

Biofuels Consultation
Heat & Transport Energy Policy
DCCAE
29-31 Adelaide Road
Dublin2
D02 X285
25 November 2019

RE: Consultation on the development of the Biofuels Obligation Scheme for the period 2021-2030

By email to biofuel.obligation@dccae.gov.ie

Dear Sir or Madam,

Energy Cork is an industry-driven cluster, formed in 2012, pursuing coordinated actions to strengthen enterprise and employment within the energy sector in the Cork Region. The initiative is supported by Cork City Council and Cork County Council through their respective Economic Development Funds. Energy Cork was initially conceived by Cork Chamber with a view to building on the unique opportunities for the region to secure competitive advantage in the energy sector. Our Cluster has over 90 industry members from across the sector.

Energy Cork welcomes the opportunity to contribute to the discussion around the development of the Biofuels Obligation Scheme for the period 2021 to 2030, including the implementation of the biofuel elements of the recast Renewable Energy Directive. Until now auto fuel suppliers have been the main driver of transport decarbonisation in Ireland through their compliance with the Biofuels Obligation Scheme (BOS). The success of the scheme is such that biofuels are projected to contribute over 9% of the 10% renewable energy target in the transport sector by 2020. Energy Cork notes the crucial role of one of our member companies – Irving Oil – who play a leading role in allowing Ireland to meet our RES-Transport targets via biofuel blending at their Whitegate Refinery.

The Cluster has, for some time, taken a particular interest in advancing low-emission vehicles, especially in the Cork region. This stems from a sustainable transport conference – **Cork Transport Alternatives 2022**¹ – that we delivered in 2014 along with colleagues in the South West Regional Authority and the EU's BATTEREI project.

¹ <https://www.irishexaminer.com/ireland/cork-set-to-lead-drive-for-energy-efficiency-263319.html>

In 2015, Energy Cork was involved with a wide group of Cork stakeholders, including MaREI, ESB ecars, as well as vehicle manufacturers, toll and parking operators, to deliver Cork's **Drive4Zero**², which fostered the growth in electric car numbers in the regions through a range of incentives and promotional activity.

Since 2016, Energy Cork has been developing and promoting our **Ireland's Greenest Bus Fleet**³ proposal, developed by the Energy Cork Transport Sub-Group with the support of Bus Éireann, Gas Networks Ireland, Cork County Council, Cork City Council, Cork Chamber, and University College Cork, envisages the transition of the Cork city bus fleet (at least 120 vehicles) on a phased basis from the current diesel vehicles to compressed natural gas (CNG)/ Biomethane fully renewable, gas-fuelled vehicles. With the initiation of green gas injections to the national grid the possibility of a fully renewable and carbon neutral bus fleet and technology is now a real possibility that offers unprecedented benefits from an energy resilience, circular economy, waste to energy, clean energy and environmental perspective.

Energy Cork was delighted to recently host, with our colleagues in Cork Chamber, Gas Networks Ireland and MaREI at UCC, **Ireland's First Zero Carbon Biogas Bus Journey**⁴ from Cork City to Ringaskiddy on Monday March 25th. The bus journey, utilising a biogas fuelled bus used in the Department of Transport, Tourism and Sport's trial of low emission bus technologies in Cork and Dublin, brought together a range of stakeholders from across Cork and nationally. Biomethane bus technology is tried and tested across Europe and could be pivotal to growing the Cork City region sustainably. In the next 3 years alone, Cork City Centre will have 5,000 new jobs as current developments come to completion.

The advantages of a transition to natural gas/biogas fuelled bus fleets, already commonplace elsewhere in the world, may be summarised as follows:

- Reduced CO₂ emissions – over 17% versus Euro VI diesel technology – for CNG buses. CO₂ emissions can reduce to zero using green biogas
- An 80% reduction in Nitrous Oxides (NO_x)
- Over 75% reduction in Particulate Matter (PM) versus diesel option
- CNG technology provides a pathway to the utilization of certified renewable biogas in the Irish transport system
- Fuel costs reduced by 25%, providing a compelling economic case on a life-cycle assessment basis

² www.drive4zero.ie

³ <http://www.energycork.ie/index.php/portfolio/irelands-greenest-bus-fleet/>

⁴ The zero-carbon nature of the bus journey was assured by the purchase, by Gas Networks Ireland, of certified renewable biogas in the UK sufficient for the amount of compressed natural gas used in this trial. At the time of the bus journey (March 2019) certified renewable biogas was not yet available on the Irish market.
<https://www.rte.ie/news/environment/2019/0325/1038431-green-bus-trial/>

