EXPLORING THE CURRENT SITUATION OF THE **SUSTAINABLE BIODIESEL** MARKET IN SPAIN

UCO TRADING

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ASTERIX THE GAUL

Gaul was divided into three parts

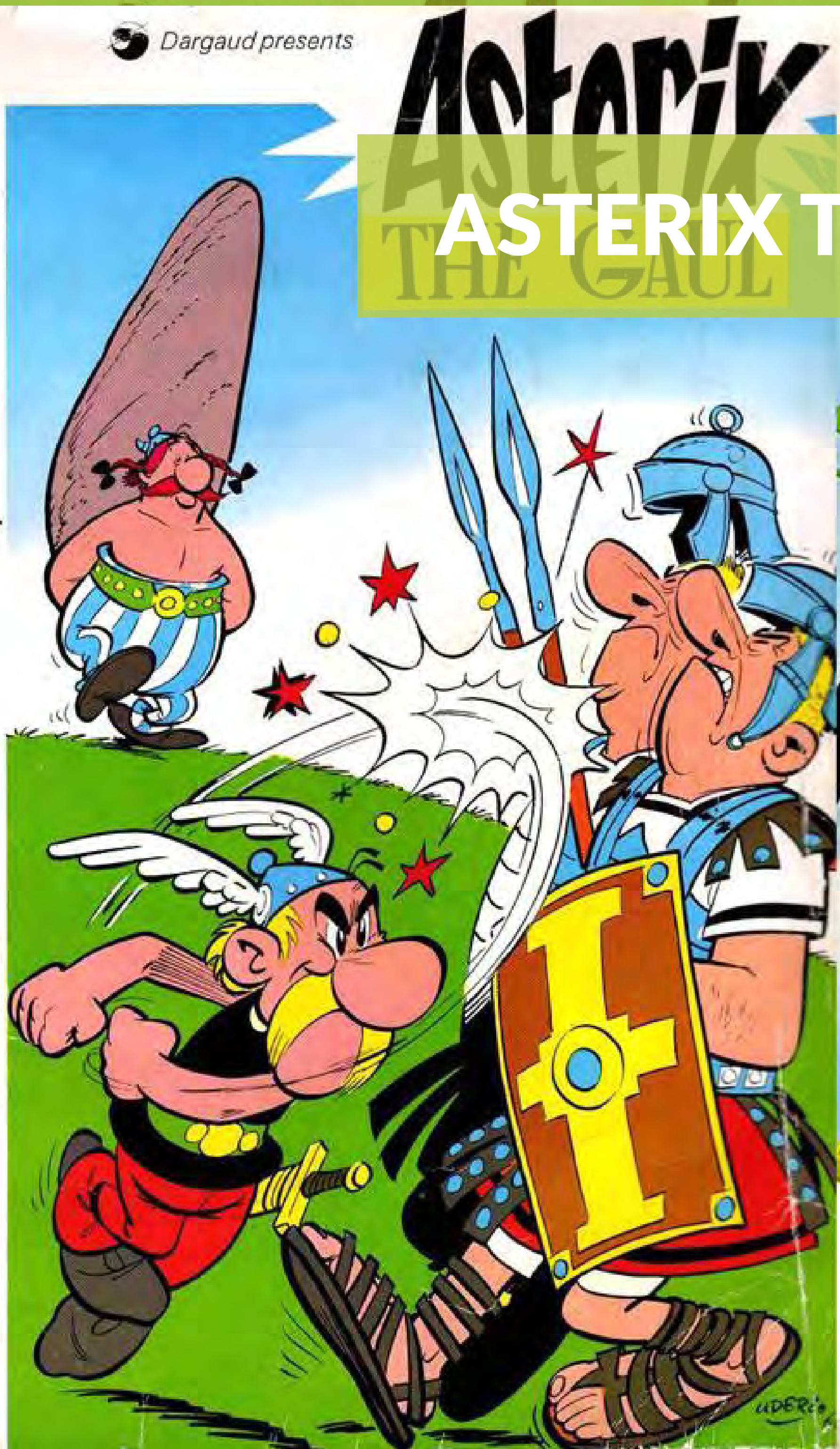
No, four parts for one small village of indomitable Gauls still held out against the Roman invaders...

by

GOSCINNY

and

UDERZO



The year is 50 BC. 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, Laudanum and Compendium...

ASTERIX THE SPANISH

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/diésel. 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 its the 4th producer after Germany, France and the Netherland

BIODIESEL VOLUMES

BIODIESEL AND HVO SELLINGS IN SPAIN IN 2015 (M3)

AÑO	Mes	VENTAS BIODIÉSEL	VENTAS HVO	BD VARIACION vs AÑO ANTERIOR	HVO VARIACIÓN vs AÑO ANTERIOR
2015*	enero	34.306	29.838	-38,92%	141,54%
2015*	febrero	26.703	24.184	-34,48%	34,58%
2015*	marzo	35.642	30.442	-34,84%	2,54%
2015*	abril	72.557	25.615	52,37%	-24,20%
2015*	mayo	74.348	20.747	-2,78%	-25,14%
2015*	junio	81.952	12.956	15,65%	-51,15%
2015*	julio	78.217	16.773	10,43%	-42,73%
2015*	agosto	78.242	25.126	24,51%	-35,00%
2015*	septiembre	59.391	35.319	-15,53%	10,14%
2015*	octubre	71.942	29.217	32,43%	-25,32%
2015*	noviembre	84.538	45.979	84,43%	40,96%
2015*	diciembre	64.366	33.692	124,27%	-5,88%
TOTAL 2015*		762.204	329.887	12,19%	-7,23%

CHANGES FROM JANUARY 2017

- 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 publishment of the law proposal and debate between the different counterparties who play in this market.

DOUBLE COUNTING

- List of residues aproved 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.

UCOME ACTUAL

- Currently around 70% of the raw material is spanish and the 30% import 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 6000 and 8000 mt per month.
- Big fire at the biggest producer Factory (BIOCOM) stopped its production since February 2016

PRODUCTION MAP

UCOME
- 1- GREEN FUEL EXTREMADURA
- 2- ENTABAN SEVILLA
- 3- DAYAK 21
- 4- BIOCOM
- 5-BIOARAG
- 6- INICIATIVAS BIOENERGET.
- 7- BIONOR
- 8- BETA GROUP

TME
- 9- STOCKS DEL VALLES

FAME
- 10- BIO OILS
- 11- ABENGOA
- 12- SARAS
- 13- INFINITA MUSIM MAS

FFA
- 14- SOLARTIA
- 15- COMBUNET

Only 16 out of 53 factories are producing in 2016. None of them running on full capacity

LOGISTIC MAP

ISOS

1- ALGECIRAS
2- VALENCIA
3-BARCELONA
4- BILBAO

PIPE

5- HUELVA
6- CARTAGENA
7- CASTELLÓN
8- FERROL
9- CARBONERAS
10- SEVILLA

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 collumn or pretreatment units to be more flexible on feedstock sourcing

- HVO gaining popularity in Europe with new investments, conversion of existing plants an co-processing.

- New types of feedstock which are cheaper due to their high acidity like acid uco, FFA and oleins.

CONCLUSSIONS

- 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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