

## **Report from the Czech Republic to the European Commission on the implementation in 2007 of Directive 2003/30/EC of the European Parliament and of the Council**

Under Article 4(1) of Directive 2003/30/EC on the promotion of the use of biofuels or other renewable fuels for transport, Member States are required to report to the European Commission each year on the measures taken to promote the use of biofuels for transport purposes, on the public funding allocated for the production of biomass for non-transport purposes and on the market situation for fuels.

### **1. Measures taken by the Czech Republic to promote the use of biofuels or other renewable fuels to replace diesel or petrol for transport purposes**

#### Revision of Amendment of Air Quality Act (No 86/2002), as amended by Act No 180/2007 of 7 June 2007

The Act lays down the minimum proportion of biofuel blended with the overall quantity of petrol and diesel released for free tax circulation in the Czech Republic. The Act lays down the following obligations for the use of biofuels in fuels:

- from 1 September 2007, 2 % by volume of the total quantity of diesel must be biofuels blended with diesel,
- from 1 January 2008, 2 % by volume of the total quantity of petrol must be biofuels blended with petrol,
- from 1 January 2008, 3.5 % by volume of the total quantity of petrol must be biofuels blended with petrol,
- from 1 January 2009, 4.5 % by volume of the total quantity of diesel must be biofuels blended with diesel.

The Act also requires anyone putting fuels into free tax circulation to keep records of fossil fuels and biofuels. In the event of a failure to comply with this latter obligation, the Act lays down a penalty of CZK 75 per litre of biofuel not put into free circulation.

#### Amendment of Act No 61/1997 on alcohol, as amended by Act No 37/2008 of 17 January 2008

The Act permits the use of specially denatured, dewatered, fermented alcohol or normal denatured, dewatered, fermented alcohol as an additive to mineral oils for use as a motor fuel.

#### Amendment of Act No 353/2003 on excise duties, as amended by Act No 37/2008 of 17 January 2008

The Act establishes the possibility to apply for the partial reimbursement of excise duties on mineral oils for persons using a diesel blend (SMN 30) containing at least 31 % RME. Fossil fuels for (diesel) combustion engines are subject to excise duty of CZK 9 950/1000 l and the excise duty on diesel blend amounts to CZK 6 866/1000 l.

#### Government Resolution No 164 of 25 February 2008 on a multiannual support programme to promote the use of biofuels in transport

The Czech Government has adopted a multiannual support programme to promote the use of biofuels in transport; this ensures the use of pure biofuels and high-percentage biofuel blends in transport. The fuels concerned are in particular SMN 30 diesel blend, E85 fuel, E95 fuel,

pure RME/FAME and pure vegetable oil. The programme has been notified to the European Commission. The programme and a planned revision of the Excise Duty Act will support high-percentage biofuel blends by reducing the level of excise duty applicable to them, or by exempting them from duty altogether.

## **2. State resources for biomass production for non-transport energy purposes in the Czech Republic**

### Support for cultivation of plants for energy purposes

In 2007, just as in the two preceding years, aid was provided for establishing plant stands for energy purposes (combustion). In 2007 the rate of aid was increased from CZK 2 000/ha to CZK 3 000/ha. This led to a significant rise (65%) in the area of land for which aid claims were made. In total aid of CZK 5 123 250 was paid out, covering an area of 1 707.75 ha.

### Aid for growing energy crops – ‘C-credit’

In 2007 European aid for the cultivation of energy crops was introduced in the Czech Republic for the first time. Grants amounting to €45/h were provided, up to the maximum guaranteed ceiling of 2 000 000 ha for the EU as a whole. However, because this ceiling was exceeded by more than 800 000 ha, aid was in practice reduced to €31.65/ha (around CZK 871.38/ha).

In the Czech Republic aid applications were made for a total area of 56 758.76 ha (around 2% of all EU applications). Most of the production from this land was used to make transport biofuels; the remainder was for production of biogas or for direct combustion. Aid will be paid out by the EU under the same conditions until 2009.

## **3. Overall amount of fuels sold for transport purposes and the share of biofuels, both pure and blended, and of other renewable fuels placed on the market for the previous year**

In 2007 3 976 billion tonnes of diesel and 2 092 billion tonnes of petrol were consumed in the Czech Republic. Biofuels accounted for 0.54% of total consumption of fuels by energy content. The expected share of biofuel consumption given in the previous year's report was 0.37% by energy content; the national target was thus met.

In 2007 81 806 tonnes of RME was produced as a replacement for diesel, 53 572 tonnes of which was exported to other countries. Imports of RME amounted to 8 338 tonnes. A quantity of around 34 368 tonnes of RME was used as a blend component in diesel, where the share of biofuels was 2% by volume (the B2 blend). The production capacity for RME in 2007 was 339 900 tonnes. During the 2007 processing period no aid was paid for releasing biodiesel into free tax circulation.

In the case of bioethanol, 26 508.9 tonnes was produced, of which 17 026.7 tonnes was exported. Closing stocks amounted to 9 194.8 tonnes and gross consumption was 287.4 tonnes. The production capacity for bioethanol in 2007 was 197 750 tonnes.