Summary: Increased Blending Requirements for Biofuels

Public hearing (only in Norwegian): Økte omsetningskrav til biodrivstoff til veitrafikk, andre formål og sjøfart - miljodirektoratet.no

The Norwegian Environment Agency (Miljødirektoratet) was tasked by the Ministry of Climate and Environment (KLD) to assess increased biofuel blending mandates for road traffic, maritime transport, and other sectors for 2026 and 2027, including sub-requirements for advanced biofuels.

Key Points
Conventional Biofuels: The agency maintains that increased use of conventional biofuels should be avoided due to risks of indirect land use change (ILUC), deforestation, and global greenhouse gas emissions.

Two Scenarios for Blending Mandates

Low Path (Bane 1): Road traffic 20–21%, other sectors 11–12%, maritime 7–8%.
High Path (Bane 2): Road traffic 23–26%, other sectors 16–18%, maritime 10–13%.
Advanced Biofuels: Defined from January 2025 as fuels made only from A-feedstocks. These have the lowest risk of ILUC and are encouraged through sub-requirements.

EU Regulations: Norway currently uses outdated sustainability criteria (from 2009), while the EU has adopted updated directives (2018 and 2023). Norway is working to incorporate these into national law.

Global Supply and Demand

Global production of advanced and B-feedstock biofuels is expected to rise from 22 billion liters in 2024 to 47 billion liters by 2030.
Norway's domestic production is limited and uncertain; most biofuel will need to be imported.
Cost Implications:

Advanced biofuels are significantly more expensive.
Estimated price increases at the pump range from NOK 0.1/liter in 2026 to NOK 1.6/liter in 2027.
Social costs (excluding emission benefits) could reach billions of NOK annually.
Climate Impact

Emission reductions range from 21,000 tons CO_2 in 2026 to 528,000 tons CO_2 in 2027.
Sub-requirements for advanced biofuels could yield up to 182 million liters in 2027.
Policy Recommendations:

Prioritize other climate measures over increased biofuel use.
Consider changes to blending mandates to align with EU regulations and avoid inefficiencies in emissions accounting.