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**(Directorate-General
for Geology and Energy)**

**Second national report on the promotion of the use of biofuels or other renewable
fuels for transport in Portugal - Directive 2003/30/EC**

(2004)

January 2006

1. Introduction

Pursuant to Article 4(1) of Directive 2003/30/EC, this is Portugal's report for 2004 on:

- measures taken to promote the use of biofuels or other renewable fuels to replace diesel or petrol for transport purposes;
- national resources allocated to the production of biomass for energy uses other than transport;
- total sales of transport fuel and the share of biofuels, pure or blended, and other renewable fuels placed on the market for the preceding year.

2. Measures taken

The Decree-Law which transposes Directive 2003/30/EC into national law was adopted by the *Conselho de Ministros* [Government] on 19 January 2006 and includes the following measures to promote the use of biofuels:

- total or partial exemption from excise duty for these fuels (in particular the *Imposto sobre Produtos Petrolíferos* (ISP) [tax on petroleum products] up to a quota set annually;
- biofuels produced in pilot projects may be covered by total ISP exemption;
- it provides for the possibility of imposing a quota for biofuels in transport fuels, where the amount incorporated in the preceding year was significantly lower than expected.

3. National resources allocated to the production of biomass for energy uses other than transport

Producers benefiting from special arrangements are assured that electricity produced from renewable sources will be taken by the *Sistema Eléctrico de Serviço Público* (SEP) [national public service grid]. There are differentiated tariffs. The average tariff for biomass in 2004 was approximately €0.07/kWh (Decree-Law 339-C/2001 of 29 December 2001).

The figures for electricity production from biomass in 2004 are:

Year	Electrical energy		Thermal energy	TOTAL
	GWh	t.o.e.	t.o.e.	t.o.e
2004	1 797	521 130	1 540 000	2 061 130

NB: biomass consumption for space heating has not been calculated.

4. Total sales of transport fuel

The figures for 2004 are:

Fuel		s	t.o.e.
Petrol	Super plus additives	104 782	
	Unleaded 98	424 250	
	Unleaded 95	1 395 663	
	Total	1 924 695	2 065 198
Diesel	Road transport	4 955 792	
	Agricultural use	326 761	
	Total	5 282 553	5 520 268
LPG – Motor vehicle gas		20 133	22 952
Natural gas		9 600 (m ³)	10 073
		TOTAL	7618 491

In 2004 the amounts of biofuel released for consumption were very small. The figure recorded was less than 1 tonne.

5. National indicative targets

The national indicative targets for the placing on the market of biofuels and other renewable fuels in the transport sector are set by the Government.

Where the incorporation rate of biofuels and other renewable fuels does not match the national targets, minimum quotas can be imposed for mandatory incorporation.

6. Prospects for 2005

The following are scheduled for the end of 2005:

- completion of two industrial units with total biodiesel production capacity of 140 000 tonnes/year;
- entry into operation of a bio-ETBE production unit with production capacity of 50 000 tonnes/year.