E10 petrol, consumer protection and fuel pump labelling consultation

Annex D:Response form

# Introduction and data protection

The consultation period begins on 20 July 2018 and will run until 23:45 on 16September 2018. Please ensure that your response reaches us at the following email address **on orbefore** the closing date.

Please send consultation responses by email to: LowCarbonFuel.Consultation@dft.gov.uk

Name: Tim Simon

Address: Department for Transport

Great Minster House

33 Horseferry Road

London

SW1P 4DR.

If you would like further copies of this consultation document you can contact Tim Simon - details above - who can also help if you need alternative formats (Braille, audio, CD):

When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled. If you have any suggestions of others who may wish to be involved in this process please contact us or forward the document to them.

The responses to this consultation are likely to be discussed with representatives of the sector, as well as within the Department. Therefore the points you raise may be shared. If you are notcontent for this to happen please let us know. Subject to the outcome of the consultation the amendments to the legislation will be introduced as soon as practicable.

**Confidentiality and data protection**

The purpose of this form is to seek your views on the draft policy proposals for E10 petrol, consumer protection and fuel pump labelling. It is carried out in the public interest to inform public policy.

As part of this consultation we request the following information:

Your name and email address - in case we need to ask you follow-up questions regarding any of your responses and to keep you informed of the consultation outcome.

You don’t have to give us this information. If you do, we will not share this information with anyone.

If you do give us your contact information, you consent to DfT using it only for the purpose set out above.

All your personal data will be deleted within 3 years of collection. You can withdraw your consent for us to hold your personal data at any time by emailing LowCarbonFuel.Consultation@dft.gov.uk.

Find out more about the [Department for Transport’s data protection and privacy policy](https://www.gov.uk/government/organisations/department-for-transport/about/personal-information-charter).

# Responding

### 1. Your name and email address. We will only use this if we need to contact you to ask about any of your responses and to update you on the consultation outcome.

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| --- | --- | --- |
| Name   |

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|   |

Robert B L Owen |
| Email   |

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|  rowen13@uwclub.net |

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 **2. Are you responding: \***

|  |  |
| --- | --- |
|   Yes | On behalf of an organisation? **Go to question 3** |
|    | As an individual? **Begin consultation response (section 3)** |

### 3. Organisation details: **\***

|  |  |
| --- | --- |
| Company/Organisation Name | Federation of British Historic Vehicle Clubs |
| Address | Office: PO Box 259 Upminster Essex |
| Postcode | RM14 9DG |
| Email | secretary@fbhvc.co.uk |
| Your Role / Position | Director-:Legislation |
| Please tick one box from the list below that best describes you /your company or organisation. |
|  | Micro business (0-9 employees) |
|  | Small business (10-49 employees) |
|  | Medium business (50-249 employees) |
|  | Large Company (250+ employees) |
| Yes | Representative Organisation |
|  | Trade Union |
|  | Interest Group |
|  | Local Government |
|  | Central Government |
|  | Police |
|  | Other (please describe): |
| **If you are responding on behalf of an organisation or interest group how many members do you have and how did you obtain the views of your members:**The Federation represents over 540 member clubs in the UK with a total membership of over a quarter of a million historic vehicle owners and enthusiasts. Interest in historic vehicles has as recently as 2016 been calculated as sustaining economic activity worth £5.5 billion annually to the UK economy and supporting the employment of nearly 35,000 people. Vehicles owned by members of the Federation include historic vehicles of many kinds, including cars, motorcycles, buses, coaches, lorries, vans, utility vehicles, military vehicles, tractors and other agricultural vehicles and steam engines. The vehicles of Federation members are no longer used primarily, if at all, as simple methods of transportation. They are preserved and, in many cases, have been restored for their historic interest. Their owners exhibit them at exhibitions, shows, community fetes, etc. and currently use the country’s highways both in order to attend at those events, but also to participate in touring events and for general leisure purposes, which themselves serve to enhance the visibility of the mobile heritage Federation members’ vehicles represent. The Federation has been continuously engaged over the years in questions concerning the introduction of ethanol into petrol, including the introduction of previous protection grades. It thus is familiar with the needs of its members.However, for the purposes of this response the Federation has specifically consulted widely with its members to as great an extent as is compatible with the Consultation timescale. 5800 individuals responded to a questionnaire. The results appear elsewhere in the Federation responses. |

# Consultation questions

### The questions below may not apply to all respondents. Please answer as many as are applicable to you or your business. In each case please set out the reasons for your answer and if applicable, alternative proposals.

