
Electric powertrain	0.4

AF used shall be that specified for internal combustion engines for all fuel and energy supplied except electricity.

UER is the upstream emission reduction of greenhouse gases claimed. It is measured in gCO_{2eq} and shall be quantified in accordance with point 0.

- (d) Emissions from the manufacture of machinery and equipment utilized in extraction, production, refining and consumption of fossil fuels shall not be taken into account.

2. Average default values for fossil fuels and electric energy established in 2010

Feedstock source and process	Fuel or Energy Placed on the market	Upstream Unit GHG Intensity (gCO _{2eq} /MJ)	Lifecycle Unit GHG Intensity (gCO _{2eq} /MJ)
Conventional crude	Petrol	5.2	87.5
	Diesel or gasoil	5.3	89.1
Natural bitumen	Petrol	24.7	107
	Diesel or gasoil	24.7	108.5
Oil shale	Petrol	49	131.3
	Diesel or gasoil	49	133.7
Any fossil sources	Liquefied Petroleum Gas	3.5	73.6
Any fossil sources	Liquid or compressed natural gas	3.5	76.7
Coal converted to liquid fuel	CTL petrol, diesel or gasoil	100	172
Coal converted to liquid with Carbon Capture and Storage of process emissions	CTL petrol, diesel or gasoil	100	81
Natural gas converted to liquid	GTL petrol, diesel or	25	97

fuel	gasoil		
Natural gas using steam reforming	Hydrogen	3,5	82
Coal	Hydrogen	100	190
Coal with Carbon Capture and Storage of process emissions	Hydrogen	100	6
Waste plastic	Petrol, diesel or gasoil	0	86
Member State average electricity generation			
Austria			86.1
Belgium			111.7
Bulgaria			251.7
Cyprus			283.1
Czech Republic			222.8
Denmark			211.1
Estonia			442.5
Finland			116.1
France			40.6
Germany			196.1
Greece			324.2
Hungary			188.3
Ireland			241.7
Italy			196.7
Latvia			156.4
Lithuania			48.3
Netherlands			198.9
Poland			329.2

Portugal			208.3
Romania			301.1
Slovakia			98.1
Slovenia			167.2
Spain			177.5
Sweden			21.9
United Kingdom			182.8

For the purpose of reporting by suppliers the above listed numbers for the greenhouse gas intensity of the Member State electricity generation mix shall be used. Alternatively, suppliers may use the most recent statistics as published by Eurostat or the European Environment Agency.

3. Eligibility of upstream emission reductions at oil and gas extraction and production sites
- (a) Greenhouse gas emission reductions at oil production and extraction sites can only be applied to default values derived from solid, gaseous or liquid feedstock sources such as petrol, diesel, CNG and LPG
 - (b) Upstream greenhouse gas emission reductions originating from any country may be counted as a reduction in greenhouse gas emission against fuels from any feedstock source supplied by any supplier designated as such for the purpose of Article 7a of Directive 98/70/EC.
 - (c) Only upstream greenhouse gas emission reductions can be counted towards the target that are associated with projects that have started after the date establishing the default values presented set out in point 2.
 - (d) Greenhouse gas reductions associated with oil and gas upstream emissions shall be estimated in accordance with principles and standards identified by the Commission and employed by voluntary schemes to be approved by the Commission. The schemes will be selected only if the Upstream Emission Reductions (UERs) certified by the schemes are monitored, reported and verified in accordance with Decision 2007/589/EC, if the schemes are accredited in accordance with ISO 14065 and if the certificates can be publicly disclosed and modified by the scheme prior to their issuance to include the information listed in point 8 of Annex III to this Directive.
 - (e) It is not necessary to prove that upstream emission reductions would not have taken place without the Article 7a reporting requirement.
 - (f) The Commission will establish guidelines, where appropriate, for verification of reporting from suppliers to the Member States

Annex II

Rules for calculating and applying the baseline greenhouse gas intensity of fossil fuels

Methodology

The baseline greenhouse gas intensity shall be calculated based on Union average fossil fuel consumption of petrol, diesel, gasoil, LPG and CNG, where:

(a) Baseline greenhouse gas intensity calculation

$$= \frac{\sum_x (GHGi_x \times AF \times MJ_x) - UER}{\sum_x MJ_x}$$

Where:

x represents the different fuels and energy carriers falling within the scope of the Directive and as defined in the table below

GHGi_x is the unit greenhouse gas intensity of the annual supply sold on the market of fuel x or energy carrier falling within the scope of this Directive expressed in gCO_{2eq}/MJ. The values for fossil fuels presented in Annex I shall be used.

MJ_x is the total energy supplied and converted from reported volumes of fuel x expressed in Mega Joules.

(b) Consumption data

The consumption data used for calculation of the value shall be as follows:

Fuel	Consumption (TJ)	Source
Conventional crude derived diesel	7,99589 * 10 ⁶	2007 MS reporting to UNFCCC
Conventional crude derived non-road gasoil	0,277890 * 10 ⁶	2007 MS reporting to UNFCCC
Conventional crude derived petrol	4,51357 * 10 ⁶	2007 MS reporting to UNFCCC
LPG	0,205363 * 10 ⁶	2007 MS reporting to UNFCCC
CNG	0,024485 * 10 ⁶	2007 MS reporting to UNFCCC

Greenhouse gas intensity

The greenhouse gas intensity for 2010 shall be: 88.3 gCO_{2eq}/MJ

Annex III

Supplier Reporting

Suppliers shall report annually to the relevant Member State authority in accordance with the following rules:

1. **Supplier identification.** The supplier shall provide information enabling their identification. This shall be as defined in Regulation (EC) No 684/2009 as the Trader Excise Number (SEED registration number or VAT ID number in Table 6(4a) of Annex I to that Regulation for Destination Type codes 1, 2, 3, 4, 5 and 8 identified as the entity liable to pay the excise duty in accordance with Article 8 of Council Directive 2008/118/EC at the time excise duty was released for consumption in accordance with Article 7(2) of Directive 2008/118/EC. If excise duty was not due, the Member State shall collect equivalent data in accordance with a nationally established reporting scheme.
2. **Volume of each fuel supplied distinguished by feedstock.** This shall be derived from data in Table 5 point 10(c), (d), (f), and (o) of Annex I to Regulation (EC) No 684/2009 supplemented with the 10 digit CN code and volume of the mixed in biofuels and converted to energy content pursuant to the energy densities of fuel set out in Annex III to Directive 2009/28/EC. Where multiple biofuels are blended with fossil fuels, the quantity and type of each biofuels shall be reported. Information on the volume of biofuel supplied that does not meet the requirements of Article 7b(1) of Directive 98/70/EC shall be reported separately. E85 petrol-ethanol blend volumes shall be reported as a separate fuel for the purpose of Article 6 of Regulation (EC) No 443/2009 of the European Parliament and of the Council⁵⁰. To fulfil this reporting, Member States may choose to allow suppliers to refer to data being reported pursuant to other Union or national legislation.
3. **Electric energy.** Where a supplier holds proof of claim to the consumption of an amount of electricity consumed in road vehicles or motorcycles, the supplier may report this amount of energy as part of their reporting to the Member State.
 - 3.1. Proof of the claim by a supplier for consumption of their electricity supply in road vehicles or motorcycles shall be provided on a signed statement, delivered at the point of sale, from the first vehicle owner. That statement shall contain at least:
 - the vehicle identification number;
 - the Member State vehicle registration number;
 - a statement agreeing to the transfer of the right to claim the electricity consumption to another party for the lifetime of the vehicle for the purpose of complying with Article 7a of Directive 98/70/EC;
 - a signature of the first owner.

This right to provide such statement shall be transferable to other suppliers.

⁵⁰ OJ L 140, 5.6.2009, p. 1.

- 3.2. For the purpose of reporting to the Member State, the electric energy consumption for battery and plug-in electric motorcycles or vehicles (in classes M1, N1, M2, N2 and L) must be calculated as follows:

Electric energy consumed = distance travelled (km) x electric energy consumption efficiency (MJ/km)

In Member States where the total number of battery and plug-in electric motorcycles or vehicles does not exceed 2% of the total fleet of such vehicles at the end of any calendar year, the distance travelled equals the maximum electric range in kilometres on board the motorcycle or vehicle as reported by manufacturers pursuant to Directive 2007/46/EC multiplied by 312, not to exceed 12 000 km per year.

In Member States where the total number of battery and plug-in electric motorcycles or vehicles exceeds 2% of the total fleet of vehicles at the end of any calendar year, the number of kilometres used for the calculation shall be based on an average number of kilometres driven by a representative sample size of the fleet of electric vehicles. A separate number for plug-in hybrids shall be obtained taking account of the number of kilometres driven on electric energy generated by a power source outside the vehicle. Member States may prescribe these numbers for vehicles registered in their territory. If a Member State does not prescribe these numbers, it must verify the data reported by the supplier.

Alternatively, suppliers may report electric energy consumed as measured and stored on-board of the vehicle or as measured and stored at charging facilities for each individual vehicle or motorcycle. Member States shall take measures to ensure that suppliers submit reliable data and make available to the Member State, on request, this data. Member States shall require suppliers to arrange for an adequate standard of independent auditing of the data submitted, and to provide evidence that this has been done. The auditing shall verify that the systems used by suppliers are accurate, reliable and protected against fraud. It shall evaluate the frequency and methodology of sampling and the robustness of the data.

Electric energy consumption efficiency equals the value pursuant to Regulation (EC) No 385/2009.

4. **Fuel or electric energy type.** This shall be reported on the basis of definitions contained in Table 5 point 10(c) of Annex I to Regulation (EC) No 684/2009 or if not available, as defined by the relevant CEN standard.
5. **Greenhouse gas intensity for energy other than biofuels.** For fossil fuels and electric energy the greenhouse gas intensity shall be calculated in accordance with the rules set out in Annex I to this Directive.
6. **Greenhouse gas intensity of biofuels.** Biofuels meeting the requirements of Article 7b(1) of Directive 98/70/EC shall be included in the calculation of greenhouse gas intensity. Their greenhouse gas intensity shall be calculated in accordance with Article 7d of that Directive. The greenhouse gas intensity for biofuels not meeting the requirements of Article 7b(1) of Directive 98/70/EC shall be reported separately.

