

**Identifying biofuels opportunities and user needs in 5 European communities -
Establishing sustainable regional biofuels networks to increase the take-up of biofuels in
the transport sector.**



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News from North West England (UK)

BIONIC news

General news

Since the BIONIC project started in November 2007 Merseytravel have undertaken two pieces of desk based research to investigate the current frameworks for supporting biofuels in the UK, in particular in the North West and the identification of specific barriers and opportunities for biofuel production and usage.

The work has identified there is currently a lack of coordinated approach towards the promotion of biofuels in the region and that the market remains very challenging for existing producers and start-up companies.

There has been a rebalancing of UK press coverage of biofuels in the last 12 to 18 months. Initially biofuels received overwhelmingly positive press which failed to address some of the sustainability issues around the industry. Since this time a press backlash has resulted in overwhelmingly negative coverage of the industry.

In general the mainstream press has failed to differentiate between sustainably produced and non-sustainably produced biofuels, which has led to a poor understanding of the wide variety of different feedstocks currently available and the availability of sustainably produced biofuels. In addition to this the press tend to concentrate solely on crop based feedstocks and ignore waste streams such as waste vegetable oil, tallow and biomethane from sewage plants or landfill gas.

The BIONIC project will aim to provide some potential solutions to these issues. The North West Biofuels User Group, which is supporting the work of BIONIC provides a forum for North West fleet users and potential fleet users to discuss issues around the sourcing and usage of sustainably produced biofuels. A lack of information and the desire to talk to others who have first hand experience in using biofuels are two of the main barriers that prevent the wider usage of sustainably produced biofuels.

The North West Biofuels User Group meets on a quarterly basis with meetings held around the North West of England. The Group is chaired and coordinated by Merseytravel with the assistance of TTR. Membership of the group is on an informal basis and it is free of charge. For more information please email andrew.leadbetter@merseytravel.gov.uk

Local dissemination

The ECOtravel Bureau (www.ecotravel.org.uk) co organised the North West's largest vehicle show dedicated to reduced emissions vehicles in association with Green-Car-Guide.com. Green Car Guide Live! 2008 was aimed at the fleets in the North West and attracted over 500 visitors. To accompany the event a series of seminars were given including two presentations on the BIONIC project.

A biofuels project in Ouganda

A pioneering biodiesel demonstration project has been launched between Lancashire County Council in the UK and Gulu Municipal Council in Uganda. The demonstration project is part of the Lancashire Carbon Compensation scheme, where Lancashire seeks to compensate for the effects of its carbon pollution on developing countries by assisting an African community to establish projects that help people to cope with climatic extremes, as well as developing local and sustainable projects.

The biodiesel demonstration, one of six carbon compensation projects, will use local Jatropha weeds in Gulu to manufacture biodiesel. Jatropha is a bush which has grown across the Americas, Africa and Asia for centuries. Crucially, the wild weed does not need to grow on agricultural land. The recent UK Gallagher review of biofuels has warned about the negative impact biofuel production is having on food production.

The demonstration will seek to show that local and sustainable biofuel production is possible, and that European countries can play an important role in assisting communities in developing countries towards this outcome.

News from region Värmland (Sweden)

General news

New record of sales environmental cars!

The sales of environmental friendly cars have increased by 89% in the first 6 months of 2008. The increase concerns both the number of cars and the number of registered cars. These figures were presented in July 2008 by the Swedish branch organisation for the car industries BIL Sweden (*)

The success of environmental friendly cars in Sweden is unique in an international perspective and the environmental adaptation of automotive transportation is going very quickly due to the increased share of both environmental friendly cars and diesel cars with low carbon dioxide emissions, said Bertil Moldén, President of BIL Sweden.

In the sales of June 2008, 62% of all sold cars used fuels other than petrol; i.e. diesel, E85, biogas or hybrid drive trains. In 2005 this percentage was only 15 % of the total sales of cars in that period!

(*) BIL Sweden was formed in 1941 and represents manufacturers and importers of cars, trucks and buses. Their members represent 99% of all new registrations in Sweden. BIL Sweden is dealing with matters relating to automotive safety, automobile taxes, environmental protection, distribution, trade policy, traffic policy and Swedish and international regulations.

