



Department
for Transport

Renewable Transport Fuel Obligation Guidance Part One Process Guidance Year 11: 15/4/18 to 31/12/18

Moving Britain Ahead

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Executive summary

This document is the Process Guidance for reporting under the Renewable Transport Fuel Obligations Order 2007 No. 3072 ('the RTFO Order'), as amended. The aim is to provide suppliers with information on how to comply with the RTFO Order and practical instruction on how to submit the required information to the Administrator.

This document provides detailed instructions and information on:

- the obligation that the RTFO Order puts on certain fuel suppliers;
- applying for and maintaining an account with the RTFO Administrator;
- applying for Renewable Transport Fuel Certificates (RTFCs);
- penalties for non-compliance; and,
- the Administrator's sustainability compliance policy.

The Renewable Transport Fuel Obligation

The Renewable Transport Fuel Obligation (RTFO) is one of the Government's main policies for reducing greenhouse gas emissions from fuel supplied for use in: (i) road vehicles, and (ii) non-road mobile machinery (including inland waterway vessels which do not normally operate at sea), tractors, and recreational craft that do not normally operate at sea (termed 'road' and 'NRMM' respectively through the rest of this document). From 15 April 2018, renewable fuel used in aviation in the UK is also eligible for reward under the RTFO, although fossil aviation fuel is not obligated¹.

The RTFO commenced on 15 April 2008 and is intended to deliver reductions in greenhouse gas emissions from fuel used for transport purposes by encouraging the supply of renewable fuels. The RTFO Order was amended regarding the following aspects:

- For fuel supplied from 15 December 2011 to implement the transport elements of [Directive 2009/28/EC](#) of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources (the 'EU Renewable Energy Directive (RED)') which requires that renewable fuel passes sustainability criteria before being rewarded under the RTFO.
- On 8 April 2013 to make express provision that a civil penalty issued under the RTFO Order can be recovered as a civil debt, together with interest at a specified level. This change applies to civil penalties issued on or after that date.

¹ Note that renewable aviation fuels that do not meet the sustainability criteria will not receive a reward and will be subject to an obligation under the RTFO.

- Initially the RTFO Order only covered suppliers of fuel for use in road vehicles. The RTFO Order was amended for fuel supplied from 15 April 2013 to cover suppliers of fuel for use in NRMM. To ensure that the overall amount of biofuel supplied in the UK for transport purposes remained the same, despite expanding the scope of the RTFO Order to cover suppliers of fuel for use in NRMM, an amendment was made to the 'specified amount' in Article 4 of the RTFO Order so as to slightly lower the obligation level.
- The RTFO Order was amended on 15 April 2015, including to increase the reward for certain renewable gaseous transport fuels, to align the treatment of hydrotreated vegetable (HVO) oil and fatty-acid-methyl-ester (FAME), and to clarify the approach to rounding of RTFCs and fuel volumes.
- From April 2018 the RTFO Order is further amended to implement elements of [Directive 2015/1513](#)² (known as the 'Indirect Land Use Change (ILUC) Directive'), which amends the RED. These elements include: updated GHG savings thresholds for renewable fuels; a requirement for Member States to report on ILUC values for land-based (crop) biofuels; and introduction of definitions for wastes and residues. A definition for dedicated energy crops is also provided.
- The amended RED also sets a maximum on the amount of crop-derived biofuels which may be counted towards renewable transport targets, and recommends the introduction of a specific target for advanced biofuels. A crop cap has been introduced for Year 11 of the RTFO (from 15 April 2018) and a target for a specific sub-set of advanced fuels termed 'development fuels' will be introduced in Year 12 of the RTFO (from 1 January 2019). Development fuels supplied during Year 11 will be rewarded with development fuel RTFCs, which can be carried over into Year 12.
- In addition, renewable fuel volume targets are set out to 2032 and beyond, and several new fuel types are made eligible for support under the RTFO including aviation fuel, hydrogen and other RFNBOs.

Under the RTFO Order, fuel suppliers have an obligation to provide a volume of sustainable renewable fuel which is calculated as a proportion of the overall volume of fuel they supply for road transport and NRMM purposes. This guidance sets out who is obligated and how they should comply with that obligation.

