

EUROPEAN COMMISSION

> Brussels, 9.8.2022 C(2022) 5591 final

COMMISSION IMPLEMENTING DECISION

of 9.8.2022

on the request from the Republic of Finland for a derogation pursuant to Article 3(4) and (5) of Directive 98/70/EC

(Only the Finnish and Swedish texts are authentic)

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel and amending Council Directive 93/12/EEC¹, and in particular Article 3(4) and (5) thereof,

Whereas:

- (1) Commission Decision C(2011)714² of 15 February 2011, amended with a correcting Decision C(2011)3772³ of 6 June 2011, on the request from the Republic of Finland on a derogation pursuant to Article 3(4) and (5) of Directive 98/70/EC ('the Directive') has expired on 31 December 2020.
- (2) By letter to the Commission registered on 12 January 2021, the Republic of Finland ('Finland') notified a request for derogation to permit the placing on the market during the summer period of petrol with a maximum vapour pressure of 70 kPa, due to its low ambient summer temperatures, for the period until 31 December 2030.
- (3) Finland's request for derogation was assessed in accordance with the Directive 98/70/EC and with the general recommendations for assessment set out in the Commission Guidance note on notifications of exemptions from the vapour pressure requirements for petrol under Article 3(4) of Directive 98/70/EC relating to the quality of petrol and diesel fuels of 20 July 2009 ('the Guidance note')⁴.
- (4) The Commission found that some essential information was missing in the initial notification, and asked Finland by letter dated on 20 April 2021 to complete the notification. Finland submitted additional information by letter to the Commission registered on 22 April 2022.
- (5) The Commission found the additionally submitted information sufficient to finalise the assessment.

¹ OJ L 350, 28.12.1998, p.58.

² Commission Decision C(2011)714 of 15 February 2011 on the request from the Republic of Finland for a derogation pursuant to Article 3(4) and (5) of Directive 98/70/EC, as amended by Directive 2009/30/EC

 ³ Correcting Decision C(2011)3772 of 6 June 2011 on request from the Republic of Finland for a derogation pursuant to Article 3(4) and (5) of Directive 98/70/EC, as amended by Directive 2009/30/EC
⁴ https://ec.europa.eu/clima/system/files/2016-11/guidance note vapour pressure en.pdf

- (6) The Guidance note provides that the notification by the Member State is assessed considering the forecast quantity of petrol concerned, the share it represents of the Member State's total produced amount, the quantity of petrol exported, the forecast quantity of petrol for which a derogation is sought and if relevant the associated percentage of bioethanol content of that petrol. In addition, the assessment of notification is to be conducted in accordance with the following socioeconomic and environmental criteria: any social, financial or economic impact to implementing the regulated vapour pressure of 60 kPa; last but not least, compliance with Union legislation on air quality and air pollution is assessed considering Member State's realistic and reliable projections of their emissions of non-methane volatile organic compounds (NMVOC), ozone and benzene, including additional measures being considered to outweigh the additional emissions caused by the derogation.
- (7) Finland provided information on petrol sales, export and import conditions and distribution in Finland, which the Commission considers sufficient to evaluate the notification.
- (8) Finland is a net exporter of petrol where in 2018, out of the total amount of 3 760 kilo tonnes (kt) tonnes petrol produced, about three quarters or 2 894 kt were exported, mainly to other EU countries and North America. As indicated in the request, the overall petrol consumption has decreased in Finland between 2010 and 2018 by 15 % or around 2-3% per annum. Finland expects this trend to continue due to the national climate policy, combustion engine technology development, increased amount of electrified fleet and the expected use of alternative fuels during the period between 2020 and 2030.
- (9) Finland has provided further information on the petrol quantities during the summer period⁵ for which the derogation is requested, indicating that these quantities represent about 29% of the yearly petrol consumption, based on the years 2010 2019 data, and show the same declining trend with 402 kt of petrol consumed in 2019 and 320 kt expected to be consumed in 2030.
- (10) Finland has reported that the quality of petrol in Finland is regulated by the Government Decree 1206/2010 setting the maximum vapour pressure to 70 kPa between June and August. Finland has further indicated that, based on sample checks in line with Article 8 of the Directive, all 99 petrol samples taken during the summer (out of 209 samples in total) were compliant with the maximum allowed vapour pressure limit, with only one exception of 95 E5 petrol sample that exceeded the maximum limit value.
- (11) Furthermore, Finland provided information of the direct socioeconomic problems on the impact on petrol producers and/or petrol suppliers of not having the derogation. This concerns any social, financial or economic impact of implementing the regulated vapour pressure of 60 kPa.
- (12) Finland describes the factors affecting operation of petrol markets. Given that the European supply of petrol exceeds the demand, the difference between the market price of petrol and the cost of raw material leads to a narrow margin of manoeuvre for the refinery sector. Hence, introducing a lower vapour pressure petrol would also influence the costs for refineries leading to an increased price of petrol in Finland.

