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Report of the Czech Republic for the European Commission for 2006 on implementation of Directive 2003/30/EC of the European Parliament and of the Council of 8 May 2003

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I. Introductory comments

Under Article 4(1) of Directive 2003/30/EC on the promotion of the use of biofuels or other renewable fuels for transport, Member States are required to report to the European Commission each year on the measures taken to promote the use of biofuels for transport purposes, the national resources allocated to the production of biomass for energy uses other than transport and on the market situation for fuels.

II. Compliance with obligations under Article 4(1) of Directive 2003/30/EC

In 2006 and the first half of 2007, the following changes were made to Czech legislation on the use of biofuels.

In 2006, support continued to be granted for the use of rape-seed methyl ester (RME) as a substitute for motor-vehicle diesel fuel. This support was approved by the European Commission and registered as 'N 206/2004 – Czech Republic'. In line with the Commission's requirements, this support regime was ended on 31 December 2006.

Concerning the use of biofuels in transport as a substitute for fossil fuels, Government Resolution No 1080 of 20 September 2006 provides for a minimum quantity of biofuels in the range of motor-vehicle fuels without any subsidies or support from the state. On the basis of this resolution, amendments were made to the following legislation:

- Ministry of Agriculture Decree No 141/1997 Coll. on technical requirements for the production, storage and processing of alcohol. The decree lays down the technical requirements for the establishment of distilleries' production facilities, the manner of determining and recording the quantity of alcohol produced etc.
- Act No 86/2002 Coll. on clean air protection. The amendment to this act concerns the setting of a minimum amount of biofuels. Any person bringing motor-vehicle petrol or diesel fuels into free tax circulation in the Czech Republic must ensure that they contain at least a minimum proportion of biofuels. The amendment introduces the following minimum values of biofuels blended with fuel:

- as of 1 September 2007, 2% of the total amount of motor-vehicle diesel fuel;
- as of 1 January 2008, 2% of the total amount of motor-vehicle petrol fuel;
- as of 1 January 2009, 3.5% of the total amount of motor-vehicle petrol fuel;
- as of 1 January 2009, 4% of the total amount of motor-vehicle diesel fuel.

Under the adopted amendment, the customs authorities monitor observance of the required minimum amount. Taxable persons importing fuels from other EU Member States, from third countries, domestic fuel producers and fuels distributors that are operators of tax warehouses will be monitored. Under Act No 311/2006 Coll. on fuels and Ministry of Industry and Trade Decree No 229/2004, the composition and quality of fuels at production, sale, import and export, including preparation, are monitored by the Czech Commerce Inspectorate. The details of the mechanism for monitoring the fulfilment of the requirements laid down in the amended act on clean air protection are currently being clarified by the Ministry of Finance, in cooperation with other interested parties.

The system of compulsory blending of biofuels was sent by the Ministry for the Environment for technical notification on 15 May 2007.

2. National resources allocated to the production of biomass for energy uses other than transport in the Czech Republic

(a) Support for cultivation of plants for energy purposes

In 2006, a total of CZK 2 000/ha was paid out to support the planting of plant crops for use in energy generation (combustion). Support totalling CZK 1 066 000 was granted for 1 033 ha.

(b) Support for the planting of production and reproduction crops of fast-growing wood species for use in energy generation

This support was granted under the Horizontal Rural Development Plan of the Czech Republic 2004-2006. The granting of support was regulated by the conditions laid down in Government Decree No 308/2004 Coll. In 2006, a total of 22 ha of crops were planted and CZK 1 551 366 in support paid out.

3. 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

In 2006, approximately six million tonnes of fuels for transport was placed on the market in the Czech Republic, of which 29 600 tonnes was made up of biofuels – i.e. 0.5%.

As outlined in the table below, 110 574 tonnes of RME was produced as a substitute for motor diesel (in 2005 this total was 126 890 tonnes). The majority of production in 2006 was exported to other EU countries. 32 829 tonnes of blended motor diesel with a proportion of RME of over 30% (Czech standard • SN 65 6508) was produced. Only a minimal amount of motor diesel with less than 30% RME additive was produced.

