

# PARLIAMENTARY DEBATES

HOUSE OF COMMONS  
OFFICIAL REPORT

Eighth Delegated Legislation Committee

DRAFT MOTOR FUEL (COMPOSITION AND  
CONTENT) AND BIOFUEL (LABELLING)  
(AMENDMENT) (NO. 2) REGULATIONS 2021

*Wednesday 14 July 2021*

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**Sunday 18 July 2021**

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**The Committee consisted of the following Members:**

*Chair:* MR LAURENCE ROBERTSON

Brennan, Kevin ( <i>Cardiff West</i> ) (Lab)	Mann, Scott ( <i>Lord Commissioner of Her Majesty's Treasury</i> )
Caulfield, Maria ( <i>Lewes</i> ) (Con)	Mohindra, Mr Gagan ( <i>South West Hertfordshire</i> ) (Con)
Duguid, David ( <i>Parliamentary Under-Secretary of State for Scotland</i> )	† Morris, James ( <i>Lord Commissioner of Her Majesty's Treasury</i> )
Fovargue, Yvonne ( <i>Makerfield</i> ) (Lab)	Pursglove, Tom ( <i>Corby</i> ) (Con)
Harris, Rebecca ( <i>Lord Commissioner of Her Majesty's Treasury</i> )	Rimmer, Ms Marie ( <i>St Helens South and Whiston</i> ) (Lab)
Hillier, Meg ( <i>Hackney South and Shoreditch</i> ) (Lab/Co-op)	† Rutley, David ( <i>Lord Commissioner of Her Majesty's Treasury</i> )
Lloyd, Tony ( <i>Rochdale</i> ) (Lab)	Thomson, Richard ( <i>Gordon</i> ) (SNP)
† McCarthy, Kerry ( <i>Bristol East</i> ) (Lab)	Sarah Ioannou, <i>Committee Clerk</i>
† Maclean, Rachel ( <i>Parliamentary Under-Secretary of State for Transport</i> )	† <b>attended the Committee</b>
† Mak, Alan ( <i>Lord Commissioner of Her Majesty's Treasury</i> )	

## Eighth Delegated Legislation Committee

Wednesday 14 July 2021

[MR LAURENCE ROBERTSON *in the Chair*]

### Draft Motor Fuel (Composition and Content) and Biofuel (Labelling) (Amendment) (No. 2) Regulations 2021

2.30 pm

**The Chair:** Before we begin, I remind hon. Members to observe social distancing and sit only in places that are clearly marked. I also remind Members that Mr Speaker has stated that masks should be worn in Committee other than when speaking or if exempt. *Hansard* colleagues would be most grateful if Members could send their speaking notes to [hansardnotes@parliament.uk](mailto:hansardnotes@parliament.uk). Before I call the Minister, I remind hon. Members that 17 Members were appointed to the Committee, so we should not really be having to wait for people to turn up.

2.31 pm

**The Parliamentary Under-Secretary of State for Transport (Rachel Maclean):** I beg to move,

That the Committee has considered the draft Motor Fuel (Composition and Content) and Biofuel (Labelling) (Amendment) (No. 2) Regulations 2021.

It is a pleasure to serve under your chairmanship, Mr Robertson. The statutory instrument would introduce E10 as standard petrol across Great Britain, while ensuring that the current E5 grade remains available for those who need it. E10 petrol contains up to 10% renewable ethanol—double the amount that can be blended in today's E5 grade. This change is a crucial step to maximising the biofuel blending capacity in the UK fuel market, driving transport decarbonisation while supporting the UK's biofuel and agricultural sectors.

Introducing E10 allows us to cut carbon emissions from cars, motorbikes and other petrol-powered equipment in use today simply by increasing the limit to which renewable fuel can be blended into standard petrol. It is one of the very few measures available to us today with an immediate impact, providing the basis for a step change in renewable fuel blending. E10 petrol is a proven fuel that is already used across the world, including across Europe and the United States. We also have a valuable domestic bioethanol industry that would benefit from increased demand. Indeed, following our policy announcement, one large facility operator has already announced that it is recommencing production.

