

Mr Jean-Louis Borloo
Minister of Ecology, Energy and Sustainable development, France
President of the EU Environment Council

Cc: Mr Stavros Dimas, Commissioner for the Environment
Members, Committee on Environment, Public Health and Food Safety, European Parliament

Brussels, November 28, 2008

Dear Minister Borloo,

At this time of ongoing negotiations related to the revision of the Fuel Quality Directive (FQD) we are writing to reiterate the concerns of the undersigned non-governmental organisations about proposals to decrease the initially projected 10% greenhouse gas emission reduction target contained in the Directive.

Evidence shows that the target for reducing greenhouse gas (GHG) emissions from fossil fuels by 10% proposed in the FQD is not only realistic, but also achievable without including the use of biofuels. We urge you therefore not to allow this target to be weakened.

We ask you to take all necessary steps to implement measures that will reduce the negative impacts of GHG emissions resulting from fossil fuels extraction and refining in order to protect human health and the environment. These measures include the **reduction of gas flaring and venting, increasing energy efficiency at refineries** and **greater use of cogeneration and fuel switching in refineries**. This would be an important contribution to the EU's overall emission reduction targets as currently discussed in the energy package.

Potential for gas flaring and venting reduction

Global annual gas flaring amounts to about 450 million tonnes of CO₂. The EU's petroleum consumption represents almost 20% of the world's total.¹ Annual GHG emissions from gas flaring during the extraction of oil for consumption in the EU would therefore amount to nearly 90 million tonnes of CO₂.² Reducing the emissions from gas flaring could potentially equal almost 9 % of the FQD target as well as significantly improving the environmental and health conditions for people that live next to burning gas flares.

You should be aware that gas flared and vented globally is equal to approximately one third of the EU's annual gas consumption.³ The reduction of gas flaring and the utilisation of this otherwise wasted gas would greatly contribute to the EU's efforts to combat climate change.

¹ International Energy Annual, update June 2008 (World Petroleum Consumption)

<http://www.eia.doe.gov/basics/quickoil.html>

² World Bank GGFR <http://go.worldbank.org/DKZ28GAEG0>. According to satellite data released by the US National Oceanic and Atmospheric Agency (NOAA), in 2006 oil producing countries and companies burned about 170 billion cubic meters (bcm) equivalent of 450 million tons of CO₂ in annual emissions.

³ World Bank GGFR <http://go.worldbank.org/016TLX17N0>

We therefore believe that the EU should reduce the greenhouse gases emitted during the burning of fuels, not only for the benefit of Europe's environment and the health of its citizens, but also as a means of taking responsibility for pollution caused by the extraction of these fuels.

Potential for increasing energy efficiency at refineries

The Solomon Associates Energy Intensity Index shows that the energy efficiency of EU refineries has increased by 13% over the past 15 years. This was achieved without any GHG reduction target in place. Indeed, European oil refineries have been improving their energy efficiency by almost 1% per year on average since 1990.

According to the oil industry itself, this 'business as usual' (BAU) improvement can result in a 1% reduction of the GHG emissions over a period of ten years.⁴

Apart from that, further potential for energy efficiency improvements in refineries was revealed by a Swedish study presented to the European Parliament in July 2007.⁵ The study charted a 20% difference in refinery efficiency across Europe. The discrepancy is due to a shocking lack of investment.

It can thus be inferred that with additional financial investment in all European refineries further GHG reductions are easily achievable. If all refineries were to be brought up to speed, additional (and above BAU) reductions in GHG emissions of up to 1% could be expected.

Potential for greater use of cogeneration and fuel switching in refineries

Further energy efficiency can be achieved through the development of cogeneration (CHP) facilities at refineries. According to ExxonMobil, cogeneration can be twice as efficient as traditional methods of producing steam and power separately. As refining plants have traditionally been located near demand areas, cogeneration offers significant potential for further GHG reductions.⁶ ExxonMobil's most efficient EU refinery in Antwerp is currently tripling the capacity of its CHP plant and its current cogeneration capacity reduces its global CO₂ emissions by over 10.5 million tonnes annually, showing that much room for improvement might also exist at other refineries.⁷

Another option for reducing emissions at refineries is switching to less GHG intensive fuels. Across Europe, refineries use different types of fuel - some use coal, some gas and others oil. According to Concawe, up to 30% of refinery fuel could be switched. A switch to natural gas would reduce GHG emissions from refineries by 25%, about 2% of the total 'well-to-tank' emissions. GHG emissions reduction could also be accomplished by use of low emissions hydrogen fuel (H₂).

In summary, if all of the above measures were to be simultaneously implemented by the oil industry operating in Europe, within the ten years envisioned in the Directive it would fulfil the emissions reductions target of Article 7a using fossil-fuel related measures only. There would be no need to blend biofuels.

⁴ Concawe in European Commission, UK observations on Art 7a.

⁵ Kristina Holmgren (IVL, Swedish Environmental Research Institute): GHG emission reduction in the fuel chain: "Refining" at the "Fuel Quality Directive" workshop, European Parliament, July 5, 2007.

⁶ "The European refinery industry under the EU Emissions Trading Scheme- Competitiveness, trade flows and investment implications" IEA Information Paper, November 2005.

⁷ ExxonMobil Corporate Citizenship Report 2006.

As the data for the available measures shows, if implemented they could result in a reduction of GHG emissions from fossil fuels extraction and production of 13% or more.

Based on the above estimates we believe that the 10% GHG emission target of Article 7a is realistic and can be achieved by reducing the emissions caused by the extraction and production of fossil fuels. We therefore urge you to do all you can to ensure a target of 10% is retained during current negotiations on the Fuel Quality Directive.

We trust that you will carefully consider these opportunities for GHG reduction from fossil fuels when deciding on adopting this Directive and that you will take into account the concerns of people affected by extraction of fuels for EU needs.

Magda Stoczkiewicz



Friends of the Earth Europe

Supported by:

Elena Gerebizza
Campagna per la Riforma della Banca Mondiale, Italy

Gwenael Wasse
Les Amis de la Terre, France

Denny Larson
Global Community Monitor, USA

Javier M. Claparols
Ecological Society of the Philippines

Mike Karikpo,
Environmental Rights Action (Friends of the Earth Nigeria)

Manana Kochladze
Association Green Alternative, Georgia

AkpoBari Celestine
Ogoni Solidarity Forum, Nigeria

Dmitry Lisitsyn
Sakhalin Environment Watch, Russia

Desmond D'Sa
South Durban Community Environmental Alliance, South Africa

Dana Sadykova
Karaganda Ecological NGO, Kazakhstan

Martin Mikeska
Hnutí DUHA - Friends of the Earth, Czech Republic

Doug Norlen
Pacific Environment, USA

Petr Hlobil
CEE Bankwatch Network, Czech Republic

Anne van Schaik
Milieudefensie - Friends of the Earth, The Netherlands

Mirvari Gahramanli
Oil Workers' Rights Protection Organization Public Union, Azerbaijan

Kate Watters
Crude Accountability, USA

Noriko Shimizu,
Friends of the Earth Japan

For more information please contact:

Darek Urbaniak, Extractive Industry Campaign Coordinator, Friends of the Earth Europe, Tel: +32 2 401 4804 or +32 495 460 258 (Belgian mobile)