7. **Simultaneous co-processing of fossil fuels and biofuels.** The following approach shall be followed for estimating the greenhouse gas intensity of biofuels in cases where processing of a biofuel and of a fossil fuel occurs simultaneously during the same process and where the resulting volume of the biofuel is not measurable such as during co-hydrotreatment of vegetable oils. The volume and the greenhouse gas intensity of biofuels shall reflect the post-processing state of the fuels. The energy quantity of the co-processed biofuel shall be determined according to the energy content and the efficiency of the co-processing process as set out in Annex IV(17) of Directive 98/70/EC. The post-processing greenhouse gas intensity may be aggregated for all blending components for a given fuel. Processing is defined as any modification along the life cycle of a fuel or energy supplied causing a change to the molecular structure of the product. Addition of denaturant shall fall under the process of blending.
8. **Upstream emission reductions.** Reporting of upstream emission reductions shall be supported with the following information:
- (a) Starting date of the project, DD.MM.YYYY. This must be after the date used to establish the default values presented in Annex I;
 - (b) Annual emission reductions, gCO_{2eq};
 - (c) Duration of time during which the claimed reductions occurred from DD.MM.YYYY to DD.MM.YYYY;
 - (d) Project location closest to the source of the emissions in latitude and longitude coordinates in degrees to the fourth decimal place;
 - (e) Baseline annual emissions prior to installation of reduction measures and annual emissions after the reduction measures have been implemented in gCO_{2eq}/MJ of feedstock produced. Method for estimating BAU emissions remains to be determined by the Commission;
 - (f) Non-reusable certificate number uniquely identifying the scheme and the claimed greenhouse gas reductions;
 - (g) Non-reusable number uniquely identifying the calculation method and the associated scheme;
 - (h) Certification that the claimed reduction certificates are not certified emission reductions (CERs) pursuant to the CDM method;
 - (i) Where the project relates to oil extraction, the average annual historical and reporting year gas-to-oil ratio (GOR) in solution, reservoir pressure, depth and well production rate of the crude oil.
9. **Place of purchase for fossil and bio fuels.** Point (a) of the second subparagraph of Article 7a(1) of Directive 98/70/EC requires the reporting of where supplied fuel is purchased. This "place of purchase" shall mean the country where the feedstock was cultivated or where the raw material for the feedstock was extracted. To fulfil this reporting, Member States may choose to allow suppliers to refer to data being reported pursuant to other Union or national legislation.

10. **Origin of fuel or energy (annual reporting).** Point (a) of the second subparagraph of Article 7a(1) of Directive 98/70/EC requires the reporting of the origin of fuel supplied. This "origin" shall mean type of feedstock as cultivated or as defined by the raw material extracted from the subsurface for the purpose of producing the fuel or energy, as identified with a 10-digit CN code and the corresponding API density if appropriate or the categories of biofuels as defined in Annex IV of Directive 98/70/EC. Where multiple feedstocks are used, the quantity and type of each feedstock shall be provided. To fulfil this reporting, Member States may choose to allow suppliers to refer to data being reported pursuant to other Union or national legislation. The data may be aggregated on annual basis.
11. **Origin of fuel or energy (periodic reporting)**
- 11.1. For specified years in the compliance period (2011 – 2020), suppliers shall provide more detailed reports of the origin of feedstock or processing fuel used providing information on the sources supplying the feedstock as well as the processing that it undergoes. This more complete data shall be reported twice during the compliance period. The first submission must be completed by 1 June 201[X] representing the 201[X] reporting period and the second by 1 June 201[X] representing the 201[X] reporting period.
- 11.2. For biofuel production facilities, for each installation that provides fuel to the supplier during that year, the processing fuel and the corresponding feedstock used to produce the fuel shall be reported. Processing fuel shall be any substance used to fuel a physical, chemical or biological process on an intermediary product resulting in creation of a fuel or energy placed on the market. Where multiple processing fuels are used, the data shall provide the quantity and type of each fuel. This reporting requirement shall be met only if such data is voluntarily provided or is already reported pursuant to other Union or national legislation.
- 11.3. For fossil fuels production facilities, for each installation that provides fuel to the supplier during that year, the feedstock source and the feedstock used to produce the fuel as defined in point 10 shall be reported. For oil or gas the source shall mean oil/gas field or oil/gas field group and the corresponding API density if appropriate. Oil field or oil field group shall mean all fields fed into a spur of a pipeline closest to the source or as defined pursuant to other Union or national legislation. For other feedstock sources including those extracted using induced gravity drainage or mining, or processed with coal-to-liquid conversion, gas-to-liquid conversion, or electricity generation, installations shall report the project name and location as the feedstock source. To satisfy this reporting, Member States may choose to supplement it with data being reported pursuant to other Union or national legislation.

Annex IV

Member State Reporting to the Commission

1. The reporting data together with the full set of data shall be transmitted by the Member States via electronic data transfer to the Central Data Repository managed by the European Environmental Agency. Member States shall notify the Commission when the data is transmitted.
2. Member States shall report the following data listed in point 4 annually to the Commission. Data shall be reported for all fuel and energy consumption within the scope of Directive 98/70/EC (by 10-digit CN code of fuel or energy) placed on the market in the Member State. Where multiple biofuels are blended with fossil fuels, the quantity and type of each biofuel shall be provided.
3. The following data listed in point 4 shall be reported separately for fuel or energy placed on the market by suppliers within the Member State (including joint suppliers operating in a single Member State) and supply placed on the markets of two or multiple Member States by joint suppliers (inter-Member State joint suppliers). Inter-Member State joint supplier data shall be further disaggregated by the Member State of the joining supplier.
4. For each feedstock-fuel combination, Member States shall report the following data to the Commission:
 - (a) Fuel or electric energy type as defined in point 4 of Annex III;
 - (b) Volume as defined in point 0 of Annex III;
 - (c) Electric energy as defined in point 3 of Annex III;
 - (d) Greenhouse gas intensity defined in point 6 of Annex III for biofuels and in point 5 of Annex III for other fuel and energy;
 - (e) Upstream emission reductions as defined in point 8 of Annex III;
 - (f) Place of purchase, as defined in point 9 of Annex III;
 - (g) Origin as defined in points 10 and 11 of Annex III;
 - (h) Any methodology submitted for using lower default values as set out in Annex I.

To satisfy this reporting, Member States may choose to refer to data being reported pursuant to other Union or national legislation.

For periodic reporting, Member States shall aggregate information submitted by feedstock, source and process fuel where appropriate for submission to the Commission.

**RULES OF PROCEDURE FOR THE COMMITTEE ESTABLISHED UNDER
ARTICLE 11 OF DIRECTIVE 2009/30/EC AMENDING DIRECTIVE 98/70/EC
AS REGARDS THE SPECIFICATION OF PETROL, DIESEL AND GAS-OIL
AND INTRODUCING A MECHANISM TO MONITOR AND REDUCE
GREENHOUSE GAS EMISSIONS AND AMENDING COUNCIL DIRECTIVE
1999/32/EC AS REGARDS THE SPECIFICATION OF FUEL USED BY INLAND
WATERWAY VESSELS AND REPEALING DIRECTIVE 93/12/EC**

(Article 5a of Council Decision 1999/468/EC)

The Fuel Quality Committee established under Article 11 of Directive 2009/30/EC,
Having regard to Directive 2009/30/EC amending Directive 98/70/EC as regards the
specification of petrol, diesel and gas-oil and introducing a mechanism to monitor and
reduce greenhouse gas emissions and amending Council Directive 1999/32/EC as
regards the specification of fuel used by inland waterway vessels and repealing Directive
93/12/EC,

Having regard to the standard rules of procedure published by the Commission¹,

HAS ADOPTED THE FOLLOWING RULES OF PROCEDURE:

Article 1

Convening a meeting

A meeting of the committee shall be convened by the chair, either on his/her own
initiative, or at the request of a simple majority of members of the committee.

Article 2

Agenda

1. The chair shall draw up the agenda and submit it to the committee.
2. The agenda shall make a distinction between:
 - (a) drafts of measures to be taken on which the committee is asked to give an
opinion, in accordance with the regulatory procedure with scrutiny provided for
in Article 11(4) of Directive 2009/30/EC;
 - (b) other issues put to the committee for information or a simple exchange of views,
either on the chair's initiative, or at the written request of a member of the
committee.

¹ OJ C 206, 12.7.2011, p. 11.

Article 3

Documentation to be sent to members of the committee

1. The chair shall submit the invitation to the meeting, the draft agenda, the draft measures on which the committee is asked to give an opinion to the members of the committee well in advance of the meeting, taking into account the urgency and the complexity of the matter, and no later than 14 calendar days before the date of the meeting. Other documents related to the meeting, in particular documents accompanying the draft measure, shall, as far as possible, be submitted within the same time-limit.

All documents shall be submitted in accordance with Article 12(2).

2. In duly justified cases, the chair may, on his/her own initiative or at the request of a member of the committee, shorten the time limit for transmission referred to in paragraph 1. Except in cases of extreme urgency, the time-limit shall not be shorter than 5 calendar days.

Article 4

Opinion of the Committee

1. The Committee shall deliver its opinion on a draft measure within a time-limit which the chair may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 16(4) and (5) of the Treaty on European Union and, where applicable, Article 238(3) TFEU, for acts to be adopted on a proposal from the Commission.
2. Unless a member of the Committee objects, the chair may, without proceeding to a formal vote, establish that the committee has delivered a positive opinion, by consensus, on the draft measure.
3. The chair, in consultation with the members of the committee, may, on his/her own initiative or at the request of a member of the committee, postpone a vote until the end of the meeting or to a later meeting.

Article 5

Representation

1. Each Member State delegation is considered to be one member of the committee. Each member of the committee shall decide on the composition of its delegation and inform the chair. With the chair's permission, the delegations may be accompanied by experts, who are not part of the delegation.
2. Within a reasonable time and no later than 5 calendar days before the date of a committee meeting, the following information shall be communicated to the chair:
 - (a) the composition of each delegation, except where such composition is already known to the chair;

- (b) the names and functions of any experts accompanying the delegations and the reasons for which their presence is required.

If the chair does not object to the participation of an expert in advance of the committee meeting, the permission referred to in paragraph 1 is considered to be granted.

3. The reimbursement of travel expenses by the Commission shall be paid in accordance with the applicable rules, subject to budgetary funds provided for this purpose.
4. A Member State delegation may represent a maximum of one other Member State. The Member State that is being represented shall inform the chair of this before the meeting, or, at the latest, before the vote.

Article 6

Working groups

1. The committee may create working groups to examine particular issues. The working groups shall be chaired by a representative of the Commission.
2. The working groups shall report back to the committee, under the responsibility of their chair.

Article 7

Third parties and experts

1. The representatives of countries that are members of the European Economic Area² shall be invited to attend the meetings of the committee as appropriate.
2. Representatives of acceding countries shall be invited to attend the meetings of the committee as from the date of signature of the Treaty of Accession.
3. The chair may decide to invite representatives of other third parties or other experts to talk on particular matters, on his/her own initiative or at the request of a member of the committee. However, a simple majority of the component members of the committee may oppose their participation in the meeting.
4. Representatives of third parties and experts referred to in paragraphs 1, 2 and 3 shall not be present at and shall not participate in voting of the committee.

² Protocol 31 EEA, Article 3, § 56

Article 8

Written procedure

1. In duly justified cases, the chair may obtain the committee's opinion by written procedure. In particular, the chair may use the written procedure to obtain the committee's opinion in cases where the draft measure has already been discussed during a committee meeting.
2. The chair shall send the committee members the draft measure and shall lay down a time limit for delivery of an opinion according to the urgency of the matter. Any committee member who does not oppose the draft measure or who does not explicitly abstain from voting thereon before the expiry of that time limit shall be regarded as having tacitly agreed to the draft measure.
3. The written procedure shall be terminated without result where, within the time limit referred to in paragraph 2, the chair so decides or a committee member so requests. In such a case, the chair shall convene a committee meeting within a reasonable time.
4. The chair shall inform the members of the committee of the outcome of a written procedure without delay, and no later than 14 calendar days after the expiry of the time-limit.

Article 9

Secretarial support

The Commission shall provide secretarial support for the committee and, if necessary, the working groups created in accordance with Article 6(1).