Meeting the obligation

Suppliers of road and NRMM fuel supplying petrol, diesel, gas oil or renewable fuel totalling 450,000 litres or more in an obligation period have an obligation under the Order. Obligated suppliers may meet their obligation by redeeming Renewable Transport Fuel Certificates (RTFCs) or by paying a fixed sum for each litre of fuel for which they wish to 'buy-out' of their obligation. RTFCs are gained by supplying sustainable renewable fuels. Those wishing to apply for RTFCs must have an account with the Administrator.

² Directive (EU) 2015/1513 of the European Parliament and of the Council of 9 September 2015 amending Directive 98/70/EC relating to the quality of petrol and diesel fuels and amending Directive 2009/28/EC on the promotion of the use of energy from renewable sources. A consolidated version of the RED can be found [here](#).

One certificate may be claimed for every litre of sustainable renewable fuel supplied³. Fuel from certain wastes or residues, fuel from dedicated energy crops, and RFNBOs are incentivised by awarding double the RTFCs per litre or kilogram supplied.

Data on the sustainability of fuel supplied must be independently verified before certificates will be awarded and the Administrator may require the evidence behind an application to be provided.

RTFCs may be traded on the open market. Any supplier of renewable fuels who owns the fuel at the 'duty point' or alternative assessment time may apply to receive RTFCs, regardless of whether or not they have an obligation under the Order.

From 15 April 2018, crop-derived biofuels will be allowed to meet a supplier's obligation up to a maximum limit. This cap will begin at 4% of a supplier's total relevant fuel supply for Year 11 of the RTFO. The level will decrease year-on-year from 2021 to reach 3% by 2026 and 2% by 2032. A specific target for 'development fuels' will also be introduced for Year 12 of the RTFO, beginning 1 January 2019. Fuels that meet the definition of 'development fuel' will count towards that target and will be awarded double 'development fuel' RTFCs (see Chapter 2).

The [Carbon and Sustainability \(C&S\) Guidance](#) and [Guidance for Verifiers](#) form the other two parts of the RTFO Guidance and contain the detail on demonstrating compliance with sustainability criteria, the approach to wastes, residues and dedicated energy crops, and of the verification process.

Reward for wastes, residues, dedicated energy crops and RFNBOs

Renewable fuels derived from certain waste or residue feedstocks are awarded double the RTFCs per litre or kilogram supplied.

The Administrator will award double RTFCs where it believes it is appropriate to do so in light of the 'effects', set out in the [Energy Act](#) (2004) Section 126(4), produced by that fuel. These are the effects of the production, supply, or use of fuel derived from such feedstocks on: carbon emissions; agriculture; other economic activities; sustainable development; or the environment generally. When making a decision to award double RTFCs the Administrator must consider any alternative uses and alternative disposal outcomes which could have been adopted or used for the relevant residue or waste.

Biofuels derived from dedicated energy crops, and RFNBOs, are eligible for double reward per litre or kilogram supplied.

Fuels that are 'double rewarded' are also worth twice as much, by energy content, when calculating progress towards the renewable transport target in the RED ('double counting'). However, they do not count twice for the purposes of meeting the UK's overall renewable energy target under the RED.

Biofuels derived from wastes, residues (with the exception of residues from agriculture, aquaculture, fisheries and forestry) and RFNBOs will also be considered to have automatically met the land use criteria required by the RED and FQD.

³ For gaseous renewable transport fuel, RTFCs are awarded on a kg-basis. The number of RTFCs awarded per kg of each gaseous fuel reflects the energy density of the gas compared to the average energy density of liquid renewable transport fuels supplied.

Their carbon intensity must still be reported, and defaults may be used where available. Dedicated energy crops and residues from agriculture, aquaculture, fisheries and forestry are land using and therefore have to demonstrate compliance with the land use criteria.

An explanation of the Administrator's approach to wastes, residues and dedicated energy crops can be found in Chapter 9 of the *C&S Guidance*.

Accounts and claiming certificates

The Administrator uses an online database called the RTFO Operating System (ROS) for recording volumes of fuel supplied, information on the sustainability of those fuels, calculating a company's obligation and issuing RTFCs. The system also enables suppliers to transfer RTFCs to each other and to redeem them to meet their obligation.

