



Royal Dutch Shell Plc

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EU Register of Interest Representatives ID: 69545381134-55

June 2011

Public consultation on accounting methods and conditions for the 10% renewable energy in transport target – and on the need for additional types of biofuels being listed in Annex III of the Renewable Energy Directive

Section A: Electricity from renewable sources in transport

Q1: How do you value the impact of the 10% target for renewable energy in transport by 2020 on the development of electric vehicles?

- Not significant
- Significant, but other policies/developments will be of more importance
- Important, along with other policies/developments
- A key driver

Not significant.

The National Renewable Energy Action Plans of the EU member states indicate the share of renewable electricity in road transport as small by 2020 and it remains to be seen which incentives will be put into place by the member states to achieve these market shares.

Q2: Under what condition do you think it would be justified to count the whole amount of electricity in electric vehicles as renewable?

- None
- When the electricity is produced fully from renewable energy and without connection to the electricity grid
- When the electricity comes with a tradable certificate showing that that amount of renewable electricity was generated
- When there is a supply contract showing that that amount of renewable electricity was generated
- When there is evidence on a Member State level that the development of electric vehicles has led to that amount of additional renewable electricity generation
- Other (please specify)

Other: A system need to be in place to measure and demonstrate that the electricity consumed in transport has been generated fully by a renewable source. The same system could be used to account for the proportion of renewable electricity that is consumed in the transport sector.



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Q3: What benefits do you expect the option you selected under (2) will have

- Additional renewable electricity generation
- Faster development of electric vehicles
- Other (please specify):
- None, it only changes the accounting method

Please motivate your answer

Other: The benefit of such a system is to ensure that electric vehicles can make a real contribution to the RED targets (and do not result in additional demand for coal-based electricity for example); and that correct and verifiable declarations can be made.

Q4: What costs in terms of administrative burden do you expect the implementation of the option you selected under (2) will have:

- Additional statistics collection in all Member States
- Generating additional information on the basis of existing statistics
- Other (please specify):
- None

Other: Limited burden, as just the electric energy consumed in transport need to be measured, including the proof of the renewable source. Additionally similar requirements will apply to other forms of renewable energy provided into the transport sector. Hence this approach maintains a "level playing field".

Section B: Hydrogen from renewable sources in transport

Q1: Which are in your view the most likely ways to produce hydrogen from renewable sources (partly or fully) by 2020?

- From biomethane, e.g. by steam reforming/partial oxidation
- From a mixture of natural gas and biomethane, e.g. by steam reforming/partial oxidation
- On the basis of renewable electricity, by electrolysis
- On the basis of the electricity mix from the grid, by electrolysis
- From biomass directly, e.g. by gasification/partial oxidation or biological processes
- Other (please specify):
- None are likely to be significant by 2020

From a mixture of natural gas and biomethane, e.g. by steam reforming/partial oxidation.



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Section C: Biomethane via the natural gas grid in transport

Q1: how do you value the impact of the 10% target for renewable energy in transport by 2020 on the development of methane vehicles fuelled by methane from the gas grid?

- Not significant
- Significant, but other policies/developments will be of more importance
- Important, along with other policies/developments
- A key driver

Not significant.

Q2: Under what condition do you think it would be justified to count the whole amount of methane extracted from the gas grid for the use in vehicles as renewable?

- None, until the time that all methane injected into the gas grid concerned is originating from renewable sources
- When the methane comes with a tradable certificate showing that that amount of biomethane was generated
- When there is a supply contract showing that that amount of biomethane was generated
- When there is evidence on a Member State level that the development of methane vehicles has led to that amount of additional biomethane generation
- Other (please specify):

Other: The same rules as for renewable electricity in transport need to apply – see our responses in Section A, Q2, 3, 4.

Q3: what benefits do you expect the option you selected under (2) will have:

- Additional biomethane generation
- Faster development of methane vehicles
- Other (please specify):
- None, it only changes the accounting method

Please motivate your answer

Other: The benefit of such a system is ensuring correct and verifiable declarations and the prevention of fraud.

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Q4: what costs in terms of administrative burden do you expect the implementation of the option you selected under (2) will have:

- Additional statistics collection in all Member States
- Generating additional information on the basis of existing statistics
- Other (please specify):
- - None

Other: Limited burden, as just the gas energy consumed in transport need to be measured, including the proof of the renewable source. Additionally similar requirements will apply to other forms of renewable energy provided into the transport sector. Hence this approach maintains a “level playing field”.

Section D: Energy content of biofuels

Q1: Do you think additional types of biofuels need to be listed in Annex III of the Directive? If yes, which ones and could you provide values?

Please provide references for suggested values

The additional biofuels types we would like added to the list in Annex III (and by default as qualifying fuels under the RED) are the potential pathways inside the traditional oil refinery fence, i.e. the co-processing¹ of vegetable oils (1st generation) and non-food bio-mass feedstock (next generation) in refinery units.

We also believe that the list should be flexible to allow for introduction of a new biofuel at any time should further pathways be developed.

The energy values associated with such co-processing would be a function of unit operating mode (i.e. the proportion of bio/fossil input). This needs to be accounted for by applying the proportion of bio-feedstock into the unit, by mass, to the measured unit yield output for qualifying renewable transport fuels. This method would provide a fair and transparent way to account for the renewable component of fuels produced by co-processing whilst not over-burdening the operator.

This proposed calculation methodology should also form the basis for carbon intensity calculations to demonstrate compliance with the Fuel Quality Directive Article 7a.

Q2: Do you think more precision in terms of decimals is necessary in the values in the Annex? If yes, could you provide such values?

We do not see the need to increase the precision of the renewable energy content by further decimals.

¹ Co-processing: Process in which the production of a biofuel and of a fossil fuel occurs simultaneously during the same process and where the resulting volume of the fuel is therefore partly of bio and partly of fossil nature.