



**14<sup>th</sup> April 2009**

## **UK Biofuels Industry is Delivering Green Fuel One Year On**

The introduction of the Renewable Transport Fuel Obligation (RTFO) last year marked a landmark in the delivery of renewable transport in the UK. One year on, and despite a Government slowdown on targets, the UK biofuels industry is delivering on its promise to provide green, sustainable transport fuels. With new bioethanol plants set to open in the UK in 2009 and 2010, the industry can continue to build on its initial success, producing good biofuels that are both sustainable and deliver real greenhouse gas savings.

Wednesday (April 15<sup>th</sup>) marks the first anniversary of the RTFO. Since April 2008 all fuel in the UK has included a small amount of biofuels<sup>1</sup>. Around eight per cent of the biofuel going into the UK supply chain is manufactured in this country from UK feedstocks produced by sustainable UK agriculture. Most of the UK-produced biofuels are currently coming from British Sugar's bioethanol plant at Wisington, and Argent Energy's biodiesel plant near Motherwell. Compared to biofuels sourced from other countries these fuels have delivered an average greenhouse gas saving of 71%, compared to an average of 46% delivered overall. According to the Renewable Fuels Agency 99% of UK biofuels are 'sustainable', compared to just 18% overall.<sup>2</sup>

Clare Wenner, Head of Renewable Transport Fuels at the Renewable Energy Association says: "When the RTFO was introduced last April there was a lot of concern about whether biofuels might do more harm than good. Since then the UK biofuels industry has demonstrated that good biofuels are produced in this country. These results have been confirmed by the Government's own Renewable Fuels Agency.

“Road transport fuels produce around a quarter of all greenhouse gases, and this figure continues to grow. The problem is urgent and we cannot simply ignore it or rely on solutions currently in development, which may not be available for many years. Given the right investment, the UK biofuels industry can make an even greater contribution to combating climate change in this area. At this time when the economy needs stimulating, more investment in biofuels can help the environment and provide green jobs.”

UK biofuels are set to grow over the next twelve months with the opening of the Ensus plant later this year at Wilton, Teesside that will produce 400 million litres of bioethanol, and the Vivergo plant in Hull, – also producing bioethanol from wheat – in 2010.

The longer term prospects for UK biofuels are positive as a result of the targets set in the EU’s Renewable Energy Directive. This obliges the UK to use up to 14% biofuels<sup>4</sup> by the year 2020. This provides a real opportunity for the UK industry, but will mean that the Government has to expand the UK’s renewable transport sector significantly before 2020.

The biofuels industry in the North East is supported by North East Process Industry Cluster (NEPIC) and North East Biofuels:

In April 2008, in time for the introduction of the Renewable Transport Fuels Obligation, Regional Development Agency *One North East* appointed **NEPIC** to deliver a £1.7M project to ensure the successful implementation of the Regional Strategy for Transport Biofuels.

NEPIC works in conjunction with **North East Biofuels** to deliver the regional strategy, which focuses on three key areas: building critical mass in the supply

chain; ensuring the region is welcoming and supportive to biofuels investments; and providing strong leadership and a high profile for the region.

John Brady, Senior Project Manager Biofuels and Biorefining, NEPIC said: "The North East has a vision of becoming an internationally significant hub for the biofuels industry, accessing national and world markets.

"I am convinced that North East England will create the opportunities necessary for the region to meet its vision, and stimulate a dynamic local market which will continue to attract investment based on the latest biofuel technology. "

-Ends-

<sup>1</sup> The RTFO was intended to ensure that 2.5% of all fuels used came from renewable sources as from 15<sup>th</sup> April 2008. However, an error in the drafting of the legislation meant that only around half this figure has actually been achieved

<sup>2</sup> RFA Monthly Report April 2008 – January 2009

<sup>3</sup> As a result of the Gallagher Review, and despite the drafting error outlined above, the inclusion rate for biofuels for 2009/10 is only 3.25%, and this will rise to 5% by 2013/14 (rather than the original target of 5% by 2010)

<sup>4</sup> The target in the Renewable Energy Directive is 10% by energy. However, the UK currently sets its targets by volume. 10% by energy equals just over 14% by volume i.e. virtually a threefold increase between 2014 and 2020

More information on biofuels is available at [www.biofuelsnow.co.uk](http://www.biofuelsnow.co.uk)

For more information or to arrange interviews contact:

Peter Crowe or David Gough at the Ceres on 0118 947 5956/07967 504034 or email: [peter.crowe@ceres-pr.co.uk](mailto:peter.crowe@ceres-pr.co.uk).