

	2012 proposal	2014 proposal	What does this mean?
Accounting the carbon intensity of fossil fuels	<ul style="list-style-type: none"> ◦ Company-specific and based on feedstock. ◦ Fuel suppliers have to report their individual fuel carbon intensities and use higher default carbon intensity values for other feedstocks, such as tar sands and oil shale. ◦ <u>Ex:</u> Repsol has to report a higher carbon intensity value for importing oil derived from tar sands crude in Spain. This serves as a disincentive. 	<ul style="list-style-type: none"> ◦ EU average from 2010 ◦ Fuel suppliers report the same EU-wide default carbon intensity value (one for petrol and one for diesel) based on 2010 carbon intensity data. ◦ <u>Ex:</u> Repsol, like all the other EU fuel suppliers, will use the EU average value, no matter if it imported tar sands or not. 	<ul style="list-style-type: none"> ◦ The 2012 proposal had a company-specific disincentive to invest in high carbon feedstocks, such as tar sands, as companies would have to report and account for placing this oil on the EU market. this would make it more difficult to achieve the 6% target. ◦ In the 2014 proposal, it is unclear whether the imports of high carbon oil will be accounted at all - it depends if the revision of the EU average value will happen or not.
Compliance options to meet the 6% target	<ol style="list-style-type: none"> 1. Blending biofuels 2. Electricity, hydrogen and gas 3. Upstream Emission Reductions 4. Opting for lower carbon oil 	<ol style="list-style-type: none"> 1. Blending biofuels 2. Electricity, hydrogen and gas 3. Upstream Emission Reductions 	<ul style="list-style-type: none"> ◦ The new proposal takes away one compliance option: not to import feedstocks with high carbon intensity. ◦ Less compliance options can increase the cost of meeting the target. It will also take away the investment incentive, which could lead to additional 19 million tonnes of CO2/year.
Reporting the origin	<ul style="list-style-type: none"> ◦ Origin = feedstock & Fuel suppliers need to report the original feedstock: tar sands, oil shale, etc.. together with its carbon intensity value ◦ Same requirement for ALL fuel suppliers - for both crude oil and refined products. 	<ul style="list-style-type: none"> ◦ Origin = Market crude oil name (MCON) <u>Importers of crude oil</u> report the crude trade names "Feedstock trade names". A list of more than 600 names is provided. ◦ <u>Importers of refined products</u> report only the indication "EU" or "non EU". ◦ <u>SMEs</u> report only "EU" or "non EU" ◦ Information will remain confidential. 	<ul style="list-style-type: none"> ◦ The reporting by MCONs is a novelty, inspired by the Californian Low Carbon Fuel Standard. It will permit to have more disaggregated information on the EU oil intake, if properly implemented. ◦ Origin will be reported to the Member States which will then report aggregated data to the European Commission. ◦ The exemption on refined products (around 20/25% of EU oil intake) prevents the set-up of the necessary tracking system to have a full transparency of the EU fuel market.
Option to report actual values	This possibility existed for high-carbon fuels such as tar sands, oil shale, coal-to-liqui and gas-to-liquid.	No , this is not a possibility.	<ul style="list-style-type: none"> ◦ In a draft proposal sent to Inter Service Consultation (ISC), there was still an option to report actual values for all sources of fuels. This option might have been attractive for the better-performing companies - those with relatively low-carbon products. ◦ It has now been entirely deleted, which reduces transparency on the market and closes one compliance option, which is using lower carbon oil.
Carbon intensity value for tar sands and other feedstocks	Conventional crude: 87,5 gCO2eq/MJ Natural bitumen: 107 gCO2eq/MJ Coal-to-Liquid: 172 gCO2eq/MJ Natural Gas: 97 gCO2eq/MJ Oil shale: 131.3 gCO2eq/MJ	Conventional crude: 93.2 gCO2eq/MJ Natural bitumen: 107 gCO2eq/MJ Coal-to-Liquid: 172 gCO2eq/MJ Natural Gas-to-Liquid: 94.3 gCO2eq/MJ Oil shale: 131.3 gCO2eq/MJ	<ul style="list-style-type: none"> ◦ Recognition that some sources of oil are more carbon intensive but nothing's done to account or prevent the increase of carbon intensity of EU oil used in transport. ◦ Research study by the NRDC shows that if nothing is done to prevent the use of high-carbon oil, 5.3% to 6.7% of EU transport fuels will likely come from Canadian tar sands by 2020.