Strong decrease of emissions from new cars

The emissions of carbon dioxide from new cars have decreased strongly down to 140 g/km in the first half year of 2008. For 2007 this figure was an average of 157 g/km for the whole year. It is very promising that the actual emissions of carbon dioxide from cars are decreasing so rapidly from the sales of new cars. At the same time the Swedish success concerning environmental friendly cars is threatened by the EU-commission proposal to regard ethanol as petrol in the next regulation for the emissions of carbon dioxide for new cars, said Bertil Moldén, BIL Sweden.

The official values for emissions of carbon dioxide are based on a calculation method of the EU in which they make no difference between fossil fuels and biofuels. The Swedish government has criticized this method. The value according to this official calculation method was 179 mg/km for the first half year of 2008.

The average emissions of carbon dioxide for newly sold cars in Sweden (gram per kilometre)

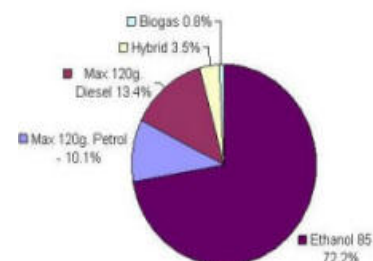
2005: 179 g/km
2006: 165 g/km
2007: 158 g/km
2008 (January – June): 140 g/km

Conversion of cars from fossil fuel to bio fuels approved

Conversion of cars from fossil fuel to bio fuels was approved by the Swedish government on July 1, 2008. This means that from that date it is allowed to convert fossil fuel cars into biofuel cars, with alternative fuels amongst others biogas and ethanol. "From now on it will be much easier to convert existing or older cars to the use of biofuels. In that way also owners of older cars can contribute to a better environment", said Andreas Carlgren, Minister for Environment.

A converted car must fulfil all legal demands concerning emissions and car fuels, as well as all rules and regulations of the Swedish Road Administration.

Newly registered car in Sweden - 2008 (Jan-June)



Regional BIONIC Network meeting at Morphic (11 June 2008)

The most recent scheduled meeting of the regional bio fuels network took place in the city of Karlskoga at the premises of Morphic. Morphic (www.morphic.se) is a Swedish group that strives to be the market leader within competitive, environmentally-friendly energy systems. The company combines expertise within fuel cells, wind and hydroelectric power with unique production engineering.

The network meeting was meant to exchange information about ongoing activities and new developments. After the meeting there was a guided tour through the production facilities of Morphic

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News from Ploiesti (Romania)

General news

The Diesel Oil will have 4% Bio diesel

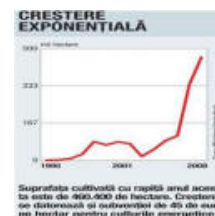
Starting from 1st of July 2008, fuel suppliers will have to trade diesel oil with 4% biodiesel content, according to a decision of the Executive from 2007. Bio diesel is a nontoxic fuel, without sulphur, that can be bio disintegrated and is obtained from soy, rape or sun flower. From January 2009, the petroleum companies are obliged to mix gasoline with 2% bio ethanol.

Exponential increase of surface cultivated with rapeseed

Despite the international situation, which does not support biofuel production from vegetable oils, Romania increased the surface cultivated with rapeseed from 350.000 ha in 2007 to almost 500.000 ha in 2008.

The estimated rape oil production will be over 750.000 tons, two times more than last year.

The Ministry of Agriculture said that Romania has an exponential increasing of rapeseed culture in 2008 due to the subsidy of 45 Euro by hectare (see the figure).



Biodiesel Plant in the Bata village

A biodiesel producer firm from Austria is preparing an important investment in the Bata, a village in Arad county, located on the Mures valley, north-western part of Romania. In a first phase, 350 people will be employed and in time the number will increase to 1000, in order to operate a biodiesel unit of 50000 tons per year. The Bata Local Council gave the principle agreement for running this investment that will solve the employment problem for the village.

The investment is also important for the village budget, which will increase. "Until now, for the cultures that provide the raw material, the investors purchased about 5 000 ha field in the Bata and Birchis villages area. Because for the entire project are necessary another 1000 ha, that difference of area will be leased or land tenancy from the residents." added the mayor.