Article 10

Minutes and summary record of meetings

1. The minutes of each meeting shall be drawn up under the responsibility of the chair. Committee members shall have the right to ask for their position to be recorded in the minutes. The chair shall send the minutes to the committee members without delay and no later than 1 month after the meeting.

The members of the committee shall send any comments they may have on the draft minutes to the chair in writing. If there is any disagreement, the matter shall be discussed by the committee. If the disagreement persists, the relevant comments shall be annexed to the final minutes.

2. The chair shall be responsible for drawing up a summary record for the European Parliament briefly describing each item on the agenda and the result of the vote on the draft measures submitted to the committee. This summary record shall not mention the individual position of the members in the committee's discussions.

Article 11

Attendance list and conflicts of interest

1. At each meeting, the chair shall draw up an attendance list specifying the authorities and organisations to which the persons designated by the Member States to represent them belong.
2. At the beginning of each meeting, any person designated by the Member States, as well as experts who have been authorised by the chair to participate in the meeting in accordance with Article 5(1) and 7(3), and representatives of third parties who have been invited to attend the meeting in accordance with Article 7 shall inform the chair of any conflict of interest with regard to a particular item on the agenda.

In the event of such a conflict of interest, the person concerned shall, at the request of the chair, withdraw from the meeting whilst the relevant items of the agenda are being dealt with.

Article 12

Correspondence

1. Correspondence relating to the committee shall be submitted to the Commission, for the attention of the chair of the committee.
2. Correspondence for members of the committee shall be submitted to the Permanent Representations of the Member States, preferably by electronic means. Where a Permanent Representation indicates to the Commission a specific central electronic address for correspondence related to work of the committees, that address shall be used for correspondence. In addition, correspondence may be submitted directly to the persons designated by the Member States to represent them in the committee.

Article 13

Access to documents and confidentiality

1. Requests for access to committee documents shall be handled in accordance with Regulation (EC) No 1049/2001 of the European Parliament and of the Council³. It is for the Commission to take a decision on requests for access to those documents pursuant to its Rules of Procedure as amended by Decision 2001/937/EC, ECSC, Euratom⁴. If the request is addressed to a Member State that Member State shall apply Article 5 of Regulation (EC) No 1049/2001.
2. The committee's discussions shall be confidential.

³ OJ L 145, 31.5.2001 p. 43.

⁴ OJ L 345, 29.12.2001, p. 94.

3. Documents submitted to members of the committee, experts and representatives of third parties shall be confidential⁵, unless access is granted to those documents pursuant to paragraph 1 or they are otherwise made public by the Commission.
4. The members of the committee, as well as experts and representatives of third parties, shall be required to respect the confidentiality obligations set out in this Article. The chair shall ensure that experts and representatives of third parties are made aware of the confidentiality requirements imposed upon them.

Article 14

Protection of personal data

The processing of personal data by the committee and its working groups shall be in conformity with Regulation (EC) No 45/2001 of the European Parliament and of the Council⁶, under the responsibility of the chair acting as the controller, within the meaning of point (d) of Article 2 of that Regulation.

⁵ In accordance with Article 339 TFEU, "[t]he members of the institutions of the Union, the members of committees, and the officials and other servants of the Union shall be required, even after their duties have ceased, not to disclose information of the kind covered by the obligation of professional secrecy, in particular information about undertakings, their business relations or their cost components".

⁶ OJ L 8, 12.1.2001 p. 1.



EUROPEAN COMMISSION
 DIRECTORATE-GENERAL
 CLIMATE ACTION
 Directorate C
 CLIMA.C.2

Brussels,
 DG CLIMA.C.2 PO/WW/ (2010)

2nd Meeting of the Committee on Fuel Quality

Pertaining to the Fuel Quality Directive 98/70/EC ("the Directive")

Friday 26 March 2010, 9.30 – 17.30, in the Borschette Conference Centre room AB-0B Rue Froissart 36, Brussels,

Draft Summary Report

PARTICIPANTS

Representatives of 24 Member States ("MS") attended this meeting (see list of participants presented in Annex 1). The European Commission ("COM") was represented by 5 participants. Items in brackets are intended to provide additional clarification which might not have been made during the meeting.

1. **Welcome**
2. **Adoption of agenda and minutes of the first meeting of the Committee on 27 November 2009.**

UK requested that first meeting's notes are amended to indicate that the UK Department of Transport was present.

EL requested to be recognized in the meeting notes as representing the Ministry of Environment, Energy, and Climate Change

ES, on a separate occasion, requested to be recognized in the meeting notes as representing the Ministry of Industry, Tourism and Trade

3. **Adoption of the proposed Commission Directive amending ANNEXES I, II and III of the Fuel Quality Directive ("The Amending Directive") (Annex 2)**

COM addressed questions by various Member States posed since the last meeting. Main points made were:

- References to CEN standards EN 590:2004 and EN 228:2004 in Article 8 of Directive 98/70/EC are not being updated via this amending Directive whereas

the same references in Annexes I and II are being amended because the impetus to amend any part of the Directive via Comitology is limited to the Annexes and not the Articles. This discrepancy will be rectified during the next proposal to amend Directive 98/70/EC via Co-Decision.

- The relationship between vapour pressure and bioethanol content in Annex III is not currently being amended because the technical review of it has not been initiated. Some initial work on this subject is being conducted by CONCAWE and DG ENER which might help guide the nature of a subsequent study.
- Accurate transposition of Directive 98/70/EC and subsequent amending Directives thereof, shall contain references to CEN standards for the purpose of mandating the use of test methods therein and nothing else. References in the transposed legislation to any limit values in CEN technical standards are not allowed. [References in the transposed legislation to any limit values or test methods in non CEN technical standards are not allowed.]

UK requested an amendment to delay transposition of the Amending Directive to 12 months after its publication in the Official Journal

FR and BE indicated reservation to the proposed change because they already started transposing the 2009/30/EC and want to have the same transposition deadline for this one.

COM amended the text of the amending Directive to change the transposition deadline to 12 months after its publication in the Official Journal.

Committee vote (qualified majority) amending Directive 98/70/EC was adopted with 298 votes in favour, 0 against and 20 abstaining.

4. Discussion of the conceptual non-paper on measures necessary for implementation of Article 7a of the Directive

COM introduced the non-paper and facilitated an exchange of views with the Member States. COM solicited verbal or written opinions by 16th of April 2010 on any topics in the non-paper. Verbal opinions expressed during the meeting included:

General Issues:

NL asked if transposition deadlines considered above would also be applied during implementation of Article 7a.

Section 1 and 2 of non-paper: Methodology for reporting GHG intensity of fossil fuels and electric energy:

BE, EL, IT, HU, NL, AT, PT, FI, ES and UK voiced scrutiny reservations with respect to the non-paper but have voiced some degree of approval for option 1 or some version of option 1 with a review clause. UK, NL, FI, either acknowledged that there is no time to develop disaggregated default values or that they were comfortable with having disaggregated default values in the long run with aggregated default values now. SE was leaning towards method 3 or 8 (hybrid methods).

AT was concerned that an aggregated default value goes against the provisions of Article 7a of the Directive. DE abstained and FR indicated opposition to option 2.

UK requested a commitment from the COM to work with industry representatives such as CONCAWE to improve the methodology by 2013.

NL voiced a desire for a strong review clause that would facilitate for amendment of the entire method within or every 3 years. NL also requested a clarification of the meaning of "origin of fuel" stipulated in Article 7a as a reporting metric.

DE, SE commented that the method needs to incentivise the reduction of GHG intensity and avoid discrimination between complex and simple refineries with a suitable benchmark system; chain of custody for validation should be harmonized on EU level. DE is considering either some form of option 3 or option 1 with disaggregated default values. DE asked if it would be possible to delay the reporting requirement to accommodate the delay in the method.

HU asked for a presentation of a future proposed method in a form of an example reporting and calculation.

COM underlined that whether a hybrid method or default method with disaggregated default values was chosen a set of chain-of-custody rules would have to be implemented and the associated administrative burden would have to be carefully considered. COM also considers that a regular review of the default values or the entire methodology would be conducted based on some time interval.

Section 3 of non-paper: Upstream GHG Emission Reduction

Support for the scheme presented in the non-paper was given by NL and DE.

DE added that the list of allowed accreditation schemes should be harmonized in legislation and that a databank of projects and savings applied in GHG intensity calculations is administered and accessible to the Community so that it can be verified that double counting has not occurred.

EL raised a concern that some danger exists if a scheme for claiming reductions is implemented but increases in upstream emissions are not captured.

HU asked for clarification of how the claimed GHG savings could be linked to the GHG intensity of fuels used by the supplier.

COM clarified that increases in emissions would be captured with timely updates of default values or of the entire methodology. Upstream reductions could then be claimed by individual suppliers. COM indicated that the link to GHG intensities for fuels used is liberal so that a wide number of independent and fuel producing suppliers could take part in facilitating and claiming GHG reductions. An option presented in the non-paper allows claiming of GHG savings by any supplier that occur in a pool of countries that together export a significant amount of crude oil to the EU rather than to link savings to specific consignments.

Section 4 of non-paper: Calculation of the GHG intensity baseline

UK, BE, FR, AT, NL and DE support the method outlined in the non-paper including the use of 2007 data referenced and the default values published in the JEC Well-to-Wheel study¹.

NL will revisit the default value for gasoil to review if it is appropriate to use the same default value as for diesel.

HU suggested that the method should incentivise petrol over diesel.

Section 5 of the non-paper: Reporting

UK expressed a need for harmonization of energy density data to be used for determining GHG intensity per unit of energy for emerging fuels.

DE raised the issue of how to report GHG intensity for grand-fathered (per Article 7b(2)) biofuels.

NL expressed a need to harmonize that reporting to the MS/Commission is conducted annually and that calculation of a resultant GHG intensity for a given fuel is managed in a national registry. NL also indicated that joint reporting by suppliers should be limited to within the borders of each Member State.

FI suggested that a same deadline as for reporting fuel quality data is mandated for Article 7a reporting.

Section 6 of the non-paper: Calculation of GHG intensity of Electricity used in Vehicles

NL, BE support the suggested approach. DE and FR abstained

5. Update on CEN's progress on a preliminary method for testing manganese in MMT.

COM reported that might make the preliminary testing method available by the end of this year.

NL concerned that transposition will be further delayed and more uncertainty will be introduced because development of a test method is delayed.

6. Any other business

None.