Those with an obligation under the RTFO Order have a duty to apply for an account with the Administrator. Fuel suppliers that do not have an obligation but that wish to apply for RTFCs, or traders who intend to own RTFCs for onwards sale, must also apply for an account.

Suppliers will be required to declare that the fuel upon which they are claiming RTFCs, or any chemical precursor from which that fuel was produced has not been, and will not otherwise be, counted towards the target referred to in Article 3(1) of the RED. This is to avoid the same MJ of renewable energy being counted more than once towards Member State targets under the RED.

If a fuel or chemical precursor has benefited under a support scheme, whether in the UK or another European Economic Area (EEA) state, that does not necessarily mean it cannot be awarded RTFCs. It is only in cases where benefiting under such a support scheme means that the fuel or precursor in question is counted towards the RED target, that it will not be eligible for RTFCs.

This means, for example, that a supplier must not apply for RTFCs if an application has been made or will be made to Ofgem under the Renewable Heat Incentive or Renewables Obligation in relation to that fuel or a chemical precursor to that fuel.

Penalties for non-compliance

The Administrator has powers to impose civil penalties in certain cases of non-compliance with the requirements of the RTFO Order including: failure to register with the Administrator if obligated; failure to meet the obligation through either the redemption of RTFCs or the payment of the buy-out price; or the fraudulent application for, or gaining of RTFCs. The Administrator may also apply interest to, and will collect, overdue civil penalties and buy-out payments.

Implications of leaving the EU

On 29 March 2017 the Government invoked Article 50 of the Treaty of the European Union, starting the negotiations to leave the EU. Until these negotiations are concluded, the UK remains a full member of the European Union and all the rights and obligations of EU membership remain in force. During this period the Government will continue to negotiate, implement and apply EU legislation.

1. Accounts

Chapter summary

This chapter contains details of who should register with the Administrator, how to register, and the penalties for not doing so.

It contains details on how to manage an account once opened and on what grounds an account will be closed.

Requirement to register with the Administrator

- 1.1 Under the RTFO Order, any company that owns and supplies more than 450,000 litres⁴ (1.10-1.11), during the course of an obligation year must register with the Administrator. This figure relates to the combined volume of fossil fuel, wholly renewable fuel and partially renewable fuel owned by the company. For the situation regarding gas, see para 1.16.
- 1.2 Fuel used in road transport and NRMM becomes subject to the RTFO at the point when the fuel becomes liable for excise duty in the UK - termed the 'duty point' - or, for fuels which are not typically subject to excise duty (i.e. renewable aviation turbine fuel, renewable gas used in NRMM and renewable hydrogen), their alternative 'assessment times'⁵.
- 1.3 If there is any uncertainty over whether or not a company is required to register, it is advisable to contact the RTFO Administrator.
- 1.4 Suppliers must have begun the process of opening an account within 28 days of having passed the 450,000 litre threshold within an obligation period. Obligation periods under the RTFO Order currently run from 15 April in one year to 14 April the next. The RTFO will be moved to a calendar year basis from 1 January 2019 (see paragraph 2.5).
- 1.5 If suppliers of less than 450,000 litres of renewable fuels wish to apply for RTFCs, they must first open an account with the Administrator.
- 1.6 As RTFCs are virtual certificates that exist only within ROS, any companies wishing to act as RTFC 'traders' (i.e. those who wish to own the RTFCs for onwards sale), must also open an account with the Administrator to be able to access ROS. Companies that wish to facilitate RTFC trade, but who do not wish to own the RTFCs at any point, do not need to open an account.

⁴ If supplying gases, multipliers are used to account for the different energy density of gaseous fuels compared to liquid fuels. The values are: 1.9 for methane, 1.75 for biobutane and biopropane, and 4.58 for hydrogen. These threshold multipliers are used to multiply the kg of gases before adding to any liquid litres, in order to calculate whether a supplier's total equivalent litres exceeds the threshold. The use of "450,000 litres" is therefore shorthand for 450,000 equivalent litres, or 450,000 (litres + kg * multipliers)

⁵ These assessment times are detailed in sections 1.20 to 1.36.

- 1.7 Fuels that are physically present within the UK but have not crossed the duty point (i.e. are 'duty suspended') or alternative assessment time (for fuels eligible to claim RTFCs but without a duty point) are not covered by the RTFO Order.

