



About bp

bp delivers energy products and services to our customers around the world, and we plan to do so increasingly in ways that we believe will help to drive the transition to a lower carbon future. bp has operated in The Netherlands for more than 50 years.

bp supports well-designed public policy that enables delivery of a rapid and orderly energy transition consistent with the goals of the Paris Agreement, while giving due consideration to the affordability of energy and security of supply (the energy trilemma).

In 2020 we set out our strategy to transform from an international oil company to an integrated energy company and we set out our ambition to be a net zero company by 2050 or sooner, and to help the world get to net zero.

It is on this basis that we are happy to respond to this consultation, and we hope our response can help build a common understanding of the opportunities and challenges ahead, in aid of the Netherlands' national climate ambitions.

Introduction

- We recognise this proposal is designed to bridge the gap before the implementation of the Renewable Energy Directive III in January 2026.
- We recognise the work to incentivize the decarbonization in the Dutch transportation sector, via biofuels, direct electrification, and conversion into other energy carriers like hydrogen (or its derivatives).
- bp brings in its expertise in fuel production and also its work in support of decarbonisation in carbon intensive sectors, including transport, in our response to this consultation.
- We highly value the opportunity offered by the Ministry of Infrastructure and Water Management to provide our comments on the forthcoming legislation and supporting regulation.



General commentary

- We recognise the efforts to decarbonize transport and use of renewable energy sources in the transport sector.
- We recognise that for the interim year of 2025 it may be practical to make minimal changes to the existing system, in preparation for the implementation of the Renewable Energy Directive (REDIII) in 2026. We also recognise that the impacts of continuing with the current system should be carefully considered.
- For this reason, we ask whether the Ministry for Infrastructure and Water shares our interpretation of the impact of continuing the opt-in for aviation. According to bp calculations, the proposed policy is likely to lead to a significant decrease in the amount of biofuels supplied to the road transport sector in the absence of an increase in the overall target. This is a concern for bp and based on our understanding of the Ministry's priorities, particularly regarding increased road mandates within the proposed RED III transposition, potentially would also be a concern for the Ministry.

Questions and considerations

Availability of biofuels for road transport

We recognise the Ministry's ambitions to incentivise the production of biofuels for road transport, aviation and for maritime shipping, and the importance of introducing this in a way that is equitable across all transport modes in order to maintain stability across all transportation markets. We understand that decarbonising these sectors is a priority for government, fuel producers and transportation companies, who can work hand in hand to achieve this common shared goal.

bp poses the question as to whether the Ministry has considered the impact of continuing the opt-in for aviation on road transport?

bp is of the view that this policy is likely to lead to a significant decrease in the amount of biofuels supplied to the road transport sector in 2025 if the overall mandate is maintained at the same level. In 2025, the ReFuelEU obligation for aviation fuel suppliers will begin, with a 2% volumetric requirement to supply SAF. In our view, due to the definition of 'fuel supplier' who has the obligation, SAF will need to be supplied and the volumetric target met on a national basis. We expect that The Netherlands will see ReFuelEU SAF volumes from next year. By maintaining aviation as an "opt-in" on top of the ReFuelEU requirement, plus the incentive of multipliers, there is an increased incentive for SAF deliveries to the Netherlands. In the absence of an increase in the road mandate in 2025, this has a direct impact on the amount of biofuels required to be delivered to the road transport sector to fulfil The Netherlands RED II.

We do not identify the same risk from continuing the opt-in for maritime, due to the already limiting multiplier in place. And, whilst FuelEU Maritime also begins in 2025, the obligation falls on a different part of the supply chain than the fuel supplier (shipping company) and the structure of the regulation including "pooling" means that the requirement for liquid maritime biofuels to fulfil the obligation are expected to be very low in 2025.



bp has identified the following two options that could ensure that the availability of biofuels for road transport remains stable, whilst also incentivising the decarbonisation of air and sea transport:

- A. To adjust the multipliers for aviation to ensure attractiveness of supplying biofuels for road transport remains constant; or
- B. Limit the opt-in for aviation to SPK volumes which are not already mandated under RefuelEU obligation.

Closing remarks

We pose this question and make this suggestion in good faith, and hope that our input will aid the Ministry in finalising the details of this amendment to the Energy Transport Decree for the interim year of 2025. In case of questions or requests for clarification on the content of this document, please do not hesitate to reach out to bp.

We look forward to continuing engagement through the forthcoming consultations on the decarbonisation of transport in The Netherlands.