



# Department for **Transport**

**From the Parliamentary  
Under Secretary of State  
Norman Baker MP**

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Our Ref: MC/48577

Andy Eastlake  
Managing Director  
Low Carbon Vehicle Partnership  
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London  
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13 August 2012

*Dear Mr Eastlake*

Thank you for your letter of 24 July regarding the potential introduction of E10 in the UK market in 2013. I am writing to you and others in the motor and fuel industries to explain the Government's position on a prospective E10 launch.

Any decision to introduce E10 is, of course, a commercial matter for fuel suppliers and retailers. However, for the reasons set out below, the Government does not believe that now is the right time to introduce E10. I therefore strongly encourage fuel suppliers and retailers to delay any plans for the early introduction of this new product.

As you have highlighted, changing the chemical composition of fuels can pose challenges for existing vehicles as some materials in the fuel system can be incompatible with increased biofuel content. I understand that while new vehicles are compatible with E10 blends, around 20% of the current car and small van fleet is incompatible with E10. I am concerned that, with only two types of petrol generally available on forecourts, if an E10 blend were to be used as the standard petrol grade, those with older, incompatible vehicles might be forced to use the more expensive 'super unleaded' grade. I am particularly concerned about the effect this would have on those with lower incomes, who tend to drive older cars. **Introducing E10 at a later date, when the proportion of compatible cars has increased, would significantly mitigate this impact on consumers.** The lower energy content of E10 may also result in a small increase in the overall cost of driving for many motorists, which would be difficult at a time when the incomes of families and businesses are already under pressure.

Another significant risk around an early E10 launch is that public concerns around the sustainability of biofuels become mixed with concerns around vehicle incompatibility. I am confident that these two concerns, around biofuel sustainability and vehicle compatibility will have significantly reduced in the medium term. You are aware of the efforts we are making at a European level to find a way of addressing the emissions and biodiversity impacts resulting from indirect land use change (ILUC). **However, if fuel suppliers introduce E10 too early, this may cause long term damage to the image of higher-ethanol blends, jeopardising our ability to meet our renewable energy targets.**

Higher-ethanol blends are likely to play a key role in our longer term strategy for meeting the UK's renewables targets. However under the Renewable Transport Fuel Obligation (RTFO), biofuel uptake targets are 4.5% of the total fuel supply in 2012/13, rising to 5% in 2013/14. Therefore, there is no pressing need for any fuel supplier to supply E10 to meet RTFO biofuel uptake targets at this time.

I appreciate the work the LowCVP has undertaken so far to develop a communication plan to enable the implementation of E10 in the UK market once the time is right for this. I can confirm that Department for Transport officials will continue to engage with this activity.

I am copying this letter to other relevant industry associations. I am keen to discuss this matter further with you and other interested parties from the oil, biofuel and automotive sectors, and would be grateful if you could liaise with my office to identify a suitable date, and with my officials to agree an appropriate cast list for the meeting.

In addition to meeting with you, I would ask any fuel suppliers who are planning to introduce E10 to get in contact with me directly. I would be very keen to meet with such companies to discuss their plans.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N. Baker', written in a cursive style.

**NORMAN BAKER**

cc    Downstream Fuels Association  
      Petrol Retailers Association  
      Renewable Energy Association  
      Society of Motor Manufacturers and Traders  
      UK Petroleum Industry Association