200 million Euros for renewable energy producers

On Wednesday the 9th of July 2008 the Romanian Executive approved the scheme for regional assistance from the state in order to develop the renewable energy resources, regarding a project of about 200 millions Euros, declared the Prime minister Calin Popescu Tariceanu, after the Government meeting.

"It is the concrete element hereby the Government support the investments in the energetic field, for encouraging the use of renewable energy sources." said Tariceanu, according to an Executive statement.

The measures aim to support the economic operators for achieving the primary investments in order to develop the renewable energy resources – solar, wind, water and biomass. The scheme addresses the economic operators, the large, medium and small companies, that make this kind of investments, for any of the eight development regions of Romania, specified the statement source. According to the Government, projects up to 50 millions Euros will benefit from this assistance scheme.

Without subsidies for biofuels

Romania will propose at the European Council reunion to gradually cut out the subsidies for plant cultures and for supporting the investments for modern installation used to produce biofuels, the Prime Minister Calin Popescu Tariceanu has declared. He stressed that increasing prices for agricultural and oil products, appearing at EU level, are generated by the lack of these products in some regions, but also by speculative actions.

BIONIC Network development

Regarding the BIONIC Network, Ploiesti continue to enlarge the network by adding new partners who are interested about biofuels use as an alternative to petroleum fuels. Kontrax, a local transport company which has a fleet of cars for persons' transportation, expressed the intention to participate in the network for biofuels promotion. As a good example for other companies, Kontrax exchanged the old cars with gasoline engines for new cars with liquefied petroleum gas (LPG) engine. The CO2 emissions will be reduced from 180 mg/km to 150 mg/km for each exchanged car!

For more information, please contact: dorsta@mail.upg-ploiesti.ro or al21@ploiesti.ro

News from Cantabria (Spain)

General news

Incentive program for promoting biofuel launched by the regional government.

On May 13 Order IND 9/2008 was published, which regulates the incentives for public bus operators that use biofuels in their fleets during 2008. Beneficiaries must present their applications before August 1. The incentive program finances 1 cent for percentage point in biofuel over the fuel blend supplied and its total budget is 225.000 euros.

It is estimated that 70 % of the public transport fleet in Cantabria will be running with B5 or B10 by the end of 2008.

The Government of Cantabria concedes "integrated environmental licence" for a bioethanol production facility in torrelavega

The Environment Department of the Regional Government has finally decided to concede environmental licence to the company Sniace Biofuels for the building of a new bio-ethanol plant in Torrelavega, Cantabria.

This resolution means the first step in the construction of the new facility, which has an estimated production capacity of 100.000 tons/year. Sniace Biofuels announced in March the plant will be operative in 2010 after 100 million euros has been invested into its development.

Regional BIONIC Network Meeting in Santander



The first meeting of the BIONIC network took place in Santander on June 24th. The meeting established the regional network and identified barriers and opportunities for biofuel production and usage. It was organized by CTL and presided by the General Director of Transport and Communications.

In addition to representatives from the Transport Department, members of different organizations and public bodies attended the meeting: General Directorate on Environment, Regional Energy Agency (GENERCAN), Regional Agency for industrial development (SODERCAN), biofuel producers and distributors (Greenfuel, CEPESA, TRansipsa, Ruyco Petrol), bus operators (Alsa -National Express, Autobuses Palomera, La Cantabrica), Taxi association (ASPATYC), freight transport associations (AETRAC, ASEMTRASAN) and conservationist NGO's (SEO/Birdlife).

The meeting revealed the difficulties for the introduction of biofuels in Cantabria. Amongst the identified barriers, the following ones can be highlighted: negative image of biofuels linked to hunger or deforestation in poor countries, lack of incentives for the final users (prices), distrust on both technical efficiency (in terms of consumption and engine maintenance) and environmental benefits, lack of a wide distribution network (stations – pumps) which guarantees supply

for final users across the region, insufficient support by public organizations, and scepticism on the future of biofuel market.

In spite of these barriers, some opportunities were identified as well: European and National regulation, global warming, oil price raising, establishment of production facilities in the region, communication network improvement, or implication of Government and transport operators, could be mentioned as the most relevant advantages.

