

# UK exceeds biofuels target

## FO Licht's World Ethanol & Biofuels Report

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Britain is exceeding its 2.5% target for biofuels use in motor fuel but several oil companies have failed to meet environmental goals, a government agency said in its interim quarterly report on Tuesday.

"These early figures demonstrate that some companies have risen to the challenge of sourcing biofuels to meet good sustainability standards," Nick Goodall, chief executive officer of the Renewable Fuels Agency said in a statement. The agency said that several companies had, however, failed to report any biofuels as meeting qualifying environment standards, including BP and ExxonMobil's Esso.

Companies exceeding the environmental targets included Shell and Greenergy, which is part owned by retailer Tesco. Also doing well so far are Harvest Energy and Mabanaft and Shell, who both exceeded their carbon savings target. Harvest Energy and Mabanaft are also exceeding their sustainability target.

Some company performances, including those of ConocoPhillips and Chevron, could have their performance data revised after auditing, the Agency said.

Britain does not currently require that environmental standards are met.

The target for biofuels use became effective on April 15 and the report covered the first three months up to July 14. The report put biofuels use at 2.61% of motor fuel, slightly above the 2.5% target.

Biodiesel accounted for 84% of biofuels use with soy the most important feedstock (41%) followed by rapeseed (27%), tallow (12%) and palm (11%).

Other fuel companies falling foul of the voluntary duty to supply renewable fuels meeting environmental standards included Murco, Petroplus, Prax and Topaz.

Under the scheme, refiners, importers and any others who supply more than 450,000 litres of fossil-based road transport fuel annually to the UK market are obligated to supply biofuels within their fuel.

As well as the compulsory supply Obligation, fuel suppliers are encouraged to push for voluntary targets for sustainability with their supply of biofuels, which have attracted concerns this year for their indirect impacts on issues like global food prices and land use change.

This year's sustainability targets include 30% of biofuels meeting a qualifying environmental standard, that the biofuels should achieve a 40% greenhouse gas emissions saving compared to equivalent fossil fuel use, and that for at least 50% of biofuels data should be reported on feedstock, country of origin, sustainability standard met and any land-use change prompted by the fuel's production.

Overall, only 20% of biofuels supplied in the UK met qualifying environmental standards - meaning the voluntary target is being missed so far. The offending biofuels were mainly imported, with 97% of biofuels made from British feedstocks meeting the environmental standards.

The fuel suppliers did, overall, meet their greenhouse gas savings requirements, achieving a 44% carbon reduction in the first quarter of the 2008 financial year.

However, calculation of these emissions savings did not take account of indirect impacts from land-use change. The Agency has recommended that indirect effects are included in future sustainability reporting and is working with the Government and experts to identify a way to accurately reflect this, it said.

On data reporting requirements, the fuel suppliers again met their target overall, to report 50% of the data required by the RFA in four categories - feedstock, country of origin, sustainability standard met and land-use change. In this quarter, 61% of data was reported.

The feedstock was known for 95% of biofuels. Both the feedstock and country of origin were known for 72%. The most widely reported biodiesel feedstock was American soy (25% of all biodiesel). The most widely used bioethanol feedstock was Brazilian sugarcane (74% of all bioethanol).

Commenting on the report, RFA chief executive Nick Goodall said: "These early figures demonstrate that some companies have risen to the challenge of sourcing biofuels that meet good sustainability standards."