

**Voluntary Report** – Voluntary - Public Distribution

**Date:** February 08, 2023

**Report Number:** JA2023-0012

**Report Name:** Japan Proposes Biofuel Standards for 2023-2027 and Opens  
Comment Period

**Country:** Japan

**Post:** Tokyo

**Report Category:** Biofuels

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**Report Highlights:**

Japan's Ministry of Economy, Trade and Industry (METI) published a draft notification for biofuel standards from Japanese fiscal year 2023 through 2027. METI will accept public comments in Japanese on the text until 6 PM on March 2, 2023 (Japan time). METI intends to implement the new biofuel standards from April 1, 2023.

## General Information

Under the Act on Promotion of Use of Non-Fossil Energy Sources and Effective Use of Fossil Energy Raw Materials by Energy Suppliers (also known as “the Sophisticated Act”), the Ministry of Economy, Trade and Industry (METI) periodically updates standards (via “notifications” under the Sophisticated Act) for Japan’s transport biofuels. Japan’s current transport biofuel standards (i.e., Notification 2.1) will expire on March 31, 2023 (or by Japanese fiscal year (JFY, April-March) 2022) (see [Japan Biofuels Annual 2022](#) for details). To update biofuel standards (i.e., issue Notification 3.0) ([JA2022-0077](#)), METI organized four [Expert Committee Meetings](#) between September 2 and December 28, 2022. On December 28, 2022, METI opened a three-week public comment period ([JA2023-0002](#)) on the proposed direction of Japan’s biofuel standards, which reflected an interim summary of the experts’ discussions.

On February 1, 2023, METI held the [final<sup>1</sup> Expert Committee Meeting](#) to review the [public comments received in response to the December proposal](#) (available in Japanese only). On the same date, METI published [the draft Notification 3.0](#) (available in Japanese only) and [invited public comments](#). METI plans to implement the new Notification 3.0 from April 1, 2023, so METI will finalize and publish the final Notification 3.0 in March 2023.

METI [highlighted](#) the following aspects of draft Notification 3.0:

- In line with Notification 2.0, Notification 3.0 would require Japanese oil refineries to use 500 million liters of crude oil equivalent (LOE) of bioethanol<sup>2</sup> annually from JFY 2023 to 2027.
- The life cycle assessment (LCA) proposed for U.S. corn-based ethanol is 36.86 gCO<sub>2</sub>/MJ, while the LCA for Brazilian sugarcane-based ethanol would be 28.59 gCO<sub>2</sub>/MJ.
- METI will keep the greenhouse gas (GHG) emission reduction target for transport biofuel at 55 percent of GHG emissions for gasoline until METI completes a new LCA for gasoline. Once METI finalizes the gasoline LCA<sup>3</sup>, the reduction target will increase to 60 percent of GHG emissions from gasoline use.
- Notification 3.0 specifies that METI will only recognize “Sustainable” Aviation Fuel (SAF)<sup>4</sup> as bio-jet fuel. SAF use can count toward the 500 million LOE target. For SAF manufactured from certain feedstocks<sup>5</sup>, METI will allow the derived SAF volume to count twice toward the 500 million LOE target (e.g., 10 liters of SAF produced from used cooking oil will count as 20 liters toward fulfilling the target).
- METI will not require any use of next generation bioethanol (e.g., cellulosic ethanol) until JFY

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<sup>1</sup> Formally the 10<sup>th</sup> Expert Committee Meeting.

<sup>2</sup> In a departure from Notification 2.1, METI specified that the target was for bioethanol, rather than broadly biofuel.

<sup>3</sup> METI will initiate information-gathering to update the gasoline LCA in JFY 2023.

<sup>4</sup> METI does not clarify the definition of SAF in the proposed Notification. As METI uses “SAF” instead of the general terminology, bio-jet fuel, METI intends to imply Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)-eligible bio jet fuel. Please see [JA2022-0041](#) for more information on Japanese SAF situation.

<sup>5</sup> Cellulosic raw materials (e.g., trees), cellulosic raw materials in collected used products, carbon recycling technology, microalgae, used cooking oil, animal fats and other non-edible oils.

2028. Japanese oil refineries will be required to use 10 million LOE of next generation bioethanol from JFY 2028 to JFY 2032. For the duration of Notification 3.0, METI will count the use of next generation bioethanol twice toward the 500 million LOE target (e.g., 10 liters of next generation bioethanol used will be counted as 20 liters of bioethanol used toward the 500 million LOE target).

### **Comment Submission**

Comments must be submitted in Japanese by 6 pm on March 2, 2023 (Japan time) via email, [e-Gov website](#), or mail:

- email comments to: [bzl-shinen-sekiyuseisei-bio@meti.go.jp](mailto:bzl-shinen-sekiyuseisei-bio@meti.go.jp)
- Go to [e-Gov](#). After agreeing to the terms, click “意見入力へ” to submit your comments.
- Mail comments to: 〒100-8901  
1-3-1 Kasumigaseki, Chiyoda-ku, Tokyo  
To: Agency for Natural Resources and Energy, Natural Resources and Fuel Department,  
Petroleum Refining and Reserve Division, Attn.: Public Comments Team

### **Attachments:**

No Attachments.