EXPLORING THE CURRENT SITUATION OF THE SUSTAINABLE BIODIESEL MARKET IN SPAIN

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BIOFUELS INTERNATIONAL GHENT 2016
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Asterix the Gaul

A Gaul was divided into three parts

No, four parts for one small village of indomitable Gauls still held out against the Roman invaders...

by GOSCINNY and UDERZO

The year is 50 B.C. Gaul is entirely occupied by the Romans. Well, not entirely... One small village of indomitable Gauls still holds out against the invaders. And life is not easy for the Roman legionaries who garrison the fortified camps of Totorum, Aquarium, Leudanum and Compendium...
The year 2016, the European Union is entirely occupied by the sustainability. Well, not entirely... one small country of indomitable spaniards still hold out against sustainable biofuels. And life is no easy for the spanish producers of waste based biofuels who garrison the fortified markets of Italy, UK, France, Germany, Portugal and the Netherlands...
CURRENT SITUATION

- 4,3% mixing obligation biodiesel/diesel. Lowest rate in UE
- Sustainability required on transitory period
- No double-counting
- Really high percentage of HVO mixed in the market (30-40%)
- No quota since May 2016
- Biggest production capacity in the UE (4.9 million tonnes) but it's the 4th producer after Germany, France and the Netherlands
# Biodiesel Volumes

**Biodiesel and HVO Sellings in Spain in 2015 (M3)**

<table>
<thead>
<tr>
<th>Año</th>
<th>Mes</th>
<th>Venta Biodiesel</th>
<th>Venta HVO</th>
<th>BD Variación vs Año Anterior</th>
<th>HVO Variación vs Año Anterior</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015*</td>
<td>enero</td>
<td>34.306</td>
<td>29.838</td>
<td>-38,92%</td>
<td>141,54%</td>
</tr>
<tr>
<td>2015*</td>
<td>febrero</td>
<td>26.703</td>
<td>24.184</td>
<td>-34,48%</td>
<td>34,58%</td>
</tr>
<tr>
<td>2015*</td>
<td>marzo</td>
<td>35.642</td>
<td>30.442</td>
<td>-34,84%</td>
<td>2,54%</td>
</tr>
<tr>
<td>2015*</td>
<td>abril</td>
<td>72.557</td>
<td>25.615</td>
<td>52,37%</td>
<td>-24,20%</td>
</tr>
<tr>
<td>2015*</td>
<td>mayo</td>
<td>74.348</td>
<td>20.747</td>
<td>-2,78%</td>
<td>-25,14%</td>
</tr>
<tr>
<td>2015*</td>
<td>junio</td>
<td>81.952</td>
<td>12.956</td>
<td>15,65%</td>
<td>-51,15%</td>
</tr>
<tr>
<td>2015*</td>
<td>julio</td>
<td>78.217</td>
<td>16.773</td>
<td>10,43%</td>
<td>-42,73%</td>
</tr>
<tr>
<td>2015*</td>
<td>agosto</td>
<td>78.242</td>
<td>25.126</td>
<td>24,51%</td>
<td>-35,00%</td>
</tr>
<tr>
<td>2015*</td>
<td>septiembre</td>
<td>59.391</td>
<td>35.319</td>
<td>-15,53%</td>
<td>10,14%</td>
</tr>
<tr>
<td>2015*</td>
<td>octubre</td>
<td>71.942</td>
<td>29.217</td>
<td>32,43%</td>
<td>-25,32%</td>
</tr>
<tr>
<td>2015*</td>
<td>noviembre</td>
<td>84.538</td>
<td>45.979</td>
<td>84,43%</td>
<td>40,96%</td>
</tr>
<tr>
<td>2015*</td>
<td>diciembre</td>
<td>64.366</td>
<td>33.692</td>
<td>124,27%</td>
<td>-5,88%</td>
</tr>
<tr>
<td>TOTAL 2015*</td>
<td></td>
<td>762.204</td>
<td>329.887</td>
<td>12,19%</td>
<td>-7,23%</td>
</tr>
</tbody>
</table>
Increase of the blending obligation from the actual 4.3% to 5% in 2017, 6% in 2018, 7% in 2019 and 8.5% in 2020

Sustainability law under ISCC-EU scheme

DC waiting for final approval from the CNMC. It should start in 2017 after the publication of the law proposal and debate between the different counterparties who play in this market.
DOUBLE COUNTING

- List of residues approved by the CNMC for DC since the law project from 2nd April 2014:
  
  1. Used vegetal or animal oil
  
  2. Animal grease category I and II

- No limits of residue to achieve the 5% blending obligation

- No origin restriction for the waste.
Currently about 70% of the raw material is Spanish and the 30% imported product.

The most popular wastes used are uco, oleins and FFA.

100% of Spanish UCOME is currently exported, mainly to Italy and UK.

From 15,000 to 20,000 mt of ucome are produced monthly in the Spanish factories.

Uco collected locally in Spain is between 6,000 and 8,000 mt per month.

Big fire at the biggest producer Factory (BIOCOM) stopped its production since February 2016.
Only 16 out of 53 factories are producing in 2016. None of them running on full capacity.
Placing the Spanish market in a wider European context
REGULATIONS

France
Holland
Germany
UK
Italy
Portugal
KEY POINTS IN THE SHORT FUTURE

- Investments in new technology such as distillation column or pretreatment units to be more flexible on feedstock sourcing.
- HVO gaining popularity in Europe with new investments, conversion of existing plants and co-processing.
- New types of feedstock which are cheaper due to their high acidity like acid uco, FFA and oleins.
CONCLUSIONS

- Sustainability from January 2016
- No quota since May 2016
- No Double-Counting yet, probably not in 2017 either
- Only UCO and Animal Fats when implemented
- Increase in the blending from 4.3% till 5%
- No limit for waste biodiesel
THANKS A LOT FOR YOUR ATTENTION

UCO TRADING SPAIN, your specialist for the Spanish waste based biofuels market.

For further queries please do not hesitate to contact us

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