



September 16, 2018

Mr. Tim Simon
Department for Transport Great Minster House
33 Horseferry Road
London
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LowCarbonFuel.Consultation@dft.gov.uk

Dear Mr. Simon:

Growth Energy, the Renewable Fuels Association (RFA), and the US Grains Council (USGC) are pleased to submit joint written comments in response to the department for Transport's Consultation on E10 petrol, consumer protection, and fuel pump labelling.

Growth Energy is a trade association representing the U.S. ethanol industry, comprised of 100 producer members and 89 affiliated companies who serve the U.S. and the world's need for renewable fuel.

Renewable Fuels Association (RFA) is a trade association, comprised of 181 member companies, representing the U.S. ethanol industry. The RFA works to advance the development, production, and use of ethanol as a renewable fuel.

The USGC works in more than fifty countries and the European Union to develop new markets for U.S. barley, corn, grain sorghum, and related products, including ethanol and distiller's dried grains with solubles (DDGS). The Council has 175 members, made up of American ethanol and DDGS producer organizations and agribusinesses.

Collectively, our organizations are the U.S.'s ethanol producers and supporters. We thank you for your consideration of the following comments regarding the significant benefits of moving to a 10 percent ethanol blend to further achieve Britain's Renewable Transport Fuel Obligation (RTFO) and its goal of substantially reducing transportation sector greenhouse gas emissions to combat global climate change.

Sincerely,

Emily Skor
Growth Energy

Bob Dinneen
Renewable Fuels Association

Tom Sleight
U.S. Grains Council

Executive Summary

As the United Kingdom considers further implementation of their Renewable Transport Fuel Obligation (RTFO), the most affordable and impactful changes that can be made is to move immediately to a national E10 ethanol blend. Ethanol has a number of proven benefits including reductions in greenhouse gas emissions, reductions in harmful tailpipe pollution such as carbon monoxide and particulates, consumer cost savings, as well as job and agriculture development. Ethanol blended fuel is used throughout the world and the use of E10 specifically is approved for virtually all engines on and off the road today. In the UK, there are 31.3 million vehicles on the road and only 250,000 deemed to be incompatible with an E10 blend, there is no reason to deny the benefits of ethanol to British consumers. Additionally, the UK has ethanol production capacity of 890 million liters and directly employs 210 people and supports thousands of indirect jobs through the production of wheat and sugar beets that are used for ethanol feedstock. It is imperative that the government move E10 forward to give these producers a predictable market for their fuel. Just this week, we saw the largest ethanol producer in Britain announce that they are ceasing production simply because they do not have a market and because the government has not moved fast enough in its adoption of E10. We strongly urge the Department for Transport to accelerate the adoption of E10 nationwide.

Consultation Chapter 1A: Ensuring the supply of E5 petrol: Motor Fuel Composition and Content Regulations

1. Do you favour option 1, option 2, or an alternative means of ensuring ongoing E5 availability?

First, we disagree with the premise regarding the necessity of keeping an E5 protection grade in place. E10 (or higher) fuel is already used in many countries worldwide including Australia, New Zealand, Canada, Germany, France, Belgium, Finland, Brazil, and of course, the United States. In the United States, E10 represents nearly all of the gasoline used throughout the country¹. In 2017, approximately 522 billion liters of gasoline were sold as E10, and E10 is used for all gasoline powered engines including legacy vehicles as well as small engines and motorcycles. In Britain, a recent analysis by the Renewable Energy Association has shown that there are only 250,000 vehicles that are not compatible in the UK, and that number will drop to 125,000 by 2020 out of a total of 31.3 million cars licensed this year. Even still many of these vehicle models are approved in other countries for use with E10, so it makes no sense why this critical regulation should be further delayed based on such a small number of supposedly incompatible vehicles.²³⁴ Nearly all engines are designed for the use of E10 blended fuel and there have been no demonstrated issues with the use of E10 in these models. It makes little sense why some would continue to argue about further delaying an E10 blend into Great Britain. The Department should move to make E10 available as quickly and as broadly as possible.

2. Do you agree that a protection grade for Premium unleaded 95 octane should initially run until December 31, 2020? If not, what would you recommend?

As stated earlier, we believe the UK can immediately move to an E10 blended fuel as the overwhelming majority of gasoline-powered vehicles are approved on this fuel. To further delay implementation would only stifle the goals of the RTFO and the decarbonization of transportation. If the Department insists on an E5 protection grade, we would encourage that period of time to be as short as possible and certainly should not extend beyond 31 December 2020.