Penalties for failure to open an account

- 1.8 Obligated parties failing to begin the process of opening an account within 28 days of becoming obligated are liable for a civil penalty.
- 1.9 This is up to a maximum of £50,000 or 10% of their annual turnover (whichever is the lesser amount).

Fuels covered by the RTFO Order

- 1.10 The following non-renewable fuels are covered by the RTFO Order, where used for road transport or NRMM end uses in the UK:
- Petrol;
 - Diesel;
 - Gasoil;
 - The non-renewable portion of any partially renewable fuel.
- 1.11 The following renewable fuels are covered by the RTFO Order, where used for road transport, NRMM or aviation end uses in the UK:
- Any wholly renewable fuel, including;
 - Biofuel;
 - Renewable fuels of non-biological origin (RFNBO);
 - The renewable portion of any partially renewable fuel.
- 1.12 Aviation fossil fuels and fossil gaseous fuels are not covered by the RTFO Order.
- 1.13 Where a fuel is partially renewable, the fossil and renewable components will be treated as their respective fuels. Note that suppliers of renewable aviation fuel are eligible to apply for RTFCs, but fossil aviation fuel is not obligated under the RTFO Order. Suppliers of renewable aviation fuel that meets the same carbon and sustainability requirements as other renewable fuels are awarded 1 RTFC per litre, and 2 RTFCs per litre if made from certain wastes or residues. Renewable aviation fuels that do not meet the carbon and sustainability criteria are treated in the same way as fossil fuels and will therefore become subject to an obligation (in the same way as other unsustainable renewable fuels) for those suppliers that exceed the 450,000 litres reporting threshold.
- 1.14 Similarly, suppliers of renewable hydrogen are eligible to apply for RTFCs, but fossil hydrogen is not obligated under the RTFO Order. Suppliers of renewable hydrogen that meets the same carbon and sustainability requirements as other renewable fuels are awarded 4.58 RTFCs per kg. They receive 9.16 RTFCs per kg if the hydrogen is made from certain wastes or residues that are eligible for double reward or is made from renewable energy other than bioenergy (i.e. if it is a RFNBO). Renewable hydrogen that does not meet the carbon and sustainability criteria is treated in the same way as fossil fuels and will therefore become subject to an obligation (in the

same way as unsustainable renewable fuels) for those suppliers that exceed the 450,000 litres reporting threshold.

- 1.15 A wholly renewable fuel means one where all of the energy content of that fuel originates from renewable sources. A biofuel is a type of renewable fuel where the feedstock is wholly biological. A RFNBO is a type of renewable fuel where all the energy of the fuel comes from the input process energy (with no feedstock energy), and all of this process energy is from renewable sources other than bioenergy. A partially renewable fuel is one where part of the energy content of the fuel is from renewable sources and part is from non-renewable sources. Wholly and partially renewable fuels can be either liquid or gaseous. More information on fuel categories is provide in Chapter 3.
- 1.16 Whether or not a fuel is covered by the RTFO Order is independent of whether or not that fuel is blended, at any blend rate, with any other fuel. In practice, this means that fuels covered by the following HMRC duty types (code in brackets) are likely to be covered by the RTFO Order (however, any fuel covered by the description in 1.10 is covered, regardless of the HMRC duty type that duty is paid under):
- Unleaded petrol (522);
 - Unrebated heavy oil (541);
 - Gas oil (556);
 - Biodiesel for non-road use (571);
 - Biodiesel (589);
 - Bioethanol (595);
 - Aqua methanol (597);
 - Natural gas including biogas (591) (only the biogas element of this duty code is covered by the RTFO Order);
 - Road fuel gas other than natural gas (592) e.g. liquefied petroleum gas (LPG) (only the renewable gaseous element of this duty code is covered by the RTFO Order).
- 1.17 Fuels covered by the following HMRC duty codes may also be covered by the RTFO Order, depending on what use the fuel is put to.
- Other unrebated light oil (other than unleaded petrol) (520);
- 1.18 There are two types of aviation fuel:
- Aviation turbine fuel (avtur) which is high specification kerosene used in jet and turboprop aircraft. This is not subject to fuel duty, except when it is for 'private pleasure'⁶ use.
 - Aviation gasoline (avgas), also known as aviation spirit in the UK, which is a high specification petrol used in spark-ignited piston engines. This is subject to fuel duty.
- 1.19 Fuel additives and supplements are not covered by the RTFO Order.

