



Department
for Transport

Introducing E10 Petrol: Consultation

Moving Britain Ahead



March 2020

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Department for Transport
Great Minster House
33 Horseferry Road
London SW1P 4DR
Telephone 0300 330 3000
Website www.gov.uk/dft
General enquiries: <https://forms.dft.gov.uk>



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1. Executive summary

Introduction

- 1.1 The UK government has set ambitious targets to reduce greenhouse gas (GHG) emissions to net zero by 2050. The transport sector accounts for the greatest share of UK GHG emissions: 28 per cent in 2018. Recognising the need to scale up efforts in the transport industry, the UK's first Transport Decarbonisation Plan was announced in October 2019 to bring together a bold and ambitious programme of coordinated action needed for transport to play its part in reaching net zero transport emissions by 2050. The Plan will set out a credible and ambitious plan for the UK to ensure transport delivers its contribution to 'net zero' greenhouse gas emissions by 2050 and increases its contribution to carbon budgets.
- 1.2 As part of delivering this plan, measures will be needed to reduce emissions from the existing vehicle fleet in parallel with wider technological changes, such as the phasing out of new petrol and diesel vehicles by 2035. Low carbon fuels already play an important role in achieving this. UK targets for low carbon fuels have doubled between 2018 and 2020 and are supported by policies to encourage the development of innovative new waste-based fuels. However, more is needed to ensure we harness the full potential of low carbon fuels in reducing our emissions.
- 1.3 A clear next step is to look closely at the potential to introduce E10 petrol, a grade with up to 10% bioethanol. This could be a quick way to increase biofuel blending without needing investments in large-scale infrastructure changes or new technologies. E10 is a proven fuel blend that works in almost all petrol vehicles.
- 1.4 UK fuel standards already permit E10 to be sold, but petrol with more than 5% bioethanol, a grade known as E5, is not yet available at UK forecourts. Switching to E10 would reduce the CO₂ emissions from a petrol vehicle by around 2% (in addition to the savings from E5), and, if combined with an increase to overall biofuel supply targets, could cut overall transport CO₂ emissions by a further 750,000 tonnes per year, the equivalent to taking around 350,000 cars off the road.
- 1.5 UK producers of bioethanol mainly use locally-grown feed wheat and sugar beet to distil this renewable fuel, which can be blended into the petrol we buy from forecourts across the country. Introducing E10 could therefore help support UK farmers and particularly the ethanol industry located in the North East of England. Its valuable by-products, high protein animal feed and stored carbon dioxide (CO₂), would further reduce reliance on imported products, and aligns with the government's Bioeconomy Strategy.
- 1.6 Introducing E10 could represent an important step forward, and we are keen to harness this potential and continue looking for ways to maximise the UK's use of sustainable low carbon fuels.
- 1.7 To enable the potential carbon saving and recognise the importance of bioethanol production to the UK economy, this consultation proposes that the standard 95 octane petrol sold across the country should change from E5 to E10. This follows a

previous call for evidence which concluded that supplying E10 as an additional consumer choice at the pump would not be a feasible option in the UK due to the necessary infrastructure changes. The government response to that call for evidence is published in parallel with this document.

- 1.8 The proposed route to introduce E10, as set out in this consultation, is to set a minimum ethanol requirement for standard 95 octane petrol. This would be done via amendments to the Motor Fuel (Composition and Content) Regulations (MFCC). While the minimum ethanol level would be set only slightly above the current blendwall, at 5.5%, it will enable fuel suppliers and retailers to blend up to the 10% limit for E10 petrol, while also maintaining supply flexibility. Overall biofuel supply levels will continue to be dictated by the Renewable Transport Fuel Obligation (RTFO), the main support mechanism for biofuels in the UK.
- 1.9 This consultation proposes that the changes would take place during 2021, giving motorists and industry time to prepare. By 2021, it is predicted that 98% of petrol cars on our roads will be fully compatible with E10. This means the new grade could be introduced when nearly all motorists can switch straight to the new main petrol grade.
- 1.10 We recognise that some motorists, particularly owners of classic and cherished vehicles, would still need access to E5. For that reason, this consultation is also proposing to require that the higher octane "super" grade, available at many filling stations, remains E5. This means petrol with a lower ethanol content would still be widely available after E10 is introduced.
- 1.11 This document also seeks views on potential changes to other policy mechanisms such as the RTFO which could support and facilitate an E10 roll-out. Introducing E10 could provide additional headroom to achieve a higher overall renewable fuel target, if the target is increased in the future. However, determining how to maximise GHG savings would also depend on other factors, including the availability of sustainable biofuel feedstocks. These questions are therefore included as a call for evidence, the results of which will be used to inform the substance and timing of future policy in this area. These will be considered alongside the UK's legally binding carbon budgets and our commitment to achieve net zero emissions by 2050.

How to respond

The consultation period began on 04 March 2020 and will run until 3 May 2020 (the consultation was originally scheduled to close on 19 April but has been extended due to the Covid-19 pandemic). Please ensure that your response reaches us before the closing date. If you would like further copies of this consultation document, it can be found at <https://www.gov.uk/dft#consultations> or you can contact LowCarbonFuel.Consultation@dft.gov.uk if you need alternative formats (Braille, audio CD, etc.).

An official response form is provided in Annex D, please submit your responses using this form.

Where possible please provide responses in digital form to:

LowCarbonFuel.Consultation@dft.gov.uk

Hard copy responses can be sent to:

Low Carbon Fuels

Department for Transport Great Minster House

33 Horseferry Road

London

SW1P 4DR

When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

Freedom of Information

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.

If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data in accordance with the Data Protection Act (DPA) and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Data Protection

The Department for Transport (DfT) is carrying out this consultation to gather views on E10 policy. This consultation and the processing of personal data that it entails is necessary for the exercise of our functions as a government department. If your answers contain any information that allows you to be identified, DfT will, under data protection law, be the Controller for this information.

As part of this consultation we're asking for your name and email address. This is in case we need to ask you follow-up questions about any of your responses. You do not have to give us this personal information. If you do provide it, we will use it only for the purpose of asking follow-up questions.

[DfT's privacy policy](#) has more information about your rights in relation to your personal data, how to complain and how to contact the Data Protection Officer.

Your information will be kept securely and destroyed within 12 months after the consultation has been completed.