3. Do you agree that the protection grade should apply to filling stations that supply two grades of petrol and more than 3 million litres of all fuel (petrol and diesel) in the previous calendar year. If not, please explain whether you disagree with the volume or if there are better ways of distinguishing which forecourts it should apply to?

Again, we see little reason to require a protection grade as many retailers will likely continue to carry it as an option. E10 should be made available at as many locations and as quickly as possible.

¹ United States Energy Information Administration, (May 4, 2016). "Almost All U.S. Gasoline is Blended with 10 Percent Ethanol". <https://www.eia.gov/todayinenergy/detail.php?id=26092>

² Renewable Energy Association (August 28, 2018). "New research from the REA suggests a much lower number of unwarranted vehicles would be impacted by the introduction of E10" http://www.r-e-a.net/upload/e10_compatibility_rea_analysis.pdf

³ UK Department for Transport, (June 14, 2018). "Vehicle Licensing Statistics Quarter 1". https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/729581/vehicle-licensing-statistics-january-to-march-2018.pdf

⁴ Rauch, Marc (2018). "UK's Department for Transport Uses Boogeyman Allusions to Sidetrack E10 Adoption". <https://www.theautochannel.com/news/2018/09/02/626528-uk-s-department-for-transport-uses-boogeyman-allusions-to-sidetrack.html>

Consultation Chapter 1B: Call for Evidence: Introduction of E10 Fuel in the UK

4. What are the commercial barriers to introducing E10 in the UK?

While those who oppose further blending of ethanol into the fuel will purport that there are numerous commercial barriers to E10, the infrastructure is largely in place as changing from E5 to E10 is a relatively modest change. As stated previously, virtually all the vehicles on the road are compatible with E10 today. Also, pump dispenser infrastructure is also compatible with ethanol blends often times higher than E10. In fact, Gilbarco Veeder Root, one of the world's largest suppliers of fuel dispensers expanded their warranty up from E10 to E15 blends nearly a decade ago.⁵

5. Do you agree that requiring the introduction of E10 could make delivery of the RTFO more cost effective?

Yes, by increasing the blending of ethanol into the transportation fuel supply, it would be ensuring that more and more renewable fuels are blended. There have been numerous studies outlining the greenhouse gas reductions of ethanol as a replacement for fossil fuels. The United States Department of Agriculture has found that corn ethanol reduces greenhouse gas emissions by approximately 43 percent compared to gasoline and is improving, so with every additional drop of ethanol, those reductions are achieved.⁶ Within the next five years, U.S. corn ethanol, on average, will comfortably exceed a fifty percent reduction in GHG emissions compared to gasoline. Overall, "the ongoing efficiency improvements along the corn ethanol production pathway have resulted in a continued reduction of ethanol's greenhouse gas life cycle emissions and widened its environmental advantage over petroleum."⁷ Additionally, ethanol also reduces other harmful air pollutants including particulate matter and carbon monoxide.⁸ Today, ethanol is the most competitive source of octane in the world. Refiners and blenders around the world have taken advantage of ethanol's inexpensive octane properties. By moving to E10, consumers can continue to see a high-octane fuel (95 RON) at an affordable price.

6. Do you agree that requiring the introduction of E10 as an additional choice for consumers would be an effective way to introduce E10 in the UK?

Yes, as outlined in previous questions, providing E10 broadly would make a myriad of benefits available to British consumers.

7. Could filling stations with more than four tanks supply E10 as well as 95 E5? If not, why, and what would the appropriate number of tanks be that would permit this?
8. Is the number of tanks the best way to define filling stations that could supply E10 alongside their current fuel range? If not, what would be a more appropriate metric?
9. What would the challenges and costs be to fuel retailers to sell an additional grade of fuel at appropriate filling stations?

⁵ "Gilbarco Expands Standard Fuel Dispenser Warranty from E10 to E15", March 31, 2010.

<https://www.gilbarco.com/us/content/gilbarco-expands-standard-fuel-dispenser-warranty-e10-e15>

⁶ ICF prepared for the United States Department of Agriculture (January 12, 2017). "A Lifecycle Analysis of the Greenhouse Gas Emissions of Corn-Based Ethanol"

https://www.usda.gov/oce/climate_change/mitigation_technologies/USDAEthanolReport_20170107.pdf

⁷ Mueller, S., Unnasch, S. (August 2016). "Greenhouse Gas Life Cycle Analysis of US-Produced Corn Ethanol for Export to Global Markets", University of Illinois at Chicago.