¹ <http://ies.jrc.ec.europa.eu/WTW>

Annex 1 - List of Participants

COUNTRY	Institution
AUSTRIA	Federal Ministry for Economic Affairs and Labour
BELGIUM	Health Food Chain Safety and Environment
BULGARIA	By proxy via the Romanian Permanent Representation
CZECH REPUBLIC	Ministry of Environment
DENMARK	Danish Environment Agency
FINLAND	Ministry of the Environment, Environmental Protection Department
FRANCE	Ministère de l'énergie, de l'environnement, du Développement durable et de la mer
GERMANY	Federal Ministry of Environment
GREECE	Ministry of Environment, Energy, and Climate Change
HUNGARY	Ministry of Transport, Telecommunication and Energy Department of Environment, Renewable Energy and Energy Efficiency
IRELAND	Department of the Environment, Heritage and Local Government
ITALY	Department for Sustainable Development, Climate Change and Energy
LATVIA	Permanent Representation of Latvia to the EU
LITHUANIA	Ministry of Environment
LUXEMBOURG	
MALTA	Malta Resources Authority: Energy Directorate
NETHERLANDS	Ministry of Environment
POLAND	Ministry of Environment and Permanent Representation

PORTUGAL	Ministério da Economia e da Inovacao
ROMANIA	Permanent Representation
SLOVENIA	Ministry of the Environment and Spatial Planning: Environment Directorate
SPAIN	Ministry of Industry, Tourism and Trade
SWEDEN	Swedish Transport Agency, Road Traffic Department
UNITED KINGDOM	Department of Transport

Annex 2 – Adopted Amending Directive

EN



EUROPEAN COMMISSION

Brussels, xx.yy.2010
C (2010) xxxx
D008941/02

Draft

COMMISSION DIRECTIVE

of [date]

amending, for the purpose of its adaptation to technical progress, Directive 98/70/EC of the European Parliament and of the Council relating to the quality of petrol and diesel fuels

Draft

COMMISSION DIRECTIVE

of [date]

amending, for the purpose of its adaptation to technical progress, Directive 98/70/EC of the European Parliament and of the Council relating to the quality of petrol and diesel fuels

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC², and in particular Article 10(1) thereof,

Whereas:

1. Directive 98/70/EC sets environmental specifications as well as analytical methods for petrol and diesel fuels placed on the market.
2. Those analytical methods refer to certain standards established by the European Committee for Standardization (CEN). Since CEN has replaced those standards by new ones due to technical progress, it is appropriate to update the references to those standards in Annexes I and II to Directive 98/70/EC.
3. Annex III to Directive 98/70/EC specifies the permitted vapour pressure waiver for petrol containing bioethanol. The figures contained in that Annex are rounded to the second decimal place. Standard EN ISO (International Organization for Standardization) 4259:2006 defines the rules for rounding results according to the precision of the test method and requires rounding to the first decimal place. It is therefore appropriate to amend the figures set out in Annex III to Directive 98/70/EC accordingly.
4. The measures provided for in this Directive are in accordance with the opinion of the Committee on Fuel Quality, established by Article 11(1) of Directive 98/70/EC,

² OJ L 350, 28.12.1998, p.58.

HAS ADOPTED THIS DIRECTIVE:

Article 1

Directive 98/70/EC is amended as follows:

(1) Annex I is amended as follows:

(a) Footnote (1) is replaced by the following:

"Test methods shall be those specified in EN 228:2008. Member States may adopt the analytical method specified in replacement EN 228:2008 standard if it can be shown to give at least the same accuracy and at least the same level of precision as the analytical method it replaces."

(b) Footnote (6) is replaced by the following:

"Other mono-alcohols and ethers with a final boiling point no higher than that stated in EN 228:2008."

(2) In Annex II, footnote (1) is replaced by the following:

"Test methods shall be those specified in EN 590:2009. Member States may adopt the analytical method specified in replacement EN 590:2009 standard if it can be shown to give at least the same accuracy and at least the same level of precision as the analytical method it replaces."

(3) Annex III is replaced by the text set out in the Annex to this Directive.

Article 2

1. Member States shall adopt and publish the laws, regulations and administrative provisions necessary to comply with this Directive within 12 months of its publication in the Official Journal. They shall forthwith communicate to the Commission the text of those provisions and a correlation table between those provisions and this Directive.

They shall apply those provisions within 12 months of the publication of this Directive in the Official Journal.

When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

Article 3

This Directive shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Done at Brussels, [...]

For the Commission

The President

ANNEX III

VAPOUR PRESSURE WAIVER PERMITTED FOR PETROL CONTAINING
BIOETHANOL

Bioethanol content (%v/v)	Vapour pressure waiver permitted (kPa) ³
0	0
1	3,7
2	6,0
3	7,2
4	7,8
5	8,0
6	8,0
7	7,9
8	7,9
9	7,8
10	7,8

The permitted vapour pressure waiver for intermediate bioethanol content between the values listed shall be determined by a straight line interpolation between the bioethanol content immediately above and that immediately below the intermediate value.

³ The values quoted in the specification are "true values". In the establishment of their limit values, the terms of EN ISO 4259:2006 "Petroleum products – Determination and application of precision data in relation to methods of test" have been applied and in fixing a minimum value, a minimum difference of 2R above zero has been taken into account (R = reproducibility). The results of individual measurements shall be interpreted on the basis of the criteria described in EN ISO 4259:2006.





EUROPEAN COMMISSION
DIRECTORATE-GENERAL
CLIMATE ACTION
Directorate C - Mainstreaming Adaptation and Low Carbon Technology
CLIMA.C.2 - Transport and Ozone

Brussels, 6 October 2011
CLIMA/C/2/PO/WW A(2011)

**3rd Meeting of the Committee on Fuel Quality
Pertaining to the Fuel Quality Directive 98/70/EC**

25 October 2011, 9.30 – 17.30

Borschette Conference Centre room AB-2C Rue Froissart 36, Brussels,

Draft Agenda

1. Welcome
2. Adoption of agenda and minutes of the previous meeting
3. Presentation of revised rules of procedure for the Committee following the entry into force of the Lisbon Treaty
ACTION: Committee vote by simple majority
4. Presentation and discussion of proposed implementing directive relating to Article 7a of Directive 98/70/EC
ACTION: Committee vote by qualified majority (possible)
5. Any other business



EUROPEAN COMMISSION
DIRECTORATE-GENERAL CLIMATE ACTION
Directorate C - Mainstreaming Adaptation and Low Carbon Technology
CLIMA.C.2 - Transport and Ozone

Brussels,
CLIMA/C/2/PO/WW/akm Ares(2011)

**Subject: invitation to the 3rd meeting of the Committee on Fuel Quality
pursuant to Article 11 of the Fuel Quality Directive 98/70/EC**

Dear Sir/Madam,

The Commission will hold the above Committee meeting with Member States' representatives on **Tuesday, 25 October 2011, 9.30 - 17.30, in the Borschette Conference Centre** room AB-2C Rue Froissart 36, (nearest metro station: Schumann).

The draft Agenda and the supporting documents are also attached. Member States are invited to submit any other business points prior to the meeting.

One representative per Member State will be reimbursed for travel expenses. Please inform me by e-mailing the functional mailbox at ENV-98-70-implementation@ec.europa.eu by 18 October who will be participating from your Member State or whether you will be unable to take part in the meeting.

Please know that I will also send out a separate invitation to a stakeholder meeting pertaining to petrol vapour pressure and diesel fuel specifications to be held on Monday, 24 October 2011.

Yours faithfully,

Enclosures: Agenda, Minutes of the Previous Meeting, Rules of Procedure, Draft Directive

301

Margreet Faber

Van: @ec.europa.eu
Verzonden: maandag 10 oktober 2011 12:04
Aan: @bmu.bund.de; @bmu.bund.de;
CC: @ec.europa.eu; / @ec.europa.eu
Onderwerp: Conference confirmation : Art.7a of FQD

Dear All,

Please find below the call-in information for our conference call tomorrow.

Regards,

European Commission
 DG Climate Action
 Unit C2 - Transport and Ozone
 Team for Transport, Environment, & Climate Change
 Postal address:
 Office B
 B-1049 Brussels, Belgium
 Tel.: +32
 Fax.: +32
 @ec.europa.eu

From: @arkadin.com [@arkadin.com]
Sent: Monday, October 10, 2011 11:31 AM
To: (CLIMA); (CLIMA)
Subject: Conference confirmation : Art.7 of FQD

Dear

Thank you for scheduling the following audio conference, please find your confirmation details below:

11/10/2011 15:00 Duration 90 minutes (UTC+01:00) Brussels, Copenhagen, Madrid, Paris	CONFERENCE TOPIC Art.7 of FQD			
	Moderator PIN 95418951#		Participant PIN 26291668#	
	Access Number +32 (0) [redacted] Not Authorized	Originating country Belgium Belgium	Type Toll Toll Free	Language

Conference Reference: 306079
 Conference Type: Audio conference access only
 Conference Options: Entry tone
 Leaving tone
 Conference language: English
 Max number of attendees: 50

Moderator Name

Moderator Email

[@ec.europa.eu](#)

To control your audio conference online from the Audio Console, please click here [Go to Audio Console](#)
To send an email to invite Participants to the conference, please click here [Send email invitation to conference](#)

During the conference

Press *0 to speak to an operator.

Press *1 to mute/unmute your own line.

Enjoy your meeting

Van:
Verzonden: maandag 10 oktober 2011 16:38
Aan: @shell.com';
Onderwerp: Brandstofkwaliteit - teerzanden

Anges -

Machten jullie nog punten willen meegeven, dan hoor ik dat graag.

Met vriendelijke groet,

Van: @shell.com
Verzonden: dinsdag 11 oktober 2011 9:03
Aan:
CC: @shell.com
Onderwerp: Tijd voor koffie donderdag of vrijdag?

Hi , Good morning,

Well that's excellent. and I are happy to see you and discuss the latest FQD developments at Shell HQ, 15:00 this coming Thursday, October 13th. Just come to reception and I will meet you there once you arrive. I will book a meeting room.
See you then!

From: [mailto: @minienm.nl]
Sent: maandag 10 oktober 2011 17:25
To: E SN-GRI
Subject: /Tijd voor koffie donderdag of vrijdag?

Op donderdag heb ik tijd voor een kopje koffie. Is 15u een geschikt moment? Op Shell hoofdkwartier?
Groet,

Van: @shell.com [mailto: @shell.com]
Verzonden: maandag 10 oktober 2011 16:30
Aan:
Onderwerp: Tijd voor koffie donderdag of vrijdag?

Hoi Rob,

Goed je even gezien te hebben afgelopen vrijdag.

Ook heb ik onze gevraagd om een afspraak te maken na de hertsvakantie. Bij die gelegenheid wil ik je graag voorstellen aan mijn nieuwe collega

Maar nu iets anders: ik werd net gebeld door mijn collega Hij is a.s donderdag en vrijdag toevallig in Den Haag. Heb jij op een van deze dagen misschien tijd voor een kop koffie/thee? (voorkeur voor donderdag)

Op 25 oktober is er immers weer een meeting in Brussel. Binnen Shell wordt veel waarde gehecht aan het Nederlandse standpunt binnen de EU. (niet alleen als het om de FQD gaat!)!

Ik hoor het graag, Groet,

Dit bericht kan informatie bevatten die niet voor u is bestemd. Indien u niet de geadresseerde bent of dit bericht abusievelijk aan u is toegezonden, wordt u verzocht dat aan de afzender te melden en het bericht te verwijderen. De Staat aanvaardt geen aansprakelijkheid voor schade, van welke aard ook, die verband houdt met risico's verbonden aan het elektronisch verzenden van berichten.
 This message may contain information that is not intended for you. If you are not the addressee or if this message was sent to you by mistake, you are requested to inform the sender and delete the message. The State accepts no liability for damage of any kind resulting from the risks inherent in the electronic transmission of messages.