Summary of RME and blended motor diesel (BMD) for 2006.

	RME	BMD (> 30%)	BMD (5-30%)	MD + RME (< 5%)
	tonnes	tonnes	tonnes	tonnes
Production	110 152	32 829.1	595	3 364
Imports	22 973	0.0	0.0	75.2
Exports	110 926	8 321.9	595	2 394
Opening stocks	1 316.4	146.2	0.0	0.0
Closing stocks	3 287	523.1	0.0	484
Gross consumption	20 229	24 130.3	0.0	561.2

Approximately CZK 61.5 million was paid out in grants under Government Decree No 148/2005 Coll. for 9 367 tonnes of RME at CZK 6 570/tonne during the 2006 processing period.

The table below indicates the amounts produced and consumed of bioethanol used as an additive in motor-vehicle petrol fuels and of bioethanol used for the production of ethyl tert-butyl ether (ETBE), which was also used as an additive in motor-vehicle petrol fuels. In 2006, these figures concern mainly pilot projects and verifying the operation of blending bioethanol or ETBE with petrol. The amount of ETBE produced was 2 968.2 tonnes.

Summary of bioethanol produced in blended fuel and bioethanol for production of ETBE in 2006

	Bioethanol	Bioethanol for production of ETBE
	tonnes	tonnes
Production	258.1	1 531.6
Imports	0.0	0.0
Exports	0.0	0.0
Opening stocks	18.4	0.0
Closing stocks	27.5	0.00
Gross consumption	249.0	1 531.6

III. National indicative targets and comparison with reference values

National indicative targets for the second phase of substitution of fossil fuels with biofuels (i.e. for the years 2006-10) are presented in the report covering the year 2006 on the basis of Article 4(1) of Directive 2003/30/EC.

In setting the national indicative targets, both low-percentage and high-percentage blending of biofuels were taken into account. Under Act No 86/2002 Coll. on clean air protection, low-percentage blending will be compulsory as of September 2007 and the use of high-percentage biofuels will be included in a multiannual programme on the use of biofuels in transport. The use of high-percentage blends is expected to begin in 2009.

Projected amounts of production and use of biofuels in the Czech Republic for the years 2007-10 in fuels

Fuel/Share	Unit of measurement	Year			
		2007	2008	2009	2009
Gross consumption of motor petrol	hl	31 585 284	32 481 605	33 123 746	33 632 107
Gross consumption of motor diesel	hl	46 014 320	47 350 835	48 269 690	49 021 480
Gross consumption of motor petrol	TJ	103 412	106 346	108 449	110 113
Gross consumption of motor diesel	TJ	164 651	169 434	172 722	175 412
Gross consumption of motor petrol and motor diesel	TJ	268 063	275 780	281 170	285 525
RME	hl	306 818	947 016	2 172 136	3 454 045
RME	TJ	999	3 083	7 072	11 246
Bioethanol	hl	0	649 632	1 159 331	2 369 673
Bioethanol	TJ	0	1 417	2 530	5 171
Proportion of RME*	% of energy content	0.37	1.12	2.52	3.94
Proportion of bioethanol*	% of energy content	0.00	0.51	0.90	1.81
Proportion of biofuels*	% of energy content	0.37	1.63	3.42	5.75

* proportion of biofuels in the total energy content of motor-vehicle diesel and petrol fuels for transport purposes on the market in the Czech Republic.

IV. Conclusion

In 2006 and the first half of 2007, the Czech Republic adopted a number of important legislative measures necessary for the implementation of Directive 2003/30/EC. Thanks to these it will be possible to launch a system of compulsory low-percentage blending of biofuels in motor fuels. Implementation of this legislation at national level will, in accordance with Community legislation, help promote the development of biofuels and other fuels from renewable sources, together with biomass production in the Czech Republic. In 2007, it is also expected that other provisions will be adopted to promote the development of biofuels in the Czech Republic as part of multiannual biofuel use programme, which will contribute towards meeting the indicative target in 2010.