⁵ For Member States with low ambient summer temperatures, the summer period is defined as the period between 1 June and 31 August according to Annex I of the Directive.

- (13) Finland also refers to the decreasing domestic demand for petrol, putting additional pressure on the Finnish refineries to either search for new export markets outside the EU and the United States or to adjust the production volumes to the shrinking demand. Finland mentions that the operator has already made the decision to close down the refinery in Naantali and to concentrate all production and R&D at Porvoo refinery. Finland notes another constraint for the Finnish refinery sector linked to the cold climate resulting in additional production costs relative to the refinery operations in Central and Southern Europe.
- (14) Finland has submitted information concerning the technical constraints and estimated costs if a derogation would not be granted. Finland explains that the production of petrol with 70 kPa vapour pressure allows the addition of lighter components, such as butane, to the product blend. If these lighter components, which are produced unavoidably by the refining processes, cannot be utilised in the petrol blend, alternative options would be needed, with additional production costs estimated to about 10 million Euro per year. In addition, to compensate for the absence of lighter components, import of external components would be required in order to balance the refinery component pool and secure petrol quality.
- (15) In view of the above, Finland informs that such configuration changes would require additional investments in the infrastructure of refinery and terminals, including in piping and tank storage capacity. This would lead to an estimated investment of 20-30 million Euro depending on the scale and number of required storage tanks. Finland concludes that the changes in refinery operations would evidently result in increased production costs leading to increased petrol prices at the fuel stations directly impacting consumers, which is not desirable.
- (16) On the basis of the submitted information, the Commission raises no objection against the notification, as concerns the relevant socio-economic criteria.
- (17) Finland provided information concerning the compliance with the national emissions ceilings and reduction commitments for NMVOC set out in the Directive (EU) 2016/2284 of the European Parliament and of the Council⁶ on the reduction of certain atmospheric pollutants. More specifically, Finland informed that the total NMVOC emissions were reduced by 25% from 113 kt in 2010 to 84 kt in 2020 that is below the national emission ceiling of 130 kt for the period 2010 2019. Finland further provided information on the NMVOC emission reduction per sector, such as agriculture, commercial, institutional and households, energy production and distribution, industrial processes and product use, road transport and non-road transport, showing a decreasing trend in most of the sectors over the time period 2010 2017.
- (18) In relation to the transport sector relevant for this application, Finland reported to have reduced its NMVOC emissions by 73% from 13.7 kt in 2010 to 3.7 kt in 2018. Much of this decrease was due to reduced petrol consumption, vehicle fleet renewal and installation of vapour recovery systems in the Finnish service stations. Finland concludes that it seems unlikely that the extension of the derogation would impact on the Finnish commitment on reducing NMVOC emissions under the Directive (EU) 2016/2284.

⁶ Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (OJ L 344, 17.12.2016, p. 1).