Van:
Verzonden: dinsdag 18 oktober 2011 16:56
Aan:
CC: @greenpeace.org
Onderwerp: RE: Invitation to a dinner discussion on Carbon intensive fossil fuels

Dear
I will attend the meeting.
Due to some competition - Europa is organizing a meeting from 17.15-19.15 just around the corner - I will be in at around 19.30.
Yours.

Ministry of Infrastructure and the Environment
The Netherlands

Van: [redacted]@transportenvironment.org]
Verzonden: donderdag 13 oktober 2011 17:16
Aan:
Onderwerp: invitation to a dinner discussion on Carbon intensive fossil fuels

Dear Expert,

Personal invitation to a dinner discussion on
CARBON INTENSIVE FOSSIL FUELS: Scientific, legal and investment issues
Renaissance Hotel, Monday, 24 October 2011

In the context of on-going discussions on the implementation of the Fuel Quality Directive I would like to invite you to a dinner discussion with on the key issues surrounding treatment of carbon-intensive fossil fuels such as tar sands.

Please find a programme for the event attached. Please note that the event is by personal invitation only. If you are able to join us, please reply to conference@transportenvironment.org. Please also indicate, if you have any special dietary requirements.

Yours faithfully,

[redacted]
Low Carbon Fuels
Transport & Environment (T&E)
Mundo-B
26, rue d'Edimbourg
1050 Brussels
t. +32
m. +32
www.transportenvironment.org



MONDAY, 24 OCTOBER 2011 FROM 18.30

Renaissance Hotel, Rue du Parnasse 19, Brussels

CARBON-INTENSIVE FOSSIL FUELS

Scientific, legal and investment issues

A dinner discussion hosted by The Co-operative Group, Greenpeace and Transport & Environment

In the context of on-going discussions on the implementation of the Fuel Quality Directive the above organisations would like to invite you to a dinner discussion on the key issues surrounding treatment of carbon-intensive fossil fuels such as tar sands.

The Fuel Quality Directive (FQD) sets a mandatory 6% decarbonisation target to be met by European fuel suppliers by 2020. This target has sent an important signal that fuels sold on the European market should become cleaner over time. However, the real scope of the reductions will depend on the implementing measures that will define the reporting guidelines, the baseline for emissions reductions, and a greenhouse gas accounting methodology for fossil fuels.

This event is by personal invitation only.
RSVP: conference@transportenvironment.org



AGENDA

CARBON-INTENSIVE FOSSIL FUELS

Scientific, legal and investment issues

- 18.30 Welcome cocktail
 - 19.15 Start of dinner and presentation
 - 1. Welcome of participants and presentation of civil society views on the Commission's proposal (Transport & Environment)
 - 2. Environmental footprint of tar sands production (, *Technical and Policy Analyst, Pembina Institute, Canada*)
 - 3. International trade implications of regulation of unconventional fuels (, *Environmental Lawyer*)
 - 4. Tar sands: a toxic investment with significant risks for EU pensions and savings (, *The Cooperative Group, UK*)
- Exchange of views with participants
- 6. Wrap up and conclusions (, *Transport & Environment*)

32

Van: [redacted] @at.bp.com]
Verzonden: dinsdag 18 oktober 2011 9:55
Aan:
Onderwerp: RE: FQD article 7a - Meeting BP on Monday, 24th October
Bijlagen: FQD BP Points of View v5 Oct 2011.ppt

Dear Mr

Prior to our meeting on Monday next week, we would like to share the attached slidepack with you that aims at analysing the Commission's current proposal on Article 7a.

We look forward to discussing this with you in more detail.

Many thanks and best regards,

BP Europa SE - BP Nederland

The Netherlands
Tel: +31 (0)10
Mob: +31 (0)
Email: [redacted]@bp.com

<<FQD BP Points of View v5 Oct 2011.ppt>>

From:
Sent: 17 October 2011 16:00
To:
Subject: FQD article 7a - Meeting BP on Monday, 24th October

39

Dear Mr

We have only briefly met in person recently at an event organised by the NFA
I work for BP Nederland and am the successor of [redacted] as the [redacted] in the Benelux.

In this regard I work closely with my colleagues [redacted] (BP Transport Energy Policies) and
(Deputy Director European Government Affairs) with whom you might have met before to discuss various topics
around the FQD implementation.

They have been working on a comprehensive study around the implementation of article 7a which we would very
much like to share with you.

Your assistant has been very helpful and reserved a time slot for us on Monday, 24th October at 4pm at your office in
Den Haag.

We thank you in advance for your time to discuss this issue with us and look forward to meeting you next week.

Best regards,

BP Europa SE - BP Nederland


The Netherlands

Tel: +31 (0)10

Mob: +31 (0)


Email:

[@bp.com](#)



**FQD Article 7a – Analysis of Commission Proposals:
Chain of Custody and Economic Impacts**

BP Transport Energy Policy
October 2011



Contents

- **Key conclusions**
- **Overview of the current DG CLIMA proposal**
- **Up to 2015 - Chain of Custody Analysis and Effects**
- **From 2015 – Potential economic impact analysis and Effects**
- **Comparison with California LCFS**
- **Back-up slides:**
 - Detailed reporting requirements
 - Derivation of carbon prices and crude valuation effects
 - Derivation of Chain of Custody costs from current evidence
 - Suggested responses to issues raised in Inter-Service Consultation
 - Comments on EV and UER proposals
 - EU Crude supply potentially affected by regulation of upstream GHG of crude

2

Key Conclusions (1)



- Proposal requires *immediate* creation of a complex and onerous Chain of Custody (CoC) process that cannot determine the crude origin of refined products – especially imported product.
- CoC not possible for imported refined products or refining intermediates used to produce fuel; competitive leakage will harm EU refineries.
- Seemingly innocuous proposal to track 3 different categories of crude: conventional oil; oil sands and oil shale will distort global crude markets and negatively impact European supply security.
- CoC across/through the refinery – no method exists. Significant and time consuming commercial negotiations required to implement any CoC and product allocation process. Likely differences will emerge across member states. Any method open to abuse.
- Proposal increase in fuel costs in EU, but no reduction in global GHG emissions
- Impact assessment of economic, trade and environmental impacts must be done now, not in 2015.
- California LCFS has no solutions for the key methodology problems faced by 7a for crude GHG
- FQD operates at downstream duty point and is not suitable for regulation of upstream processes occurring outside of Europe.
- The proposal will make it more difficult and costly to buy crude on the global market. High GHG crude will flow to other markets. Higher energy costs, harm to EU energy security, with likely no benefit in global GHG emissions.

3

Key Conclusions (2)



- No sound basis to discriminate between 3 categories of crude oil. Distinctions based on viscosity or API gravity are inappropriate given that higher LCA GHG crudes are in all 3 categories (including conventional crudes, e.g Nigerian, some Russian).
- Discriminatory impact and administrative burden are disproportionate to environmental gain.
- Upstream GHG emissions are small part of Well to Wheel GHG emissions. 85% of GHG emissions from engine combustion and only 5% is from upstream processes.
- Differences in upstream production GHG emissions driven by unique attributes of production fields. Variances are insignificant relative to the GHG emitted in the full supply chain.
- Upstream producers are already addressing energy efficiency which drives GHG reductions.

4

FQD Article 7a The Current Proposal



Summary of Proposal:

- Track origin of all crudes coming to EU and assemble volume and GHG data and allocate to 3 crude categories: conventional, natural bitumen ("oil sands") and oil shale.
- Use specific GHG defaults for conventional, oil sands, oil shale
- Suppliers (at duty point) are required **annually** to report the place of purchase and origin of fossil fuel feedstock.
 - Place of Purchase is the country where the raw material of the feedstock (crude) was extracted.
 - Origin of Fuel is the quantity and type (based on the CN code distinctions) of each feedstock used to produce the fuel.
- Periodic reporting (twice between 2011 and 2020) – suppliers to provide origin of feedstock source and the feedstock used **for each installation, broken down into oil and gas field or field group.**
- **Imposes member State reporting requirements that will be passed on to suppliers**
- Creates a system where GHG reductions from using EV's can contribute to compliance with FQD 7a
- Creates a system where project-based Upstream Emission Reductions "UER" may also be used for compliance with Article 7a
- Post 2015 aim for system with individual crude specific default values, to incentivise use of lower GHG crudes for fuels for EU

5

Chain of Custody Analysis

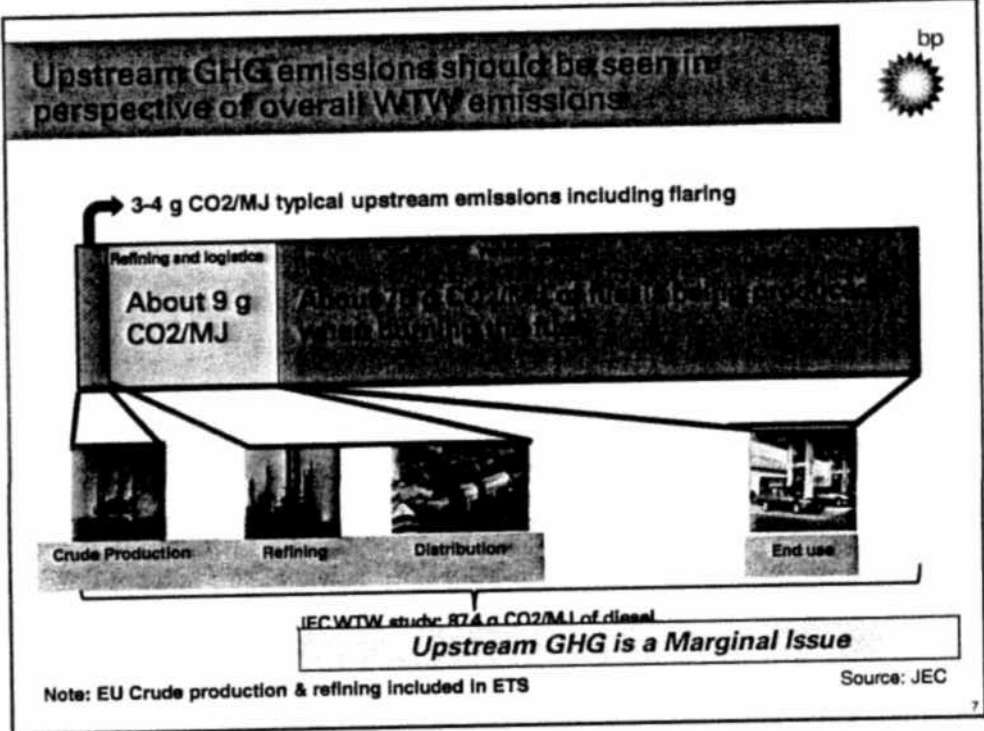


DG CLIMA Assertion – "We can track crudes today so CoC is straightforward"

BP Response: Insufficient. Cargoes of crude can be reported as per Member State current requirements, **but not imported products, intermediates and mixed/waste cargoes**

- The CoC requirement will cause a price premium for low GHG crude and a potential discount for high GHG crude. Global trade flows impacted – high GHG will be used elsewhere narrowing crude supply choices for Europe.
- Unable to obtain origin information for refined product:
 - Imported products, mostly diesel, from Russia & USA will not contain data.
 - Non-EU exporting refiners unlikely to offer CoC for EU-bound cargoes. Any CoC difficult/expensive to verify.
 - Mixed & intermediate cargoes, wastes, downgraded fuels, provide lower-cost feedstock to refiners. Intermediates are essential to economic refining. If these are disallowed, fuel costs increase. Origin cannot be tracked.
- Policy that covers 75% but cannot effectively regulate the other 25% amounts to policy leakage that impairs EU refineries and creates opportunity for fraud and inaccurate reporting.
- The 25% sector would likely get competitive advantage and therefore grow at the expense of EU
- Major risk to competitiveness of EU refining and EU energy costs if product imports increase or if supply options are restricted.

