



Transport Energy Taskforce

Working Group 4: Customer Acceptability

Tuesday 13th January 2015

MINUTES

Actions:

1. Secretariat to include NRMM as an agenda item at next meeting to discuss how biodiesel used in NRMM, in particular in rail, is accounted for in options to meet the 2020 targets.
2. Jonathan Murray (LowCVP) to report back on comparative fiscal incentives for E10 in Finland, France and Germany.
3. Hugh Tucker (UKPIA) to confirm the details of CEN's future work programme on fuel consumption.
4. Secretariat to collate information on the current market shares of petrol grades and capacity where E10 has been rolled out.
5. Grant Pearson, Hugh Tucker, Teresa Sayers and Anja Hazebroek to coordinate a paper on measures to facilitate the successful roll out of E10 for discussion at the next meeting.
6. AA to determine if work on consumer acceptability and perceptions of E10 could be updated through their regular surveys

Attending:

Rob Wakely (Chair); *Dept. for Transport*

Emma Butcher; *SMMT*

Jennifer Hurley; *Dept. for Transport*

Chetal Owens; *Defra*

Ute Roelen; *Dept. for Transport*

Anja Hazebroek; *Vivergo*

Jonathan Murray; *LowCVP*

Roy Murray; *BP*

Keeley Bignal; *Dept. for Transport*

Teresa Sayers; *Downstream Fuel Association*

Hugh Tucker; *UKPIA*

Mark Rolph; *Downstream Fuel Association*

Adel Pishneshin; *Jaguar Land Rover*

Jonathan Hood; *Dept. for Transport*

Grant Pearson; *Ensus*

Heather Thomas; *BIS*

Phil Monger; *Petrol Retailers Association*

Chris Patience; *the Automobile Association*

Andy Jefferson; *A&G Jefferson*

Eddie Jenkinson; *Co-op*

Mark Todd; *Morrisons*

Aaron Berry; *Dept. for Transport*

Thomas Robertson; *Dept. for Transport*

Lydia Fitzpatrick; *Dept. for Transport*

1 Outline of the purpose of the meeting

The Chair welcomed the attendees and outlined the purpose of Working Group 4 and its place within the overall work of the Transport Energy Taskforce. The overall aim of the Taskforce being to generate options for Government on how to meet 2020 greenhouse gas emission and renewable energy targets in transport, and potential 2030 targets on greenhouse gas emission. The focus of Working Group 4 was to look at what consumers need to know in terms of new fuels and how information and reassurance might best be provided. In addition to considering how to overcome any barriers for the vehicle engine manufacturing and fuelling infrastructure industries.

2 Follow up on actions from last meeting

Update from working group 5

The group received an update from Jon Hood (working group 5 Secretariat) on the future work programme for that group, which will be engaged in identifying the key alternative and non-conventional fuels which are likely to contribute to 2020 and 2030 targets. The first workshop had considered specifically biomethane, biopropane, advanced fuels and aviation fuels.

The next meeting of working group 5 on 23 January will consider a presentation from E4Tech and Ecofys on Novel and Alternative Fuels and Ricardo AEA on biomethane. Input from members of working group 4 was welcomed.

During discussions attention was drawn to Sustainable Aviation's publication of the sustainable fuels roadmap in December, which highlights Virgin and British Airways projects to use waste gaseous fuels to produce aviation jet fuel and the need to ensure consumer confidence in these new fuels.

Consideration of Non-Road Mobile Machinery (NRMM)

Jennifer Hurley presented on the background to the inclusion of Non Road Mobile Machinery (NRMM) in the RTFO to facilitate a discussion on whether and how NRMM might feature in the group's consideration of customer acceptability.

It was noted that consideration should be given to the pathways being considered in working group 1 for meeting targets under both the Renewable Energy Directive and the Fuel Quality Directive and whether the target in the RTFO will be amended to take into account renewable fuels used in rail.

It was also asked whether the Department had much evidence of the volume of biodiesel used in NRMM, how this may affect future targets and also whether the use of biodiesel in gas oil had resulted in any problems in the maritime sector. It was explained that as the RTFO did not require reporting of the end use of biodiesel the Department would not have that information.

3 E10 market preparation

A presentation was given by Jennifer Hurley and Jonathan Murray on E10 market preparation. This encompassed: current vehicle parc data; biofuel labelling regulations; consumer awareness of biofuels; lessons to be learnt on the roll out of E10 in Finland,

Germany and France; and preparatory work by LowCVP in 2012-13. Following this there was discussion on E10 market preparation.

Vehicle Parc data

- It was agreed that the existing SMMT data on E10 incompatible cars, as of 2012, needs to be updated, particularly in the light of recent high volumes of new car sales.