Such facilities play significant roles in their local economies, employing hundreds of skilled workers directly and supporting thousands of jobs in the wider community. That community includes the agricultural sector, with locally grown feed wheat used to produce ethanol, while by-products such as animal feed are supplied to livestock farmers in place of soy imports. It is vital to support those industries as we endeavour to build back greener, with low-carbon industrial hubs crucial to our path towards net zero by 2050.

Introducing E10 is part of a wider set of measures to encourage renewable fuels. We announced today ambitious plans to increase renewable fuel targets under the renewable transport fuel obligation, alongside our transport decarbonisation plan. Renewable fuel targets have risen over the past three years, with fuel suppliers now blending very close to the 7% biodiesel limit for road diesel and the 5% bioethanol limit for standard petrol. The draft regulations will unblock additional capacity to increase blending in the fuels that we all use every day, with only a short transition period. Although other renewable fuels will also be required to increase carbon savings in the medium to longer term, moving to E10 is the only immediately viable next step.

Although 95% of all petrol vehicles can use E10, some older vehicles cannot. That is why the instrument includes provisions to keep the current E5 petrol available in the higher octane super grade. Together with wider exemptions for some remote areas, that ensures that petrol suitable for every vehicle will remain available across the country. We also launched a comprehensive communications campaign, involving local radio, roadside posters, social media and information at forecourts. That informs motorists of the changes to petrol this summer and directs vehicle owners to our online compatibility checker, ensuring that everyone can be clear on the right fuel for their vehicle or equipment.

The SI also makes amendments that are required following our departure from the European Union. We have replaced references to EU legislation with references to domestic legislation to ensure the ongoing operability of our fuel standards. In proposing the statutory instrument, the Department has carefully considered a balance of interests. It recognises the need to maximise our efforts to decarbonise vehicles on the road today and support our domestic renewable fuel industry, while maintaining access to a suitable petrol grade for all. I believe that introducing E10 petrol this September ahead of RTFO increases planned for January strikes that balance, and I commend the statutory instrument to the Committee.

2.35 pm

**Kerry McCarthy (Bristol East) (Lab):** It was the last Labour Government who introduced the RTFO, which helped to support the UK's biofuel industry and lower emissions by introducing E5 fuel as an obligation for fuel suppliers, but obviously times have moved on, and the RTFO is in desperate need of reform. For example, I have just been talking to the maritime industry about how it can be reformed for that sector.

The Government have for a long time indicated their intention to move towards E10, so today should in theory be something to celebrate. However, correct me if I am wrong, but my understanding is that what we have in front of us is only a minimum requirement on suppliers to move to 5.5%. The ambition is E10, but the obligation is much less; it is not really an E10 obligation. I really do not see why the Government are being so unambitious on this, particularly when the majority of responses to their own consultation called for greater ambition.

I know that the Government have claimed that they will review the policy in five years, but given that we have the 2030 ban on the sale of new petrol and diesel vehicles coming in, now is the window to make real progress on the fossil fuels that are being used in cars,

not in five years' time, when hopefully many car owners will have made the transition to electric. That would be my question to the Minister: why leave it to suppliers to decide whether they will embrace the upper limit of 10% blended biofuels? Also, at what point does she see E5 petrol being phased out?

Does the Minister acknowledge that this will not work unless we have greater transparency in the supply of biofuels? She talked about supporting biofuel production in this country, and the use that various agricultural by-products could be put to, but we know that there will still be imports, and we have real concern about the source of many imported biofuels. Research from Transport and Environment has shown that nearly half of what was described as used cooking oil supplied to the UK last year came from China and Malaysia. Guarantees were not really in place that that oil was genuinely waste oil, and not products that were produced just for use in transportation or diverted away from other uses. We do not want to see that. We want to see waste products used.

We could be fuelling overseas deforestation through a demand for biofuels from supply chains that are not sufficiently transparent. Obviously, that would severely undermine any emissions savings from blending biofuels. There is no point in trying to move towards more sustainable petrol if we are contributing to destroying the Amazon rainforest in the process. I would therefore welcome clarification from the Minister on what plans the Government have to monitor that, to ensure that supply chains for imported biofuels are fully transparent and not linked to deforestation. That is not addressed in today's legislation.