5



Current EU Crude Oil Supply sources 2009

• Algeria	2%	• *Sources where some could be treated as higher GHG => 40%
• Angola *	2%	
• Other Africa	2%	
• Iraq	4%	
• Russia *	39%	
• Nigeria *	4%	
• UK	4%	
• Norway	13%	
• Iran	5%	
• Saudi Arabia	5%	
• Libya	9%	
• Other	11%	• Source: IEA Monthly Oil Survey & JACOBS Consultancy

**Economic Analysis (1)
For Oil Sands up to 2015 and all higher GHG
crudes after 2015**



- Calculation of Effective Carbon Price in FQD
 - We have based our analysis on the following:
 - RED and FQD Compliance planning for an EU fuels business in the years leading up to 2020, focussing on blending biofuels into fossil gasoline & diesel
 - Assumption that fuels from higher GHG crudes will need to have additional biofuels blended into them to "blend off" the higher GHG, to meet the FQD GHG reduction targets
 - The lower cost biofuel blending options will likely be through ethanol blending into gasoline, and these options will be "used up" already for compliance, up to blend wall and fuel market size limits.
 - Therefore the marginal/additional GHG will need to be blended off with additional biodiesel blending (note that this may need to be as HVO to avoid blend wall issues).
 - The incremental cost of the addition biofuel blending, above the fossil fuel cost
 - September pricing of Biodiesel as FAME, and of fossil diesel
- This gives an effective carbon price in the FQD 7a regulation of around \$430/Tonne**

*Detailed calculation appears in the back-up slides

9

**Economic Analysis (2)
For Oil Sands up to 2015 and all higher GHG
crudes after 2015**



- **Impact on Fuel Product Values and consequent effect on Crude values in EU**
- We have based our analysis on the following:
 - Calculation of the incremental GHG in a higher GHG crude (above EU average baseline)
 - Products from a higher GHG crude will have higher fossil GHG, will need higher levels of biofuel blending to achieve FQD GHG target
 - Biofuels cost more than fossil, so Products from Higher GHG crudes are worth less
 - Refiner would pay less for higher GHG crudes because products are worth less
- A carbon price of \$430/ Tonne causes a barrel of fossil diesel from higher GHG crude to be worth \$49 less (i.e. 39% less than the current fossil diesel price of \$127/bbl)
- Note that all diesel and gasoline would require such discount to be economic. Impact on crude valuation in EU could then be a factor of the road transport yield, i.e could be in the range of 60 - 80% of \$49, or \$30 - \$40 crude value discount/bbl in EU
- Such a high necessary discount effectively would make all higher GHG crudes uneconomic in Europe
- Up to 40% of EU supply could be affected, based on Jacobs data
- Such a high carbon price appears disproportionate to apply to upstream global upstream emission reduction, when compared with the EU ETS EEA cost currently around €12/Tonne

*Detailed calculation appears in the back-up slides

10

Comparison With latest status of California CARB LCFS



- **Treatment of Crude GHG of Imported Fuel Products**
- There is no available method for determining the GHG of imported products, based on the crudes from which they have been produced and the LCFS does cannot impose this for various reasons, including legal prohibitions.
- All imported gasoline & diesel uses the same default values as California refined fuels.
- No Chain of Custody necessary from Refinery onwards
- **Assignment of Crude GHG to Fuel Products across Refinery**
- The LCFS does not have a method for assigning different crude GHG to fuel products refined from those crudes. It does not require one because of the design principles of the LCFS.
- The LCFS treats all gasoline and diesel fossil basefuel as having the same GHG intensities.
- The LCFS is primarily a regulation to drive the substitution of fossil fuels with lower carbon alternative fuels (especially, but not limited to biofuels).
- **The CARB LCFS does not offer any answers to solve the methodology problems of FQD 7a**

11

Analysis of FQD Chain of Custody Requirements for Fuels in EU



	Crude GHG	Allocation across Refinery	CoC Refinery to Duty Point
EU Refineries			
DG CLIMA Proposal Requirement	Mostly Available	Required	Required
BP Comment	Agree but insufficient	Very complex, not robust	Very high administration
CARB LCFS Comparison	HCICQ Process underway	Not necessary	Not necessary
Non-EU Refineries			
DG CLIMA Proposal Requirement	Required	Required	Required
BP Comment	Very difficult	Very complex, not robust	Very high administration
CARB LCFS Comparison	No Process, all fuels use std defaults	Not necessary	Not necessary

12



Back-Up Slides

A look at detailed requirements up to 2015



- Introduces specific GHG Default Values for (1) Conventional Crudes, (2) Oil Sands/Natural Bitumen, (3) Oil Shales
- Will require a process to establish a chain of custody to assign the appropriate GHG intensity to the finished fuels. *(even if no oil sands come to Europe, all imports and all product movements will need to verify this).*
- Clarifies fuel suppliers annual reporting requirements under the FQD for each fuel supplied distinguished by feedstock - applies to all products, including imports
 - "Volume" of each fuel supplied in volume, mass and energy units
 - Place of purchase - meaning the country where:
 - The feedstock was cultivated (biofuels)
 - The raw material for the feedstock was extracted (fossil fuels)
 - Origin of fuel
 - The type of feedstock as cultivated or category of biofuel as defined in Annex IV of FQD
 - Raw material as extracted from the sub-surface, specifically whether considered as conventional, natural bitumen (oil sand), oil shale.
 - The appropriate default value for emissions intensity consistent with the "origin of fuel" reported above
 - Quantity and supporting details of any UERs claimed

Additional reporting requirements 2012-2020



- Introduces and specifies additional (periodic) reporting requirements on fuel suppliers (*data required from actual fuel production installations*)
 - Twice during the period 2011 to 2020 suppliers are required to provide additional data – (this goes beyond the FQD requirements).
 - For each installation that provides fuels to the supplier in that year:
 - Biofuels - details (if available) on feedstocks processed and on fuels used in processing the feedstocks, and including the feedstocks used in producing the fuels used in processing
 - Fossil fuels - details on feedstock source and the feedstocks used to produce the fuel - source means the field or field group and the corresponding API gravity

- We believe in many cases this level of detail and reporting will be impossible. What happens if companies cannot comply?

15

Calculate the crude price penalty based on the use of biodiesel as the marginal GHG compliance option



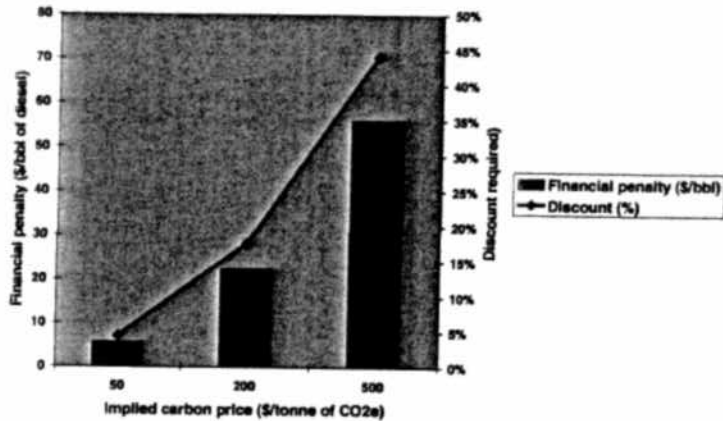
- Supplying 1 GJ of high GHG Intensity diesel at 108.5 kgCO₂e/GJ^[1] compared to supplying 1GJ of standard diesel at 89.1 kgCO₂e/GJ^[2] would incur a penalty of 19.4 kgCO₂e.
- The financial impact of this GHG penalty is shown in the figure (next slide) for a range of potential implied or effective carbon price from 50 to 500 \$/tonne of carbon dioxide equivalent.
- Biodiesel, for example RME, has a default GHG intensity of 52 kgCO₂e/GJ resulting in a credit of (89.1 - 52 =) 37.1 kgCO₂e compared to standard fossil diesel for every GJ blended.
- Based on the penalty of 19.4 kg of CO₂ equivalent calculated above for each GJ of high GHG intensity fossil diesel marketed, this will require the backing out of (19.4 / 37.1 =) 0.53 GJ of fossil diesel with RME to break even.
- To estimate the cost impact we need the wholesale price of fossil diesel and RME.
- In September 2011 the wholesale price (ex duty) of fossil diesel and RME were approximately:
 - Fossil diesel - 950 \$/tonne - 800 \$/m³ - 127 \$/bbl - 22 \$/GJ
 - RME - 1400 \$/tonne - 1250 \$/m³ - 195 \$/bbl - 38 \$/GJ
- The additional cost of blending the 0.53 GJ of RME instead of fossil diesel is (0.53 * (38 - 22) =) \$8.5. The effective carbon price is 430 \$/tonne of CO₂e.
- To remain competitive, the marketer of high carbon intensity diesel would need to discount the price by \$8.5 per GJ and thus pay the wholesaler (22 - 8.5 =) \$13.5; a discount of 39%. On a volume basis, the required discount amounts to \$49 off the \$127 per bbl of conventional fossil diesel. As typical refinery margins are in the range of a few dollars this level of penalty is effectively a ban on the use of fuels derived from oil sands.
- [1] Values proposed by O&E CLM&A, July 2011
- [2] Revised value proposed by O&E CLM&A, July 2011

16

Calculate the crude price penalty based on the use of biofuels with a range of effective carbon prices. From \$50- \$500/tonne.



Impact of differentiating diesel from oil sands



17

Derivation of Possible Chain of Custody Costs



- Evidence from emergence of Chain of Custody for Biofuels
- Based on EU Biofuels Market data October 2011
- Quoted market pricing shows increment of \$60 -65 /Tonne for Biodiesel with ISCC Certification vs. Biodiesel with no certification scheme
- Equates to approximately \$10/bbl at current time
- This will likely reflect cost of CoC process but also narrower supply.
- Note \$1/bbl cost for CoC would cost EU :
 - \$1 x 13million BBls/day* = \$13M/day or \$4.7 Billion/yr
 - This cost does not take into account market price changes as a result of some crude not accessing EU because of lack of CoC.
- The impact of introducing a Chain of Custody Requirement should be assessed for cost of the process itself, and also potential to narrow supply options
- * (taking EU27 crude oil consumption at approx 13 million bbls/day. Source BP Statistical Review of World Energy)

18

Why is crude oil different from biofuel?



- "Biofuels have shown that CoC works. We have crude supply data for refineries and we have GHG data, so why cannot this work for crude oils?"
- We believe this is a valid question but two more questions are important
- Note that CoC requires a premium, and restricts supply to those channels capable of providing it, increasing overall energy costs. (Evidence in biofuels markets shows this currently as ~ \$10/bbl)
- 1. Can it be made robust, and leak proof? The global, established nature of the crude oil and fuel product markets, combined with limited EU Market power will make this extremely difficult to achieve. If it is not robust it may be ineffective and unfair to market participants.
- 2. Are the costs proportionate to the expected benefits? The costs are not zero, and the benefits are unclear, so proportionality cannot be demonstrated at present.