⁶ See Section 16 of Excise Notice 554 for a definition <https://www.gov.uk/government/publications/excise-notice-554-fuel-used-in-private-pleasure-craft-and-for-private-pleasure-flying/excise-notice-554-fuel-used-in-private-pleasure-craft-and-for-private-pleasure-flying>

Assessment time for fuels with no currently defined duty point

- 1.20 The point at which fuels are eligible for RTFCs is termed the 'assessment time'. This is also the point at which it must be demonstrated to the Administrator compliance with the carbon and sustainability criteria, and the point at which the obligation is calculated. To claim RTFCs, the assessment time must be located in the UK.
- 1.21 For fuels which are subject to fuel duty⁷, the assessment time is the HMRC duty point (Hydrocarbon Oil Duties Act 1979 (HODA)).
- 1.22 For fuels which are not typically subject to duty in the UK, including renewable avtur, renewable hydrogen and renewable gaseous fuels in NRMM an alternative assessment time must be determined.
- 1.23 The required features of an assessment time are that:
- it happens only once;
 - there is documentation produced which can be used to validate claims;
 - it is clearly defined and well understood within the industry.
- 1.24 It is preferable to use a point which already exists in administrative systems rather than creating a new point of control. In accordance, with these principles the Administrator has provided that the fuels without duty points named in paragraph 1.22 have the following assessment times.

Assessment time for renewable avtur

- 1.25 For avtur the **blending and certification point** is used as the assessment time. This is the point where renewable fuel is blended with fossil fuel and certified to meet the appropriate finished aviation fuel specification, and a refinery certificate of quality (RCQ) is issued.
- 1.26 The main certification specifications used are Defence Standard 91-91, ASTM D7566, and ASTM D1655. These currently permit the blending of specified amounts of certain renewable fuels into fossil avtur, and then require that the resulting blend is certified.
- 1.27 This means that it will be the owner of the fuel at the point of blending and certification who is eligible to claim RTFCs and not necessarily the airline/user of the fuel. As for other fuels, the fuel must be supplied at or for delivery to places in the United Kingdom.
- 1.28 Note that although avtur for private pleasure use is subject to fuel duty, the operation of two different assessment times for the same fuel could lead to the possibility of multiple claims for RTFCs. Therefore, under the Order, all avtur is subject to the alternative assessment time described here.

Assessment time for renewable hydrogen

- 1.29 Renewable hydrogen for transport use is a nascent industry, and supply chains tend to be simple. In general, hydrogen is produced on-site at the filling station and sold directly to the retail user.

⁷ Including Avgas. Please note that, for the purposes of the RTFO Order, the assessment time for all renewable hydrogen supplied for road transport is the point of retail sale.

1.30 For renewable hydrogen, the assessment time is the **point of retail sale**. The owner of the hydrogen at the point of retail sale is the person eligible to apply for RTFCs. 'Retail' here means a sale of hydrogen to the user and not for resale in the course of a trade or business.

Assessment time for renewable gases in NRMM

- 1.31 Renewable gaseous fuel supplied for use in non-road vehicles (which include some NRMM applications) are not subject to excise duty under HODA. An example is bio-LPG supplied for use in fork lift trucks.
- 1.32 For these gases the assessment time will be when/where the gaseous renewable fuel is 'set aside' for use in NRMM. For bio-LPG, the Administrator considers this to be the point at which it is put into a liquid offtake container that is not intended for use in road vehicles or for heating.
- 1.33 In situations where it may not be clear where the assessment time occurs, please contact the Administrator.

Validation of fuel volumes for renewable avtur, renewable hydrogen and renewable gaseous fuels in NRMM.

- 1.34 In operating the RTFO it is essential to be able to check that data reported by fuel suppliers is accurate, particularly in relation to the volume of obligated fuel and the number of RTFCs to be issued. Currently, fuel volumes are validated against the data reported by the fuel suppliers to HMRC. For fuels for which no duty is payable, this will not be possible, therefore an alternative is required.
- 1.35 The Administrator is given powers to determine how this validation should occur.
- 1.36 Where deemed appropriate, the Administrator will validate fuel volumes for renewable avtur, renewable hydrogen and renewable gases in NRMM.
- 1.37 If deemed necessary, the Administrator will require fuel volumes to be verified through independent assurance. In that case, verification is required to be performed in line with the International Standard on Assurance Engagements (ISAE) 3000 to either the 'limited' assurance or 'reasonable' assurance level. The level of assurance required is at the discretion of the Administrator.

