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**NATIONAL REPORT ON THE IMPLEMENTATION
OF DIRECTIVE 2003/30/EC OF 8 MAY 2003 ON THE PROMOTION OF THE
USE OF BIOFUELS OR OTHER RENEWABLE FUELS FOR TRANSPORT
FOR 2006
SPAIN**

REPORT BY THE DIRECTORATE-GENERAL FOR ENERGY POLICY AND MINES REGARDING ARTICLE 4(1) OF DIRECTIVE 2003/30/EC OF 8 MAY 2003 ON THE PROMOTION OF THE USE OF BIOFUELS FOR TRANSPORT

2006 DATA

Article 4(1) of Directive 2003/30/EC of 8 May 2003 on the promotion of the use of biofuels or other renewable fuels for transport lays down the obligation for Member States to report to the Commission before 1 July each year on, *inter alia*:

- measures taken to promote the use of biofuels
- national resources allocated to the production of biomass for energy uses other than transport
- total sales of transport fuel
- share of biofuels placed on national markets
- level of national targets for 2007 and subsequent years

Further to the request, the Directorate-General for Energy Policy and Mines, within its sphere of competence and in accordance with the data available to it, would report on the following:

1. Measures taken

Firstly, as regards measures taken in Spain to promote the use of biofuels in the transport sector, the most important is clearly the measure referred to in Article 6(5) of Law 53/2002 of 30 December 2002 on Tax, Administrative and Social Measures, which lays down the following:

“Special tax rate for biofuels

Until 31 December 2012, under the conditions laid down in the regulations and without prejudice to the provisions in paragraph 3 of this Article, a special rate of zero euros per 1 000 litres shall apply to biofuels. The special rate shall apply solely to the volume of biofuel, even when the latter is used blended with other products.

Provided that the comparative trend in production costs of petroleum products and biofuels so warrants, the General Budget Laws of the State may replace the zero rate referred to in paragraph 1 of this Article with a positive rate of tax which shall not exceed the rate applicable to equivalent conventional fuel.”

Furthermore, another measure to promote such use is that the Ministry of Industry, Tourism and Trade applies a favourable regime for calculating minimum security stocks to undertakings which manufacture biofuels – whether bioethanol or biodiesel – and which are classified as operators on the Spanish market.

To this end, it establishes, analogously to refining operators and in accordance with Article 9 of Royal Decree 1716/2004 of 23 July 2004, governing the obligation to maintain minimum security stocks, the possibility for the individual covered by the obligation to maintain up to 40% of the aforementioned stock-holding obligation in the form of raw materials, thereby reducing the fixed asset costs of the finished product.

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

The consumption of biomass, biogas and municipal solid waste, in terms of primary energy and without including biofuels, was as follows for 2006:

electricity generation	3 541 GWh = 1 076 ktoe
final uses (heat)	3 448 ktoe
TOTAL	4 564 ktoe

3. Total sales of transport biofuels on the Spanish market in 2006

- national consumption of automotive petrol 6 931 kt
(95 IO, 97 IO and 98 IO)
- national consumption of automotive diesel 24 585 kt
- sales of bioethanol for transport 178 940 t
- sales of methyl ester for transport 62 909 t

The figure given for bioethanol was for the production of ETBE in Spanish refineries, for subsequent formulation of petrols.

Spain's production of methyl ester has been obtained from virgin oils and waste vegetable oils, and has been used in the transport sector, fundamentally by blending with automotive diesel.

In accordance with the quantities mentioned, the share of biofuels in the Spanish transport sector for 2006 was as follows:

For petrols:

consumption of petrols	6 931 000 t
consumption of bioethanol	178 940 t

indicating a share of **1.58%**, calculated on the basis of the energy content of these products.

For diesel:

consumption of automotive diesel	24 585 000 t
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consumption of biodiesel 62 909 t

indicating a share of **0.23%**, calculated on the basis of the energy content of these products.

Accordingly, the average share of all biofuels in the transport sector in 2006 was **0.53%**.

5. National indicative targets

In accordance with Article 3(1)(b) of Directive 2003/30/EC, the reference value for 2007 in relation to national targets for placing on the market biofuels and other renewable fuels in the transport sector is estimated to fall within the **range 0.80-1.00%**, calculated on the basis of the energy content of the aforementioned products placed on the Spanish transport market.

Finally, and in accordance with the provisions in Article 4(1) of the above Directive, the national target for biofuel consumption for 2010 has been set at 5.75%, the same value given in Directive 2003/30/EC.

Madrid, 21 May 2007