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

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

**(2005)**

**June 2006**

## 1. Introduction

Pursuant to Article 4(1) of Directive 2003/30/EC, this is Portugal's report for 2005 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 each year.

## 2. Measures taken regarding the use of biofuels for transport

Directive 2003/30/EC was transposed into national law by Decree-Law 62/2006 of 21 March 2006, which includes the following measures to promote the use of biofuels:

- the possibility of imposing minimum quotas for biofuels in fossil fuels, where the amount incorporated in the preceding year was significantly lower than expected.
- the conclusion of agreements on the use of biodiesel in public passenger and goods transport fleets, with over 10% biodiesel incorporation into fossil fuels.

Fiscal measures to promote the use of biofuels were laid down in Decree-Law 66/2006 of 22 March 2006, which provides for total or partial exemption from excise duty for these fuels (in particular the *Imposto sobre Produtos Petrolífero e Energéticos* (ISP) [tax on petroleum products] up to a quota set annually.

## 3. Support for the use of national 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 for renewable electricity supplied to the grid. The average tariff for biomass in 2005 was approximately €0.11/kWh (Decree-Law 33-A/2005 of 16 February 2005).

The figures for electricity production from biomass in 2005 are:

Electrical energy		Thermal energy	TOTAL
GWh	t.o.e.	t.o.e.	t.o.e
1 977	573 330	1 556 000	<b>2 129 330</b>

Source: DGGE, provisional data

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

## 4. Total sales of transport fuel

The figures for 2005 are:

<b>Fuel</b>			<b>t.o.e.</b>
<b>Petrol</b>	Super, plus additives	24 549	
	Unleaded 98	362 831	
	Unleaded 95	1 417 034	
	<b>Total</b>	<b>1 804 414 tonnes</b>	<b>1 936 136</b>
<b>Diesel</b>	Road transport	4 913 607	
	Agricultural use	313 715	
	<b>Total</b>	<b>5 227 322</b>	<b>5 462 552</b>
<b>LPG – Motor vehicle gas</b>		<b>21 634</b>	<b>24 663</b>
<b>Natural gas</b>		<b>10 684 430 m3 (n)</b>	<b>12 052</b>
		<b>TOTAL</b>	<b>7 435 403</b>

Source: DGGE/Transgás/Portgás

In 2005 only 158.5 tonnes of biodiesel were produced.

## **5. National indicative targets for biofuels**

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. Decree-Law 66/2006 of 22 March 2006 provides for partial exemption from ISP for the following quantities of petrol and diesel: in 2006, 2%; in 2007, 3%; between 2008 and 2010, 5.75% (percentages of the previous year's consumption).

## **6. Prospects for 2006**

In 2006 two industrial units with total biodiesel production capacity of 140 000 tonnes/year will start operating.

In 2006 the rate of biodiesel incorporation into diesel is expected to be 60 000 tonnes.

Regarding the use of biomass for uses other than biofuel, an invitation to tender has been prepared, to be launched in 2006, seeking 15 thermoelectric power stations running on forest biomass to provide a total of 100 MVA to the electricity distribution network.

As a result, we expect consumption of approximately 1 000 000 tonnes/year of forestry waste.