



Brussels, 18 February 2011

To: Commissioner Connie Hedegaard
European Commission
200 rue de la Loi
1049 Bruxelles

CC: Commissioner De Gucht, Director General Jos Delbeke, Head of Cabinet Peter Vis

Re: Addressing the climate intensity of tar sands and shale oil under the Fuel Quality Directive

Dear Commissioner Hedegaard,

We write to you regarding new scientific evidence which will affect the treatment of tar sands and shale oil under the implementing measures for the Fuel Quality Directive. We understand that this issue is under discussion in the Commission.

First of all, we would like to congratulate your services for conducting and publishing two very robust studies reviewing existing life cycle analyses of tar sands and shale oil. The studies by Adam R. Brandt entitled "Upstream greenhouse gas (GHG) emissions from Canadian oil sands as a feedstock for European refineries" and "Greenhouse gas emissions from liquid fuels produced from Estonian oil shale" complement the existing body of evidence about the higher carbon intensity of these two fossil fuel sources.

The studies represent the average industry data, are transparent and peer reviewed and also acknowledge the shortcomings of some of the existing evidence. For instance, the tar sands study reviews the oft-quoted report by Cambridge Energy Research Associates (CERA) and finds its methodology to be non-transparent. The study also looks into the carbon intensity of tar sands as a feedstock for European refineries, which was considered necessary for choosing a specific default value.

With these studies, all barriers to the immediate inclusion of default values for tar sands and shale oil have now been eliminated. On the basis of these studies, the Commission can include a default value for tar sands of 107 g CO₂eq/MJ and for shale oil of 139 g CO₂eq/MJ.

The Commission should apply a principled approach for determining the default values for all conventional and unconventional feedstocks, basing it on the most likely industry-average GHG emissions for each feedstock. Only then can the EU chart a credible path towards decarbonisation of transport fuels. In this context, the fact that a single barrel of the most GHG intensive conventional crude - Nigerian oil with high amounts of flaring (largely illegal)- can have a higher GHG intensity than the least GHG intensive barrel of tar sands derived synthetic crude is irrelevant.

These values should then be periodically reviewed to reflect the progress in science, as well as changes in the production processes used. For example, the industry-average emissions of tar sands are likely to increase as production shifts from mining to in-situ processes. The Brandt study is based on the current production split of 55% mining and 45% in-situ production. In the future, 80% of tar sands deposits would require extraction in-situ, which is on average 2.5 times more GHG intense than mining.

We hope that you can take these arguments into consideration and would welcome an opportunity to discuss this issue with you further.

Yours sincerely,



Jos Dings
Director
Transport & Environment



Susan Casey-Lefkowitz
Director International Program
Natural Resources Defense Council



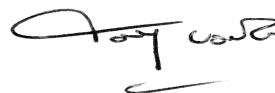
Magda Stoczkiewicz
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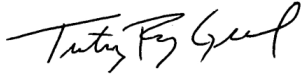
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Tim Grabel
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Graham Saul
Executive Director
Climate Action Network Canada



Paul Monaghan
Head of Social Goals and Sustainability
The Co-Operative group (UK)

Attachments:

- Pembina: Life cycle assessments of oilsands greenhouse gas emissions: A checklist for robust analysis - <http://pubs.pembina.org/reports/pembina-lca-checklist.pdf>