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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 2009**

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**

#### Act No 86/2002 on air protection, as later amended

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

- 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.

In the event of a failure to comply with the above obligations, the Act lays down a penalty of CZK 40 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.

#### Act No 353/2003 on excise duties, as later amended

On 23 December 2008 the European Commission approved the multiannual support programme to promote the use of biofuels in transport, which provides for the possibility of support for the use of high concentration biofuel blends and pure biofuels in Czech transport. The programme was implemented in the Act on excise duties, which grants those biofuels an advantage in the form of a reduction on or exemption from the tax payable on mineral oils.

In 2009 excise duty stood at CZK 9 950 per 1000 litres for diesel and CZK 11 840 per 1000 litres for petrol. The rate applied to diesel blends (SMN30 (mixed diesel fuel); proportion of FAME at least 30%) was CZK 6 866 per 1000 litres.

E85 fuel is taxed at the same rate as petrol but the taxpayer is entitled to a refund when it is released for free circulation. The amount of tax refunded is calculated on the basis of the quantity of specially denatured dewatered fermented alcohol or normal denatured dewatered fermented alcohol contained in the mineral oil.

The following fuels are exempt from excise duties: pure FAME and FAEE, vegetable oils, E95 fuel (in the context of pilot projects), liquefied biogas and second-generation biofuel. Compressed biogas is also exempt from excise duty, but in view of the fact that it is similar in nature to compressed natural gas (CNG), this is provided for in Act No 261/2007 on the stabilisation of the public

budget, which governs excise duty on natural gas.

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

No subsidies were granted in the Czech Republic in 2009 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 2009 4 098 thousand tonnes of diesel and 2 040 thousand tonnes of petrol were consumed in the Czech Republic. Biofuels accounted for 3.4% of total consumption by weight and 2.72% by energy content.

In 2009 154 923 tonnes of FAME/RME were produced for addition to diesel, 24 221 tonnes of which were exported to other countries. Imports of FAME/RME amounted to 10 866 tonnes. Total consumption of FAME/RME amounted to 141 262 tonnes. FAME/RME production capacity in 2009 was 425 000 tonnes.

Bioethanol production was 89 625 tonnes. 50 953 tonnes were exported and 32 939 tonnes imported. In 2009 bioethanol consumption in the Czech Republic amounted to 74 936 tonnes. Production capacity rose to 292 200 tonnes.

In addition to the biofuels added to fossil fuels on a mandatory basis, a high percentage of biofuel was used in the Czech Republic in 2009. This was mainly the diesel blend SMN30. E85, E95 and FAME/RME were used to a lesser extent.