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**Directorate-General for Energy and Geology**

**Fifth national report on promoting the use of biofuels or other renewable fuels in  
transport in Portugal – Directive 2003/30/EC**

**(2007)**

**October 2008**

## **1. Introduction**

This report for 2007 aims to comply with the requirements laid down in Article 4(1) of Directive 2003/30/EC to report to the Commission each year on:

- the measures taken to promote the use of biofuels or other renewable fuels to replace diesel or petrol for transport purposes;
- the national resources allocated to the production of biomass for energy uses other than transport;
- the 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 accordance with Article 4 of the Directive, this report also makes reference to the national indicative targets for the second phase, 31 December 2010.

## **2. Measures taken to promote the use of biofuels in transport**

Directive 2003/30/EC was transposed into Portuguese law by Decree-Law No 62/2006 of 21 March 2006, which provides for the following measures to promote the use of biofuels:

- the possibility of imposing minimum quotas for the incorporation of biofuels in fossil fuels if biofuel incorporation the previous year was considerably lower than expected;
- the conclusion of agreements for the use of biodiesel in public passenger transport and goods transport fleets, with a percentage rate of biodiesel incorporation in fossil fuels above 10%;
- the creation of the title of 'dedicated small producer' for firms producing up to 3 000 tonnes annually from waste materials or by means of technological development projects based on products that are more more environmentally friendly.

The promotion of biofuels through tax measures was dealt with in Decree-Law No 66/2006 of 22 March 2006, which provides for total exemption (for dedicated small producers) or partial exemption from excise duty on these fuels (the tax on oil and energy) up to a fixed annual rate as laid down in Order in Council No 1391-A/2006 of 16 December as regards the allocations for 2007.

Order in Council No 1554-A/2007 of 7 December 2007 set the quantities to be exempted and the corresponding access conditions for the years 2008 to 2010.

## **3. Support for the use of national biomass for energy uses other than transport**

Electricity producers under the special regime are guaranteed that the Public Service Electricity Network will take up the energy produced by renewable sources. There is a differential rate for renewable electricity supplied to the network, which, in the case of biomass, is applicable from 2006 and averages about €0.11/kWh (Decree-Law No 33-A/2005 of 16 February 2005).

The data for electricity and heat produced from biomass in 2007 are as follows:

Electrical energy		Thermal energy		TOTAL
GWh	TOE	TOE		TOE
2 151	184 952	1 896 764		2 171 716

Source: DGEG, provisional data.

#### 4. Total sales of transport fuels

Total sales of transport fuels in 2007 are as follows:

Name		Unit (t)
Petrol	Super leaded	1 167
	Unleaded 98	225 370
	Unleaded 95	1 362 769
	<b>Total</b>	1 589 306
Diesel	Road diesel	4 864 016
	Agricultural diesel	306 216
	<b>Total</b>	5 170 232
Gas	LPG (motor vehicles)	21 315
	Natural gas	12 718 000 m <sup>3</sup> (n)

Source: DGEG, provisional data.

#### 4.1 Incorporation of biofuels in the transport sector

- No biofuels were produced for incorporation in petrol.
- A total of 195 884 t of FAME biodiesel was produced for incorporation in diesel, of which 189 836 t (6 986 883 GJ) were incorporated, accounting for almost 3.37% incorporation on the basis of energy content.

Total petrol and diesel consumption was 275 348 958 GJ.

**In total, biofuel incorporation in the transport sector in 2007 was 2.54%.**

#### 5. National indicative targets for the second phase (31 December 2010)

The national indicative targets for the placing on the market of biofuels and other renewable energies for transport purposes are set by the Government. Council of Ministers Resolution No 119/2004 of 31 July 2004 approving the National Climate Change Programme (PNAC-2004) set the target of 5.75% for 2010. However, the Government recently set a more ambitious target for 2010: 10% for biofuel penetration in the transport sector, as published in Council of Ministers Resolution No 1/2008 of 4 January 2008.

## **6. Prospects for 2008**

### **6.1 Biofuels**

Decree-Law No 89/2008 was published on 30 May 2008, laying down fuel specifications and providing for the placing on the market of fuels with a 10%, 15% and 20% biofuel mix.

In order to place on the market fuels with larger biofuel contents than those permitted by Standards EN590 and EN228, a warning must be given to consumers instructing them to check the compatibility of their vehicles.

It is expected that, in 2008, no more than 200 million litres of biodiesel will be released for consumption.

### **6.2 Biomass**

With regard to the use of biomass for purposes other than biofuel, 15 invitations to tender were launched for the allocation of electricity production capacity totalling 100 MVA in the electricity distribution network for 15 forest biomass thermoelectric power plants. As a result of these invitations to tender, it is expected that almost 1 000 000 t/year of forest waste will be used.

Of the 15 invitations to tender, 2 were abandoned. A decision has already been made on the network connection points for 4 power plants and it is expected that the process of allocating network connection points for the others will be completed by the end of the year.