

Norwegian comments concerning the Commission proposal for specification of the methodologies for calculation of greenhouse gas emissions for fuel and energy under article 7a in the Fuel Quality Directive (directive 98/70/EC, as most recently amended by directive 2009/30/EC)

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The European Commission has put forward a proposal for establishing calculation methodologies and principles for reporting requirements under Article 7a of the Fuel Quality Directive (FQD, for adoption in accordance with the regulatory procedure with scrutiny referred to in Article 11(4) of the FQD, where Norway has part as observer in the committee involved at this stage of the comitology process.

Norway supports efforts to reduce global and national GHG emissions. In general, Norway would like to underline that cost efficiency should be a key principle when developing and implementing policies and measures to reduce greenhouse gas emissions. Also, measures to reduce climate emissions should target the source of emission as close as possible and lead to real reduction in global emissions. Climate policy measures should further be designed in a transparent way with low administrative costs.

The establishment of specific calculation methodologies involves complex issues and raises a number of questions. These questions relate i.a. to possible effects for the suppliers in how to fulfil the emissions reduction requirement of 6 % by 2020, to how trade and global GHG emission are affected by the regulations suggested and to administrative costs of reporting and verification. The Commission's proposal is extensive and can potentially have unintended consequences. We see a need for better understanding and more investigation into the consequences of the suggested regulations.

Based on our assessment of the Commission proposal and the discussions so far in the committee, Norway has the following position:

- Given that a life cycle emission approach is taken, the methodologies for calculation of greenhouse gas emissions should in principle reflect the real greenhouse emissions of the fuels and energies. The number of categories of default values defined for fuels and energies should however be evaluated against the cost of reporting and viewed in the light of potential environmental gains of the specific outline and potential unintended consequences.
- We support the proposal for claiming upstream emission reductions (UERs). We further understand that to be able to claim for such upstream emission reductions, there is no requirement to supply fuels based on oil/feedstocks from the specific sites or installations where the upstream reductions are being undertaken. The UERs should be tradable. As UERs might play an important role in reaching the 6% reduction it is important to outline further details of the UER certification schemes, trading schemes and how the UERs will relate to reductions under the EU

Emissions Trading System, the Clean Development Mechanism and the Joint Implementation mechanism.”

- It should be possible to claim a better - i.e. lower - greenhouse gas emission value than the default value through documentation, for all fuels based on crude oils.
- It should be voluntary for a country to require suppliers to deliver a physical certificate to make claims of emission reductions from electric vehicles. Alternatively, countries could publish numbers of the contribution from electric vehicles at a national level. The reporting mechanism should allow for suppliers in that country to refer to such numbers in their reporting. This would reduce the administrative burden for the suppliers and ensure that the entire electricity consumption by vehicles can be counted towards the 6 pst. reduction commitment in the directive. Rewards for early achiever countries should also be considered, such that all electric consumption in vehicles could count towards the reduction commitment regardless of when the vehicle initially was sold.