

Why Fuel Quality Standards are important for the Energy Community Contracting Parties

12th OIL FORUM
16 September 2020

- *Objectives of the Fuel Quality Directive*
- *Scope and Key Provisions*
- *EU Experience*
- *Public Consultation – Concept Paper on Implementation of FQD 98/70/EC*
- *FQD transposition in the Contracting Parties*
- *MC Recommendation (Jan 2018) and Secretariat suggestions*

Objectives of the Fuel Quality Directive

High level of protection of the environment and human health

- *Reduce pollutions from transport industry*
- *Enhance Air quality*
- *Reduction of greenhouse gas emissions from transport fuels*

Compatibility of fuels with engines

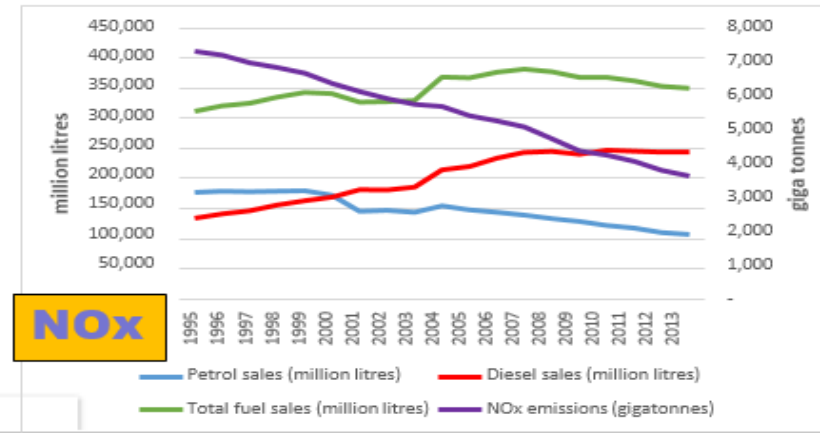
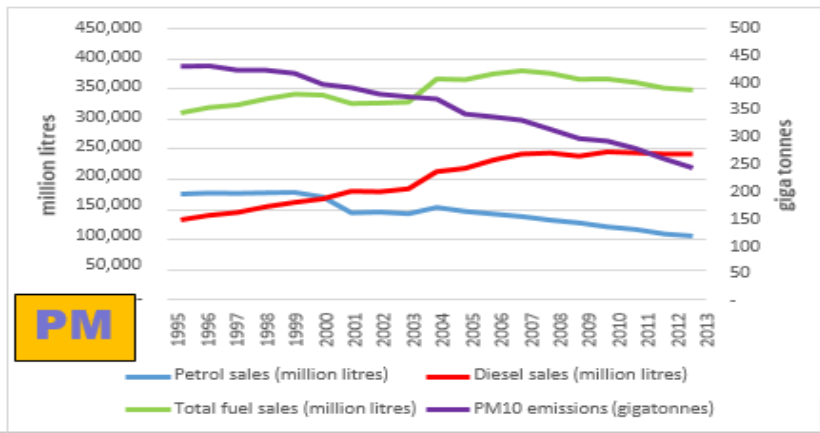
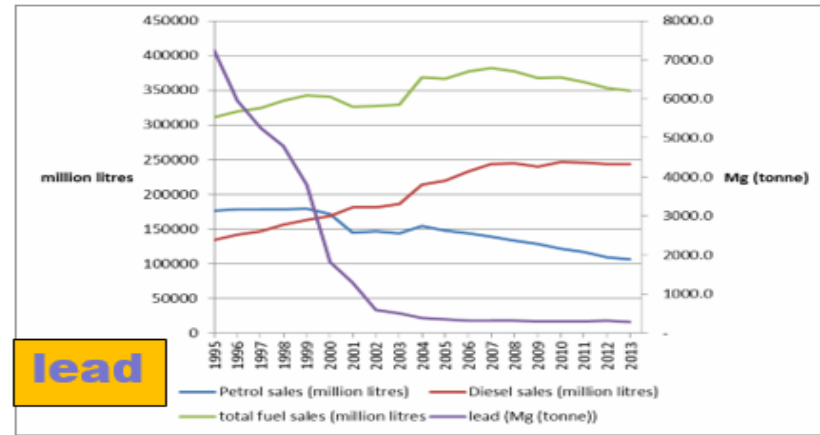
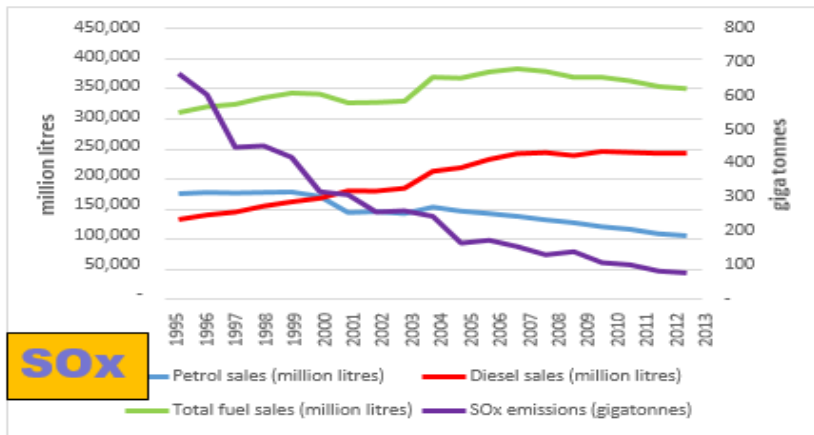
- *Contribute to the single market of the main petroleum products (petrol and diesel)*
- *Guarantee quality of these products (petrol and diesel)*
- *Ensure a proper functioning of the automotive engines*