### Consultation chapter 1A: Ensuring the supply of E5 petrol: Motor Fuel Composition & Content Regulations

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| --- |
| **Q 1 - Do you favour option 1, option 2 or an alternative means of ensuring ongoing E5 availability? Please provide your reasoning.** |
| **Option 1** | Option 2 | **Alternative means**Yes  |
| **Reasoning/ supporting evidence:**The Federation recognises that there are policy reasons not least compliance with the RTFO to encourage or indeed require the introduction of an E10 fuel, as sufficient vehicles are now able to run safely on that fuel without risk to their operation or of deterioration of components through corrosion, some of that corrosion having potentially safety related consequences.**But it is the view of the Federation that the interests of all and not just around 70% of the vehicles not able to run on E10 fuel are best served by re-introduction of the previous protection grade as being 97RON not exceeding 5% ethanol.**The vast majority of the Federation’s members possess petrol powered vehicles. Essentially 100% of these vehicles have, as a consequence of their date of manufacture and technical design, an ongoing requirement for a fuel which has as low an element of ethanol as possible. This is currently achieved both by the existing provision as a norm by fuels containing up to 5% ethanol and by the presence of the current “Super” grades available on many forecourts. There is therefore an ongoing need for a protection grade containing not more than 5% ethanol.In the Federation’s survey, 57% of the respondents choose to use a 97RON fuel in their vehicle for a variety of reasons. 25% of the vehicles are believed not to be capable of conversion to run on 95RON fuel. 27% of respondents have an annual income below £25k, so it is by no means the case that ownership of an historic vehicle is restricted to the well-heeled.Based upon existing fuel usage, the Federation estimates that historic vehicles account for around 12% of the Super grade fuel currently sold in the UK.We recognise that there may be a margin of error in these results but the substantial size of the sample and the high proportion of 97 RON petrol purchased by enthusiasts demonstrates a significant demand for higher octane fuel amongst owners of older vehiclesThe Federation is concerned that if fuel suppliers are constrained by tankage and dispensing equipment structures and by tanker design and structure, and are required to provide both an E10 product and a 95RON E5 product as the protection grade, they will effectively be forced to cease to provide the 97RON E5 maximum fuel which formed the protection grade which existed until December 2016 and of which a significant percentage of our members’ vehicles have need.The Consultation contends that there are around 400,000 incompatible vehicles less than 25 years old and this necessarily implies that at least the same number of vehicles are preserved historic vehicles. It is acknowledged that a significant majority of the 400,000 population will be scrapped, no doubt in a relatively short period. The Federation believes that good indications exist showing that already the number of vehicles in regular day-to-day use dating from 1995 to 2000 is quite small and those dating prior to 1995 is very small. Analysis of a national online car market place shows less than 1% of the approximately half million cars advertised are pre-2000. Given that most vehicles made after 2000 are compatible with E10, it would seem perverse to allow the small and fast declining numbers of pre-2000 vehicles in regular day-to-day use to be the determining factor in deciding which grade of fuel should be the protection grade. We note that it would be open to the Government if it wished, to accelerate this natural rate of scrappage by providing financial aid to those scrapping incompatible vehicles.The Federation does not wish to contest the assessment of around 500,000 vehicles as being in preservation, as some will be outside the Federation’s knowledge. There is no reason to believe this number of vehicles will measurably decrease, unless and until artificial pressure make use of these vehicles difficult or impossibleAs the vehicles which are simply long lasting, but not preserved, are scrapped, the proportion of incompatible vehicles which are also historic will increase by a corresponding amount.Of that proportion the percentage requiring 97RON fuel will remain constant and thus increase as a proportion of the whole.Thus option 1 appears to be designed to favour one part of the user community which is accepted to be rapidly reducing, at the expense of the other, largely stable and increasing as a percentage, part of the user community. Moreover, while the part favoured would simply see a small increase in their cost of fuel if 97RON were the protection grade, under option 1 a significant number of historic vehicle owners will be left without any suitable fuel available to them at all.The Federation wishes also to comment in some detail on the Annex A Impact Statement and the Qinetiq Report produced in 2010 which the Impact Statement uses to help justify the approach proposed of making the Protection Grade E5 95RON, so has produced a separate paper as an Appendix to this submission. **It is important to note that this Appendix forms an integral and important part of the overall response of the Federation.** |
| **Q 2 - Do you agree that a protection grade for Premium unleaded 95 octane should initially run until 31 December 2020? If not, what date would you recommend?** |
| **Yes** | **No**2023 |
| **Alternative date/ reasoning:** The Federation considers that once introduced, the protection grade should run for five years until 2023.Even at the highest estimate of the effect of continuation of a protection grade on substitution of biofuel for fossil fuel, the effect on the environment would be minimal.Committing to the retention of a protection grade (preferably 97RON E5 but even if 95RON E5) for five years till 2023 rather than 2020 would both protect the interests of the members of the Federation and provide a better amortisation for whatever investment is required from suppliers and retailers in maintaining the grade. Further it would be possible to be more certain on the level of survival of the cohort of vehicles currently over 25 years old. By then that cohort, after which vehicles become suitable for higher percentages of ethanol, would be around thirty years old, which is of course the current internationally accepted measure of a historic vehicle. The experience of the Federation suggests that, at that point the surviving vehicles, however many, or few, there were, would generally be vehicles destined for preservation not likely to go out of use and would join the vehicles in which the Federation has an interest.But perhaps more importantly, moving the assessment date would enable a much better calculation of the progress of electric and hybrid sales. If sales of electric vehicles continue to rise as predicted, then, as they replace conventional current vehicles, the overall importance to the environment of the percentage of biofuel (which is significant only as a measure of the fossil fuel not utilised), in the remaining petrol fuelled cars will automatically decrease proportionately and with it the significance of the RTFO.  Assessment of this reduction after five years rather than two will enable it to be made much more on the basis of fact than predictions. |