⁸ Sobhani, S. (October 2016). "Air Pollution from Gasoline Powered Vehicles and the Potential Benefits of Ethanol Blending", Energy Future Coalition, United Nations Foundation.

10. Would a requirement to sell E10 at appropriate filling stations affect fuel refiners/blenders? What would the challenges and costs be?
11. Would a requirement to sell E10 at appropriate filling stations affect storage and distribution? What would the challenges and costs be?
12. Would a requirement to sell E10 at filling stations with more than four tanks have significant geographical discrepancies and challenges, particularly in relation to Northern Ireland? If so, what would be the challenges and how could they be mitigated?
13. Given the need to keep 95 E5 available, do you agree with the general approach of making E10 available at suitable filling stations? If not, what would be your preferred solution?

While each fuel retailer differs, four storage tanks should not be a requirement to simply add one more additional fuel. Underground storage tanks have been approved by most major manufacturers for use with E10 since 1981 and have been approved for storage of 100% ethanol since 1990⁹. Further, a retailer need not have an entire tank devoted to one fuel. Some retailers selling higher blends of ethanol such as E15 in the United States have baffled their tanks to store both regular E10 and higher ethanol blends. Also, retailers choosing to offer higher ethanol blends have also deployed “blender pumps” that can offer a variety of ethanol-blended fuels through a variety of fueling positions and hoses on the pumps. These tools would provide retailer flexibility to carry E10 more broadly and should be considered as these decisions are made. Our recommendation would again be to make E10 available as broadly as possible and not to arbitrarily restrict the sale of the product based on a specific number of underground storage tanks.

When it comes to blenders and refiners, ethanol is traditionally blended with various refined petroleum blendstocks. In the United States, the refiners have maximized their refining process to take advantage of ethanol’s octane properties and are producing BOBs specifically to be blended with 10 percent ethanol, so that they meet minimum octane specifications (91 RON/87 AKI). At blending terminals and racks, 100 percent ethanol is stored in bulk and blended with petroleum blendstocks and then subsequently distributed to fuel retailers. Today in Britain, there are a number of terminals that are already blending ethanol and so there would be minimal change from blending 5 percent to 10 percent. The easiest solution would be for the blending of 10 percent to occur at the terminal and blending rack as it is likely done with E5 today in Britain. The challenges would be minimal changes in programming and would not require significant infrastructure investments.

Consultation chapter 2A: Fuel pump and vehicle labelling: Alternative Fuel Infrastructure Regulations

14. Do you agree with our proposal to use the definition of Infrastructure Operator derived from the AFIR?
15. Do you agree with our proposal to use the definition of Motor Vehicle from the Standard?
16. Do you agree with the definitions of Motor Vehicle Manufacturer and that this is where that obligation should fall?
17. Do you agree with the definitions of Motor Vehicle Dealer and this this is where that obligation should fall?
18. Do you understand what the requirements are, for instance if you are an obligated party and what you need to do to comply?
19. Do you anticipate any operational issues with complying provided you have not less than 3 months’ notice upon the publication of government response?
20. Are the enforcement proposal for fuel labelling clear and understandable? If not, which parts are not and why?

⁹ U.S. Department of Energy “Handbook for Handling, Storing, and Dispensing E85 and Other Ethanol-Gasoline Blends” Appendix A. <https://www.nrel.gov/docs/fy13osti/57590.pdf>

21. In respect of vehicle labelling, do vehicle manufacturers agree that compliance should be assessed between the point of manufacture and point of sale? Do you have views on how and where best this assessment be carried out?
22. Do you agree with the penalty amounts proposed? If not, why and what levels would you propose?

We do not have any suggested changes to Chapter 2A of the Consultation.

Consultation Chapter 2B: E10 Information Label: The Biofuel (Labelling) Regulations

23. Do you agree with the proposed change to the wording? If not, why, and can you suggest a suitable alternative?

We would agree that the current label for E10 needs to be changed; however, we would suggest that the label could be broader since automobiles around the globe have been made compatible to E10 for years. We do not think it is necessary for the label to suggest that the fuel is somehow limited by specifically stating that the fuel is suitable for “most vehicles registered since 2000.” We do not believe that the qualifying language needs to be included at all. In countries around the world, E10 fuel has become the fuel of choice and has been proven safe and effective for all engines. Additionally, as the consultation even points out, an E10 specification has been valid in Europe for six years and has even been the reference fuel for fuel consumption and emissions for the last two years. We would suggest making the E10 label exactly the same as the E5 label as it makes clear there is a difference in fuel without unnecessarily attempting to suggest that a vast number of vehicles are incompatible with the fuel.