



HITRANS Response to the Department for Transport Consultation on Draft Renewable Transport Fuel Obligations (Amendment) Order 2009

HITRANS (The Highlands and Islands Strategic Transport Partnership) is the statutory body concerned with the sustainable development and the coordination of all transport related activities within the Highlands and Islands of Scotland. It also takes a strategic interest in the provision of trunk transport services to and from the region. People in the Highlands and Islands generally have to travel further to access basic services and employment than normal and, due to the sparsity of population and relatively low levels of public transport, the reliance on movement using private cars and its related costs is more acute in this region than elsewhere in the UK.

Our response takes a strategic overview of the concerns on the introduction and distribution of biofuels across the country and in particular within the Highlands and Islands, and the timetables for such as currently proposed, in order to provide a particular perspective to the DfT on the issue.

Our Partnership supports the overall desire to reduce environmental impact / GHG emissions from road and other modes of transport, and the role that biofuels can have in the short to medium term in achieving the EU, UK and Scottish Government's interim targets. The Highlands & Islands wish to play their part in reducing emissions, and HITRANS would wish to work with all sectors to ensure this is achieved in an effective manner that does not disadvantage this region relative to others.

As part of the Highland and Islands Fuel Study commissioned by HITRANS, HIE and The Highland Council information has come to light that raises concerns and challenges regarding the feasibility of introducing Biogasoline / Bioethanol in the Highlands and Islands. This fuel will be required to be introduced across the UK if it is to meet both current or amended RTFO, and unless some means of supplying non-bio gasoline can be found without imposing additional cost to consumers in the Highlands and islands, there is the potential for this region uniquely to face significant increased costs for fuel compared with that elsewhere as a result of the introduction of RTFO. A summary of the findings of the report so far has already been sent to officials at DfT for their consideration.

HITRANS support the proposed amendment to RTFO, as this will delay introduction of Bioethanol and give breathing space to allow possible solutions to the inherent problems of introducing this fuel in low volume areas of consumption to be found.

The Partnership acknowledges the potential benefits of 2nd generation fuels which are currently being developed, but these are not likely to be commercially available in the short term, and so will not have any bearing on the challenges faced should the RFTO order proceed as proposed.

HITRANS would wish to encourage DfT and the fuel supply industry to find a workable solution to the issues surrounding the introduction of Bioethanol in the Highland and Islands as soon as possible, and before the national introduction of Bioethanol, to remove uncertainty for the industry and consumers, and to provide sufficient time for industry to make the investments required to ensure continuity of petrol supply to the region.

Question 1. Do you agree or disagree that if the obligation levels were left unchanged at 3.75 per cent for 2009/10 this would only have a marginal impact on the amounts of bioethanol used by obligated suppliers to meet their obligation in that period?

HITRANS is of the view that without an agreement from car manufactures to a raising of the current levels of Bio content in Biodiesel that the 3.75% level would inevitably result in the wide scale introduction of Bioethanol across the country. This would result in serious supply and distribution issues, the solutions to which have yet to be found, and without these, Bioethanol could not be supplied across the Highlands and Islands in an environmentally acceptable way and at a cost comparable with that for rest of the country. Without appropriate action by Government and Industry, the Highlands and Island, which currently incurs the highest cost for fuel in the UK, could well be asked to meet a disproportionate cost of introduction of a national standard, with major impact on the sustainability of communities on some islands and remote parts of the mainland.

Question 2. Do you agree or disagree that the obligation levels should be left unchanged?

The obligation levels should not be increased from current levels until such time as an acceptable means of supplying Bioethanol to users across the country, and in particular in the Highlands and Islands is established and put in place.

Question 3. Do you agree or disagree with freezing the obligation level at 2.5 per cent?

HITRANS agrees with this proposal which will create a window that will allow Government and Industry the necessary time to establish an appropriate means of distributing and supplying Bioethanol, which is not currently in place.

Question 4. Do you agree or disagree that the rate of increase in the RTFO should be adjusted in line with Professor Gallagher's recommendations?

As for our Answer to Question 2, HITRANS considers that any increase in level of Biofuel should be held at a level that allows the Obligations to be achieved through its inclusion in Biodiesel, until such time as a sustainable distribution and supply mechanism for Bioethanol is put in place.

Question 17. Would the double rewards proposed under the RED be adequate to encourage second generation biofuels?

HITRANS is of the view that the development of Second Generation biofuels should proceed as quickly as possible, given the limitations of first generation biofuels. It is however important that due consideration is given before approval of any such products for supply in the UK, as to whether such fuels can be distributed to, and retailed in, all part of the country without creating constraints that could adversely impact on local communities.

Question 20. Taking into account the requirements of both draft Directives, are there any other issues which need consideration when we transpose these into UK legislation?

Given the current issues regarding distribution and continuing supply of Bioethanol within the Highlands and Islands of Scotland, HITRANS would ask Government to ensure that full consideration is given of the impact of introducing revised Biofuel targets and measures across the country, before agreeing to introduce change.

Submitted by Dave Duthie, Partnership Director on Behalf of the Highlands and Islands Transport Partnership (HITRANS)