Applying for an account

- 1.38 Suppliers use the ROS system to submit information on the volume of fuel they supplied and (where relevant) the sustainability of those fuels. ROS is used to calculate a supplier's obligation, to record the issuing of RTFCs, to enable account holders to transfer RTFCs between themselves and to enable suppliers to redeem RTFCs to meet their obligation.
- 1.39 ROS is an online accessible database. Data submitted by suppliers is held within the Department's IT systems and is therefore subject to the same level of security and control as the Department's own data and information.
- 1.40 Those wishing to register for an account should contact the Administrator via rtfo-compliance@dft.gsi.gov.uk. Once the Administrator is satisfied that they have a valid reason for applying for an account, they will be provided with the website address (the URL) required to access ROS. For security reasons the website URL is not published.

1.41 Once the applicant has received the URL, they are required to complete an online registration form. The Administrator will carry out the necessary registration checks before granting full access to ROS.

1.42 When registering, companies must enter the following information on ROS:

- Account type (these either the same as HMRC's reporting form type - i.e. HO10, HO930 or if wishing to trade in RTFCs - trader);
- Reporting frequency (this is the frequency with which you pay duty to HMRC - i.e. monthly, quarterly, not applicable);
- Business type (e.g. limited company, plc, sole trader);
- Country in which the company is based;
- Full business address;
- VAT registration number (where applicable);
- Companies House number (where applicable);
- Companies House registration date (where applicable);
- Registered account name (official name of the business);
- Reporting account name (how the supplier will be referred to in reports);
- Account code (2-6 letter abbreviated supplier name);
- Full correspondence address (if different to registered address);
- HMRC unique reference number (where applicable - please contact the Administrator where this is not applicable);
- The full name, position, email and phone number of a person with legal responsibility for the entity (usually a director or a partner⁸);
- The full name, position, email and phone number of a 'lead user' (each user can choose a login and password to access the supplier's information on ROS).

1.43 Optionally, applicants may also enter:

- Website address;
- Pollution prevention control number;
- A second legally responsible person's full name, position, email and phone number;
- Other users' names, positions, emails and phone numbers;
- Additional relevant addresses (e.g. of storage sites etc);
- Verifier's⁹ details¹⁰.

1.44 To ensure that all entities that have access to the system are legitimate, this registration information will be checked by the Administrator.

1.45 UK registered companies applying for an account must provide when requested:

- A photocopy of their 'Certificate of Incorporation' from Companies House (if a registered limited company from the UK). For companies registered outside the

⁸ This will be yourself for a sole trader.

⁹ Your verifier is the person or company who will provide assurance on the sustainability of any biofuel you supply – see Chapter 5.

¹⁰ An email address will suffice where a supplier is not using an existing verifier.

UK, an equivalent document is required from the appropriate licensing authority of the country where the company is registered.

- Photographic proof of identity of one or more of the persons named under 1.41 who have legal responsibility for the organisation. This can either be the original of a government issued proof of identification¹¹, a photocopy, or a scanned electronic copy. If a copy is provided, this must be certified as being an accurate likeness by a person with independent legal standing such as a lawyer, accountant or bank manager¹². If a copy of a passport is provided, this must be in black and white as it is illegal to make a colour copy of a passport.
- Proof of VAT registration (if applicable).
- Proof of intent to supply the relevant fuel, where the applicant is a fuel supplier not subject to excise duty. Or in the form of a copy of a letter of registration from HMRC, an excise duty registration document, or other correspondence that confirms the intent to supply road/NRMM transport fuel.