Lessons learned from E10 roll-outs in other Member States

- It was noted that the different market shares for E10 in Finland, Germany and France were in part attributable to different fiscal incentives and Jonathan Murray was asked to summarise these.
- Consideration was given as to how Finland recovered from an initial dip in consumer confidence, it was explained that the Finnish Government had commissioned the VTT Technical Research Centre of Finland to address negative perceptions on the miles per gallon from 95E10 relative to 98E5.
- It was noted that the infrastructure and the size of the petrol markets in France, Finland, and Germany are very different:
 - Finland has a small petrol market and 50% E10 market; the UK would not at present have the necessary infrastructure to supply 50% of the market with E5 super unleaded.
 - Germany had experienced supply chain problems because of these infrastructure constraints.
 - In France the infrastructure has been introduced to supply 3 different petrol grades.
- It was agreed it would be helpful for the group to receive further information on the current market shares of petrol grades and capacity where E10 has been rolled out.

Timing of E10 roll out

- Consideration was given to how quickly E10 might be rolled out and in some respects the logistical switch to E10 could be achieved relatively quickly.
- It was noted that the Department for Transport continues to maintain its request for a minimum of three months' notice from fuel suppliers before rolling out E10.
- The Department clarified that it was not in a position to say that now is the right time for E10 to be rolled out, but it was clear that E10 would be needed under all the scenarios presented by Working Group 1 to meet our 2020 targets.
- In terms of the timing for introducing E10 there was agreement that industry would need notice quite soon, as this would facilitate providing the consumer with information, including at the forecourt. While some preparation has been done, smaller retailers and those in rural areas with a higher proportion of older vehicles would find an E10 roll out more difficult.
- A possibility might be that E10 is rolled out to higher volume forecourts.

Fuel Consumption Research

- Given the limitations of recent research on fuel consumption by "What Car" and the Joint Research Council on E10 it was agreed it would be helpful if there was similar research which UK consumers might be directed to. In discussion on where such research might come from it was considered CEN may be a viable option and agreed that Hugh Tucker (UKPIA) would confirm details of CEN's future work programme.
- It was also noted that ideally the research should take into account 2020 engine standards to meet the CO2 Regulations.

How to convey the messaging on why E10 is needed

- Messaging will be challenging as there was no information campaign for E5 to build on. Will also need to combat the negative press which might be expected following the roll-out in Germany.
- It would not be politically effective to suggest E10 was only needed because of EU targets.
- The messaging should promote climate change/ environment benefits more strongly. Other possible messaging could refer to positive consumer experience and choice where E10 has been rolled out effectively.
- Messaging will be key around fuel consumption (i.e. paying more money for a fuel which gives less mileage), this needs to be addressed honestly and openly, and based on credible research.
- It was noted that mis-fuelling would likely happen, no matter what, therefore the current messaging in the FAQs might helpfully be softened.
- Earlier work from LowCVP on wider benefits to the UK economy, jobs and energy security of biofuels may assist. As would linking messaging to UK commitments through the Climate Change Act.
- It was noted that in respect of sustainable aviation fuel there had been some success in messaging to address ILUC concerns, although there is a different relationship with the end user.
- It was noted that the consumer acceptability work on E10 would need updating to help determine the nature of the messaging –AA agreed to look into whether they could use their own surveys to do so

Would the protection grade be needed beyond 2016?

- It was agreed that this would be dependent on when E10 is rolled out.
- In terms of reassuring the consumer there are benefits for the continuation of a protection grade through legislation, but it would also be true that as there would be a need and customer demand for E5 then the market would ensure supplies are available. On balance a strong, possibly Government backed and monitored, voluntary agreement by industry may therefore be appropriate, rather than continuing with the legislative approach.

Biofuel Labelling

- The existing labelling was considered vague and could cause some consumer confusion. Solutions included:
 - Considering greater harmonisation (possibly within the context of the Alternative Fuels Infrastructure Directive)
 - Having labels on petrol caps.
 - Having a generic message saying “if your car was made after X date you can use E10 safely”
 - Have licence plate recognition in petrol stations that will prevent consumers using the wrong fuel.
 - Use of apps with access to vehicle compatibility database, possibly linked to labelling at the pump.
- However, a move away from the current statement to consult the vehicle manufacturer would require amending the Biofuel Labelling Regulations.
- There is also a risk to consumer confidence if the current labelling requirements are changed before there is nearer 100% vehicle parc compatibility.

Would a 2016 E10 introduction be possible?

- This would depend on vehicle parc compatibility and the E5 supply chain.
- As there is no strong commercial case for an E10 roll out it would need to be mandated by Government. Industry could not collectively determine amongst itself a change in petrol grade as this would be anti-competitive.

4 Meeting outcome

Grant Pearson, Hugh Tucker, Teresa Sayers and Anja Hazebroek volunteered to coordinate a paper on deliverable and desirable options to secure a successful roll out of E10, to be discussed at the next meeting and fed in to the overall Taskforce report. Contributions from all members of the group would be welcome.

5 AOB Date of next meeting

It was suggested that it would be useful to discuss biodiesel at the next meeting, especially in light of France announcing B8.

The next meeting will take place on Monday 2 February, from 2.00-5.00 p.m. in Great Minster House.