

Important notice: this report has been submitted in the language of the Member State, which is the sole authentic version. Translation into the English language is being provided for information purposes only. The European Commission does not guarantee the accuracy of the data or information provided in the translation, nor does it accept responsibility for any use made thereof.

Directorate-General for Energy and Geology

**Sixth national report on promoting the use of biofuels and other renewable fuels in transport in Portugal – Directive 2003/30/EC October 2008**

**(2008)**

**December 2009**

## 1) Introduction

This report on the year 2008 aims to comply with the requirement 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 for transport;
- the total sales of transport fuel and the share of biofuels, pure or blended, and other renewable fuels placed on the market on an annual basis.

In accordance with Article 4(1) of the Directive, this report also refers to the national indicative targets for the second phase (31 December 2010).

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

Decree-Law No 62/2006 of 21 March 2006, which transposed Directive 2003/30/EC into Portuguese law, sets out measures for promoting the use of biofuels, specifically:

- the possibility of imposing minimum quotas for biofuels in fossil fuels if biofuel incorporation 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 of more than 10%;
- the creation of the title of ‘dedicated small producer’ for firms with a maximum annual production of 3 000 tonnes from waste materials or using technological development projects based on products that are more environmentally friendly.
- the establishment of other aid in the form of specific legislation.

The promotion of biofuels through tax measures was covered 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 (specifically the ISP - *Imposto sobre Produtos Petrolíferos e Energéticos* or tax on oil and energy) up to a fixed annual rate as laid down in Portaria [Order in Council] No 1391-A/2006 of 16 December 2006 as regards the allocations for 2007.

Following publication of Portaria No 1554-A/2007 of 7 December 2007, the quantities to be exempted and the corresponding access conditions for the years 2008 to 2010 were established.

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

Electricity produced using renewable sources falls under the ‘special regime’, and producers are guaranteed that the Public Service Electricity Network will take up the energy produced by renewable sources.

A target of 250 MW of installed capacity has been established for this renewable energy. Differential rates exist, depending on the source, to pay for renewable electricity supplied to the network, which, in the case of biomass, was in 2008 an average of about €0.11/kWh (Decree-Law No 225-A/2007 of 31 May 2007).

The data for electricity and heat produced from biomass in **2008** are as follows:

<b>Electricity</b>		<b>Heat</b>	<b>Total</b>
GWh	TOE	TOE	TOE
3 076	264 451	1 926 672	2 191 123

Source: DGEG, provisional data.

#### 4) Total sales of transport fuels

Total sales of transport fuels in 2008 are as follows:

<b>Petrol</b>	Super leaded	165 tonnes
	Unleaded 98	168 744 tonnes
	Unleaded 95	1 319 404 tonnes
	<b>Total</b>	<b>1 488 313 tonnes</b>
<b>Diesel</b>	Road diesel	4 795 002 tonnes
	Agricultural diesel	301 351 tonnes
	<b>Total</b>	<b>5 096 353 tonnes</b>
<b>LPG (motor vehicles)</b>		<b>25 349 tonnes</b>
<b>Natural Gas</b>		<b>7 742 10<sup>3</sup> m<sup>3</sup> (n)</b>

Source: DGEG, provisional data.

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

- For **petrol**: biofuels were not incorporated
- For **diesel**: 146 874 tonnes of biofuel (5 497 493 GJ) were included, i.e. an incorporation rate of approximately 2.49% (on the basis of energy content).

Total petrol and diesel consumption was 287 516 778 GJ.

**In total, biofuel incorporation in the road transport sector in 2008 was 1.91%.**

#### 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 subsequently 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 2009

In view of the results of incorporating biofuels into road transport fuels in 2008, Decree-Law No 49/2009 of 26 February 2009 laid down that road diesel should have a FAME content of 6% by volume for 2009 and 10% for 2010. However, this requirement is subject to a review

of the maximum ceiling for biodiesel established in EN 590 (this value is currently 7% by volume).

Following the publication of Decree-Law No 49/2009 of 26 February 2009 and Portaria (Order in Council) 353-E/2009 of 4 April 2009, it has been laid down that, with regard to 2009, the FAME content of diesel should be 5 to 5.5% by volume, which represents approximately 290 billion litres of FAME (255 000 tonnes).

With regard to the use of biomass for purposes other than biofuels, a call for tender for allocating electricity production capacity totalling 100 MVA in the electricity distribution network for 13 forest biomass thermoelectric power plants is in the final stage. As a result of these invitations to tender, it is expected that approximately 1 000 000 t/year of forest waste will be consumed.

Of these 13 calls for tender, 10 of these have already been awarded network connection points and for the others, the procedure for awarding network connection points will be completed by the end of this year.