19

Concerns raised in Inter-Service Consultations (1)



- *"Overlapping carbon intensity of various crudes does not justify separate default value for oil sands"*
- *Possible DG Clima response:*
- *Definition based on API gravity developed to avoid use of specific crude source names.*
- *Our response:*
- *There is a continuous range of physical properties, with overlap with conventional crudes, so there can be no accurate, fair discrimination with this approach.*
- *The policy objective is fuels product GHG management, not crude API Gravity management; this approach is discriminatory*
- *Fuel Product GHG is a very complex function of interacting production and refining effects (Jacobs study)*
- *The only way accuracy and fairness could be achieved would be through incredible level of detailed administration, which would be disproportionate to any possible GHG benefits.*

20

Concerns raised in Inter-Service Consultations (2)



- *"Lack of scientific basis to justify a separate GHG default value for oil sands"*
- *Possible DG Clima response:*
- *Brandt Study shows that typical values are significantly different and justify the separate values*
- *If suppliers have evidence of a better value they can use one derived using the ISO 14064 methodology*

- *Our response:*
- *Upstream GHG evaluation is a not a mature science and will always face major challenges*
- *ISO 14064 is a framework, not a robust methodology, insufficient to ensure fair, accurate numbers, open to abuse.*
- *Linking upstream GHG intensity (outside of EU) to crude valuation will ensure politicisation of science and encourage misrepresentation and abuse.*

21

Concerns raised in Inter-Service Consultations (3)



- *"Absence of impact assessment on the implications for security of supply and competitiveness"*
- *Possible DG Clima response: (impact assessments have not been offered).*

- *The analysis presented here shows that significant crude price, energy security of supply, and fuel price issues are caused by the regulation. Thorough impact analysis is essential to allow Member States to consider whether the proposed regulation is appropriate and proportional to any expected or likely benefits*

22

Concerns raised in Inter-Service Consultations (4)



- *Concerns about the traceability system that would need to be put in place to implement a separate default value*
- *Possible DG Clima response: We have crude reporting already in place for most member states*
- *Our analysis shows that around 25% of fuels supplied today are not covered by this statement, and that significant costs and risks would be caused by attempts to implement this.*
- *At risk is the relative cost of fuels in the EU compared with competitor economies, the competitiveness of the EU refining sector, trade relations with many oil exporting countries, and the potential incentivisation of fraud and misrepresentation of crude and products origin.*
- *EU does not have the tools, the extraterritorial power or right, to track the crude oil used in the world refineries.*
- *Lack of rigour in a global CoC could lead to highly lucrative misrepresentation and fraud*

23

Concerns raised in Inter-Service Consultations (5)



- *Disaggregation of different fuel types and the establishment of a separate fuel category for bitumen pose a risk of WTO challenge.*
- *Possible DG Clima response: Brandt Study and API based definitions provides basis for discrimination.*
- *Overlapping physical properties of proposed crude types undermines the proposed approach.*
- *Analysis presented in this material show a discriminatory and disproportionate treatment of some type of crude oil, posing a risk of WTO challenge and international trade dispute*

24

Concerns raised in Inter-Services Consultations (6)



- *Economic impact and administrative burden.*
- *Possible DG Climate response: (these have not been assessed in the proposal).*
- *The analysis presented here shows likely significant economic impact and administrative burden even from the pre-2015 measures.*
- *Post-2015 these impacts would be set to increase further*
- *There is a pressing need for thorough impact assessment of Economic, Environmental and Energy security impacts before these proposals are considered or developed further*

25

Comments on Proposed Treatment of Electricity in EVs for compliance with FOD



- Has not been discussed with carmakers
- Impact on the EV business /economic proposition for other stakeholders has not been evaluated
- Appears to create arbitrage between carbon market in power and carbon market in biofuels – competition concern –already raised in California
- Creates a financial incentive for the EV buyer that would be funded by fossil fuel customers
- Could be a useful contributor to lower GHG targets but at the expense of uncertainty for demand for better-GHG biofuels
- An undeveloped idea unsuitable for comitology decision for the near future

28

Comments on Proposed Development of Project Based Upstream Emissions Reductions (UEFs) for compliance with FQD



- Very large quantities of GHG could be involved – at a high carbon price – very large sums of money involved, in outflows from EU to RoW
- Could be seen to incentivise previous/current bad GHG behaviour – allowing operators to get paid for making improvements
- Difficulties establishing genuine additionality arising from policy
- Concerns have arisen around robustness of CDM projects at around \$5 -10 /Tonne, how robust for similar systems at \$400/Tonne?
- Not available directly to all fuels suppliers so would need to be forced to be marketed on a EU-wide FQD compliance ticket market –is this within the authority of the FQD?
- Could be a useful contributor to lower GHG targets but at the expense of uncertainty for demand for better-GHG biofuels
- **An undeveloped idea unsuitable for comitology decision for the near future**

27

Key Conclusions




- **Up to 2015:**
- Proposal for Single Default for conventional crudes and separate default for oil sands and oil shales requires *immediate* creation of a Chain of Custody (CoC).
- CoC is possible for most crudes but would need crude price premium, and would narrow supply
- CoC not possible for imported products or intermediates = policy leakage
- CoC across/through the refinery – no method exists, any method open to abuse.
- Some increase in fuel costs in EU, but no reduction in global GHG emissions
- Impact assessment of economic, trade and environmental effects is essential
- California LCFS has no solutions for the key methodology problems faced by 7a for crude GHG
- **Post 2015:**
- Proposals to introduce default values for each conventional crude type would create large crude valuation impacts, with severe implications for energy security, trade relations and refining economics in EU. Some crudes, likely to be Russian, Venezuelan, Angola, Nigeria, Canadian would be uneconomic to refine in EU.
- Will worsen Energy Security in EU by significantly narrowing crude supply channels, by up to 40%
- GHG data for crudes will be subject of ongoing bitter dispute, misrepresentation, fraud
- Increase in fuel costs in EU, but no global reduction in GHG due to crude "shuffling".

- FQD operates at downstream duty point, therefore will never be suitable for effective upstream regulation.
- Where is the statement of benefits from the policy? This has not been offered.
- Proposal would create huge complexity for governments and energy sector, high risks from poor policy design, higher energy costs, harm to EU energy security, with likely no benefit in global GHG emissions.

28

|




bp

Back-Up Slides - End

[Redacted]

|



bp

FQD Article 7a – Analysis of
Commission Proposals:
Chain of Custody and Economic Impacts

BP Transport Energy Policy
October 2011

[Redacted]

Van: Fuel Quality Directive Industry Briefing [FQDWorkshop@hanovercomms.com]
Verzonden: dinsdag 18 oktober 2011 16:48
Aan:
Onderwerp: RE: INVITATION: Implementing the Fuel Quality Directive - an open debate with industry experts

Dear Sir,

I confirm your registration for the **late evening** session at **Stanhope Hotel**, 9 rue du Commerce, from **17:45 to 19:15** on **Monday 24 October**.

Thank you very much for your interest in the event.

Best Regards,

hanover

square de meeûs 37

B-1000 brussels

T+32

F +32

for our latest news & events www.hanovercomms.eu

winner: The Holmes Report EMEA Public Affairs Consultancy of the Year

-----Original Message-----

From: [mailto: @minienm.nl]
Sent: 18 October 2011 16:42
To: , Fuel Quality Directive Industry Briefing
Subject: RE: INVITATION: Implementing the Fuel Quality Directive - an open debate with industry experts

Rectification,

I will not participate in the Lunch briefing, but in the Early evening briefing.

Best regrads.

Van:
Verzonden: dinsdag 18 oktober 2011 16:39
Aan: Fuel Quality Directive Industry Briefing
Onderwerp: RE: INVITATION: Implementing the Fuel Quality Directive - an open debate with industry experts

I will participate in the Lunch briefing.

Best regrads,

Van: Fuel Quality Directive Industry Briefing [FQDWorkshop@hanovercomms.com]
Verzonden: dinsdag 18 oktober 2011 10:49
Onderwerp: INVITATION: Implementing the Fuel Quality Directive - an open debate with industry experts

Dear national expert / member state attaché,

The European Petroleum Industry Association – EUROPIA – is pleased to invite you on 24 October to an open debate on the new Commission methodology for implementing Article 7a of the Fuel Quality Directive. A unique opportunity to discuss with industry experts on workability issues as well as potential risks associated to the proposed methodology (e.g. security of supply, GHG emissions savings, international trade, competitiveness of EU refineries and impact on consumers).

For your convenience, we will organize two briefing sessions – a Lunch briefing (12:30 to 14:00) and an Early evening briefing (17:45 to 19:15). See your invitation attached for more details.

Please register for the workshop by replying to this email and by specifying which session you wish to join.

We are looking forward to seeing you and to an open discussion.

Best wishes,

The organizing team

fqdworkshop@hanovercomms.com<mailto:fqdworkshop@hanovercomms.com>

T: +32

Dit bericht kan informatie bevatten die niet voor u is bestemd. Indien u niet de geadresseerde bent of dit bericht abusievelijk aan u is toegezonden, wordt u verzocht dat aan de afzender te melden en het bericht te verwijderen. De Staat aanvaardt geen aansprakelijkheid voor schade, van welke aard ook, die verband houdt met risico's verbonden aan het elektronisch verzenden van berichten.

This message may contain information that is not intended for you. If you are not the addressee or if this message was sent to you by mistake, you are requested to inform the sender and delete the message. The State accepts no liability for damage of any kind resulting from the risks inherent in the electronic transmission of messages.



INVITATION TO A LUNCH or EARLY EVENING BRIEFING
By invitation only

Implementing the Fuel Quality Directive:
Finding a workable solution

24 October 2011

TWO OPPORTUNITIES FOR AN OPEN DEBATE WITH INDUSTRY EXPERTS

Lunch time: from 12:30 to 14:00 at the Crowne Plaza Hotel, Rue de la Loi 107, Brussels

OR

Early evening: from 17:45 to 19:15 at the Stanhope Hotel, Rue du Commerce 9, Brussels

Following the European Commission publication of its proposal on the implementation of **Article 7a of the Fuel Quality Directive**, the European Petroleum Industry Association (EUROPIA) is pleased to invite Member States' attachés and national experts to a **briefing on the proposed methodology developed by the Commission**.

EUROPIA wishes to use this unique opportunity to discuss with Member States about the risks associated with this methodology:

- **Which impact on GHG emissions savings?**
- **Which impact on security of supply?**
- **What could change in international trade?**
- **Could consumers have a price to pay?**
- **Will EU refineries' competitiveness be impacted?**

EUROPIA looks forward to outlining our views on a **workable solution** and to a **constructive and open discussion with industry experts** on such an important piece of legislation.

Keynote Speakers:

- [redacted] BP
- [redacted], EUROPIA

Industry experts will also take part into the discussion and available for answering your questions.

