



**From the Parliamentary
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Fuel Quality Directive (2009/30/EC) Article 7a

As Parliamentary Under Secretary of State with responsibility for sustainable travel in the UK, I am responsible for the implementation of the Fuel Quality Directive (2009/30/EC). I am writing to you about the forthcoming proposal that the European Commission will be putting forward in the coming weeks under this Directive.

The Fuel Quality Directive requires Member States to reduce the lifecycle GHG emissions from fuel used in road transport and related uses by 6% in 2020. Article 7a of this Directive stated that a methodology to calculate the lifecycle GHG emissions from fossil fuels will be adopted through the comitology process.

The UK Government is committed to reducing greenhouse gas emissions (GHG) and we want the Fuel Quality Directive to be a key tool to achieve this aim. Our objective is an outcome that would not single out any particular crude source, including oil sands and oil shale, but would allow us to take account of the GHG intensity of all crudes using robust and objective data based as far as possible on current industry practice and that also encourages the production and use of crudes with the lowest greenhouse gas emissions.

The evidence is that fuel derived from oil sands has a high GHG emissions intensity. This is also true for a number of other heavy crude sources and those that have significant associated flaring. Clearly those sources where extraction leads to higher greenhouse gas emissions are less attractive than those which do not.

To reflect the emissions associated with different crudes properly, I believe that we need a methodology that allows the emissions of all GHG intensive crudes to be accounted for. One possible option might be to split crude sources into three broad categories based on lifecycle greenhouse gas emissions (for example, low, medium and high). This system would tackle the most GHG intensive crudes without singling out any particular sources and would also encourage industry to reduce the GHG intensity of the processes involved in producing fuel. As with a proposal to single out any particular crude source, a banding approach would also require the introduction of a mechanism to track oil from source to supplier (a “chain of custody”) and would need further analysis on the possible impacts.

I am sure you would agree that a full impact assessment, including the potential impact on consumers, should be carried out and shared with Member States before any proposal is brought forward by the Commission. That proposals must be based on robust data and be flexible enough to adapt to changes – for example so it can be updated as new evidence becomes available or reward new processes and technologies that reduce GHG emissions.

The UK Government considers it crucial that, whatever proposal is adopted, it helps us meet our ultimate objective of reducing GHG emissions.

I would be very interested in your views on this issue and for your thoughts on how we might best meet the objectives of this Directive.

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