- CNG bus technology is a mature technology. Vehicles are available with standard bus lead times, strong performance records and standard maintenance requirements. CNG is a proven technology and has been trialed in Ireland. CNG trucks are also appearing on the Irish market.
- CNG/Biogas buses will utilise indigenous fuel sources
- Gas Networks Ireland (and others) are deploying natural gas/biogas refuelling facilities

Of course, low-emission vehicles is just one element of a sustainable public transport system, the other being the promotion of extensive usage of these vehicles and their role in encouraging people away from low-occupancy car use. Energy Cork welcomes the development of the Draft Cork Metropolitan Area Transport Strategy by the NTA, which can provide the basis of a roadmap for a sustainable transport strategy for Cork. We also welcome the continuing increases in Bus Éireann bus passenger numbers in Cork.

Considering all of the above, Energy Cork will restrict its direct response to the Consultation to Question 5 i.e. the question relating to Advanced Biofuel Obligation (including Biomethane).

Question 5(a) Do you consider the approach to introducing an advanced biofuel obligation appropriate?

Energy Cork support the introduction of an advanced biofuel obligation but caution that the level of the obligation should be set relative to the availability of the advanced biofuels on the market. Currently there is very limited supply of Annex IX Part A biofuels on the market. Targets need to be conservative and achievable to allow time for the market to grow.

Energy Cork support the use of indigenous biofuels to meet this obligation where possible, whilst recognising that imported biofuels will be required to meet targets in the short to medium term.

Energy Cork support an obligation for indigenous advanced biofuels for circular economy reasons, and note that this is a policy objective at both national⁵ and EU level⁶.

Energy Cork support an obligation for indigenous advanced biofuels as it will facilitate the elimination of waste and better use of scarce resources, by incentivising and promoting the production of biofuel from indigenous waste streams.

Energy Cork also highlight the economic benefits of an advanced biofuel obligation, as it will stimulate economic activity and job creation in the production of indigenous biofuels from local waste streams.

⁵ <https://www.dccae.gov.ie/en-ie/environment/topics/sustainable-development/circular-economy/Pages/default.aspx>

⁶ <https://ec.europa.eu/environment/circular-economy/>

Energy Cork would welcome periodic consultation with the industry to determine future obligation rate increases. This periodic consultative process is critical to the future success of the scheme and key to protecting the consumer from increasing pass through costs. These costs are related to potential buy out by industry where targets are unachievable due to lack of biofuel market supply.

Question 5 (b): What biofuels do you envisage contributing to meeting this obligation?

There is very limited supply of advanced biofuels in Ireland presently. This market needs to establish itself in order to support the Biofuel Obligation Scheme and the advanced biofuel sub obligation. Increased investment in the production of indigenous biomethane is required, in the absence of which, advanced biofuel targets will largely be met by imported biofuels, such as ethanol produced from starch slurries, blended into gasoline.

Regarding indigenous production of biomethane, Energy Cork envisage the use of local waste streams, agricultural waste, municipal waste and food waste being used to produce these biofuels.

Energy Cork believe that biomethane from waste streams has huge potential as an advanced biofuel.

Ireland's First Zero Carbon Biogas Bus Journey in March 2019 was fuelled by imported certified zero carbon from the UK and Energy Cork strongly would encourage and advocate for the availability of indigenous zero carbon biomethane, as soon as possible.

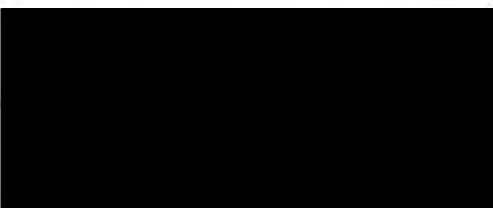
An EU Study ⁷in 2017 concluded that Europe has not yet reached its full potential for the production of zero carbon biomethane, and further concluded that Ireland has one of the highest potentials for indigenously produced biomethane.

As the EU works towards its ambitious energy and climate targets for 2030, renewable gases such as biomethane can be a flexible and sustainable alternative source of energy, to support energy security and greenhouse gas emission reduction in all energy sectors, electricity, heat but particularly transport.

This study also highlights the absence of policies promoting renewable gas including biomethane in some EU countries, leading to the current situation where its full potential is not being reached.

Energy Cork envisage that the inclusion of biomethane in the biofuel obligation scheme is the first step in a series of policy measures to allow indigenously produced renewable gases such as biomethane reach its full potential in Ireland to meet our 2030 targets for emissions reduction and renewable energy.

Energy Cork would be happy to discuss the above matters in further detail.



⁷ <https://ec.europa.eu/energy/en/news/new-study-focuses-potential-biogas-source-clean-energy>