Biobus setting off on August 4th

BIOBUS, two vehicles dedicated to the promotion of public transport and biofuels, will begin to circulate next month, as part of the BIONIC project.



The public contest was awarded by the Regional Government on June 24 to the bus company Astibus which belongs to the National Express Group. The project will last 24 months and it is estimated about 2.000.000 passengers will use these vehicles.



The BIOBUS buses will show placards and video tapes related to climate change, global warming, private transport effects or biofuel benefits and will operate in the most used public transport routes which connect Santander (Cantabria capital city) with its suburban area. In addition to

public transport services the bus will offer leisure routes to environmental strategic places in order to promote the environmental benefits of public transport and biofuels.

For more information, please contact: bionic@cantabriasasi.org

News from Pazardjik (Bulgaria)

General news

The transport sector is one of the most intensively developed economic sectors in Bulgaria. The growth in this sector in the period 1997-2005 was 63.5 %. Currently, 53% of the transport vehicles use diesel, 22% petrol and 16.6% propane-butane mixtures.

The raw-materials for production of biodiesel in Bulgaria are sunflower seed and rapeseed, while for bioethanol they are sugar beet, wheat and grain maize.

According to data from the Ministry of Agriculture and Food Supply, the total area of non-cultivated agricultural land for the past four years was around 460 thousands ha (that is 8% of the total agricultural land in Bulgaria).

According to the amended Regulation for the conditions and order for stimulation of energy-crops producers, there will be a removal of the guarantee of 60 Euro per hectare, currently required by the energy crops producers in order to receive the subsidy of 45 Euro per hectare.

Policy

When determining the national indicative targets for biofuel consumption in the country, the indicative targets set in Directive 2003/30/EC have been taken into account:

- Indicative target of 5.75 % for 2010 and;
- Obligatory minimal target of 10 % referring to the share of biofuels in the total consumption of petrol and diesel fuels in transport sector for the year 2020.

Article 32 and article 33 of the Excise and Customs Warehouses Act provides for a zero taxation rate for pure biodiesel (B100).

In June, 2007 the new Renewable and Alternative Energy Sources and Biofuels Act entered into force. In 2008 amendments in this Act are being proposed which foresee a lower taxation for the fuels mixed with biofuels: the mixtures of petrol and bioethanol or the mixtures of diesel and biodiesel in which the content of biofuel is 4% to 5% will have a 3% tax discount, which means 664 levs for petrol blending (currently 685 levs), and 582 levs for diesel blending (currently 600 levs).

According to this paper all producers and importers of liquid fuels for the transport sector are obliged to sell to the market petroleum-based fuels mixed with biofuels from 1st of January 2008. Unfortunately most of the producers and suppliers of liquid fuels do not respect this obligation for two main reasons:

- 1) they are not yet technically ready to make the mixtures;
- 2) the economic stimulation to supply such mixtures does not yet exist.

Predictions

It is expected that the consumption of biofuels in future years will gradually increase. The forecasts for 2008 are for around 44 thousand tons of biofuel consumption, for 2010 around 133 thousand tons, and for 2020 around 314 thousand tons. Meanwhile, the forecasts for petrol consumption predict a gradual decrease: 2008 – 485 thousand tons, 2010 – 426 thousand tons, and 2020 – 370 thousand tons.

BIONIC Network development

On 25th of June 2008 the Regional Energy Agency of Pazardjik organized the first meeting of the Network Committee. Members of the Committee were introduced to the BIONIC project.

REAP's senior expert, dipl.eng. Iliya Doychinov, made a thorough presentation of the project describing its objectives,

outcomes, and major tasks. After the project's presentation there was a bilateral discussion on general issues.

A chairman of the committee was elected – Mr. Aleksander Stanoev - who is an executive manager in a local transport company.

The meetings of the Committee will be held once on each six months. Membership of the Pazardjik Biofuel Network is on an informal basis.

For more information please contact reapazar@mbox.contact.bg

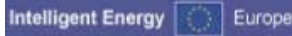
BIONIC Project Leader



BIONIC Project Partners



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