- *Fuel used in internal combustion engines on the road and in non-road mobile machinery (NRMM)*
- *NRMM covers inland waterway vessels, agricultural and forestry tractors, and recreational craft*
- *Fuel specifications, for petrol, diesel, and biofuel blends, intended to limit air pollutants - mainly:*
 - lead and other metallic additives, **SO_x**; **NO_x**; **PM**; unburnt **HC**; polycyclic aromatic hydrocarbons (**PAH**); benzenes & carbon monoxide*
- *Reduced requirements for gasoil used in NRMM (esp. sulphur, lead limits)*
- *Ensure compatibility with engines*

Key provisions of the Fuel Quality Directive

- *Petrol and Diesel Specifications harmonised - CEN Standards: EN 228 for petrol, EN 590 for diesel - voluntary and cannot be legally enforced*
- *Fuel parameters regulated: 18 for petrol and 6 for diesel*
- *Ban Lead*
- *Blending limits for certain biofuels:*
 - *Fatty Acid Methyl Ester (**FAME**) generally limited to 7% in diesel*
 - ***Ethanol** limited to 10% in petrol*
- *Sustainability of biofuels - Provisions shared with Renewable Energy Directive*
- *Greenhouse gas reductions from transport fuels*
- *Calculation of the life-cycle GHG emissions from biofuels*
- *Fuel quality monitoring and reporting*
- *Regulate other metallic additives*
- *Set a framework for enforcement including penalties*

The FQD contributed to lowering emissions in the EU



Concept Paper for Public Consultation

1. Does this document provide a true and fair overview of the status quo in the Contracting Parties as regards implementation of the FQD and actual fuel quality on the market?
2. Do you agree with the core elements suggested to be part of a future FQD at the level of the energy Community?
3. Do you consider that the FQD should be made legally binding in the Energy Community?
4. Are you in favour of a blending quota for certain types of biofuels like E5, E10 and B7 in the Contracting Parties?
5. Do you consider the restrictions on the use of metallic additives as appropriate or would you prefer for them to be banned completely?
6. Do you consider the existing requirements for reporting and monitoring adequate?
7. Do you consider that the strengthening of the penalty system would improve compliance with the FQD?
8. Please indicate any other comments you consider relevant.

Disclosure:

Do you agree that your contribution is published on the Energy Community website?

