# ISCC Certification of a Chinese UCOME Producer Experiences and Export Potential

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Shanghai, July 2018

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上海 2018年7月





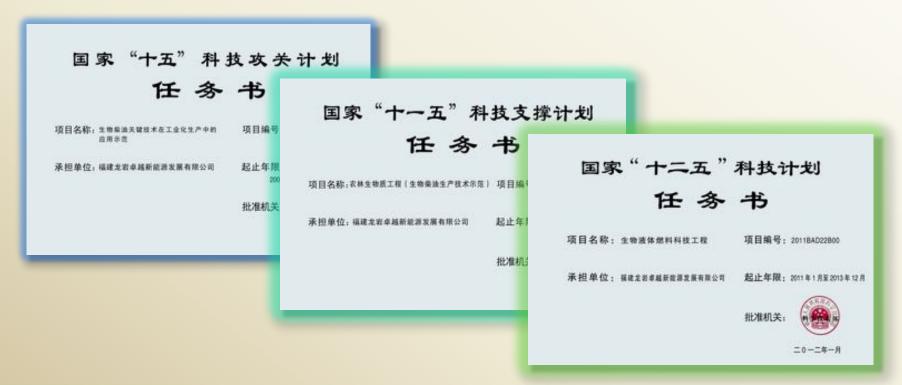




- The biggest producer of biodiesel in China with capacity of 200,000 tpa
- Location is Fujian, South China
- Named as a State Key High-Tech
  Enterprise, supported by government
- To use UCO to produce UCOME
- Self techniques and patents,
- One of the earliest biodiesel producers in China
- The earliest exporter of biodiesel from China to E.U.



 To undertake key Projects, such as the 10th, 11th & 12th Fiveyear National Science and Tech Plans for biodiesel development







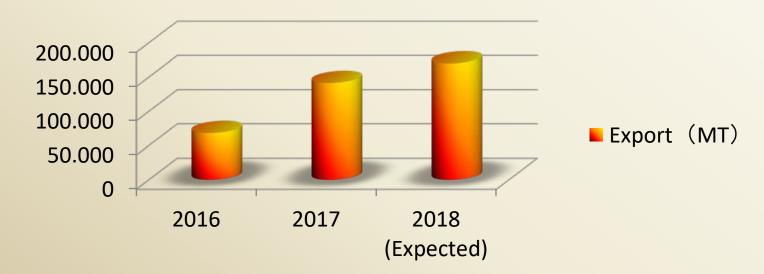
State Key High-tech Enterprise

#### Key Project of National Torch Program





- We started to export in early 2016;
- Export volume reached around 140,000tons in 2017(including subsidiary: XMZY);
- We expect to have export of around 170,000 tons in 2018.





# 2. Biodiesel Market Comparison -between E.U. and China

#### A. Difference in Raw Material

- E.U. producers:
  - Raw material mainly by Rapeseed oil, and partly by UCO,
  - Low FFA, low sulfur, but more expensive
- China producers:
  - Raw material by all kinds of UCO: Fried Oil, Waste food oil(FFA<25%), Gutter oil(FFA:20%-80%)</li>
  - High FFA, high sulfur, but cheaper



# 2. Biodiesel Market Comparison -between E.U. and China

## B. Difference in Application

- E.U. market:
  - As Burning oil in engines, all blended with fossil diesel;
- China market:
  - As burning oil, used in gas stations, vessels, factories.
  - As chemical material, used to produce plasticizers, which is a kind of PVC additive.
  - Volume for Chemical use was higher than that for burning use in past ten years



# 2. Biodiesel Market Comparison -between E.U. and China

- C. Difference in Regulations and Rules
- E.U. :
  - Blending mandate: 4%-12% with stable demand;
  - ISCC certification is required per year;
  - Quality as per EN14214;
  - Others: GHG value for German market, UK double counting, and Dutch double counting

#### China:

- No mandate but trial of 5% blending in some areas, unstable demand as burning oil;
- No special industrial certification is required;
- Quality: Chinese Standard, close to EN14214 but not compulsory



# 3. ISCC Certification Experience

- Basically, to ensure all necessary licenses, including registration, environment protection and security;
- To start certification jobs by 1-2 months ahead;
- To sign a good certification body, such as TÜV NORD CERT GmbH;
- To have clear Mass Balance and documentation, and fully ensure traceability of raw material and products;
- Continuous improvement through internal ISCC study and training



## 4. Export Experience

### A. Upgrade of facilities

- More investment in testing and production facilities for better quality as per EN14214. Based on low quality of UCO in China, the following items of biodiesel need to be improved:
  - Sulfur content
  - Water content
  - Free Glycerin
  - Oxidation stability
  - CFPP





# 4. Export Experience

## B. Marketing

- ISCC website and summit
- Promotion of business platform such as alibaba.com, google.com
- Brokers
- Company's website



# 4. Export Experience

C. Credibility and Professionalism

Markets reward good brands and good reputation. So for more value and longer business, we should ensure:

- Cargo delivered timely;
- Quantity and quality complying with contracts;
- Professional documents under ISCC requirement with full traceability



## 5. Summary

Europe, USA and China are three major markets in the world. We not only focus on E.U. and Chinese markets, but also try to explore US market, with US certification ongoing.

We would have a nice hope that, with our hardworking, all our suppliers and customers can be always happy, so that we can make best contribution together to the world's energy saving and emission reduction.

## **THANKS**

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ISCC SHANGHAI -2018