

Position Paper

Energy consumption (fuel) in the EU's transport sector is falling (over the past 5 years, the overall demand has declined by 13%), thus decreasing GHG emissions in the transport sector. However, to achieve the objective as outlined in Art.7a FQD, this drop in GHG emissions is not included. To achieve the goals of art 7a, the fuel supplier has to reduce GHG emissions by per unit of energy contained in the fuel. Frankly speaking, the expected further decrease of energy consumption (fuel) by another 15% by 2020, will cover all expectations connected with decreases in GHG emissions, and as a result of this situation, art. 7a should be withdrawn, as over five years ago, when FQD entered into force, nobody expected a decrease of energy consumption in terms of fuels, and especially so fast.

Moreover, to achieve the 7a objective, the substantial increase in the usage of biofuels has to be planned. The excessive use of biofuels is discussed very often in the EU, and is seen as causing environmental problems (ILUC issue). One should not forget that biofuels components are more much expensive than crude oil fuels. This is very painful, especially in the situation whereby the crude oil price has dropped by almost 30%, which means that the price ratio of biofuels to fuels will be raised.

The Impact Assessment prepared by the European Commission on the calculation methods and reporting requirements pursuant to Article 7a of FQD, shows that introducing art.7a, according to the EC's concept, will influence the price of fuels by 0.3 euro cents only per litre, which is simply not realistic, and by our calculations, the reality is that it will amount to US\$ 6-10 per barrel of oil, which would be disastrous for our refineries, and lead to their uncompetitiveness, resulting in closures.

Please bear in mind:

the case of the refinery industry, whose contribution to GHG emissions is definitely lower, with a further lowering tendency by 2020, than was planned in 2009;

that the position of the European refinery industry is very difficult in view of global competition, yet is thought to be the most technologically-advanced, and any additional burdens would be unbearable;

that a substantial increase of biofuels, in view of ILUC, cannot be accepted within the EU's concepts;

that impact assessment is not objective to any degree, and only leads to false conclusions;

that in the default value scenario for processed crude oil, the EU's refineries will secure their European competitiveness, though it will not secure them from external competition: so, the default value solution is the only compromise solution acceptable.

I strongly recommend your votes to reject the resolution of the rapporteurs: Bas Eickhout, Gerben-Jan Gerbrandy, Matthias Groote, Jo Leinen, Sirpa Pietikäinen, and Piernicola Pedicini on 'the draft Council directive/EU laying down calculation methods and reporting requirements pursuant to Directive 98/70/EC of the European Parliament and of the Council relating to the quality of petrol and diesel fuels' during the December Plenary Session in Strasbourg.



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