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Report from the Spanish Directorate-General for Energy Policy and Mines pursuant to Article 4(1) of Directive 2003/30/EC of 8 May 2003 on the promotion of the use of biofuels

Article 4(1) of Directive 2003/30/EC of 8 May 2003 on the promotion of the use of biofuels and other renewable fuels in transport requires the Member States to report to the Commission, before 1 July each year, amongst other things on:

- ❖ the measures taken to promote the use of biofuels;
- ❖ the national resources allocated to the production of biomass for energy uses other than transport;
- ❖ the total sales of transport fuels;
- ❖ the national targets for 2006.

The Directorate-General for Energy Policy and Mines, on the basis of the information in its possession, is therefore pleased to report as follows:

1. Measures adopted

Firstly, the most significant measure adopted in Spain to promote the use of biofuels in the transport sector is set out in Article 6.5 of Law No 53 of 30 December 2002 on fiscal, administrative and social measures, which lays down a special tax rate for biofuels.

Until 31 December 2012, a special tax rate of zero euro per 1 000 litres will apply to biofuels under conditions which will be laid down by regulation and without prejudice to paragraph 3 of that Article. The special tax rate will apply solely to biofuel, even if it is mixed with other products for use.

Provided that comparative changes in the production costs of petroleum products and biofuels make it advisable, the General State Budget Law may replace the zero rating referred to in paragraph 1 of the above Article by a positive tax rate, which must not exceed the tax rate applicable to the equivalent conventional fuel.

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

In 2004, the consumption of biomass, biogas and municipal solid waste, as primary energy but excluding biofuels, was as follows:

| | | | |
|------------------------|-----------|---|-------------------|
| Electricity generation | 4 241 GWh | = | 1 342 ktoe |
| End-use | | | 3 515 ktoe |
| TOTAL | | | 4 857 ktoe |

3. Total sales of transport fuel, 2004

- National consumption of automotive petrol (95, 97 and 98 Octane) 7 714 kt
- National consumption of automotive diesel 22 155 kt
- Sales of bioethanol intended for transport 168 600 t
- Sales of methyl ester in the national market 9 371 t

The bioethanol listed above was intended for the production of ETBE in Spanish refineries for the subsequent production of petrol.

The methyl ester produced in Spain was made from waste vegetable oils and was used in the transport sector after mixing with automotive petrol.

On the basis of the above figures, the following proportions of biofuels were used in the transport sector in Spain in 2004:

Petrol

- Petrol consumption 7 714 000 t
- Bioethanol consumption 168 600 t

The proportion is therefore 1.34% calculated on the basis of the energy content of bioethanol.

Diesel

- Consumption of automotive diesel 22 155 00 t
- Consumption of biodiesel 9 371 t

The proportion is therefore 0.04% calculated on the basis of the energy content of biodiesel.

On the basis of the above figures, biofuels therefore accounted for an average of 0.38% of fuels used in the transport sector in 2004.

4. National indicative targets

In accordance with Article 3(1)(b) of Directive 2003/30/EC, the reference value for the national targets for the marketing of biofuels and other renewable fuels in the transport sector is within the range 0.40%-0.50% calculated on the basis of the energy content of the automotive petrol and diesel sold in the Spanish transport market by 31 December 2005.

5. Mistake in information submitted for 2003

The figures for the consumption of biofuels in the Spanish market in 2003 which were sent to the European Commission in the report from the Directorate-General for Energy Policy and Mines dated 30 September 2004 have been revised as a mistake was found when calculating the consumption of biodiesel in Spain.

Details of the sale of biofuels for transport purposes in 2003 are therefore included in this report, with the corrected figures.

Total sales of transport fuel, 2003

- National consumption of automotive petrol (95, 97 and 98 Octane) 8 041 kt
- National consumption of automotive diesel 20 770 kt
- Sales of bioethanol intended for transport 188 167 m³
= approx. 152 000 t
- Production of methyl ester 5 819 t

The bioethanol listed above was intended for the production of ETBE in Spanish refineries for the subsequent production of petrol.

The methyl ester produced in Spain was made from waste vegetable oils and was used in the transport sector after mixing with automotive petrol.

On the basis of the above figures, the following proportions of biofuels were used in the transport sector in Spain in 2003:

Petrol

- Petrol consumption 8 041 000 t
- Bioethanol consumption 152 000 t

The proportion is therefore 1.16% calculated on the basis of the energy content of bioethanol.

Diesel

- Consumption of automotive diesel 20 770 000 t
- Consumption of biodiesel 5 819 t

The proportion is therefore 0.025% calculated on the basis of the energy content of biodiesel.

On the basis of the above figures, biofuels therefore accounted for an average of 0.35% of fuels used in the transport sector in 2003.

National indicative targets

In accordance with Article 3(1)(b) of Directive 2003/30/EC, the reference value for the national targets for the marketing of biofuels and other renewable fuels in the transport sector is 0.40% calculated on the basis of the energy content of the automotive petrol and diesel sold in the Spanish transport market by 31 December 2005.

Madrid, 16 June 2005