Dear Lord Trefgarne,

As the Chairman of the Secondary Legislative Scrutiny Committee, in the coming weeks you are due to consider the Statutory Instrument on the Renewable Transport Fuel Obligation (RTFO). I would like to take this opportunity to give you some further information about this piece of legislation.

As the UK’s largest producer of bioethanol – a low carbon, renewable fuel made from animal feed grade wheat – Vivergo Fuels is generally supportive of the RTFO, which is the mechanism by which the Department for Transport ensures that the UK reaches its legally binding targets on transport emissions. We support the move to increase the overall renewables obligation level from 4.75% to 9.75% in 2020 and 12.4% in 2032, which will allow more renewable fuels to be used within transport, helping to lower greenhouse gas emissions and improve air quality.

This piece of legislation has been delayed by many years already and it is vital that it receives approval in Parliament before April 2018, whereupon a ‘new year’ of target implementation comes into place. These delays have had a significant economic impact upon the British bioethanol industry, that has resulted in our own plant, which supports around 3,000 jobs in North and Central England, stopping production due to the ongoing constrained market. We would therefore ask for your support in passing the RTFO through your committee.

Whilst supporting the swift progress of the Statutory Instrument in its current form, we have serious concerns regarding the proposed level of the ‘crop cap’ within it. This cap limits the contribution that highly sustainable crop-based renewable fuels such as our own can make towards the overall target. Under current proposals, the UK would implement the lowest cap in Europe at just 4%, declining to 2% in 2032. This severely hampers growth and investment within the industry, and negatively impacts the 900 British farms from whom we buy our wheat, as well as the 800 British farms who we sell our co-product of protein-rich animal feed to – we are very much a ‘food and fuel’ not a ‘food vs fuel’ industry. These concerns around the crop cap are echoed by the National Farmers Union and the Renewable Energy Association; we would therefore welcome committee members raising these important points without delaying the legislation.

The RTFO is a vital precursor to a significant step in the ambition to lower transport emissions – the introduction of E10 fuel. This is a more environmentally friendly fuel comprising 10% renewable bioethanol blended with petrol, already commonly used throughout Europe, North America and Australasia. The UK has used up to 5% bioethanol (E5) in its petrol for many years and doubling this to E10 is the quickest, easiest and most cost-effective way to decrease road transport emissions – equivalent to removing 700,000 cars from the road. With the RTFO in place, we hope that E10 can be introduced in the UK in October 2018, to coincide with new regulations on fuel pump labelling.

Please take a moment to view our information booklet which provides an overview of the industry, its economic, agricultural and environmental impact, and further information about E10. Within it, you will also find maps which will show whether your own constituency or local area is impacted by the agricultural market that is reliant upon the sector. I also encourage you to watch this video which also provides a quick but comprehensive introduction to these issues.
If you have any questions, require further information, or would like to meet to discuss these issues, please do not hesitate to contact me via mark.chesworth@vivergofuels.com or 01482 700800.

Best wishes

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