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| Q 3 - Do you agree that the protection grade should apply to filling stations that supply two grades of petrol and more than 3 million litres of all fuel (petrol and diesel) in the previous calendar year? If not, please explain whether you disagree with the volume or if there are better ways of distinguishing which forecourts it should apply to. |
| Yes | No |
| **Reasoning/ supporting evidence:**Question not answered |
| Consultation chapter 1B: Call for Evidence: Introduction of E10 fuel in the UK |
| Q 4 - What are the commercial barriers to introducing E10 in the UK? |
| **Response/ supporting evidence:**Question not answered |
| Q 5 -Do you agree in principle that supplying E10 could make delivery of the RTFO more cost effective? |
| Yes | No |
| Reasoning/ supporting evidence:Question not answered |
| Q 6 - Do you agree that requiring the introduction of E10 as an additional choice for consumers would be an effective way to introduce E10 in the UK? |
| Yes Agreed | No |
| **Reasoning/ supporting evidence:** |
| Q 7 - Could filling stations with more than four tanks supply E10 as well as 95 E5? If not, why, and what would the appropriate number of tanks be that would permit this? |
| Yes | No |
| **Reasoning/ supporting evidence:**Question not answered |
| Q 8 - Is the number of tanks the best way to define filling stations that could supply E10 alongside their current fuel range? If not, what would be a more appropriate metric? |
| Yes | No |
| **Reasoning/ supporting evidence:**Question not answered |
| Q 9 - What would the challenges and costs be to fuel retailers to sell an additional grade of fuel at appropriate filling stations? |
| **Response/ supporting evidence:**Question not answered |
| Q 10 - Would a requirement to sell E10 at appropriate filling stations affect fuel refiners/ blenders? What would the challenges and costs be? |
| Yes | No |
| **Reasoning/ supporting evidence:**Question not answered |
| Q 11 - Would a requirement to sell E10 at appropriate filling stations affect storage and distribution? What would the challenges and costs be? |
| Yes | No |
| **Reasoning/ supporting evidence:**Question not answered |
| Q 12 - Would a requirement to sell E10 at filling stations with more than four tanks have significant geographical discrepancies and challenges, particularly in relation to Northern Ireland? If so, what would be the challenges and how could they be mitigated? |
| Yes | No |
| **Reasoning/ supporting evidence:**Question not answerednot |
| Q 13 - Given the need to keep 95 E5 available, do you agree with the general approach of making E10 available at suitable filling stations? If not, what would be your preferred solution? |
| Yes | NoNot agreed |
| **Reasoning/ supporting evidence:**In the view of the Federation market forces themselves will lead the fuel suppliers to wish to maintain a supply for a period of time which is The The Federation considers that market forces alone will constrain fuel suppliers to keep available fuel which is definably the same as that currently used by most petrol fuelled vehicles, which is the current E5 Premium. In our view that Grade does not need protection status to be maintained. |
| Consultation chapter 2A: Fuel pump and vehicle labelling: Alternative Fuel Infrastructure Regulations |
| Q 14 - Do you agree with our proposal to use the definition of Infrastructure Operator derived from the AFIR? |
| Yes | No |
| **Reasoning/ supporting evidence:**Question not answered |
| Q 15 - Do you agree with our proposal to use the definition of Motor Vehicle from the Standard? |
| Yes | NoDo not agree |