- (19) In relation to the sub-sectors relevant for this application, Finland indicated that based on the latest inventory submission⁷, the fugitive emissions from the distribution of oil products (code 1B2av) amounted to 2.6 kt or 3% of the total amount of NMVOC emissions in 2020, while the emissions from road transport gasoline evaporation (code 1A3bv) amounted to 1.27 kt or 1.5%. Finland further noted that emissions in both subsectors have a clearly declining trend and these emissions are declining faster than the total NMVOC emissions over the reference period 2010 to 2020. It can be concluded that the emissions relevant for this application make only a small part of the total Finnish NMVOC emissions amounting to 3.9 kt or 4.6%.
- (20) In relation to its present and future obligations, the Finnish obligation under the Directive (EU) 2016/2284 is a reduction of 35% of its NMVOC emissions for the period 2020-29 and of 48% for 2030 onward, compared to the emission level in 2005. The latest emission inventories (see footnote 7) and the most recent projections⁸ show that the total NMVOC emissions in 2020 comply with the Directive (EU) 2016/2284 requirements and that projected emissions for 2030 would also comply.
- (21) The Commission notes that the methodologies for reporting of emissions and emission projections employed by Finland appear to be consistent with those required under Directive (EU) 2016/2284 and considers that:
- national NMVOC emission reduction commitments under Directive (EU) 2016/2284 are already met with existing petrol vapour pressure specifications of 70 kPa;
- the projections show a foreseen continued compliance with the NMVOC emission reduction commitment for 2030;
- the NMVOC emissions relevant for this application correspond to a small amount of 3.8 kt in 2020 of the total NMVOC. Consequently, maintaining a petrol vapour pressure limit of 70 kPa would have only a limited effect on the Finnish overall achievement of the NMVOC target.
- (22) The Commission therefore sees no grounds for objecting to this part of the notification.
- (23) Finland provided information concerning the compliance with the requirements for ozone set out in the Directive 2008/50/EC of the European Parliament and of the Council on ambient air quality and cleaner air for Europe⁹. Finland has submitted information on the results for ozone concentrations for the years 1987 2020, measured in more than 30 monitoring stations located in both urban and rural background areas of Finland.
- (24) With respect to the ground level ozone, the EU target value of $120 \ \mu g/m3$ may not be exceeded by more than 25 days a year as from year 2010, under Directive 2008/50/EC. Finland has reported that the ozone target value in Finland has not been exceeded in any of the air quality zones since 2010. Only a single exceedance of 26 days has been registered back in 1996 at one monitoring station.
- (25) Finland further indicated that the information threshold of 180 μ g/m3 and the alert threshold of 240 μ g/m3 of ozone concentration have not been exceeded in any

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https://cdr.eionet.europa.eu/fi/un/clrtap/inventories/envyjbu8a/Annex_I_NFR_1980_2020_Finl and_04032022.xlsx/manage_document

https://www.ceip.at/status-of-reporting-and-review-results/2020-submissions

⁹ Directive 2008/50/EC of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe (OJ L 152, 11.6.2008, p. 1).

monitoring station in Finland over the last 10 years. There have been only a couple of individual exceedances of the information threshold registered in 2006.

- (26) Based on the monitored data, Finland estimates to remain compliant with the ozone target values also in the future. Finland notes that over the several decades only a few individual exceedances were registered and none of these have happened during the last decade. In addition, Finland notes that the measured values show a decreasing trend during the last decade.
- (27) The Commission finds that the use of monitoring data is appropriate for identifying any current or historical problems with achieving the ozone target values. The methods employed appear therefore to be suitable. It is established that, apart from a few single exceedance before 2010, there were no more reported exceedances of the ozone related target values during the current use of summer petrol with a vapour pressure up to 70 kPa.
- (28) Based on the information provided, the Commission considers that the extension of the derogation to 2030 is expected to have no or minimal impact on the ozone concentrations in Finland. The Commission finds that it is unlikely that the Union target value for ozone will be exceeded in 2022 and onwards. The Commission finds no reasons to object to the request in this part.
- (29) In order to assess compliance with air quality limit value for benzene, Finland provided information based on the monitoring results for the years 2012 to 2020, showing that the limit value of 5 μ g/m3 as specified in Directive 2008/50/EC, has not been exceeded in any area during the reference period.
- (30) Finland further explained that the annual concentration of benzene are generally very low. The submitted data shows the results of measurements in 11 monitoring stations at specific locations in urban, sub-urban and rural areas. The measured values are well below the set limit value of 5 μ g/m3, and since 2013 all measurements show values lower than 1 μ g/m3.
- (31) Finland expects to continue to be fully compliant with the Union target value for benzene in the next decade. Finland also refers to its commitment to carbon neutrality by 2035 including various legislative and non-legislative measures at the EU and national levels, expected to decrease the consumption of petrol and thereby the emissions of benzene. The Commission raises no objection to this part of the notification.
- (32) In conclusion, the Commission finds that these conditions justify a duration of a derogation limited to 31 December 2030.

HAS ADOPTED THIS DECISION:

Article 1

The Commission raises no objection to the notification from the Republic of Finland to permit the placing on the market during the summer period of petrol with a maximum vapour pressure of 70 kPa (derogation) until 31 December 2030.

Article 2

The Commission shall revoke the decision if, based on updated data, the Commission's assessment shows that the derogation will result in a lack of compliance with Union legislation on air quality or air pollution.

Article 3

This Decision is addressed to the Republic of Finland.

Done at Brussels, 9.8.2022

For the Commission Frans TIMMERMANS Executive Vice-President