We need to move beyond a primary focus on biofuels when it comes to the RTFO. Many nations across Europe have taken the step of supporting the inclusion of renewable electricity in similar mechanisms, but the UK is yet to follow suit. I have not seen the transport decarbonisation plan yet. It is rather surprising, given that the statement is about to be made in the House, that when I went to the Vote Office earlier I was told that it would not be available until the Minister sits down. It seems odd to me that we can have a statement discussing a transport decarbonisation plan before people have been able to see it. Quite a lot of outside organisations seem to have obtained an advance copy, so it is a bit frustrating that MPs cannot. I hope that there is something in it on this issue.

The inclusion of renewable electricity in a reformed RTFO would bring many benefits, including securing sustainable funding streams for charge point operators. At the moment, low local authority take-up for Government grants for public charge points has shown the flaws in Department for Transport's approach to expanding our charging network. The current system of incentives, with short-term support for charge points that offer little financial return, such as those in areas where they will not get much use and there is little chance of the operators being able to recoup money from users, is just not delivering the nationwide network of charge points that we need. They will be concentrated in the urban areas with high use. Reforms to the RTFO could be one way to address that, and I would welcome the Minister clarifying whether her Department is considering expanding the scope of the RTFO after today.

The Government need to be bolder and work to make the RTFO fit for the future. The shift to electric vehicles has to be considered as part of that. More urgently, it needs to be done in a way that ensures that any direct or indirect deforestation is stamped out in our supply chains. With those points in mind, Labour will abstain today on the basis that the SI does nothing to address concerns about overseas deforestation in imported biofuel supply chains, does not deliver on the much needed broader reform to the RTFO, and is deeply unambitious when it comes to the blending obligation on fuel suppliers.

2.41 pm

**Rachel Maclean:** I thank the hon. Lady for her comments. It is a shame that she is abstaining, but nevertheless we will push forward with our ambitious plans, because this is a major step along the way to our world-leading plans to decarbonise the entire transport sector. I am very happy to have a detailed discussion with her about some of the issues that she raised, but I assure her that some of the comments that she made about deforestation are wide of the mark.

Let me turn to the detail. The hon. Lady mentioned the percentage allowed in E10. As I am sure she is aware, the existing industry standard for E10 allows for an ethanol content between 0% and 10%. By setting a 5.5% limit in legislation we ensure that the fuel blend will contain more renewable ethanol than existing blends and has to be marketed as E10, levelling the playing field across the sector. Bioethanol blending will be driven by the RTFO, as she referenced, which sets targets for overall biofuel supply. We therefore expect bioethanol to be blended at levels higher than 5.5%, particularly following the increase of targets.

The hon. Lady mentioned sustainability. We have one of the most robust set of measures in the world to ensure that our fuels are sustainable and do not have any adverse consequences, such as those that she referenced. Waste-derived biofuels make up over two thirds of renewable fuel supplied under the RTFO, and the share of biofuels from feedstocks associated with a high risk of leading to indirect land use change, including deforestation, in particular oilseeds such as palm, soy or rapeseed, is minimal in the UK. Our crop cap is in fact one of the tightest in Europe. It is currently set at 4% and will decrease to 2% by 2032.

The hon. Lady mentioned some of the issues around charging infrastructure. I assure her that the transport decarbonisation plan will be available to view on gov.uk. I am informed that it will be uploaded within the next few minutes, or very shortly. I very much hope that it will be there. When she reads it, I am sure that she will have many questions, and I am happy to answer them all. I remind her that our electric vehicle charging infrastructure network is out of scope for today's debate, but it is increasing by 10% year on year. We already have one of the largest networks of charging infrastructure on the strategic road network in Europe, and it is increasing at a rate of knots.

I thank the hon. Lady for her consideration of these points. This is a small but very important step. As we transition to zero-emission vehicles, it is vital that we do not ignore the measures available to us today to reduce emissions. The SI does that by doubling the amount of

*[Rachel Maclean]*

renewable fuel that can be blended. It supports our vital domestic carbon industry. Securing such facilities will help to foster new investment and secure many jobs to build a world-class renewable fuel sector in the UK, so it is a shame that Labour is not supporting new jobs in parts of the country where this is a new industry. This measure is part of wider policy proposals to reduce

emissions. Timing is very important. We need to ensure that we can roll this out in as smooth a way as possible before the increases to our renewable fuels targets in January. I hope that the Committee will join me in supporting the statutory instrument.

*Question put and agreed to.*

2.44 pm

*Committee rose.*



