

Notes RTFG meeting 6th February, REA offices, 80 The Strand

Attendees

Adam Baisley, Olleco
Colin Matthews, Joule Vert (CM)
Gaynor Hartnell, REA (GH)
Hilary Stone, Imperial College
Ian Waller, InPerpetuum (IW)
Jonathan Anderson, Ennismore Consultants
Mary Sweere, Fluid Ice
Rob Vierhout, Alcogroup
Tom Lamy, Gasrec
Jon Crouch, Infinis (first part of the meeting)
Daniel von Scheven, Acrenergy
Glenn Carney, Greenlane Biogas
Graeme Kennet, 360 Environmental

Chair: Grant Pearson, Ensus (GP)

On dial in

Ben Ebdon, Storengy UK Ltd
Emma Wilson, RWE
Josh Pollock
Lauren Jauss, RWE
Tim Elsome, Farm Energy
Brian Reynolds, Standard Gas
Chloe Lockhart, NFU

Others registering interest in dialling in, but whom I don't think were on the line.

Bruce Riley, Natwest
Chris Hampton, BOC
Gerry Kavanagh, Suez
Mark Christensen, Reliagen Holdings Ltd

Introductions

Participants introduced themselves.

Actions from the last meeting

GH talked through the actions listed on the slide. Ian Waller corrected her on his action. He *had* done a paper for the REA policy board on power (focusing on emissions factors in BEIS's current and forward projections) and had also done a paper on heat, which went to Mark Sommerfeld. He noted REA is now having a heat event on 19th February. Grant reported that the power paper had been discussed within the policy board, but there hadn't been a clear answer back yet. **Action: IW to send the power paper to the group for circulation.**

GP suggested that there should be **an action to review the mini business plan at every second meeting.**

There were questions triggered by the Ministerial Briefing document.

1. An inaccuracy on which countries supply E10 from Rob Vierhout. **Action on all. Review the document and if any revisions are needed, contact GH.**
2. Queries about the continuation of the GHG regulations. DfT position is that they would like to continue with the GHG reporting regs, but argue that it is legislatively difficult (which we doubt is a real impediment).
3. What were the chances of a change from a volumetric to a GHG-based RTFO? Although DfT may see the merits in a GHG based obligation, GH confirmed it has no plans to do this. There was a discussion about how disruptive this would be, and the impact on investor confidence. There was a discussion on historical changes that had been made, and their impact on investments (e.g. halting the increase in target levels post the Gallagher review). If DfT ever decides to make this change, it would certainly consult, and would take investment decisions into account.

GP proposed adding three items to the agenda- the transport strategy paper (aviation), the ICE sales ban by 2035 announcement, and a new trade tariffs consultation. All agreed that these be added to the agenda to discuss if there was time.

Report on the RTFO target increase meeting with DfT

GP gave the background to the meeting. He noted DfT identifies that Carbon Budgets 4 and 5 won't be achieved from a transport perspective (albeit those targets are not broken down at a departmental level). Even with the recently-announced banning of ICE cars and vans in 2035, this will still not result in meeting the carbon budgets.

DfT seemed willing to consider what to increase the basic RTFO target level to. They are concerned with the restrictions wrt what fuels could be absorbed into current pool, given blend walls, and the availability of feedstocks. Grant thanked Olleco for its modelling, and briefly described what the model did. It suggested the target would need to increase to around 16% just to maintain the amounts of liquid fuels at the current levels.

IW commented that government seems to see biomass feedstocks as potentially scarce, an impression gleaned from CCC. IW had looked at advice given to the CCC (Inc. from Ian Tubby of forest research which had ignored a number of potential relatively commonplace feedstocks). Among the further work suggestions was a recommendation that the UK needs to use land better to grow energy crops.

IW believes the CCC position is highly conservative. It also assumes that the UK will only take 1% of global resources and given the size of the UK economy, this seems an unduly small proportion. (FI UK takes 15% of globally-traded wood pellet).

He sees a danger in policy terms if the Government makes decisions on scarcity concerns. There was also some work done by Supergen Andrew Welfle et al, on global biomass availabilities. **Action: IW volunteered to delve further and bring his findings on global biomass availabilities to the next RTFG meeting.**

In conclusion, there were no further actions on REA following the meeting.

In noting that DfT had done no modelling on biomethane, GH mentioned Rachel Solomon Williams' response to the invitation to speak at Green Gas Day. It seems that the view persists across Whitehall that biomethane is best used in heating. Rachel may speak on a panel, or cover renewable gases in general, giving an update on hydrogen, but didn't feel it appropriate to take a platform and positively advocate biomethane for transport (although she said any carbon savings from biomethane in transport are welcome, and if the RTFO enables its deployment this is also welcome.)