2. E10 Petrol and consumer protection

Context

- 2.1 The Renewable Transport Fuel Obligation (RTFO) Order requires fuel suppliers in the UK to supply a certain share of renewable fuels. While suppliers can meet their RTFO targets in a variety of ways, this is mainly done by blending bioethanol into petrol and biodiesel into diesel. In 2018, renewable fuels supplied under the RTFO reduced CO₂ emissions by almost 4 million tonnes, the equivalent of taking 1.8 million cars off the road.
- 2.2 Currently, petrol blends supplied in the UK contain no more than 5% ethanol. These blends are referred to as E5. Requirements referenced in the Motor Fuel (Composition and Content) Regulations 1999 (MFCC Regulations) also permit petrol to contain up to 10% ethanol (E10). However, whilst E10 has become widely available in several countries within and outside Europe, it has not been introduced in the UK.
- 2.3 A significant number of vehicles on the road now are optimised to use E10 petrol, as E10 has been the reference fuel for new car type approval for fuel consumption and emissions standards since 2016.
- 2.4 Switching from E5 to E10 petrol could help further reduce CO₂ emissions from petrol cars and help the UK meet emissions targets.

Benefits of E10

- 2.5 Introducing E10 could have a range of benefits, especially in reducing GHG emissions and building a UK bioeconomy.

GHG emission savings

- 2.6 Using bioethanol in place of fossil fuels can reduce CO₂ emissions by around 65% for an equivalent volume of fossil fuel. As a result, increasing the proportion of bioethanol in petrol from 5 to 10% could reduce CO₂ emissions of a vehicle by around 2%¹. While this is a relatively small difference for any given vehicle, if combined with an increase in RTFO targets, it could reduce CO₂ emissions from road transport by a further 750,000 tonnes per year. This would be the equivalent of taking around 350,000 cars off the road.

UK Bioeconomy

- 2.7 Under the RTFO, UK-grown feed wheat has historically been the most widely used feedstock to produce bioethanol. However, the UK bioethanol sector is currently operating below capacity, partly due to the E5 blendwall limiting domestic demand. As a result, E10 introduction could provide a boost to UK industry and agriculture, particularly to the large bioethanol producers in the North East of England.

¹ The 2% figure includes allowances for indirect land use change as a result of using crops and takes into account the energy difference between fossil petrol and ethanol.

2.8 Bioethanol production also results in valuable by-products, such as high protein animal feed and stored CO₂ for the nuclear and food and drink industries. By supporting UK ethanol producers, we can reduce imports of these products and support local economies. Introducing E10 would therefore align with the aims of the government's 2018 Bioeconomy Strategy.

Sustainability of biofuels

2.9 When compared with other crop-based biofuels, bioethanol is associated with relatively limited land-use change impacts, comparatively strong carbon savings and a low impact on food prices. As a result, bioethanol is generally considered preferable in terms of GHG emission savings to the supply of crop-derived biodiesel, which carries a higher risk of inducing negative indirect impacts such as deforestation.

2.10 The RTFO scheme includes a "crop cap" which limits the amount of crop-derived biofuel that can be supplied to reach the targets under the scheme. The cap is set at 4% in 2018 and will reduce linearly to 2% between 2020 and 2032. Modelling suggests that with high E10 uptake, the cap could be filled by crop-derived bioethanol. This would provide some assurance that the share of oil-seed crop biofuels, which generally deliver poorer carbon savings than bioethanol, cannot significantly increase.

2.11 At the same time, the cap would only provide a restriction on crop-derived ethanol towards the end of the 2020s in this scenario. This pressure would help to encourage developed of advanced, waste-derived bioethanol, in line with the government's overall biofuel strategy.

Air quality

2.12 It has been suggested by some respondents to the previous call for evidence that E10 could help reduce air pollution from petrol. While it is true that some pollutants can be reduced as a result of increased ethanol blending, any changes are normally very small and vary based on driving style and vehicle model. As a result, we do not expect moving to E10 to deliver significant air quality benefits².

Barriers to E10

2.13 At present, the main barrier preventing suppliers from introducing E10 is that there are some petrol vehicles which are not approved for E10 use. Consequently, consumers need to be informed in a coordinated manner and be fully engaged with the change. In addition, the provision of E5 needs to be guaranteed for those vehicles not approved for E10 use.

2.14 Existing legislation already requires that a consumer message must accompany the sale of E10, informing motorists that not all vehicles are approved to use E10 (see also a proposed revision of this message from paragraph 3.55). While the vast majority of petrol vehicles in use today are fully approved for use with E10, it is not straightforward to set out which vehicles produced prior to 2011 are approved for E10 use, as there are no clear cut-off dates for determining compatibility. Compatibility needs to be confirmed by manufacturers for each model. For more information please see the "vehicle compatibility" section from paragraph 2.28.

² This is in line with a number of authoritative reports. For example, a study for the European Commission concluded that increasing the bio-content of transport fuels "will not negatively impact air pollution". See ['Impact of higher levels of bio components in transport fuels in the context of the Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998, relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC Final report'](#) (page 11)

- 2.15 Currently, there are around 700,000 petrol cars in use in the UK that are not approved for use with E10 fuel (around 3% of total cars). Around half of these are day-to-day use vehicles that will eventually come to the end of their lifetime and be scrapped. However, there will always remain some classic and cherished vehicles in the car fleet that are not advised to use E10.
- 2.16 Given the potential for consumer uncertainty, individual retailers have been reluctant to introduce E10, especially as competitors could continue to market E5 as their primary grade. A single supplier switching to E10 would be concerned about falling sales if consumers could purchase E5 from competitors with no concerns around compatibility. Industry representatives have also pointed out that any coordinated action between suppliers or a group of suppliers could conflict with competition law.
- 2.17 Accurate and consistent messaging around E10 would be a vital part of any introduction. As a result, many in the industry have called for government to ensure any introduction of E10 is co-ordinated and applies to the whole sector.
- 2.18 Given these market challenges, we think it is unlikely that E10 would become available in the UK in the near term without government facilitating its introduction.

Links to the RTFO

- 2.19 In 2018, new, higher RTFO targets were introduced for fuel suppliers. This comprises the main RTFO target, which doubled between 2018 and 2020, and then is to be maintained as a minimum target to 2032. It also includes an additional target for so-called development fuels to drive innovation in biofuels, increasing steadily to 2032. The targets are to be reviewed as part of the regular carbon budget process and as evidence on the impact of the current steep target increase emerges.
- 2.20 The current RTFO targets can be met by fuel suppliers blending petrol and diesel close to the maximum level of biofuel defined in the standards, the so-called blendwalls. For diesel this would be close to 7% biodiesel, for petrol close to 5% bioethanol. As a result, any further increase to the RTFO targets in the early 2020s would put pressure on fuel suppliers to go above the current blendwalls.
- 2.21 Introducing E10 therefore helps unlocking additional blending space in the conventional fuel market to allow for an increase in the main RTFO targets. This is discussed in more detail in section 4 of the document.
- 2.22 The Impact Assessment which accompanies this consultation looks at how an E10 introduction within current targets, and possible future target increases, impacts carbon savings against an assumed baseline level.

