

# Introducing E10 to petrol

## Consultation Response

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May 2020

### Introduction

This short paper summarises Transport and Environment (T&E's) views of the questions posed by the consultation *Introducing E10 to Petrol*. T&E is Europe's foremost sustainable transport think tank and NGO. It is a federation of almost 60 national organisations across Europe campaigning for greener transport and now has a team based in the UK.

T&E has undertaken extensive research on biofuels and had considerable influence on the shape of the EU Renewable Energy Directive. Historically the UK has always adopted a cautious approach to biofuels that is shared by T&E. UK governments since the introduction of the RTFO have recognised the risks of uncontrolled growth in unsustainable, food-based, first generation fuels and previously opposed increasing targets in EU negotiations. The UK was the first country to introduce carbon and sustainability reporting and has always considered indirect land use change seriously limits the potential of crop-based biofuels.

The proposed policy to increase the blending limit on ethanol and potentially raise biofuels targets are extremely retrograde. T&E recommends E10 is not introduced as proposed during 2021. Any future changes after this date should only proceed with appropriate sustainability safeguards and as part of a wider review of biofuels and bioenergy policy as part of the decarbonising transport strategy.

### Introducing E10

There are several serious flaws in the reasoning put forward to introduce E10. The consultation emphasises the CO<sub>2</sub> savings from the introduction of E10. But these are much lower than claimed as the analysis fails to take account of emissions from the supply of biofuels and the feedstock grown that eliminate some benefits. The most recent data [from 2019](#) shows that when iluc greenhouse gas savings from ethanol are included the saving is averaged 62%. This is lower than from biodiesel 86% (although T&E has reservations about the savings claimed for biodiesel and specifically used cooking oil.) [Introducing E10 simply as a means to reduce the market share of biodiesel may reduce the CO<sub>2</sub> savings of the RTFO and simply replace one unsustainable feedstock with another.](#)

The consultation emphasises the opportunity for the contribution of UK feedstock and production to grow as a result of introducing E10. But UK feedstocks contribute less than 10% to total bioethanol supply in [2019](#) (although it was 20% in 2018). In contrast, in 2019, 46% of the feedstock originates from countries at risk of direct land use change including Peru, Guatemala, Paraguay and Nicaragua. 80% of biodiesel supplied in the UK originates from Used Cooking Oil (UCO). Whilst T&E has considerable concerns about the provenance of some UCO and also that some will contribute to ILUC [the consultation entirely ignores the risks the introduction of E10 has to drive deforestation both directly and indirectly by increasing demand for imported ethanol.](#)

The consultation also implies an important driver of the policy is the potential to bring back into use mothballed ethanol production in the North East. This has been commercially unsuccessful because of the cost of the ethanol produced and there is no reason why a higher blend limit will not be met by more imports as the costs are unchanged. UK sourced bioethanol saves even less GHG than many other sources: wheat achieves a [50% saving and sugar beat just 37%](#). [Encouraging UK ethanol worsens the GHG savings and will impact on food prices.](#)

## **Raising targets**

T&E is particularly concerned that the consultation suggests that RTFO targets should be raised after the introduction of E10. The consultation makes clear that it is still not possible to assess the impact of the last increase in RTFO targets in 2018. [Until such an assessment is complete it is premature to introduce E10 with the specific objective of further raising targets.](#) The increased RTFO targets were the result of changes to the EU Renewable Energy Directive that the UK was required to implement. Since this change was made the UK has left the EU and the reason for the higher target no longer exists. [The UK government should consult on reversing the policy and returning to a lower target for crop-based biofuels. Such a decision would make introducing E10 entirely unnecessary.](#)

A further reason not to introduce E10 is the 4% crop-based biofuel cap that will decline to 2% in 2032. The consultation makes clear that by the late 2020's, if E10 is introduced, this cap will become an issue and an increasing share of ethanol will need to originate from waste or cellulosic sources. Investors need long-term certainty and it is clear that E10 will, in the short-term, encourage yet more crop-based biofuels that need to be reduced again in 5-10 years. [DfT should be developing policy to shift biofuels away from crop-based feedstock for vehicles and towards advanced fuels. Introducing E10 will only encourage yet more production for food based fuels such as produced by the mothballed UK production site.](#)

The government is also consulting on its decarbonisation of transport plan and has made clear its primary policy to tackle CO2 emissions from vehicles is electrification and that it plans to phase out sales of new cars using liquid fuels by 2035 at the latest. The government at present has insufficient

solutions to tackle aviation emissions but advanced biofuels and electrofuels will make some contribution to reducing these emissions. In the future, limited biofuel feedstocks will therefore need to be directed away from vehicles towards aviation. [Policy to increase the use of biofuels in vehicles is therefore somewhat at odds with wider government policy to decarbonise transport.](#)

There are also other options to achieving higher RTFO targets without E10 that are not being considered by the consultation. This includes counting electricity used for charging vehicles and encouraging advanced fuels, including electrofuels in aviation. The government may also conclude in the decarbonisation plan a faster modal shift or quicker phase out of cars with engines are better approaches to achieving CO2 targets. [Decisions about future RTFO targets should be made in the context of the wider decarbonisation of the transport plan and until they are it is premature and unnecessary to introduce E10.](#)

The consultation recognizes that, “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.” There is also added complexity from the consideration of how and whether to introduce GHG targets for fuels that remain undecided. [E10 should not be introduced until the data is available to assess the risk and whether E10 fits within the wider DfT decarbonisation strategy and GHG targets for fuels.](#)

## **Conclusion**

It is strongly recommended not to proceed with the introduction of E10 at the current time. In the absence of more effective sustainability standards introducing E10 risks driving further deforestation offsetting much or all of the benefits. Whether, or not, there is any future role for E10 must comprehensively address these wider sustainability concerns. Whether biofuels targets should be raised or lowered; and how the RTFO interacts with future policies to reduce GHGs from fuels also needs to be addressed as part of the wider decarbonisation of transport strategy. [It makes absolutely no sense at the present time to initiate this change.](#)

## **Further information**

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