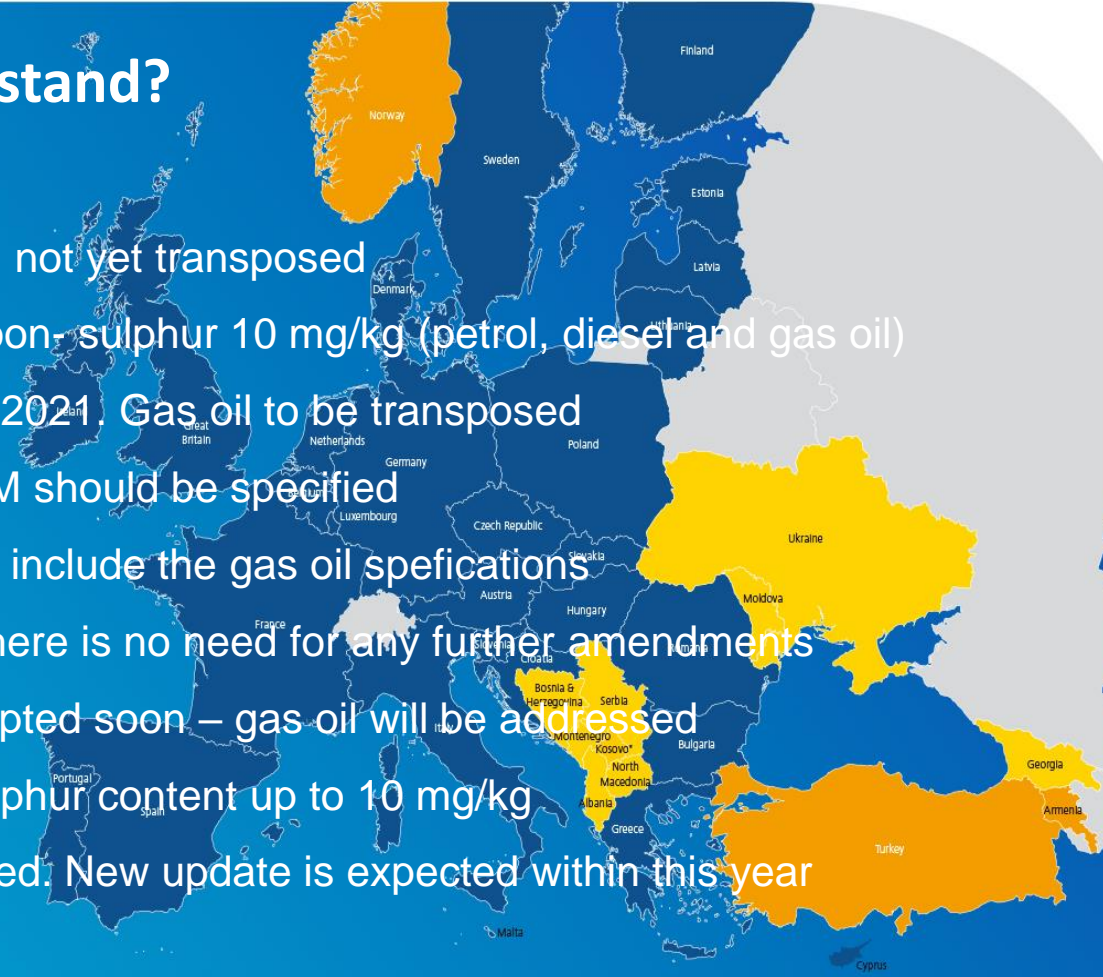
Public Consultation Feedback

1. 20% strongly agree; 80% agree
2. 30% strongly agree; 60% agree;
3. 30% strongly agree; 55% agree
4. Strongly favour 30%; Somewhat favour 25%; Neutral 30%
5. Absolutely appropriate 30%; appropriate 30%; Neutral 10%
6. Appropriate 35%; Slightly appropriate 45%; Neutral 15%
7. Strongly favour 60%; Somewhat favour 20; Neutral 10%

CPs Transposition – Where do we stand?

Secretariat suggestions:

- **Albania** - Sulphur content in gas oil for NRMM not yet transposed
- **Bosnia and Herzegovina** - a new Decision soon- sulphur 10 mg/kg (petrol, diesel and gas oil)
- **Georgia** – Petrol 10 mg/kg; Diesel from 1 Jan 2021. Gas oil to be transposed
- **Kosovo*** - Sulphur content in gas oil for NRMM should be specified
- **Moldova** – The latest Decision of 2019 should include the gas oil specifications
- **Montenegro** – fully compliant with FQD and there is no need for any further amendments
- **North Macedonia** - New Rulebook will be adopted soon – gas oil will be addressed
- **Serbia** - Gas oil should be transposed with sulphur content up to 10 mg/kg
- **Ukraine** - Gas oil used in NRMM is not specified. New update is expected within this year



MC Recommendation (2018/2/MC-EnC)

- CPs should prepare the legal and institutional preconditions for the implementation of the core elements of Directive 98/70/EC in their jurisdictions
- CPs, the Secretariat and the EC should identify the provisions of Directive 98/70/EC suitable for incorporation in the Energy Community, the necessary adaptations as well as appropriate deadlines
- Subject to a proposal by the European Commission, the Ministerial Council will decide on the adoption of a decision incorporating suitable provisions of Directive 98/70/EC

Secretariat suggestion: Directive 98/70/EC only applies to

Decarbonisation of transport fuels after 2020 will be addressed by the RED and the vast majority of transport fuels are placed on the CPs' markets is in line with the FQD fuel specifications, the Secretariat would suggest that Directive 98/70/EC (as amended) only applies to:

- **Petrol** (including bioethanol used in road transport)
- **Diesel** (including Fatty Acid Methyl Ester used in road transport)
- **Gasoil** used in non-road mobile machinery
- Prohibit the marketing of **leaded petrol** within their territories (art. 3.1)
- Permit the marketing of **unleaded petrol, diesel fuel and gas oils** intended for NRMM only if these meet relevant requirements (art. 3&4)
- Establish a regulatory system to cover exceptional circumstances and a system to collect **national fuel quality data** (art. 7 and 8).
- Establish a system for **monitoring** fuel quality (art. 8)
- Lay down the rules on **penalties** - effective, proportionate and dissuasive



THANK YOU FOR YOUR ATTENTION

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