Previous call for evidence

- 2.23 In 2018, the Department for Transport [published a call for evidence](#) on whether and how E10 could best be introduced in the UK. The call for evidence raised the possibility of introducing E10 as an additional choice for motorists, with E10 initially supplied only at the large filling stations with the capacity to supply a third type of petrol.
- 2.24 Respondents to the call for evidence, including fuel suppliers, were clear that they did not believe this approach was suitable for the UK market. They highlighted that the UK fuel market is heavily optimised around supplying no more than two grades of petrol. While some filling stations may be able to add E10 to their current offering, the majority of sites would need to make extensive adjustments to the set-up and underground storage infrastructure. This would be costly and take time.

- 2.25 Industry representatives explained that changes would be required at refining and supply terminals as well as the distribution network. Adding an additional fuel grade would require new infrastructure to be built at significant cost. They also explained that when development permits and licenses were considered, at least two years' notice would be needed to develop the required infrastructure. This would mean that any requirement to supply E10 at certain filling stations would need a significant lead time.
- 2.26 Responses to the call for evidence from motorists and motoring groups, as well as other niche petrol users, such as light aviation, highlighted the need for E5 to remain available for those that need it. However, many respondents were keen to ensure that the lower ethanol E5 grade was preserved in the higher octane super petrol. High octane fuel is suitable for all vehicles, and often used by classic and cherished vehicles that may also need lower ethanol blends.
- 2.27 The majority view was that E10 should be introduced as a replacement for the current 95 E5 grade, with E5 remaining available in the super grade. Owners of cars that need access to E5 were clear that they felt this lower ethanol option should remain available for the foreseeable future.

Vehicle compatibility

- 2.28 Further to the responses to the call for evidence, more detailed information on vehicle compatibility has emerged, including from updated vehicle datasets.
- 2.29 As set out above, vehicle compatibility has been the main barrier to the introduction of E10 so far. Not all vehicles have been approved by their manufacturers for use with fuel with more than 5% ethanol. This is because higher blends of ethanol can cause corrosion of some rubbers and alloys used in the engine and fuel systems of some older vehicles.
- 2.30 The majority of vehicles registered in the UK are approved for use with E10. Only around 3% of the car parc would have been affected by the introduction of this new fuel if it was done in 2019 and the number is decreasing every year.
- 2.31 Incompatible vehicles can also be split into two groups: classic or cherished vehicles and older everyday vehicles.

Classic or cherished vehicles

- 2.32 Classic and cherished vehicles make up around half of the total number of cars which are not approved for use with E10 today. In most cases they are not approved either due to a confirmed concern, or the manufacturer is no longer able to give a definitive view on compatibility. These vehicles generally remain in the vehicle parc long-term as very few are scrapped. They include true classics (over 40 years old) but also newer vehicles which are unlikely to be used as a main family vehicle, for example sports cars and so called "modern classics".

Older everyday vehicles

- 2.33 Vehicles in this category are older normal family cars that have not been listed as suitable to be fuelled with E10. Most of these vehicles were manufactured in the early 2000s. Many are powered by first generation direct injection petrol engines and manufacturers are concerned the fuel system may develop faults with prolonged use of E10 fuel. This also includes cars from manufacturers like Rover who have ceased trading and are unable to provide information on compatibility and are therefore not recommended to use E10.

2.34 With every year, these vehicles are becoming less common as they reach the end of their economic life and are scrapped. While there are currently around 400,000 cars that fit the description, this figure is expected to halve by 2021. At that point, these vehicles will represent less than 1% of the total car parc.

Information on vehicle compatibility

2.35 Information on vehicle compatibility is already available via [ACEA, the European Car Manufacturer Trade Association](#) and [ACEM, the European Motorcycle Trade Association](#). Most countries which have introduced E10 also developed specific websites where motorists can check the compatibility of their car, and we would plan to develop a similar tool were E10 to be introduced in the UK.

2.36 It would become important for drivers to check whether their vehicle is approved for use with E10, particularly if their car was manufactured before 2011. For some makes and models, the compatibility picture can be quite complicated, with the year of manufacture and engine type determining compatibility. Manufacturers have provided quite detailed information to help owners determine whether their car or motor bike can use E10. As an example, for the VW Golf, all models are approved for use with E10 except some from the early 2000s that used the first-generation direct injection "FSI" engine. As a result, a VW Golf manufactured in 1999 or 2007 would be compatible, while a model manufactured in 2005 may not be.

3. Proposals

Introducing E10 and keeping E5 available

Overview

- 3.1 With E10 petrol providing an opportunity for the UK to further reduce the CO₂ emissions from road vehicles, and the number of incompatible vehicles falling steadily, the argument for the widespread availability of this greener fuel has become stronger since our 2018 call for evidence.
- 3.2 Responses indicated that, for the introduction of E10 to achieve the best outcomes, it should be rolled out as a replacement for the current 95 E5 "premium" grade. This would be accompanied by a requirement to keep E5 available in the higher octane super grade (98 E5).
- 3.3 E10 could only deliver significant carbon savings and provide an increased market for UK bioethanol producers if it becomes the main petrol grade in the UK. Introducing E10 as an additional (rather than main) fuel on the market would not deliver these benefits, and could increase costs and complexity for fuel suppliers as well as consumers.
- 3.4 By introducing E10 in place of 95 E5, the change could happen without costly changes to infrastructure. This is important, given that a key justification for our original proposal to add E10 as an additional choice was to ensure drivers of incompatible vehicles could continue using 95 E5. However, assessment of the vehicle parc suggest very few incompatible daily use vehicles will remain by the early 2020s. As a result, the significant investment required to add E10 as an additional choice can no longer be justified.
- 3.5 We therefore propose that the standard 95 octane premium petrol should change to become E10 across the UK. We would require all filling stations (with exceptions for some remote areas and specialist/low volume retailers) to ensure their standard petrol is E10.
- 3.6 The reason for choosing the standard 95 octane grade is that it is used by most drivers (currently around 95% of petrol sales are for the 95 grade). As a result, this is the only grade that, with increased ethanol content, could deliver significant carbon savings.
- 3.7 We anticipate the requirement to sell E10 in 95 grade would come into force in 2021. By this time, the number of daily use incompatible cars is expected to have dropped below 1% of the total car parc, with the remainder close to the end of their economic life. This timeline also allows for this consultation process to be completed and legislation to be introduced and passed during 2020. There would then be a period of up to a year in which both fuel suppliers and consumers could prepare for the change in grade. Experience from other countries suggests that a comprehensive communications campaign is important to ensure motorists are well informed ahead of the change in grade.

- 3.8 The timing of any introduction is discussed in more detail from para 3.35 below.
- 3.9 We also propose to ensure the supply of E5 is maintained via the higher octane super grade (known as the protection grade). Users of vehicles and other equipment that need to use this lower ethanol blend would be able to purchase this fuel from forecourts that offer two grades of petrol.
- 3.10 We are proposing that the protection grade regulations would last for at least five years after E10 is introduced. Five years is the longest period government could impose such a regulation before it must be reviewed under the current legislation. Any further extension would be considered based on the situation and evidence at the time the regulation is reviewed.