| **Reasoning/ supporting evidence:**The origin of the definition in the Standard is not known, but the word “modality”, however derived, cannot in its normal dictionary sense be used to describe a thing, which a vehicle most certainly is. It is not clear why, for these purposes, as the proposal concerns fuel use in vehicles on the road in the UK a reference to the Vehicle Excise and Registration Act 1994 (as amended) would not be preferable,  |
| Q 16 - Do you agree with the definitions of a Motor Vehicle Manufacturer and that this is where that obligation should fall? |
| Yes | NoDo not agree  |
| **Reasoning/ supporting evidence:**While the definition of motor vehicle manufacturer is not in question the Federation must point out that any obligation imposed can only fall on a manufacturer which is in existence at the date of the obligation falling to be performed. Thus, there will be no manufacturer to rely on in respect of a very significant number of vehicles, even quite current vehicles. There is probably a need to insert some words relating to successors in title in respect of the manufacture of any vehicle which would reduce, if not eliminate, this problem. |
| Q 17 - Do you agree with the definitions of Motor Vehicle Dealer and that this where that obligation should fall? |
| Yes | No |
| **Reasoning/ supporting evidence:**Question not answered |
| Q 18 - Do you understand what the requirements are, for instance if you are an obligated party and what you need to do to comply? |
| Yes | No |
| **Reasoning/ supporting evidence:**Question not answered |
| Q 19 - Do you anticipate any operational issues with complying provided you have not less than 3 months' notice upon the publication of government response? |
| Yes | No |
| **Reasoning/ supporting evidence:**Question not answered |
| Q 20 - Are the enforcement proposals for fuel labelling clear and understandable? If not, which parts are not and why? |
| Yes | No |
| **Reasoning/ supporting evidence:**Question not answered |
| Q 21 - In respect of vehicle labelling, do vehicle manufacturers agree that compliance should be assessed between the point of manufacture and point of sale? Do you have views on how and where best this assessment be carried out? |
| Yes | No |
| **Reasoning/ supporting evidence:**Question not answered |
| Q 22 - Do you agree with the penalty amounts proposed? If not, why and what levels would you propose? |
| Yes | No |
| **Reasoning/ supporting evidence:**Question not answered |
| Consultation chapter 2B: E10 information label: The Biofuel (Labelling) Regulations |
| Q 23 - Do you agree with the proposed change to the wording? If not, why, and can you suggest a suitable alternative? |
| Yes | No Do not agree |
| **Reasoning/ supporting evidence:**The Federation accepts that a simple message is required, leaving action to be decided by the potential user. However, the wording proposed in the Consultation reads as an encouragement to use of E10 rather than a warning of possible incompatibility. There are clear risks arising from the possibility of failure of fuel lines and connectors close to hot engine components. The Federation considers users must be warned of this risk. The Federation considers two simple alternatives are possible;1. **Suitable for most petrol vehicles registered since 2000. Use in vehicles for which it is not suitable may constitute a safety risk**
2. **Use only if you are certain it is suitable for use in the vehicle. Use in vehicles built before 2000 may not be safe.**
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**Appendix – Comments Upon the Impact Assessment on the Protection Grade.**

