

21.02.09

17 Deputy R.J. Ward of the Minister for Infrastructure regarding the importation of RD100 renewable diesel fuel to the Island (OQ.32/2021)

Will the Minister state the volume, in litres, of RD100 renewable diesel fuel that has been imported to the Island in 2021 to date; and also state the total amount of this fuel imported and sold in 2020?

Deputy K.C. Lewis of St. Saviour (The Minister for Infrastructure):

The second-generation renewable diesel supply has imported nearly 1,750,000 litres in 2020 to Jersey, selling around 100,000 litres. In 2021, no further fuel has been imported to date.

6.17.1 Deputy R.J. Ward:

Given the opposition to removing of duty was due to the possible massive increase in fuel being imported, can I ask the Minister why this has not happened? Would he rethink the removal of duty on this fuel, because is that not the obstacle to it being used more thoroughly on the Island?

Deputy K.C. Lewis:

It is one of the obstacles, but of course the more popular the biofuel becomes, the cheaper it will become, but obviously there is a price difference at the moment. I believe it is around 20 pence per litre, but this hopefully will come down in the not-too-distant future. As I say, obviously with COVID there has been less uptake of fuels generally, but I would like to thank the supplier for allowing this information to be made public, as in normal circumstances it would be commercially confidential, so I thank them for that. As I say, moving forward we hope that prices will come down in the not-too-distant future.

Deputy R.J. Ward:

A supplementary?

The Bailiff:

I thought that was your supplementary, Deputy.

Deputy R.J. Ward:

I thought that was the original question.

The Bailiff:

All right. A supplementary question then, of course.

6.17.2 Deputy R.J. Ward:

I am somewhat disappointed with the Minister's response. Can I ask him whether he understands the need for Government to take an initial action in removing of duty or lowering duty to increase the popularity of this fuel, because is it not Government that are acting as the blockage to the development of a renewable fuel in the Island, thus having a direct impact on emission levels?

Deputy K.C. Lewis:

Not necessarily. As I say, it is work in progress. We are hopefully importing more of it. Our own fleet are using the RD100. We have, I believe, 6 or 7 vehicles that we are using to test the new fuels, all the way from cars, vans, lorries to big equipment. Reports back so far state that it is perfectly good fuel. It is biofuel and there is no drop in performance whatsoever, so we are delighted with that. We will hopefully have LibertyBus using it in the not-too-distant future. I believe they have

trialled it, but with certain vehicles there is the matter of getting the manufacturer's permission. Nothing wrong with the fuel whatsoever, but it is a warranty thing. It just needs to be authorised by the manufacturers so the warranty continues. It is something I want to progress. I would like to see more and more people using RD100 and the equivalent biofuels, but this will take time to get underway. Obviously taxation is one way of doing it and that is something that is being looked at.

6.17.3 Deputy G.P. Southern:

Would the Minister not accept that it is part of the role of Government to lead the way in environmental issues and does he not accept that until the Government does lead the way and produce some concrete results we are unlikely to meet our targets, no matter how fine they sound?

Deputy K.C. Lewis:

Absolutely. This is a conversation that we are having at the moment, whether subsidies could be brought in and a source of funding. This is something that is being looked at by the department.

6.17.4 Deputy G.P. Southern:

I thought the question was the removal of extra duties rather than subsidising.

Deputy K.C. Lewis:

There are no extra duties, as such. There is just the duty, so it is very difficult to make something artificially cheaper, if you like, by removing duty from one fuel and not another. We have to be very careful how we do this, but this is something the department is looking at.

6.17.5 Deputy R.J. Ward:

Does the Minister not understand that this fuel will become cheaper only if more is used and imported, but the obstacle to that being imported and becoming cheaper - one of the main obstacles - is the level of duty?

[12:45]

It is 40 or 50 pence a litre more expensive. Therefore the Government have an opportunity to remove that obstacle, thus import more, thus making it cheaper in the long run. Can the Minister say that he is foresighted enough to take this action?

Deputy K.C. Lewis:

Yes, I got it the first time, but this is something that is being worked on and it is not going to happen overnight. But we are doing our best, we are using all the levers that we have available to encourage the use of biofuels and reduce our carbon footprint.

The Bailiff:

Very well. There are a further 2 questions listed, but there is more than enough time available for them. Is the adjournment proposed, however? It is the appropriate time for me to ask that.