Introducing E10 - Regulations and targets

- 3.11 There are different legislative options that could be used to introduce E10. In choosing the best approach it is important to consider how the switch from 95 E5 to 95 E10 in the standard petrol grade should be managed. The following two points are crucial to ensure a smooth roll out:
- the switch should be nationwide, with all filling stations (bar certain remote areas/specialist and low volume retailers) changing to E10 in the 95 octane grade
 - the switch should be co-ordinated across the fuel retail sector, with all filling station operators switching at the same time
- 3.12 Delivering on these two points would minimise confusion and complexity for fuel consumers and allow for a single nationwide communications plan to prepare motorists for the change.
- 3.13 The approach would also mitigate concerns around competition law. If regulations allow fuel suppliers flexibility on when and where E10 is introduced, competition law could prevent co-ordination across fuel retailers and suppliers. For the public communications to be a success, co-operation of the main stakeholders is required to ensure information is disseminated widely.
- 3.14 The need for a rapid and nationwide introduction therefore rules out implementation via changes to the RTFO scheme alone. The RTFO scheme is designed to be flexible and provide fuel suppliers with a range of options for meeting biofuel supply targets. As a result, only increasing RTFO targets would not guarantee that E10 is introduced smoothly either in terms of the timing or geographical extent. If fuel suppliers only needed to meet increased targets, they could use existing flexibility in the scheme and within their fuel supply business to vary whether and how they introduced an E10 grade. As stated above, any effort to co-ordinate a roll-out in this type of scenario could also be complicated by concerns around competition law.
- 3.15 Another option could be to include ethanol specific sub-targets in the RTFO. However, this would add further complexity to the RTFO as it would require an additional certificate type under the scheme to be created, traded and target achievement monitored. At the same time, existing flexibilities under the scheme (including the option to "buy-out" from an obligation) would still apply and therefore not guarantee a coordinated introduction in terms of the timing or geographical extent.
- 3.16 As a result, the government thinks that E10 should be introduced via direct changes to fuel quality and specification regulations to ensure E10 petrol is rolled out in a managed and co-ordinated manner.

3.17 We also recognise that E10 introduction would have an impact on how RTFO targets are met throughout the 2020s. Section 4 of this document therefore also seeks initial views on how the E10 introduction would need to be reflected in any future review of the RTFO.

E10 requirement options

3.18 The Motor Fuel (Composition and Content) Regulations 1999 (MFCC) are the main legislative instrument which set requirements for the fuels sold at filling stations across the UK. These requirements are designed to ensure fuel is both suitable for the motor vehicles that will use them, and that they meet specifications concerned with reducing emissions.

3.19 At present, in relation to ethanol, the MFCC Regulations include reference to two specifications for petrol. These are for E5 petrol, with between 0 and 5% ethanol (and no more than 2.7% oxygen), and E10 petrol, with between 0 and 10% ethanol (and no more than 3.7% oxygen). The link to oxygen content is significant because ethanol is the most commonly used oxygenate in petrol blending.

3.20 The MFCC Regulations could be amended to require filling stations to sell E10 petrol. We have identified two ways this could be achieved. Our preferred option would see a minimum ethanol content applied to the standard 95 octane petrol grade. An alternative option is also outlined whereby the normal 95 grades would simply need to be labelled as E10.

Preferred option - minimum ethanol content

3.21 Our preferred mechanism for introducing E10 is to amend the MFCC Regulations to introduce a minimum ethanol content requirement to ensure that the standard 95 octane petrol grade is classed as E10 petrol.

3.22 At present the standards referenced in the MFCC Regulations only require that petrol must not be sold with more than 10% ethanol as part of European wide standards for motor fuel. We intend to amend the UK regulations to include an additional requirement that 95 octane petrol has a minimum of 5.5% ethanol.

3.23 By setting the minimum ethanol requirement relatively low, suppliers would retain the flexibility to meet RTFO blending obligations in both petrol and diesel, with the new requirement not being overly prescriptive.

3.24 However, given current market conditions, we expect this would ultimately lead to higher proportions of ethanol being blended. Blending ethanol is typically a cost-effective measure for suppliers to meet their obligations, and we would therefore expect blending levels to go beyond 5.5%, towards the 10% limit.

3.25 Were we to require higher minimum levels of ethanol blending, we would limit flexibility in the fuel supply sector to meet overall renewable fuel targets. Suppliers would be dissuaded from using other bio-components in their petrol blends. Renewable fuels, such as ETBE, bio-methanol and bio-MTBE can all be blended with fossil petrol under the current petrol standards. Suppliers would also be less able to vary blending levels based on fluctuating prices and geographic differences.

3.26 The 5.5% ethanol requirement therefore strikes the right balance between ensuring a market-wide switch to E10, removal of the E5 blendwall and a guarantee that the 95 grade would contain less fossil fuel by volume after the introduction, while still providing flexibility for suppliers to meet their overall renewable fuel obligations.

Alternative option - labelling requirement

- 3.27 An alternative option is to require filling stations to ensure their 95-octane fuel is labelled E10.
- 3.28 The current fuel standard for petrol is drafted such that any petrol containing between 0 and 10% ethanol can be labelled as E10, but only fuel with more than 5% ethanol (or more than 2.7% oxygen) must be. Given the requirement to re-label the fuel, the need for additional consumer information and concerns around consumer acceptance, this has led to ethanol not being blended above the 5% blendwall. By requiring that all fuel is labelled E10, this barrier could be removed, and fuel suppliers would blend towards the 10% limit.
- 3.29 The main benefit of this approach is that it allows fuel suppliers to blend fuels in the most efficient way whilst still meeting their overall RTFO targets. They could balance ethanol blending rates both over time and geographically. In addition, with no minimum ethanol content required at any given time, there should be no impact on security of supply (see also section on supply derogations below). It would also allow fuel suppliers to use bio-components, other than ethanol, such as bio-methanol and bio-ethers, to meet both fuel standards and RTFO targets.
- 3.30 The main disadvantage with this approach is that it does not guarantee any increase in ethanol blending. It may therefore not deliver all the benefits, including for example potential benefits for the UK ethanol industry. Furthermore, it would provide a confusing message for consumers as it could not be guaranteed that E10 is indeed 'greener' than the previous petrol grade. The E10 label-only approach could also lead to a perverse incentive whereby a fuel could be formally labelled E10 but marketed as a low ethanol fuel in an effort to compete against other fuel retailers.

Questions

1. Do you agree that the best way to introduce E10 petrol is as a direct replacement for the current 95 E5 premium grade? If not, please provide further information.