RSVP
by 21 October 2011

To register for the event, please email FQDworkshop@hanovercomms.com
 Please specify if you wish to attend the **Lunch** or **Early evening** session.

Van: ec.europa.eu
Verzonden: woensdag 19 oktober 2011 18:57
Aan:

●
CC:

●
Onderwerp: Fuel Quality Directive - committee meeting 25 October
Bijlagen: 111017 wto.doc

;

e;

le

Dear Colleagues,

I am writing to you ahead of our meeting on 25 October to confirm that the Commission intends to address a number of key issues that have been raised by Member States over the last week. These are:

- WTO compatibility of the measure – a paper from the Commission's legal service is attached;
- The source of the default factors for GHG emissions and especially those relating to electricity;
- How the reporting system is foreseen to work – and especially as regards natural bitumen feedstocks;
- How Member States could verify the reported information.

I also understand that a counter-proposal to that of the Commission is in circulation.

This counter-proposal would classify crude oils as having "high", "medium" or "low" GHG emissions. While this, at first sight, may appear attractive I would point out that the Commission is not aware of any scientific basis to set such definitive bands. Furthermore there is no agreement on how crude oils would be categorised to be included in the bands – would it be a national classification or a trade name classification? In addition, there is no scientific consensus as to the GHG intensity of each of these crude oils. Finally, such a system would imply that all crudes be traced from oil field to supplier with the associated administrative burden.

I look forward to seeing you next week.

Transport and Ozone - CLIMA.C.2

+ 32

<<111017 wto.doc>>

Fuel Quality Directive

Article 7a implementing directive concerning a fossil fuel greenhouse gas methodology

Subject: WTO compatibility of greenhouse gas methodology as regards natural bitumen feedstocks

The Commission's Legal Service has provided reassurance that the greenhouse gas methodology set out in the implementing directive, as regards natural bitumen feedstocks, may probably be defended **in case of a challenge before the WTO adjudicatory bodies**. This is because the approach is science-based, non-discriminatory (between "like-products") and, even if found discriminatory, the measure might probably be recognised as falling under one of the derogations of Article XX GATT (i.e. Article XX (g)).

Science based: sections 3.2, 3.3 and 4.1 of the explanatory memorandum to the implementing directive are clear as to the science on which the feedstock approach is based. The value of 107 gCO₂eq/MJ has been determined by an independent study that has been peer reviewed and subject to a stakeholder process; the Canadian authorities do not dispute the resulting value.

Non-discriminatory: under Article III of the GATT, an analysis of whether natural bitumen feedstocks are a "like product" to other feedstock sources is required. Given the underlying science, and the aim pursued by the measure, there is a likelihood that natural bitumen feedstocks will not be considered as like products to conventional crudes feedstocks¹. In this case, no unlawful discrimination under Article III of the GATT would exist.

Derogation: in the instance that natural bitumen feedstocks are considered to be like products receiving less favourable treatment, the EU will argue that an exception under Article XX GATT is available, and in particular that provided for in letter (g) of that provision², which allows countries to adopt trade restrictive measures relating to the conservation of exhaustible natural resources. In fact, the reporting measures are proportional to that aim and do not constitute a means of arbitrary or unjustifiable discrimination between countries or a disguised restriction on international trade.

In the unlikely instance that a WTO violation is found and the Article XX(g) exception is considered inapplicable, it is the EU that would be in breach of the WTO agreement and not the Member States. Furthermore it would not be the whole legislation that would require amendment but simply the problematic aspect i.e. the natural bitumen feedstock default value.

¹ The converse is also true: a risk may also arise from putting all feedstocks (including the GHG-intensive ones, such as natural bitumen feedstocks) in the same (lower) value, meaning that "non-like" products would be treated the same e.g. low GHG-crude oils from Norway (82 gCO₂eq/MJ) would be artificially elevated to the default value for conventional crude feedstocks (87 gCO₂eq/MJ), while the most GHG-intensive oil sand (122 gCO₂eq/MJ) would be able to claim the same default value.

² "... such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade, nothing ... shall be construed to prevent the adoption or enforcement by any contracting party of measures: relating to the conservation of exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption."

Van: @shell.com
Verzonden: donderdag 20 oktober 2011 13:45
Aan:
Onderwerp: Re: Meeting October 20th, Ministry EL&I , FFQD& Dutch position

I have sent it Tuesday to I thought I have copied you in. If I have forgotten this please forgive me. Unfortunately I am on blackberry and can't forward you it later I'm online.

From: re@minienm.nl>
To: SN-GRI; SDO-DSX/33
Cc: BS-GRI; D SI-GRI; T SI-GRI
Sent: Thu Oct 20 13:29:56 2011
Subject: RE: Meeting October 20th, Ministry EL&I , FFQD& Dutch position

Dear
 I did not receive the final version. Work still in progress?
 Regards,

Van: @shell.com [mailto: @shell.com]
Verzonden: vrijdag 14 oktober 2011 14:56
Aan: EVD (Min. van EZ)
CC: @shell.com; @shell.com; @shell.com;
Onderwerp: Meeting October 20th, Ministry EL&I , FFQD& Dutch position

Met vriendelijke groet,
Yours sincerely,

Shell Nederland B.V.
The Hague, The Netherlands -Trade register no. 24098177
Correspondence: P.O. Box 444, 2501 CK The Hague -NL
Office: Carel van Bylandtlaan 30, 2596 HR The Hague - NL
Tel. + 31 (0)
E-mail: [@snell.com](mailto:snell.com)
Internet: <http://www.shell.com>

Dit bericht kan informatie bevatten die niet voor u is bestemd. Indien u niet de geadresseerde bent of dit bericht abusievelijk aan u is toegezonden, wordt u verzocht dat aan de afzender te melden en het bericht te verwijderen. De Staat aanvaardt geen aansprakelijkheid voor schade, van welke aard ook, die verband houdt met risico's verbonden aan het elektronisch verzenden van berichten.

This message may contain information that is not intended for you. If you are not the addressee or if this message was sent to you by mistake, you are requested to inform the sender and delete the message. The State accepts no liability for damage of any kind resulting from the risks inherent in the electronic transmission of messages.

Van: [redacted] @at.bp.com]
Verzonden: donderdag 20 oktober 2011 14:51
Aan:
CC:
Onderwerp: RE: FQD article 7a - Meeting BP on Monday, 24th October

Dear

Many thanks for your reply and the information regarding Monday. We weren't aware that you would be attending the Europia session, so I have informed my colleagues that a meeting on Monday in Den Haag will not be possible.

[redacted] would have dialled into the meeting via means of a telecon. But seeing that you will both be in Brussels on the Monday and if time allows it for you, we could suggest to have a face to face meeting between [redacted] and yourself before the Europia meeting?

[redacted] would be available between 2pm and 4:30pm, at one of the central hotels or the BP office in Rond Point Schumann. We look forward to your feedback if this was at all an option for you?

Many thanks!

Met vriendelijke aroet,

BP Europa SE - BP Nederland
The Netherlands
Tel: +31 (0)10
Mob: +31 (0)
Email: [redacted]@bp.com

-----Original Message-----
From: [redacted] [mailto:[redacted]@minienm.nl]
Sent: 18 October 2011 16:52
To: [redacted]
Subject: RE: FQD article 7a - Meeting BP on Monday, 24th October

Dear [redacted],
I'm not available on the 24th.
At the 24th in the early evening I will attend a briefing on the FQD, organised by Europia, with [redacted] as one of the key speakers.
Regards.

48
Margreet Faber

Van: [redacted] - CEND-FMC namens [redacted] - CEND-DBO
Verzonden: vrijdag 21 oktober 2011 10:32
Aan: [redacted]
CC: [redacted]
Onderwerp: FW: FQD 7a - géén differentiatie naar type crude - graag uw steun

Ter info

Met vriendelijke groet

bereikbaar op maandag, dinsdag, woensdag en vrijdag op nummer 070 - 339 [redacted] (Rijnstraat)
en donderdag op nummer 070 - 456 [redacted] (Plesmanweg)
Per 1 oktober is mijn e-mailadres: [redacted] @minienm.nl

Bij een bezoek aan het ministerie van Infrastructuur en Milieu is een geldig legitimatiebewijs verplicht!

Van: [redacted] [mailto:[redacted]@exxonmobil.com]
Verzonden: donderdag 20 oktober 2011 15:14
Aan: [redacted] - CEND-DBO
Onderwerp: FQD 7a - géén differentiatie naar type crude - graag uw steun

Geachte [redacted],

De viering van de 50^e verjaardag van onze raffinaderij is mogelijk de laatste keer dat wij elkaar spraken. Graag richt ik mij nu kort tot u voor een urgente en belangrijke zaak, namelijk de implementatie van artikel 7A van het Fuels Quality Directive (differentiatie naar soorten crude).

Het mogelijk onderscheid maken naar type crude is al jaren een onderwerp van discussie binnen de EU maar is recentelijk in een stroomversnelling geraakt. De verwachting is dat op dinsdag 25 oktober een stemming hierover plaatsvindt in het expert comité van de EC. Voorafgaand hieraan wordt in een interdepartementale vergadering op maandag 24 oktober het NL standpunt bepaald.

De afgelopen weken zijn er intensieve en goede contacten geweest met de verantwoordelijke binnen I&M (en NL vertegenwoordiger), [redacted]. Dit door de VNPI en door de oliemaatschappijen afzonderlijk.

Hieronder geef ik graag kort de belangrijkste redenen waarom het maken van onderscheid tussen verschillende soorten crude géén goede zaak is en waarom één enkele 'default value' de voorkeur verdient:

- Onconventionele olie (als die uit oliezanden) zal elders buiten Europa worden geraffineerd, dus totaal geen afname mondiale emissies;
- De lighter crudes die de Nederlandse raffinaderijen genoodzaakt zullen zijn in te kopen zullen met een premium verkocht worden, dus hogere lasten voor de raffinaderijen;
- Het leidt tot meer vervoer van crudes over de wereld, waardoor dus zelfs een verhoging van emissies;
- Administratieve lasten voor de raffinaderijen en de lidstaten zullen toenemen;
- Het betekent een risico voor de energievoorzieningszekerheid.

Wij kunnen ons niet voorstellen dat een nuchter land als Nederland regelgeving zal ondersteunen waarvan de uitvoering en consequenties haaks staan op het doel van de regelgeving. Te meer nu het zulke verstrekkende gevolgen kan hebben voor de belangrijke maar kwetsbare raffinageindustrie in Nederland.

Ik hoop dat dit onderwerp uw aandacht heeft en dat I&M zal komen tot een juiste NL positie op 24 oktober, en deze actief zal uitdragen op 25 oktober a.s..

Bij voorbaat dank voor uw aandacht en steun in deze.

Met vr. gr.,

ExxonMobil Petroleum & Chemical

Phone: +31

Cell: +32.

Gesprekken/bijeenkomsten waar FQD ter sprake is geweest

24-08-2011 Stakeholders meeting bij de NEa
25-08-2011 Meeting Shell bij EL&I
14-09-2011 Presentatie Jacobs in Brussel
11-10-2011 Conference call EC
13-10-2011 Shell
19-10-2011 VK ambassade
24-10-2011 Meeting Europa en Meeting T&E
26-10-2011 Canadese Ambassadeur in NI
27-10-2011 VNPI