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Argus Consulting: Biofuels feasibility study



Challenge faced

The government of a non-EU country wished to explore the feasibility of setting national biofuels blending targets more closely aligned with new EU mandates.

The country's biofuels industry had developed at a slower pace compared with other regions, but an abundance of agricultural resources presented a significant opportunity. By adopting similar regulations to the EU, it hoped to realise the benefits of reduced fossil fuel imports and lower greenhouse gas (GHG) emissions, as well as supporting growth in the domestic economy.

Solution provided by Argus Consulting

Working alongside technology and legal advisory partners, Argus Consulting carried out detailed analysis on the potential for the government to adopt more ambitious biofuels blending mandates.

Issues analysed

- Feasibility of second-generation biofuels technologies for the domestic market and costs of infrastructure build-out
- Size of the potential feedstock resource for domestic production of biofuels
- Current regulatory framework and legal barriers to adoption of higher mandates

Four scenarios for the legislation were proposed, offering differing levels of biofuels demand and GHG savings for the country.

Each scenario differed in speed and type of biofuels blending, and subsequently cost and plant capacity requirements.

Outcome

The findings from the study provided clear insight into the feasibility of introducing national biofuels mandates. Many of the elements necessary for successful adoption of higher blending targets were already in place. But a prosperous domestic industry would require strong government direction, buy-in from incumbent fossil fuel industry players, and new industry players to establish feedstock and logistics solutions.

For this government to pursue advanced biofuels mandates as a policy goal, the following high-level steps were recommended for implementation:

- formalise the proposal,
- consult the local industry,
- integrate feedback,
- establish monitoring and regulatory bodies, and
- enact legislation.

Following the delivery of this feasibility study, the government was able to develop legislation with a full understanding of the country's overall potential biofuels production, the costs of implementing new blending regulations, and the legislative challenges. This will help the country to realise greater rural employment, reduce fossil fuel imports and cut GHG emissions.

For more information:



consulting@argusmedia.com



+44 20 7780 4200



www.argusmedia.com



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