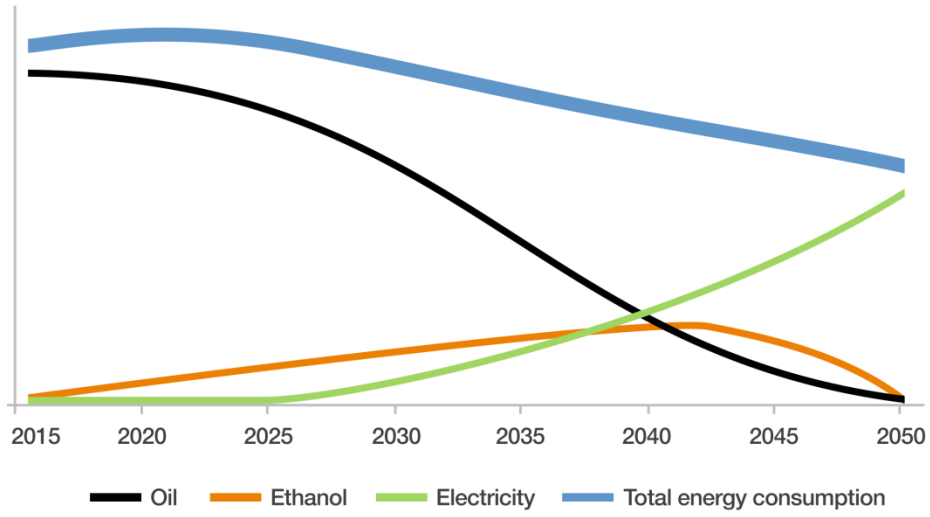
Talanoa Dialogue

By the ***Climate Ethanol Alliance***

III. How do we get there?

Replacing oil by 2030

Ethanol immediately helps countries meet their climate goals and provides an immediate, near-term solution to climate change, hence its use should increase globally in a sustainable manner. Ethanol is just one technology with the potential to displace large quantities of oil. The difference with most other technologies is that ethanol is available now at scale and is the principal source of oil displacement across the world. Electrification and ethanol offer the best prospect of replacing oil in quantity for several decades ahead. Electrification is growing rapidly from a low base but has a long way to go to achieve scale. It has a relatively small penetration in the existing vehicle fleet. Both technologies are needed to achieve climate targets. The schematic chart below shows the desired trajectory in transport energy use.



The potential in ethanol should be tapped, and it can be achieved in a sustainable manner. Ethanol use should be allowed to increase, roughly in line with historic trends, and when electrification reaches scale, sometime after 2030, ethanol plants are not threatened with closure. The ethanol industry is developing other bio-based products that enable it to contribute at another level to climate targets. Ethanol can replace oil in fuel tanks; but it can also replace oil in biomaterials like plastics, which electricity cannot. Pursued intelligently, there is no tension between ethanol and electrification of transport.

E20/E25

The evidence base for high octane fuels bringing climate mitigation, fuel economy and financial benefits is growing. Recognising these potential benefits is important for society. They need to be given appropriate priority in their own rights to ensure the potential is not lost to society. Standardisation of fuels with 20% or 25% ethanol blended (E20 or E25), would ensure that octane

is increased in the final fuel. These blends should be introduced by 2020 to facilitate the optimisation of engines by 2025, bringing additional climate benefits.