There was a discussion on where to get data on gas use. The RTFO statistics are quarterly and are not representative in this fast moving area. CM noted that HMRC gets paid duty at the point of use, and that it should be possible for it to provide methane only gas use in transport. In DUKES this is reported lumped in with LPG, which clearly is not helpful. All agree that it is very important to see some momentum on this in the statistics. IW noted it took DfT a long time to get Treasury to share information with it for the purposes of reconciling RTFC returns.

Action REA to ask HMRC for the data, and request it reports it separately in future. CM has previously attempted to get info, and will share his correspondence with GH.

It was noted that GVN was also attempting to collect this data, but had come across a barrier in that one company is not keen to contribute. If REA members want this published and GVN still will not, GH offered to publish the collated data from REA members.

It was agreed that a press release would be good on the target work. Action GH to progress.

Action CM, to see if he can get total LPG figs from the Liquid Petroleum Gas Association.

There was a brief discussion of the adequacy of the buyout price and potential of buying out. GP reported DfT is aware of concerns, but has no plans to increase it, nor any plans to give derogations.

George Freeman's information request

GP gave background. Apparently there is a political "sea change" coming from No 10 and the view that climate change is now very important. RV pointed out an error in the countries listed as supplying E10. **Action if anyone has anything to add / comments; send them the GH who can update it.**

E10 update

GP reported that the British Bioethanol APPG was relaunched yesterday, at a very well-attended meeting (quorate, without any effort of rounding up MPs on the day). Its 2 co-chairs and secretary are all newly-elected Tories in NE, which is helpful from political perspective.

GP reported that he had been told that the E10 consultation has now passed all government departments and is now on the grid for scheduling the publication date.

It will be a short consultation (probably 6 weeks) and will say that the intention is to mandate E10, but consult on some potential options of how to implement it, with objective to legislate by the autumn, for implementation April 2021.

Latest DfT thinking on eligible electricity for RFNBO hydrogen production

GH talked through the slide.

She said that DfT should now be receptive to having a session on the Electricity Supply Industry from the perspective of understanding how hydrogen electrolysis might fit in. **Action GH to organise a workshop.**

Report on REA meeting with TfL

GH, IW and Jonathan Anderson (who had attended the meeting) all contributed to setting out what had happened, and talked through the slide. Things that came out during the conversation

- RV mentioned the Scania ED95 truck (410 horsepower) that runs on 95% bioethanol (although agreed this is not relevant, as the query relates to TfL's current fleet).
- CM said that TfL does not mandate zero tailpipe double decks yet, so both BEV and hybrids can be purchased.
- that the first bus garage in Waterloo required £1m for a new substation
- the Metro Line bus garage in Edmonton, has been waiting for a year for a cable to go over the canal to get to the depot.
- That the zero tailpipe investment plans are a real challenge in the context of falling footfall, and higher costs.

CM mentioned he'd done a report for GLA on alternative fuels, when there had been an appetite for building a biodiesel plant on Thames. He'd questioned the wisdom of building it there given high wages and difficulty of getting feedstock in.

The overall conclusion was that for their existing fleet, an HVO and high biodiesel blend was a good option but if they want a UK-produced supply – then there is none.

Paraffinic diesels for NRMM

GH explained that she and Nina had met a couple of the representatives from the Fuel Experts Association, and that in the process of investigating the concerns that they had relayed, GH had had a conversation with the chair of the EIC air quality group.

There was a discussion on HVO / paraffinic diesel use in NRMM and the extent to which it resulted in improved air emissions. It seems that there some variance of views on this. CM is working with a consortium looking to get a test facility up and running which would be ideally placed for NRMM testing.

The conclusion was that the REA should keep a watching brief on this. There wasn't an appetite to have a guest speaker in to an RTFG meeting, nor to convene a meeting between REA members that might be particularly interested in the issue. (Post meeting note, this may be worth reconsideration post-Brexit, when there could be greater flexibility with respect to fuel duty, as currently biofuels can't compete with red diesel).

Suggestion of meeting of transport interest groups to identify common lobbying points

GH spoke to the slide. People felt there was merit in the idea, and there were some volunteers for taking this forward. GM suggested that the E10 consultation could form a template for testing people's appetite for this.

Action GH to add marine and aviation interests to her spreadsheet of identified organisations and send it round to the volunteers IM, Neil Durno, GP & CM.

Update on biofuels for heating

IW gave an update and reported that the domestic heating sector (i.e. OFTEC, the Tank Storage Association (TSA) and the UK and Ireland Fuel Distributors Association (UKIFDA)) had launched a steering group which had had its inaugural meeting and was setting up various work groups, and planning demonstrator sites, trials etc.... The initial trial sites comprise 4 in NI, 3 in Scotland, 2 wales,

and various in England. IW is looking at sensitivities on cost savings, based on current and future market prices and will be updating the relevant working groups, and will be happy to share the results with RTFG.