2. Do you agree that introducing a minimum ethanol content of 5.5% in the 95 grade is the best way to ensure E10 is introduced across the UK? If not, what alternative would you propose?

Obligated parties

- 3.31 We are keen to ensure the switch to E10 occurs across the UK in a co-ordinated manner. We want to minimise any confusion to consumers by having a uniform roll-out supported by a focused, clear and consistent information campaign. For this reason, the requirement to sell E10 as the standard 95 grades would need to apply across the country, with some exceptions for remote areas and specialist retailers.
- 3.32 We propose the 95 E10 requirement would apply to all filling stations in the UK, except:
- filling stations that sell less than one million litres of road fuel per year (including diesel sales)
 - filling stations that are only supplied from fuel terminals that are in turn only supplied by ship. The fuel terminal must also have a total annual throughput of petrol of no more than 8,000 metric tonnes
- 3.33 The exemption for smaller filling stations based on volumes sold would ensure that specialist fuel suppliers that are able to source low ethanol 95 grade petrol would be

able to continue to sell this fuel. The vast majority of filling stations across the UK would still be required to stock E10. Even though the requirement would not directly apply to many smaller filling stations, it can be assumed that most would also switch to E10 if they source their petrol from standard supply routes. Based on responses to the call for evidence, we anticipate that the main petrol distribution terminals would switch their 95 grade to E10, meaning 95 E5 would cease to be available for widespread distribution to smaller filling stations.

- 3.34 The exemptions for fuels from certain terminals which are only supplied by ship would apply to filling stations that are located on some of the more remote islands of the UK including the Western Isles, Orkney and Shetland. The MFCC Regulations already include a similar exemption for ship-supplied fuel terminals and their corresponding filling stations in relation to the summer petrol grade requirement. In this case, ethanol blended fuel is not suitable for supply by the ships currently in use, and there are no ethanol blending facilities at the small fuel terminals on these islands. Requiring these facilities to upgrade their infrastructure to enable ethanol supply would be disproportionately costly, particularly considering that the challenges of supplying these areas already lead to higher than average fuel prices. The exception would not prevent E10 from being supplied, it merely permits ethanol free 95 octane fuel to continue to be sold in these areas.

Questions

3. Do you agree that the minimum ethanol content requirements should apply to filling stations that sell more than one million litres of fuel per year and that this would only allow certain specialist retailers to continue to sell 95 E5? If not, please provide further information and alternative suggestions.

4. Do you agree that there should be an exemption for filling stations supplied from fuel terminals that are in turn supplied by ship? Is this definition suitable? Should other terminals be included or should a different or no exemption be applied?

Timing

- 3.35 The interaction of falling numbers of incompatible vehicles, and rising targets for biofuel supply to meet emissions targets, as well as potential industrial benefits, has created a compelling argument for the introduction of E10 in 2021.
- 3.36 However, it remains vital that any introduction is managed carefully, with time provided for both motorists and industry to prepare.
- 3.37 We also recognise that a requirement to sell a 95 grade with a minimum ethanol content from a given date may be challenging for filling stations that receive infrequent fuel deliveries. Delivering a 7% blend into a storage tank with a significantly lower ethanol proportion could result in the fuel supplied to the consumer still being below the new minimum ethanol limit. Similar scenarios are already accounted for in the MFCC Regulations in relation to the summer/winter fuel grade switch.
- 3.38 We therefore propose to provide at least six months' notice for both industry and consumers to prepare following the laying of the required legislation. This would allow time for a comprehensive communications campaign to inform motorists while also allowing time for industry to make any adjustments to deliver the higher ethanol fuel.
- 3.39 This would be followed by a two-month implementation period, during which suppliers would need to have labelled the 95 grade as E10 but could still sell

remaining fuel that does not comply with the minimum bioethanol requirement. This provides time for fuel deliveries to be made, ensuring the blend within a forecourt's storage is above the required level.

Questions

5. Do you agree that introducing E10 in 2021 and providing industry and motorists with at least six months' notice and a two month implementation period is sufficient to prepare for the change in fuel grades? If not, what alternative timelines would you suggest and why?

Maintaining E5 supply (the protection grade)

- 3.40 We are proposing to introduce legislation that would keep petrol with a lower ethanol content (E5) available. This fuel would continue to be supplied in the higher octane super grade.
- 3.41 The requirement within the Motor Fuel Composition and Content Regulations (1999) would be designed to ensure that filling stations that have sold over one million litres of fuel in the last calendar year (including diesel sales), and which stock at least two grades of petrol, would sell a petrol grade with no more than 5% ethanol, 2.7% oxygen and have a minimum of 97 octane. More specifically, it would prohibit these filling stations from selling super grade petrol that contains more than 5% ethanol.
- 3.42 The regulations would only require that the super grade contains no more than 5% ethanol and 2.7% oxygen. We understand that currently some retailers market their super grade as ethanol free. This would continue to be permitted under the protection grade regulations. Fuel suppliers would be able to determine the precise level of ethanol blending between 0 and 5%. As a result, access to ethanol free fuel would be determined by the market, as it is at present.
- 3.43 Regulations like the protection grade must be reviewed within set periods. Accordingly, we are proposing that the regulation lasts for five years from the date that E10 is introduced. This is the maximum period government should impose such a regulation before it is reviewed, thereby giving the owners of incompatible vehicles the assurance that E5 would remain available in the medium term. The regulation would be reviewed before it expires. This does not preclude that, subject to the review, the protection grade could be extended further but any decision would need to be based on the situation and evidence at that time.
- 3.44 As we are proposing to introduce E10 in 2021, this would mean the protection grade would last until 2026 in this scenario.
- 3.45 The proposed regulation is similar to previous protection grade requirements that were introduced in 2012 and expired at the end of 2016. The only difference to the protection grade proposed would be to reduce the threshold for filling stations in terms of annual fuel sales volume from three to one million litres. This is to ensure consistency with the proposals on E10, and guarantee that E5 remains widely available, even at smaller filling stations with two petrol grades. The one million litre threshold means that specialist retailers could still market a high octane high ethanol fuel if there is a demand.

Questions

6. Do you agree that the protection grade should apply to the 97+ octane super petrol grade at filling stations that supply at least one million litres of fuel in the last calendar year and supply at least two grades of petrol? If not, please explain why and provide any alternative suggestions.

7. Do you agree that the protection grade should apply for the maximum period of five years after the introduction of E10 before being reviewed for any further extension? If not, please explain why and provide any alternative suggestions.

