

Specification of petrol, diesel and gas-oil: mechanism to monitor and reduce greenhouse gas emissions from fuels. "Fuel Quality Directive"

2007/0019(COD) - 17/12/2008 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 670 votes to 20, with 25 abstentions, a legislative resolution on the proposal for a Directive of the European Parliament and of the Council 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 from the use of road transport fuels and amending Council Directive 1999/32/EC, as regards the specification of fuel used by inland waterway vessels and repealing Directive 93/12/EEC.

The report had been tabled for consideration in plenary by Dorette **CORBET** (PES, NL), on behalf of the Committee on Environment, Public Health and Food Safety.

The amendments – adopted in the first reading of the codecision procedure – are the result of a compromise between Parliament and Council. The main elements of the compromise are as follows:

Scope: the Directive sets, in respect of road vehicles, and non road mobile machinery (including inland waterway vessels when not at sea), agricultural and forestry tractors, and recreational craft when not at sea:

- technical specifications on health and environmental grounds for fuels to be used with positive ignition and compression-ignition engines, taking account of the technical requirements of those engines;
- a target for the reduction of life cycle greenhouse gas emissions.

Petrol: suppliers must ensure the placing on the market of petrol with a **maximum oxygen content of 2.7%** and a **maximum ethanol content of 5%**. Consumers shall be provided with appropriate information concerning the biofuel content of petrol and, in particular, on the appropriate use of different blends of petrol.

Member States with low ambient summer temperatures may permit the placing on the market, during the summer period, of petrol with a maximum vapour pressure of 70 kPa. Member States where this derogation is not applied may permit the placing on the market, during the summer period, of petrol containing ethanol with a maximum vapour pressure of 60 kPa.

Where Member States wish to apply either of the derogations, they shall notify the Commission. The Commission shall assess the desirability and duration of the derogation, taking account of: (a) the avoidance of socioeconomic problems resulting from higher vapour pressure, including time-limited technical adaptation needs; (b) the environmental or health consequences of the higher vapour pressure and, in particular, the impact on compliance with Community legislation on air quality. If the Commission's assessment shows that the derogation will result in a lack of compliance with Community legislation on air quality or air pollution, including the relevant limit values and emissions ceilings, the application shall be rejected.

Diesel fuel: Member States may permit the placing on the market of diesel with a fatty acid methyl ester (FAME) content greater than 7%. They shall ensure the provision of appropriate information to consumers concerning the biofuel content of diesel fuel, in particular FAME.

No later than from 1 January 2008, gas oils intended for use by non-road mobile machinery (including inland waterway vessels), agricultural and forestry tractors and recreational craft may be marketed within a Member State's territory only if the sulphur content of those gas oils **does not exceed 1000 mg/kg**. From 1 January 2011, the maximum permissible sulphur content of those gas oils shall be **10 mg/kg**. Liquid fuels other than those gas oils may be used in inland waterway vessels and recreational craft only if the sulphur content of those liquid fuels does not exceed the maximum permissible content of those gas oils.

In order to accommodate minor contamination in the supply chain, Member States may, from 1 January 2011, permit gas oil intended for use by non-road mobile machinery (including inland waterway vessels), agricultural and forestry tractors and recreational craft to contain up to 20 mg/kg of sulphur at the point of final distribution to end users. Member States may also permit the continued placing on the market until 31 December 2011 of gas oil containing up to 1000 mg/kg sulphur for rail vehicles and agricultural and forestry tractors, provided that they can ensure that the proper functioning of emissions control systems will not be compromised.

Member States may, for the outermost regions, make specific provision for the introduction of diesel fuel and gas oils with a maximum sulphur content of 10 mg/kg. Lastly, for Member States with severe winter weather, the maximum distillation point of 65% at 250 °C for diesel fuels and gas oils may be replaced by a maximum distillation point of 10% (vol/vol) at 180 °C.

Greenhouse gas emission reductions: Member States shall require suppliers to reduce as gradually as possible life cycle greenhouse gas emissions per unit of energy from fuel and energy supplied by up to **10% by 31 December 2020**, compared with the fuel baseline standard referred to in the Directive. This reduction shall consist of:

- **6% by 31 December 2020.** Member States may require suppliers, for this reduction, to comply with the following intermediate targets: 2% by 31 December 2014 and 4% by 31 December 2017;
- **an indicative additional target of 2% by 31 December 2020**, to be achieved through one or both of the following methods: (i) the supply of energy for transport, supplied for use in any type of road vehicle, non-road mobile machinery (including inland waterway vessels), agricultural or forestry tractor or recreational craft; (ii) the use of any technology (including carbon capture and storage) capable of reducing life cycle greenhouse gas emissions per unit of energy from fuel or energy supplied;
- **an indicative additional target of 2% by 31 December 2020**, to be achieved through the use of credits purchased through the Clean Development Mechanism of the Kyoto Protocol, under the conditions set out in Directive 2003/87/EC.

With effect from 1 January 2011, suppliers shall report annually on the greenhouse gas intensity of fuels and energy supplied within each Member State to the authority designated by the Member State by providing, as a minimum, the following information: (a) the total volume of each type of fuel or energy supplied, indicating where purchased and its origin; (b) life cycle greenhouse gas emissions per unit of energy.

Measures necessary for the implementation of these provisions shall be adopted in accordance with the regulatory procedure with scrutiny (comitology).

Sustainability criteria for biofuels: the compromise ensures that only biofuels that fulfil the sustainability criteria will be used. With effect from 2017, the greenhouse gas emission saving from the use of biofuels shall be 50%. After 2017 it shall be 60% for biofuels produced in installations whose production has started from 2017 onwards.

