

Development of Biodiesel in Belgium : State of the art and prospects

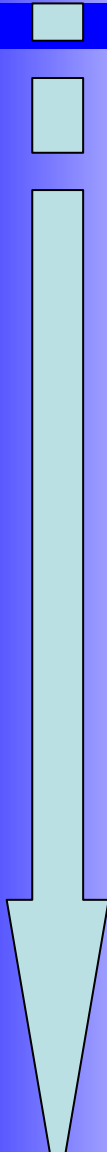
Olivia Schoeling

28 June 2007

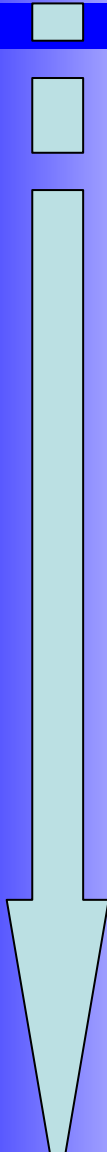
Content

- Procedure for liquid biofuels
- Implementation, tax and production plants
- Discussion and perspectives

Outlook of procedure

- 
- EU Directives 2003/30 and 2003/96
 - Belgian law (published MB 8 March 2005) : set objectives 2% in 2005, + 0,75%/year, up to 5,75% in 2010
 - Belgian Law (MB 12 July 05) proposal of tax advantage
 - Approval by European Commission (26 Dec 2005)
 - Belgian law (MB 20 March 2006) : pure plant oil (PPO) free of tax, starting 3 April 2006

Outlook of procedure

- 
- Belgian law (MB 16 June 2006) : set tax rates, call for tenders with volumes, dates, evaluation committee, criteria for choice
 - Official Journal EC (4 July 2006) : European call for tenders for biodiesel and ethanol, deadline 21 August 2006
 - Press release (22 Oct 2006) : winners/producers identified for ethanol and biodiesel
 - Belgian law (MB 7 Dec 06) : modalities for biofuels without CEN standard (PPO, E85, blends > 5%) and procedure for PPO

Ethanol

- 250 000 m³/y from Oct 2007 to Sept 2013
- min. 7% (ETBE, possibility for direct blending)



Oleon plant

Biodiesel

- 380 000 m³/y from Nov 2006 to Dec 2012
- min. 3,37% for 2006, 4,29% for 2007 and 5% afterwards
- possibility for higher blends for regional public transport companies