E10 supply derogations

- 3.46 The proposed changes to the MFCC Regulations to introduce E10 would create, for the first time, minimum ethanol and oxygen content requirements.
- 3.47 Currently, there is no minimum for either of these fuel blend characteristics; the limits set are maximum values. As a result, we need to ensure there are no unintended consequences in terms of petrol supply resilience should ethanol supply be temporarily interrupted. This could be due to a short-term supply issue, such as an unexpected shut down at an ethanol production facility that delays an ethanol delivery to a fuel terminal, or an "off-spec" delivery which is not of sufficient quality for fuel blending. We do not want this type of occurrence to affect the ability of fuel suppliers to distribute fuel that may not meet the new minimum ethanol requirements, but otherwise meet wider fuel quality requirements.
- 3.48 We are therefore proposing that, where short-term supply issues related to the new minimum fuel standard requirements affect a fuel supplier's ability to dispatch compliant fuel to retailer sites, they can lodge a short-term derogation.
- 3.49 These derogations would be registered with the Department for Transport likely via email.
- 3.50 The derogation would need to be submitted within two working days of the fuel supply issue occurring and would be valid for ten working days from the beginning of the supply issue. They must include an explanation of the issues affecting the supply of compliant fuel, the fuel terminal(s) they relate to and the remedial steps taken to rectify the issues.
- 3.51 Individual fuel suppliers would be able to claim no more than three such derogations in any 12-month period.
- 3.52 We propose that the details of any derogations claimed would be published on a regular basis by the Department for Transport. The report would include the fuel supplier claiming the derogation, relevant dates and a brief explanation as to the reason for the derogation.
- 3.53 We propose that when a derogation is claimed, the relevant fuel sold at retail sites would still be labelled E10. This is to ensure the derogation cannot be used for commercial purposes to sell 95 E5 and protects against the misuse of the derogation.
- 3.54 A fuel supplier, for the purpose of these derogations, would be any person or company involved in the blending of ethanol into petrol before it is marketed for sale at a relevant filling station (one which retails more than one million litres of road fuel per annum)

Questions

8. Do you agree that short term derogations are required to ensure fuel supply resilience can be maintained. If you do not agree, please set out the reasons why?

9. What are likely scenarios in which a derogation may be required?

10. Are the duration, process and reporting elements of the derogations appropriate, and if not, what changes would you like to see and why?

11. Is the classification of a fuel supplier appropriate for the application of derogations and if not, what would you suggest?

Amending the E10 consumer message in the Biofuel (Labelling) Regulations 2004

Overview

- 3.55 The Biofuel (Labelling) Regulations 2004 (as amended) require fuel retailers to label petrol and diesel with a defined consumer message at the point of sale, where the biofuel blend level is above certain limits.
- 3.56 The regulations apply to petrol with a bioethanol content above 5% and diesel with a biodiesel content above 7%.
- 3.57 The current consumer message is the same for both diesel and petrol fuels:
“Not suitable for all vehicles: consult vehicle manufacturer before use”
- 3.58 This message was initially required because fuels above these blend levels were not consistent with the fuel standards for diesel (BS EN 590) and petrol (BS EN 228), and consequently, fuels with higher biofuel content were not compatible with most motor vehicles. However, the EN 228 fuel standard changed in 2012 to include two grades; up to 5% ethanol in petrol (E5) and up to 10% ethanol in petrol (E10). In 2016, the E10 grade became the reference fuel for use in published fuel consumption and emissions figures for new cars.
- 3.59 The wording of the message has not changed since the Regulations were introduced in 2004, even though fuel standards changed in 2012 to include both E5 and E10, and most petrol vehicles on UK roads today (over 95% in 2019) are compatible with E10 today.

Previous consultation

- 3.60 We consulted on amending the consumer message in our previous call for evidence on E10 petrol, consumer protection and fuel labelling to reflect the fact that most vehicles are compatible today and the manufacturer may not always be the best source of information, particularly for older vehicles and vehicles where the manufacturer is no longer in business. A summary of responses received to that consultation has been published alongside this new consultation.
- 3.61 In brief, the call for evidence proposed the wording of the message would be changed to:
“Suitable for most petrol vehicles registered since 2000”.
- 3.62 We received a range of feedback on the suggested text. While some were supportive of the change, others suggested the message should still refer drivers to the vehicle manufacturer. There was also varying opinions on the dates that should be quoted, with many suggesting the wording should be amended to "suitable for all vehicles manufactured since 2011".
- 3.63 While we appreciate that using the 2011 date would provide more concrete guidance, it would not help assure the millions of motorists with compatible vehicles manufactured before that date. In addition, we remain concerned that suggesting motorists should check with manufacturers is not always appropriate guidance. A number of older vehicles were produced by manufacturers that have since gone out of business. It may be simpler and clearer to check other sources, such as

compatibility guidance that could be produced as part of the communications campaign that is to accompany the introduction of E10.

- 3.64 Furthermore, since the consultation was launched our understanding of the vehicle compatibility picture has improved. While it is correct that "most petrol vehicles registered since 2000" are approved for E10 use, the most common vehicles models not approved for E10 use were manufactured in the early 2000s. Older incompatible vehicles are spread over many different models with small numbers of individual vehicles. However, newer incompatible vehicles, like certain models of VW Golf and Nissan Micra are more numerous, even though they are likely to reach the end of their economic life in the next few years.
- 3.65 As a result, we think a different wording would be more appropriate, to ensure motorists are not overly reassured that a post-2000 petrol vehicle would be compatible.

New proposal

- 3.66 We propose to change the text to:

"Suitable for most petrol vehicles: check before use".

- 3.67 Figures from the end of 2018 suggest that 95% of petrol vehicles are compatible with E10 and the figure is expected to rise to around 97% by 2021 as older cars are scrapped.
- 3.68 It is important to note that we are only proposing to change the wording in relation to E10 petrol. Petrol blended with more than 10% ethanol, and diesel blends above 7% biodiesel would continue to require the current wording. This is because the compatibility situation for those fuels has not changed as the vast majority of vehicles are not approved for their use. In contrast, the new consumer message for E10 would help encourage motorists to check while also reassuring them that the fuel is not a niche product.
- 3.69 Any government-led introduction of E10, as proposed earlier in this document, would have to be accompanied by a comprehensive communications campaign, have concise guidance on compatibility and include an online compatibility checker tool. This would help motorists to quickly and easily identify whether their vehicle is suitable for use with E10.
- 3.70 While it would become important that this information can be easily found before motorists visit a filling station selling E10, consumers should also be able to find compatibility information at the point of sale. We propose to work with the fuel industry to ensure suitable communications materials are developed ahead of any introduction of E10, including point of sale guidance.

Question

12. Do you agree with the proposed wording for the E10 labelling? If not, why not and what alternative would you suggest?

