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## **Report from the Czech Republic to the European Commission on the implementation of Directive 2003/30/EC of the European Parliament and of the Council in 2008**

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, on the public funding allocated for the production of biomass for non-transport purposes and on the market situation for fuels.

### **1. Measures taken by the Czech Republic to promote the use of biofuels or other renewable fuels to replace diesel or petrol for transport purposes**

Revised Air Protection Act (No 86/2002), as amended by Act No 180:2007 of 7 June 2007

The Act lays down the minimum proportion of biofuel to be admixed to the overall quantity of petrol and diesel released for free tax circulation in the Czech Republic. The Act lays down the following obligations for the use of biofuels in fuels:

- from 1 September 2007, 2% by volume of biofuels must be admixed to the total quantity of diesel,
- from 1 January 2008, 2% by volume of biofuels must be admixed to the total quantity of petrol,
- from 1 January 2009, 3.5% by volume of biofuels must be admixed to the total quantity of petrol,
- from 1 January 2009, 4.5% by volume of biofuels must be admixed to the total quantity of diesel.

The Act also requires anyone putting fuels into free circulation to keep records of fossil fuels and biofuels. In the event of a failure to comply with the above obligations, the Act lays down a penalty of CZK 75 per litre of biofuel not put into free circulation. The above measure to enforce the use of low-percentage biofuel blends is implemented without any kind of subsidies.

Revised Alcohol Act (No 61/1997), as amended by Act No 37/2008 of 17 January 2008

The Act permits the use of specially denatured dewatered fermented alcohol or normal denatured dewatered fermented alcohol as an additive to mineral oils for motor fuels. The Act introduces the possibility for alcohol producers to use continuous denaturing equipment.

Revised Excise Duties Act (No 353/2003), as amended by Act No 37/2008 of 17 January 2008

The Act introduces the possibility of applying for the partial reimbursement of excise duties on mineral oils for persons using a diesel blend (SMN 30) containing at least 31% RME. Fossil fuels for combustion engines (diesel) are subject to excise duties of CZK 9 950/1000 l, whereas the excise duties on diesel blend amount to CZK 6 866/1000 l.

Government Resolution No 164 of 25 February 2008 on the multiannual support programme to promote the use of biofuels in transport

The Czech Government has adopted a multiannual support programme to promote the use of biofuels in transport; it ensures the use of pure biofuels and high-percentage biofuel blends in transport. The fuels concerned are in particular SMN 30 diesel blend, E85 fuel, E95 fuel, pure RME/FAME, pure vegetable oil and biogas. Support will be provided in the form of partial or full exemption from the excise duties payable on mineral oils. The use of high-percentage and pure biofuels supplements the obligatory use of low-percentage blends in order to achieve the Directive 2003/30/EC targets for 2010.

The multiannual support programme to promote the use of biofuels in transport was approved by the European Commission on 23 December 2008 (under No N 305/2008).

**2. State resources for biomass production for non-transport energy purposes in the Czech Republic**

No subsidies were granted in the Czech Republic in 2008 for growing biomass for any energy purpose other than transport.

**3. Overall amount of fuels sold for transport purposes and the share of biofuels, both pure and blended, and of other renewable fuels placed on the market for the previous year**

In 2008 4.030 billion tonnes of diesel and 2.015 billion tonnes of petrol (including biofuel components) were consumed in the Czech Republic. Biofuels accounted for 2.23% of total consumption by weight and 1.77% by energy content. In the 2006 Report, the planned share of biofuels consumption in 2008 was 1.63% by energy content, so the national target for 2008 has been met.

In 2008 75 173 tonnes of FAME/RME were produced for addition to diesel, 33 588 tonnes of which were exported to other countries. Imports of FAME/RME amounted to 43 657 tonnes. Total consumption of FAME/RME amounted to 87 386 tonnes. FAME/RME production capacity in 2008 was 312 400 tonnes.

Bioethanol production was 60 236 tonnes. 31 908 tonnes were exported and 20 404 tonnes imported. In 2008 bioethanol consumption in the Czech Republic amounted to 50 721 tonnes. Production capacity rose to 213 200 tonnes.

The only subsidised biofuel placed on the Czech market in 2008 was a diesel blend (SMN 30). 19.428 billion litres were produced, and financial support was provided in the form of a reduction in the excise duties on mineral oils from CZK 9 950/1000 l to CZK 6 866/1000 l. The total cost of the subsidies amounted to CZK 59.9 million.