**Introduction**

The Impact Assessment (IA) is not sufficiently objective. It is very clear from examination of the IA that efforts have been made to minimise impacts in order to justify Option 1.

This is not a proper purpose of an impact assessment which ought objectively to represent the facts and likely consequences of a proposal.

In particular, costs have been interpreted in the most favourable manner, and the very purpose of the preservation of historic vehicles has been totally misunderstood and misrepresented. As a result historic vehicles are treated as a perhaps unfortunate obstacle in the way of what the authors of the IA consider should occur.

An example of this can be seen in the evident incomprehension of the authors as to why historic vehicles are not scrapped at a conventional rate. There is no recognition at all of the importance to the United Kingdom of the preservation of an important aspect of its historic and cultural heritage. This is despite the clear recognition of cultural and heritage by the Government as exemplified in the existence of the “historic” taxation class under which historic vehicle are exempt from Vehicle Excise Duty. The authors reduce the interest in historic vehicles to the level of a simple hobby, which is simply not the motivation of many historic vehicle owners.

This may be seen in the sentence “This may be the case because of their value and their limited day-to-day mileage, which might minimise wear and tear and the chance of being involved in accidents.”

There seems no understanding at all that historic vehicles are being consciously preserved by their owners as cultural and heritage artefacts and that considerable time and expense is taken by and on behalf of their owners precisely to ensure that they do not reach a stage where they have to be destroyed.

**NOTE as the IA has neither page nor paragraph numbers and as chart and table identification is confusing referencing is difficult**

1. **Vehicle Numbers**

The IA appears to be using outdated figures. While the IA cites 1.4 million vehicles possibly affected, the Consultation itself uses 1 million.

Table 6 in the IA is frankly not credible.

Firstly it is not clear that the level of survival of older vehicles is as great as the latest figures show. There is little visual evidence that these vehicles exist in significant numbers, or if they do, that they are in anything like regular use.

Experience over many years shows that the existing cohort of preserved vehicles has remained largely stable with little destruction. Through effluxion of time a percentage of newer vehicles (currently those built up to the end of 1977) can be on application recognised by HM Treasury as historic and classed as exempt from Vehicle Excise Duty. There is no reason, given the availability of fuel, why existing experience, that these vehicles are generally repaired, restored and maintained, and are not scrapped, should not continue.

The proportion of non-compatible vehicles which are in fact historic will therefore increase as the reduction in overall vehicles will predominantly be in vehicles, serving only as day-to-day transport, reaching the end of their life.

Table 6 shows a continuing reduction up to 2030 which totally ignores the fact that vehicles once in preservation simply are not as a matter of course scrapped. Analysis of DVLA registration data shows that a baseline is reached at about 30 years old, after which numbers effectively cease to decline.

The predictions in Table 6, insofar as they progress below the levels which the survival of historic vehicles already demonstrate, is clearly ill-informed and wrong.

Chart 1 (which is not in fact a chart) acknowledges that by 2020 historic vehicles will form around half of the affected vehicles.

However, the IA, immediately after that reference, makes reference to Table 1 in Annex A (assumed to be the Table referred to as Table 6 in the Annex). As that table is shown above to be making grossly inaccurate predictions, it is assumed its providers in SMMT were answering a different question, which totally ignored historic vehicles.

Only this would account for the fact that it predicts at 2018 approximately half the number of vehicles cited in the Consultation. That difference would largely be accounted for by historic vehicles.

As a basis for assessment of the effect of the proposed effect of the introduction of an E5 95RON protection grade it thus has no value whatsoever.

1. **Costs of Conversion**

The IA quotes from a 2010 Report from Qinetiq (a copy of which has been provided to the Federation) to support an allegation that there would be no adverse impact from Option 1. Examination of the report shows that the Qinetiq report has been very selectively adduced.

Firstly, the Qinetiq report sets out very clearly the significant adverse consequences for vehicles not built to accept ethanol based fuel, even at levels lower than E5, and makes clear these consequences increase with percentage of ethanol.