13. Do you have further comments or suggestions for communicating the E10 compatibility message?

4. Implications of an E10 introduction for other policy mechanisms - call for evidence

Overview

- 4.1 In changing standard UK petrol from the current E5 grade to E10, increased quantities of bioethanol would likely be supplied within the UK market. This would impact on wider policies, in particular the Renewable Transport Fuel Obligation (RTFO). Current RTFO targets can be met without the roll-out of E10, which means that introducing this new petrol grade could unlock the potential for higher biofuel supply targets under the RTFO.
- 4.2 When considering the implications of introducing E10 for existing policy mechanisms, it is important to consider how any amendments (including higher targets) could also affect the wider policy area. This includes the impact on biofuels and blends other than bioethanol or the development of new fuels and fuel blends. Any review would also need to take into account how the changes made in 2018, notably [the doubling of RTFO targets](#) in the period 2018-2020 and [the introduction of a GHG target](#) for 2019-20, have already affected the market. Conclusive evidence on the impact of these recent changes is unlikely to be available before late 2020 or early 2021. Making changes to the RTFO or raising the RTFO target is therefore currently outside the scope of the E10 work which aims for all necessary legislative changes to be passed in 2020.
- 4.3 This call for evidence is consequently seeking initial views from stakeholders on what changes could be made to the RTFO and other policy mechanisms were E10 to be introduced. The focus is on whether an E10 introduction should be supplemented by an increase in RTFO targets, and in which timeframe this could occur to ensure that various policy interactions have been fully considered. We have also included some wider questions including on GHG targets.
- 4.4 The evidence submitted to this part of the consultation will be used to inform the substance and timing of future policy decisions on renewable transport fuels.

Impact on RTFO and RTFO targets

- 4.5 The introduction of E10 could affect the RTFO in two ways:
 - it might change how current RTFO targets are met; and/or
 - it might unlock potential for raising the existing RTFO targets

Context

- 4.6 The target levels of the RTFO are currently increasing from 4.75% by volume in 2018 to 9.75% by volume in 2020 and then rising further to at least 12.4% by volume 2032. When setting these targets, the government was clear that the long-term targets are minimum targets to provide investment certainty and would be reviewed as part of future carbon budgets.
- 4.7 In 2019, the UK passed legislation to bring UK GHG emissions to net zero by 2050, compared with the previous reduction target of at least 80% from 1990 levels. To reach the net zero target, further decarbonisation efforts will be required. Reviewing existing policies and targets to identify measures to save further GHG emissions in a cost-effective way is an important first step.
- 4.8 As highlighted in the July 2019 Committee on Climate Change Progress Report, biofuel deployment is currently still below the levels originally foreseen in UK carbon budgets as targets were kept stable until 2017. This was necessary to ensure robust policies on sustainable biofuel supply and limits on crop-based feedstocks could be implemented.
- 4.9 While biofuels can help reduce GHG emissions from transport, increases to RTFO targets are limited by the following considerations:
- Petrol and diesel fuel standards set out maximum limits for the biofuel content (so-called blendwalls). These also determine the extent to which biofuels can be used without substantial investment required to adjust vehicles and infrastructure;
 - Availability of sustainable feedstocks for biofuels is limited and competing uses in other sectors need to be taken into account; and
 - Support for renewable fuels results in costs for fuel users.
- 4.10 Any changes to the legislative framework will also need to consider longer-term strategic considerations such as the need to redirect biofuels into those transport sectors that are hardest to electrify, such as aviation.

Impact of E10 on meeting current targets

- 4.11 Standard petrol currently sold in the UK contains up to 5% ethanol (E5) and standard diesel up to 7% biodiesel (B7). On average, petrol sold in the UK in 2018 contained about 4.8% bioethanol and diesel 3.9% biodiesel. With rising RTFO targets, these averages are expected to increase.
- 4.12 The current RTFO targets have been set at a level that could be achieved both with and without E10 deployment in the UK.
- 4.13 As ethanol blending in the UK is already close to the current blendwall of 5% for E5 petrol, if E10 is not introduced, the current increases to RTFO targets to 2020 and beyond would likely be largely met by increasing the blending of biodiesel into diesel.

Potential effects on the biofuel mix under existing targets

- 4.14 Given E10 is currently not available, the Impact Assessment (published alongside this consultation) assumes that the current RTFO increases are mainly reached through waste-derived biodiesel, which generally achieves the highest GHG savings (up to 90% compared to a fossil fuel). In such a scenario, introducing E10 would be expected to displace better performing waste-derived biodiesel. The Impact Assessment therefore suggests that introducing E10 without an RTFO target increase would decrease the overall emission savings while increasing costs (in part due to the lower energy content of ethanol).

- 4.15 However, this is based on the assumption that sufficient amounts of waste-derived biodiesel will be available. There are uncertainties as to the availability and cost of waste feedstocks in the future. Demand for these fuels, which achieve some of the highest GHG savings among biofuels, is increasing as countries around the world seek to reduce greenhouse gas emissions. Price increases have already been seen in 2020 with uncertainty around the extent to which sustainable supply can continue to meet demand.
- 4.16 At the same time, if insufficient amounts of waste-derived biodiesel are available, there is a risk that without E10 this gap would be filled by crop-derived biodiesel, which generally carries a higher risk of causing indirect land use change and therefore achieves lower GHG savings. Some biofuels from these feedstocks, in particular from oilseeds, might even perform worse than fossil fuels if all impacts are taken into account.
- 4.17 Due to measures to promote waste-derived biodiesel, the amount of crop-based biodiesel supported under the RTFO is currently minimal and the introduction of E10, in combination with the existing cap on the contribution of crop-based biofuels (see next section), could provide assurance that this remains the case. Among the crop-derived biofuels, bioethanol is generally produced from feedstocks with the lowest risk of causing indirect land use change.
- 4.18 If suppliers are unable to meet their targets through the traditional routes there is also the possibility that suppliers could "buy-out" part of their obligation. Introducing E10 would increase supplier's flexibility in meeting targets, reducing the likelihood of buy-out.

Impact of the crop cap

- 4.19 The RTFO currently contains a cap on the contribution of crop-derived biofuels of 4%, which will decrease to 2% in 2032. This crop cap was designed with the potential introduction of E10 in mind. Even with a high market penetration of E10 and suppliers maximising the share of bioethanol within E10, the crop cap is fully compatible with an E10 introduction. On the contrary, there is a risk that without E10 in the market, the share of other crop-derived biodiesel with lower GHG savings could fill up the cap, in particular should insufficient amounts of waste-derived biodiesel be available.
- 4.20 The crop cap would only affect the bioethanol used in E10 from the late 2020s and require an increasing share of the bioethanol to come from waste and residues.

Potential to raise RTFO targets and timings

- 4.21 Introducing E10 could create space for approximately 700,000 litres of additional ethanol to be supplied in the UK. Were RTFO targets adjusted to account for this supply, the obligation would need to increase by around 1.5% to ensure E10 delivered additional carbon savings compared to our expected baseline.
- 4.22 However, this assumption relies on the forecast baseline within the Impact Assessment being broadly accurate. The forecast is based on a number of assumptions, including e.g. that sufficient waste-derived biofuels are available to meet the current RTFO targets at appropriate cost. As set out in paras 4.15 to 4.18, if insufficient amounts of waste-derived biofuels are available, raising the target could also risk that the RTFO inadvertently promotes less sustainable biofuels or buy-out.
- 4.23 Any amendment to the RTFO targets therefore needs to carefully review both risks and the probability of the different scenarios.

