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MINISTRY OF INDUSTRY, TOURISM AND TRADE
Subdirectorato-general: international energy relations
SECRETARY OF STATE FOR ENERGY

25/11/2009

REPORT UNDER ARTICLE 4(1) OF DIRECTIVE 2003/30/EC OF 8 MAY 2003
ON THE PROMOTION OF THE USE OF BIOFUELS OR OTHER RENEWABLE FUELS
FOR TRANSPORT

Article 4(1) Directive 2003/30/EC of 8 May 2003 on the promotion of the use of biofuels or other renewable fuels for transport sets out the obligation for Member States to report to the Commission, before 1 July each year, 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 fuel,
- § the share of biofuels placed on the national markets, and
- § the level of national targets for 2009 and subsequent years.

In line with this request, the Directorate-General for Energy Policy and Mining, within its sphere of competence, reports as follows:

1. – MEASURES TAKEN

The main measures taken in Spain to promote the use of biofuels in the transport sector are:

- Article 6(5) of Law No 53/2002 of 30 December 2002 of tax, administrative and social measures, establishing a special tax rate for biofuels.
 - Until 31 December 2012 a special rate of zero euro [per 1 000 litres] will apply to biofuels. This special rate will apply exclusively to the volume of biofuel even when it is used blended with other products.
- Article 9 of Royal Decree No 1716/2004 of 23 July 2004 regulating the obligation to maintain minimum security stocks, establishes for the obligee the possibility of maintaining up to 40% of the aforementioned security stocks in the form of raw materials, which would cost less than owning the end product.
 - As another measure for the promotion of the use of biofuels, the Ministry of Industry, Tourism and Trade applies to producers of biofuels (bioethanol or biodiesel) officially operating on the Spanish market this scheme, which has a positive impact on the calculation of minimum security stocks.
- Additional Provision 16 of Law No 12/2007 of 2 July 2007 amending Law No 34/1998 of 7 October 1998 regarding the hydrocarbons sector and setting annual targets for biofuels and other renewable fuels for transport purposes.

The targets for 2008 are indicative (1.9%), but will become mandatory from 2009 (3.4%), and increased to 5.38% in 2010.

In order for these targets to be attained in the most efficient way, Order No ITC/2877/2008 of 9 October 2008 establishes a registration system for the quantity of biofuels that are sold or used and a certification and compensatory payment system managed by the National Energy Committee. This system will enable obligees to transfer certificates while monitoring compliance with the requirement.

2.- NATIONAL RESOURCES ALLOCATED TO THE PRODUCTION OF BIOMASS FOR USES OTHER THAN TRANSPORT

In 2008 the use of biomass, biogas and municipal solid waste in terms of primary energy, excluding biofuels, was as follows:

Electricity produced: 1 654 ktep

End uses (Thermal Area); 3 497 ktep

TOTAL: 5 151 ktep

3.- TOTAL SALES OF TRANSPORT BIOFUELS ON THE SPANISH MARKET IN 2008

National consumption of automotive petrol¹: 6 287 KTm

National consumption of automotive diesel: 25 125 KTm

Sales of bioethanol for transport purposes: 144 490 Tm

Sales of methyl ester for transport purposes: 588 428 Tm

The figure given for bioethanol was for the production of ETBE in Spanish refineries, for subsequent formulation of petrols.

Spain's production of methyl ester has been obtained from waste virgin oils and vegetable oils and has been used in the transport sector by mixing it with automotive diesel.

In accordance with the quantities mentioned, the share of biofuels in the Spanish transport sector for 2008 was as follows:

- For petrol:
 - Consumption of petrol: 6 287 190 Tm
 - Consumption of bioethanol: 144 490 Tm

These figures indicate a share of 1.4%, calculated on the basis of the energy content of the above products.

- For diesel:
 - Consumption of automotive diesel: 25 125 385 Tm
 - Consumption of biodiesel: 588 428 Tm

These figures indicate a share of 2.07%, calculated on the basis of the energy content of the above products.

Accordingly, the average share of all biofuels in the transport sector in 2008 amounted to **1.94%**.

¹ 95 I.O., 97 I.O. and 98 I.O.

5. – INDICATIVE NATIONAL TARGETS

The marketing value of biofuels and other renewable fuels in the transport sector for 2008 is estimated at 1.94%, calculated on the basis of the energy content of the above-mentioned products marketed on the Spanish transport market. This means that the indicative target of 1.9% for 2008 included in Additional Provision 16 of Law No 12/2007 of 2 July 2007 amending Law No 34/1998 of 7 October 1998 regarding the hydrocarbons sector has been achieved.

The national target for the consumption of biofuels set by Directive 2003/30/EC for 2010 is 5.75%. The Government had previously set a mandatory target of 3.4% for 2009 and established a compliance monitoring system that is already operational. Furthermore, as has been explained before, Spain's target for 2010 is more ambitious than the mandatory target of 5.83%.