It recognises that the problem of galvanic corrosion is significant. It also makes clear that galvanic corrosion is closely related to periods when the vehicle is not in use. This means that the problem disproportionately affects historic vehicles which, because of their use patterns, will spend significant periods not in use, even though their owners might not recognise these periods as “storage” as such. The only remedy is removal of the fuels which is both difficult and arguably, for the amateur owner, risky.

The Qinetiq report indeed recommends that a special regime should be introduced to enable historic vehicles to obtain 0% ethanol fuel, a recommendation not followed up by Government.

It must therefore be assumed that in assessing costs, Qinetiq was using the costs for vehicles which were still subject to an available manufacturer supported spares base, so their base prices would be unrepresentative of the costs incurred by a vehicle which did not have access to such a guaranteed spares availability.

The IA says the Qinetiq prices were at 2012 levels, which, in a 2010 report, looks to be incredible.

The IA then assumes that the majority of vehicles will use businesses which will charge less per hour than franchised garages, whereas much of the historic vehicle movement is supported by a network of SMEs which, because of their high and very specialist skill levels, may be expected to have labour rates at least comparable with those of franchised dealerships.

The results are thus simply not representative of the cohort of vehicles which represents around half of the affected vehicles. This proportion will, as demonstrated above, increase through effluxion of time and should become an increasingly large concern to Government.

**3. Adverse Impact of Option 1**

The IA purports to see no adverse impact. .

This is only possible by totally ignoring, or not recognising, the problem of octane level. If Option 1 is adopted and the fuel suppliers are forced, in a sufficient number of cases, to replace the super grades with the new protection grade of 95RON E5, 97RON fuels may become wholly or largely unobtainable simply because of tankage, dispensing equipment limitations and fuel tanker design.

If that were to happen, a significant number of the historic vehicle cohort may find that no suitable fuel continues to be available to them. They would be unable to run except with the addition of octane increasing additives which may or may not allow reliable operation.

It is to be expected that a number of historic vehicles will be lost. Some of these vehicles will be of significant individual value. A knock on effect of this will be that a number of SMEs specialising in these vehicles may suffer a loss of turnover sufficient to render their business unsustainable.

**This is a significant adverse impact which should have been identified in the IA.**

**4. Further adverse impact**

There have been reports in the classic vehicle press of vehicle fires and dangerous fuel leaks caused by the effects of E5 petrol on the fuel hoses of historic vehicles, but the Federation has not attempted to verify these and they remain anecdotal. However, whether or not E5 petrol has caused this, there is no dispute that E10 is likely to cause damage in vehicles which are not compatible. Currently motorists are occasionally using the wrong fuel in their cars when the distinction between petrol and diesel might appear to be fairly clear, so it seems inevitable that misfuelling will occur when the distinction is between different grades of petrol.

This may occur because of:

1. Complete ignorance of any potential problem

2. A mistaken belief that the vehicle is E10 compatible, or

3. As now, simply a mistake in picking up the wrong nozzle.

**Damage to vehicles will occur, and there is a safety risk. This is a significant adverse impact which should have been identified in the IA.**

This is not a reason why E10 should not be introduced, but a very good reason why every effort should be made to minimise this occurrence. Measures should include:

Clear warnings that it is likely that E10 will probably cause damage to vehicles that are not compatible with it, there may be a safety risk, and it should not be used unless it is certain that the vehicle is compatible.

Very clear labelling on the pumps, different coloured hoses, and every effort made to avoid mistakes being made.

**5. Motorcycles**

We believe over 700,000 motorcycles will possibly be incompatible with E10, the source of these figures is the BMF in a report in 2016 and it should not be assumed that they will go out of use at the same rate as cars. The FBHVC survey undertaken in the same year indicates approximately 300,000 machines are historic. The VMCC, our largest motorcycle club member indicates their 15,000 members own over 2 machines each giving a total of some 40,000 and their preference is for 97RON as the protection grade. We are aware of damage to fuel lines and taps caused by ethanol, and clearly this poses a fire risk, although thankfully we are not aware of instances of that happening. Appropriate measures need to be taken against this risk, as we have stated elsewhere.