There will be a number of trials within villages where they will use B30 blends with long-term trials over 2 winters. Also academic work, looking at B100 and a single phase blend of bioethanol and bio-oil (a product of fast pyrolysis) specially developed for heating purposes.

JA will mention it to Crown Oils, which supplies a range of bioliquid heating fuels.

IW referred to questions that the Fuel Experts Association had sent to GH, which she said she would forward to IW. IW said these had previously been addressed by work that the FEA had been aware of. (He noted Oftec is a member of the FEA and was not aware of FEA writing to REA on this. IW to raise it with Oftec)

Transport strategy

GP had heard this would be published soon and the gist would be that technology would solve the problem and demand reduction wouldn't be necessary.

Hilary Stone said there was an item on aviation on the Today programme at around 8.47. **Action GH to circulate link** (<https://www.bbc.co.uk/sounds/play/m000dxsp>) Scroll in to 2 hours 48 mins 42 secs.

Trade policy just out yesterday

GP had just looked at this. It proposes getting rid of all "nuisance" level tariff levels of around 2 – 5% and move all fixed rate tariffs over to percentages (EU currently uses a mixture of percentages and absolute tariffs). It is only a 4 week consultation, which is the shortest it could be, which is a concern given what a hugely important area it is with impacts right across the economy. **Action: send the link out** - <https://www.gov.uk/government/news/uk-consults-on-new-global-tariff-policy>

Announcement of ICE ban moved forward to 2035

GP questioned the REA stance on supporting the banning of all hybrid vehicles. GH suggested this was cars only and that the REA felt this to be an important and attractive policy position given that many other EV proponents *do* support hybrids. CM read out the informal consultation to see if the plan is achievable, and which asks the question what should be banned. **Action. This to be circulated.** Noted It has a 29th May deadline.

RTFG members felt that hybrids would be important and particularly desirable for various heavier duty vehicles.

Daniel von Scheven reported that there were those of the opinion that there would be full BEV HDVs.

CM said the tesla battery weighs 7 tonnes, equivalent to the entire weight of a standard tractor unit, and the combined weight (~14 tonnes) wouldn't be allowed to drive on UK roads.

ND asked specifically if the REA statement of intent on hybrids relates to 4 wheel road cars, as he doesn't think it should extend beyond that. ND feels that the REA should be the voice of reason and that its emphasis should be on decarbonising rather than just electrification.

There was some discussion of the negative press coverage following the announcement.

IW proposed that the REA should be a good place to discuss where the missing fuel duty is made up from. GP said this was not something the EV group did want to cover. CM reported there was a pilot road user charging applying to a cohort of 4.5 k trucks, which could be extended if successful.

There was concern expressed that the REA seemed much more supportive of the EV sector than fuels sector. GP said that the action to produce a joint EV group and RTFG position paper was overdue by several years, and that a meeting between the chairs and vice chairs of the groups really needed to take place within the next six weeks. ND supports that and would raise it with Dan Brown when he meets Dan and GH next week (to talk about plans for events including Decarbonising Trucks Trains Boats and Planes, a conference ABB sponsored).

Date of next meeting

It was agreed that these should be scheduled well in advance. **Action GH to do a doodle poll and establish a programme of meetings every two months, starting at noon.**

Action	Status
IW to send the power paper to the group for circulation.	Done. Click here to download it.
Review the mini business plan at every second meeting.	
Review the Ministerial briefing and if any revisions are needed, contact GH.	
IW to delve further on subject of global feedstock availability and bring findings to the next RTFG meeting.	
REA to ask HMRC for the data on fuel duty paid on gas, and request it reports it separately (from LPG) in future	
CM to share his correspondence with HMRC on gas fuel duty with GH.	Done. Click here for the response to Colin Matthews Fol request. Click here for the spreadsheet of info.
GH to progress the idea of a press release on REA's RTFO target increase work.	
CM to get LPG stats from the Liquid Petroleum Gas Association.	
GH to organise workshop for DfT on electricity industry and integration of variable renewables and potential impact of growth of e-hydrogen.	
GH to add marine and aviation interests to her spreadsheet of identified organisations and send it round to the volunteers IM, Neil Durno, GP & CM.	
Circulate stakeholder consultation on ICE ban in 2035.	Click here for a copy https://www.r-e-a.net/wp-content/uploads/2020/02/Stakeholder-email.pdf
GH to circulate link to DIT consultation	https://www.gov.uk/government/news/uk-consults-on-new-global-tariff-policy
GH to send the link to R4 piece	https://www.bbc.co.uk/sounds/play/m000dxsp Scroll in to 2 hours 48 mins 42 secs.
GH to do a doodle poll and establish a programme	Decided simply to set dates (7th April, 3rd

of meetings every two months, starting at noon.	June, October 7 th , December 2 nd . Noon – 3:30pm.
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