- 4.24 Given the risks involved, there is also a question around the best timing for any potential RTFO target increase. Committing to raise the RTFO targets in parallel to the E10 introduction could prove to be a risk should insufficient amounts of waste-derived biofuels be available or should the amounts of bioethanol within petrol only rise relatively slowly, leaving a gap to be filled by less sustainable biofuels. Detailed information on how the 2020 RTFO targets have been met and which fuels have been available at which costs, will only be available by late 2020 or early 2021.
- 4.25 There could therefore be some benefits in raising the targets only after the introduction of E10. This would allow sufficient time to evaluate both how the 2020 RTFO targets have been met and the market uptake of E10 itself, before committing to a specific increase in the RTFO targets. However, this needs to be balanced against the risk that without a raise in targets there could be a short-term displacement of waste-derived biofuels.
- 4.26 We are therefore seeking initial views from stakeholders on whether they consider it necessary for the RTFO targets to be raised to ensure additional GHG savings if E10 was introduced, in what timeframe and whether they have any particular views on the size of any increase, bearing in mind also the risks outlined.

Questions

14. Would an increase in RTFO targets, alongside or subsequent to an introduction of E10, deliver additional GHG savings from the scheme?

15. Would you be supportive of such a change?

You may wish to consider the level of any increase and the timing of it within your answers. Please provide any evidence you may have to support your response.

16. Do you expect any other risks or potential impacts of such a change other than the ones listed in this call for evidence?

Interaction with GHG targets for fuels

- 4.27 To promote carbon savings from all fuels, including non-renewable energy sources, the UK introduced in 2018 a GHG target alongside the RTFO. Fuel suppliers are required to reduce the carbon intensity of the fuels they supply by 4% in 2019 and 6% in 2020 in line with an EU-wide requirement under the Fuel Quality Directive.
- 4.28 Biofuels supported under the RTFO automatically receive GHG credits, but in addition other measures such as upstream emission reductions (UERs) and electricity used in transport may receive credits and count towards the GHG target. No targets have been set for the period after 2020, given the need to evaluate the effectiveness of the scheme and interactions with the RTFO before deciding on the future of the scheme.
- 4.29 Some stakeholders have indicated that the GHG targets are driving demand for biofuels with increased GHG savings. We would therefore like to take this opportunity to gather initial evidence on the existing GHG target and how it could interact with the introduction of E10.

Questions

17. Please provide any evidence you have on the potential impacts of continuing the GHG saving obligation beyond 2020. We are interested in evidence relating to costs and GHG savings as well as wider impacts on the industry.

If the targets were to continue, do you have any views on:

- a. Which measures should be rewarded with GHG credits? For example, should UERs continue to be included?**
- b. The level of the obligation, i.e. should it remain at 6%?**
- c. Any other changes to the system you would like to propose.**

What will happen next

A summary of responses, including the next steps, will be published within three months of the consultation closing on 19 April 2020. Paper copies will be available on request.

If you have questions about this consultation, please contact:

Tim Simon

Department for Transport, Great Minster House
33 Horseferry Road, London, SW1P 4DR

0300 330 3000

LowCarbonFuel.Consultation@dft.gov.uk

Annex A: Full list of consultation questions

- 1. Do you agree that the best way to introduce E10 petrol is as a direct replacement for the current 95 E5 premium grade? If not, please provide further information.**
- 2. Do you agree that introducing a minimum ethanol content of 5.5% in the 95 grade is the best way to ensure E10 is introduced across the UK? If not, what alternative would you propose?**
- 3. Do you agree that the minimum ethanol content requirements should apply to filling stations that sell more than one million litres of fuel per year and that this would only allow certain specialist retailers to continue to sell 95 E5? If not, please provide further information and alternative suggestions.**
- 4. Do you agree that there should be an exemption for filling stations supplied from fuel terminals that are in turn supplied by ship? Is this definition suitable? Should other terminals be included or should a different or no exemption be applied?**
- 5. Do you agree that introducing E10 in 2021 and providing industry and motorists with at least six months' notice and a two months' implementation period is sufficient to prepare for the change in fuel grades? If not, what alternative timelines would you suggest and why?**
- 6. Do you agree that the protection grade should apply to the 97+ octane super petrol grade at filling stations that supply at least one million litres of fuel in the last calendar year and supply at least two grades of petrol? If not, please explain why and provide any alternative suggestions.**
- 7. Do you agree that the protection grade should apply for the maximum period of five years after the introduction of E10 before being reviewed for any further extension? If not, please explain why and provide any alternative suggestions.**
- 8. Do you agree that short term derogations are required to ensure fuel supply resilience can be maintained? If you do not agree, please set out the reasons why.**
- 9. What are likely scenarios in which a derogation may be required?**

10. Are the duration, process and reporting elements of the derogations appropriate, and if not, what changes would you like to see and why?

11. Is the classification of a fuel supplier appropriate for the application of derogations and if not, what would you suggest?

12. Do you agree with the proposed wording for the E10 labelling? If not, why not and what alternative would you suggest?

13. Do you have further comments or suggestions for communicating the E10 compatibility message?

14. Would an increase in RTFO targets, alongside or subsequent to an introduction of E10, deliver additional GHG savings from the scheme?

15. Would you be supportive of such a change?

You may wish to consider the level of any increase and the timing of it within your answers. Please provide any evidence you may have to support your response.

16. Do you expect any other risks or potential impacts of such a change other than the ones listed in this call for evidence?

17. Please provide any evidence you have on the potential impacts of continuing the GHG saving obligation beyond 2020. We are interested in evidence relating to costs and GHG savings as well as wider impacts on the industry.

If the targets were to continue, do you have any views on:

- a. Which measures should be rewarded with GHG credits? For example, should UERs continue to be included?**
- b. The level of the obligation, i.e. should it remain at 6%?**
- c. Any other changes to the system you would like to propose.**

Annex B: Consultation principles

The consultation is being conducted in line with the government's key consultation principles which are listed below. Further information is available at <https://www.gov.uk/government/publications/consultation-principles-guidance>

If you have any comments about the consultation process, please contact:

Consultation Co-ordinator
Department for Transport
Zone 1/29 Great Minster House
London SW1P 4DR
Email consultation@dft.gov.uk

Annex C: Impact Assessment

C.1 The Impact Assessment has been published alongside the consultation as a separate document.

Annex D: Response Form

D.1 The response form has been published alongside the consultation as a separate document.