Reporting the place of purchase	<ul style="list-style-type: none"> ◦ Fuel suppliers have to report the country where feedstock was cultivated or the raw material extracted. ◦ Same requirement for ALL fuel suppliers. 	<ul style="list-style-type: none"> ◦ <u>Importers of crude oil</u>: country and name of place where product underwent last substantial transformation. ◦ <u>Importers of refined products</u>: Idem. <u>Ex</u>: name of US refinery ◦ <u>SMEs</u>: "EU" or "non EU" 	<p>For refined products, it won't be possible to have access to the country where the raw material has been extracted.</p>
2010 baseline	<p>88,3 gCO₂eq/MJ</p>	<p>94,1 gCO₂eq/MJ</p>	<ul style="list-style-type: none"> ◦ The 2014 proposal has a much higher GHG intensity baseline, due to new studies with more accurate data, including the study by ICCT. ◦ In practice, this will mean that biofuels and other low carbon fuels will seem to perform better.
Upstream Emissions Reductions	<ul style="list-style-type: none"> ◦ Suppliers can count the GHG reductions from flaring and venting by doing Upstream Emissions reduction projects (UERs) 	<ul style="list-style-type: none"> ◦ Suppliers can count the GHG reductions from flaring and venting by doing Upstream Emissions reduction projects (UERs) 	<ul style="list-style-type: none"> ◦ The indications about how the system will work in practice are quite weak. No guidelines on how Member States are expected to verify what suppliers will report. ◦ There is also a risk of multiple counting (e.g. under different regulation) of the GHG reductions achieved by companies. In addition, it is not clear, how the Commission will deal with problems of additionality, the risk of perverse incentives and transparency on the market.
Review	<p>Yes. Review on the overall GHG calculation methodology, its effectiveness, update of default values, extending reporting of actual values, etc.</p>	<p>No review clause.</p>	<ul style="list-style-type: none"> ◦ In a draft proposal sent to ISC, there was still a review clause mentioning especially the update of the EU default values by the European Commission. It has now been deleted. ◦ The Commission can still review, but it only depends on them. In the light of numerous delays and Commission's reluctance to continue FQD target after 2020 (without proper consultation) their commitment on this issue is at best questionable.
Environmental impacts	<ul style="list-style-type: none"> ◦ Reduction of consumption in unconventional sources of oil. ◦ No Canadian tar sands reaching the EU. ◦ Venezuela tar sands - <i>equivalent to 25,4 MtCO₂e*</i>. ◦ Oil shale: <i>0,1 MtCO₂e</i> . 	<ul style="list-style-type: none"> ◦ Consumption of unconventional sources of oil not affected. ◦ Canadian tar sands reaching the EU - <i>equivalent to 1,9 MtCO₂e*</i> . ◦ Venezuela tar sands - <i>equivalent to 21,3 MtCO₂e*</i>. ◦ Oil shale: <i>equivalent to 0,4 Mt CO₂e*</i>. 	<p>Baseline scenario predicts unconventional at 3% in total energy share, but more than 4% of the 2010 baseline GHG intensity – so equivalent to more than half the expected reduction compared to 2010. (p.24 - Impact Assessment)</p>
Estimated cost increase at the pump	<p><i>0,03 cents/L*</i></p>	<p><i>0,03 cents/L*</i></p>	<p>Same for the two options according to the draft Impact Assessment.</p>

Annual administrative costs	€ 15 to 16 millions*	€ 2 to 3 millions*	<ul style="list-style-type: none"> ◦ Costs of reporting and verification. ◦ Overall, "there is little variation in terms of economic costs with regards to the different options (...). These costs are not considered to be significant in terms of economic or competitiveness impacts for fuel suppliers."*
Availability of data	No mention.	<ul style="list-style-type: none"> ◦ Confidentiality clause for information on origin (MCON or EU/non EU) reported to the MS. ◦ No confidentiality clause for the rest of the information reported. ◦ Commission can publish aggregate information on carbon intensity (by country). 	<ul style="list-style-type: none"> ◦ Confidentiality has no justification. U.S. EIA makes available online all information reported by oil producers and importers at company-specific level. ◦ Transparency helps changing companies' practices and improves EU energy security
Electricity	<ul style="list-style-type: none"> ◦ Table with national average values for electricity. ◦ Suppliers could either use their values or use the most recent statistics as published by Eurostat or EEA. 	<ul style="list-style-type: none"> ◦ Member States calculate national average life cycle default value. ◦ They can also allow their suppliers to establish GHG intensity values based on data reported by Member States, under 3 regulations. 	National values not listed anymore.

* Data extracted from the Impact Assessment study: http://ec.europa.eu/clima/policies/transport/fuel/docs/swd_2014_296_en.pdf .