Biofuels taken into account shall not be made from:

- raw material obtained from land with high biodiversity value: (i) primary forest and other wooded land, where there are no clearly visible indications of human activities and the ecological processes are not significantly disturbed; (ii) areas designated for nature protection purposes or areas for the protection of rare, threatened or endangered ecosystems or species recognised by international agreements; (iii) highly biodiverse natural or non-natural grassland;
- raw material obtained from land with high carbon stock: (i) wetlands; (ii) continuously forested areas; (iii) land spanning more than 1 hectare with trees higher than 5 metres and a canopy cover of between 10% and 30%;
- raw material obtained from land that was peatland in January 2008, unless it is proven that the cultivation and harvesting of this raw material does not involve drainage of previously undrained soil.

The Commission shall report every two years to the European Parliament and the Council on the impact on social sustainability in the Community and in third countries of increased demand for biofuel, and on the impact of EU biofuel policy on the availability of foodstuffs at affordable prices, in particular for people living in developing countries, and wider development issues.

Verification of compliance with the sustainability criteria for biofuels: where biofuels are to be taken into account for the purposes of greenhouse gas emission reductions, Member States shall require economic operators to show that the sustainability criteria have been fulfilled. For this purpose they shall require economic operators to use a mass balance system. The Commission shall report to the European Parliament and the Council in 2010 and 2012 on the operation of the mass balance verification method and on the potential to allow for other verification methods in relation to some or all types of raw material or biofuels.

The Community shall endeavour to conclude bilateral or multilateral agreements with third countries containing provisions on sustainability criteria that correspond to those of this directive.

At the latest in 2012, the Commission shall report on: (a) the effectiveness of the system in place for the provision of information on sustainability criteria; and (b) whether it is feasible and appropriate to introduce mandatory requirements in relation to air, soil or water protection, taking into account the latest scientific evidence and the Community's international obligations.

Calculation of greenhouse gas emissions from biofuels: Annex IV lays down the rules for the calculation of life cycle greenhouse gas emissions from biofuels: it focuses on: (a) typical and default values for biofuels if produced with no net carbon emissions from land use change; (b) estimated typical and default values for future biofuels that are not or in negligible quantities on the market in January 2008, if produced with no net carbon emissions from land use change; (c) the methodology for the calculation of emissions; (d) disaggregated default values for biofuels; (e) estimated disaggregated values for future biofuels that are not or in negligible quantities on the market in January 2008.

Regarding the default values and methodology laid down in Annex IV, particular consideration shall be paid to: (i) the method of accounting for wastes and residues; (ii) the method of accounting for co products; (iii) the method of accounting for co generation; (iv) the status given to agricultural crop residues as co-products.

The Commission shall, by 31 December 2010, submit a report to the European Parliament and to the Council reviewing the impact of indirect land use change on greenhouse gas emissions and addressing ways to minimise this impact. This report shall where appropriate be accompanied, in particular by a proposal, based on the best available scientific evidence, containing a concrete methodology for emissions from carbon stock changes caused by indirect land use changes. The proposal shall include the necessary

safeguards to provide certainty for investment, undertaken before this methodology is applied. The European Parliament and the Council shall endeavour to decide in 2012 at the latest on any such proposals submitted by the Commission.

Metallic additives in fuel: the Commission shall conduct an assessment of the risks for health and the environment from the use of metallic additives in fuel and, for this purpose, develop a test methodology. It shall report its conclusions to the European Parliament and to the Council by 31 December 2012.

Pending the development of the test methodology, the presence of the metallic additive methylcyclopentadienyl manganese tricarbonyl (MMT) in fuel shall be limited to 6 mg Mn per litre from 1 January 2011. The limit shall be 2 mg from 1 January 2014. The limit for the MMT content of fuel shall be revised on the basis of the results of the assessment carried out using the test. It may be reduced to zero if the risk assessment justifies this.

A label containing the text “Contains metallic additives” shall be displayed, in a clearly visible position, at any point where a fuel with metallic additives is made available to consumers.

Reporting: the Commission shall submit by 31 December 2012, and every three years thereafter, a report to the European Parliament and the Council accompanied, where appropriate, by a proposal for amendments to this Directive. That report shall in particular take account of the following:

- the use and evolution of automotive technology and, in particular, the feasibility of increasing the maximum permitted biofuel content of petrol and diesel;
- Community policy on CO₂ emissions from road transport vehicles;
- the possibility of applying the requirements of Annex II (environmental specifications for market fuels to be used for vehicles equipped with compression ignition engines), and in particular the limit value for polycyclic aromatic hydrocarbons, to non-road mobile machinery (including inland waterways vessels), agricultural and forestry tractors and recreational craft;
- the increase of the use of detergents in fuels;
- the use of metallic additives other than MMT in fuels;
- the total volume of components used in petrol and diesel;
- the consequences of the greenhouse gas reduction target for the emissions trading scheme;
- the potential need for adjustments to the Directive in order to assess possible contributions for reaching a greenhouse gas reduction target of up to 10% by 2020;
- the possibility of introducing additional measures for suppliers to reduce by 2% life cycle greenhouse gas emissions per unit of energy, through the use of credits purchased through the Clean Development Mechanism of the Kyoto Protocol under the conditions set out in Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community, in order to assess further possible contributions for reaching a greenhouse gas reduction target of up to 10 % by 2020;
- an updated cost-benefit and impact analysis of a reduction in the maximum permitted vapour pressure for petrol for the summer period below 60 kPa.

At the latest in 2014, the Commission shall submit a report to the European Parliament and the Council relating to the achievement of the greenhouse gas emission target for 2020. The Commission shall, if appropriate, accompany its report by a proposal for modification of the target.