Pure Plant Oil

- farmers and cooperatives
- own rapeseed
- direct commercialisation

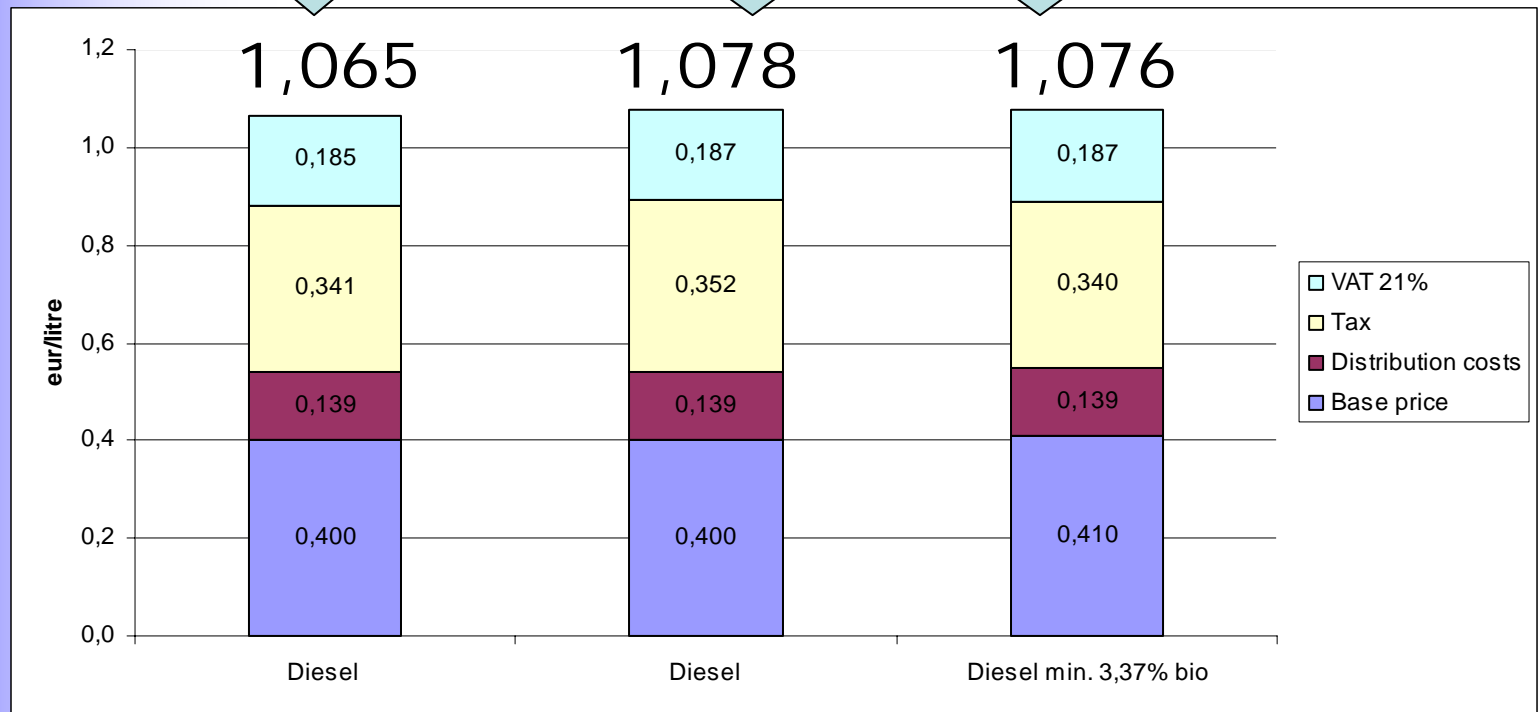
Taxes

→ Budgetary neutral for Belgium

Diesel consumer price

Before 1 Nov 06

After 1 Nov 06



- Tax reduction of 0,012 €/l → tax advantage of 0,352 €/l biodiesel
- Exception for public transport (tax reduction for higher %)

(Future) biodiesel producers

- **First call Biodiesel (up to Sept 07)**
 - Oleon, Gent, quota: 72 MI, cap. 100 000 t
 - Neochim, Feluy, quota: 125 MI, cap. 400 000 t
 - Proviron, Ostende, quota: 48.32 MI, cap. 120 000 t
 - Flanders Biofuels, Gistel, quota: 40.68 MI, burnt
- **Second call Biodiesel**
 - Bioro, Gent, quota: 165 MI/y, cap. 250 000 t
 - Proviron
 - Neochim
 - Oleon



Biodiesel use

Transportation fuels evolution and calculated objective

	Gasoline (1000 m3)	Diesel (1000 m3)	Total (tep)*	Objective Be (%)	Objective Be (tep)
1996	3.647	4.963	6.932.170		
2006	2.237	7.857	8.356.305	2,75	229.798
projection 2007	2.131	8.227	8.592.293	3,5	300.730
projection 2008	2.029	8.613	8.846.857	4,25	375.991
projection 2009	1.932	9.018	9.120.513	5	456.026
projection 2010	1.840	9.442	9.413.821	5,75	541.295
%energy 2010	9,0	3,8	4,6		
%volume 2010	13,6	4,0			



Call for tenders : best solution?

- + investments in Belgium
- + no imports from outside EU
- Difficult choice
- No flexibility (producers, quantities)
- Biofuels price increase?



Tax system : good?

- + Neutral for state budget
- + Good for rational use of energy
- Should allow tax reduction for high blends
- Advantage for oil companies

Supply/demand of rape

Belgian biodiesel capacity will probably be above 500 000 t/y while current rape area in Belgium can supply 15 000 t/y.

- Will supply be possible tomorrow in Europe?
- Imports of rape, soybean oil, palm oil !!
- Certification for imports needed?



Market issues

- Obligation necessary for oil companies?
- Communication strategy is important for consumer acceptance
- Biodiesel in public transportation companies (TEC, De Lijn, STIB)
- Objective beyond 2010 (10% by 2020)?



First pump in Belgium with biodiesel

Thank your for your attention

