

ATF Fuels – 17th March 2022

Dear Constable

Thank you to you, your colleagues, and your officials for facilitating our appearance at the panel.

Since that time, the government has now published its updated Carbon Neutral RoadMap. There are certainly elements of this roadmap which we welcome, TR3b which includes a commitment to review the mandatory requirement for the sale of E10 and B7 on the Island. Although we would again note, that given the sale of E10 and B7 is already happening an 8-month assessment period is too long.

In relation to other elements of the roadmap, we remain unclear if the government intends to extent the current subsidy, proposed under TR3, to all next generation fuels including E10 and B7. While the roadmap references biofuels and indicates that further work must be undertaken to develop the approach to subsidisation, it is difficult to ascertain the government proposals in this regard.

In relation to our specific points, we very much welcome the inclusion of a commitment by government to explore making the sale of E10 petrol and B7 diesel mandatory in the island. As both fuels are already sold and are contributing to lower carbon emissions, we do believe this review can be undertaken in a quick manner.

We are unclear as to the government position regarding the application of a subsidy contained within TR3 for second generation diesel. On the one hand it does seem to suggest that the government is open to applying this subsidy more broadly to all biofuels, but this is not explicitly referenced. We believe not applying this subsidy more broadly is a real missed opportunity for the Island for the following reasons

- 57% of the cars on the road run on petrol, not providing a subsidy to those vehicles reduces drivers' incentive to switch,
- Supporting a single fuel type, without competing types, will simply mean that an upstream supplier of second-generation fuel will simply add the subsidy to their wholesale price thus mitigating its impact,
- The changing situation because of the conflict in Ukraine means government should do everything possible to ensure as broad a range of fuel supply as possible.

We have also written to relevant Ministers would welcome any insight or clarification you can provide.

We are fully aligned with the government objective of reducing carbon emissions on the island. The sale and promotion of E10 and B7 will ensure that the island is making an immediate and sustained impact in achieving this. We believe that everyone, government, consumers, and others will benefit from this approach.

I am as always more than happy to discuss further

Yours sincerely

Jon Best