1.46 If an applying organisation is not registered at Companies House (e.g. a sole trader, a charity, or where a non-UK supplier has no equivalent company licensing authority) the information required is:

- Photographic proof of identity of one or more of the persons named under 1.41 who have legal responsibility for the organisation. This can either be the original of a government issued proof of identification¹¹, a photocopy or a scanned electronic copy. If a copy is provided, this must be certified as being an accurate likeness by a person with independent legal standing such as a lawyer, accountant or bank manager¹¹. If a copy of a passport is provided, this must be in black and white as it is illegal to make a colour copy of a passport.
- Proof of address. Copies of correspondence with government, lawyers, accountants or a bank will be considered.
- Proof of registration with any other regulator that controls the role or remit of entities within your sector (e.g. Charities Commission for charities).
- Where the applicant is a fuel supplier, proof of intent to supply road transport/NRMM fuel is required. This is likely to be in the form of a copy of a letter of registration from HMRC, an excise duty registration document, or other correspondence that confirms the intent to supply road transport/NRMM fuel.

1.47 To ensure that all entities that have access to the system are legitimate, a certified copy of proof of identity of one or more of their directors/partners registered under 1.41 (or the individual if they a sole trader) is required.

1.48 The Administrator may exercise discretion as to which proofs are required or whether alternative proofs are acceptable on a case-by-case basis, for example where a supplier is registered outside of the EU or where the legal structure of the supplier is not one commonly associated with fuel supply or certificate trading.

1.49 The Administrator will conduct checks on the information provided as considered necessary. This may include contacting other entities that the applicant is regulated by, registered with, or which it has a professional relationship with, to confirm the information provided.

¹¹ Original documents will be returned by registered post to the applicant.

¹² Copies will be destroyed in a controlled manner once proof of identity has been verified.

- 1.50 The Administrator will begin processing a new account application within ten working days of receiving all the required information and aim to have completed its assessments within 20 working days.
- 1.51 There is no fee for opening an account and no requirement to re-register in subsequent obligation periods.
- 1.52 Should an applicant not submit their application for consideration by the Administrator, within 28 calendar days of beginning the process on ROS, ROS will automatically delete that application. A new application can be started, at any point.

Account refusal

- 1.53 The Administrator may refuse to open an account if an applicant is not considered to have a valid reason to hold an account, or if an organisation has refused to accept the conditions of application.
- 1.54 The Administrator will provide, in writing, the reason why the account has been refused.

Changing information concerning an account

- 1.55 All account holders are required to ensure that the information concerning their account is accurate. Most information can be updated by the lead user on the ROS system.
- 1.56 To change a nominated director you must provide the Administrator with either:
- The same information as was required for the original director.
 - A statement signed by both the incoming and outgoing directors to hand over the 'nominated director' role. The template to do this is available directly from the Administrator.
 - The Administrator, after undertaking the necessary checks, will then alter these details for the account holder.
- 1.57 Companies House registration numbers may also only be altered by the Administrator. Evidence of this change will be required before an alteration is made. This will include a copy of the new incorporation certificate or other communication with Companies House.

Penalties for failure to maintain correct details

- 1.58 An account holder must ensure that all information concerning their account is correct and must inform the Administrator within 28 days of any of the information becoming incorrect.
- 1.59 Failure to maintain correct details may result in the account holder being liable for a civil penalty of up to £50,000 or 10% of turnover (whichever is the lesser amount). See Chapter 7.

Account closure

- 1.60 The Administrator must close an account when a non-obligated supplier:
- no longer has good reason to hold an account;
 - has withdrawn their consent to allow the Administrator to access premises and records.
- 1.61 The Administrator may close an account when no certificates have been awarded or traded into the account in the preceding 36 months.
- 1.62 An account will not be closed where there are still certificates that can be redeemed against an obligation in the account.
- 1.63 If the Administrator considers that an account should be closed, the nominated director of the account will be notified of the reason in writing and will be given 14 days to object to this decision. If there is no response within 28 days, the account will be closed. If a response is received, any representations will be considered and a decision will be made and communicated to the recipient within a further 21 days.
- 1.64 If an account holder wishes to close their account, the nominated director of the company (or owner of a non-limited business) must write to the Administrator as soon as possible stating the reasons for the closure request. These reasons will be considered and a response will be provided within 21 calendar days. The template to do this is available directly from the Administrator.
- 1.65 Once an account has been closed, the account will become inactive and users will be unable to access ROS. Data already recorded will be retained for 10 years and will continue to be reported as official statistics.

Reinstating a closed account

- 1.66 The Administrator may reinstate a closed account if the circumstances warrant this. Any such application will be dealt with on a case-by-case basis and the Administrator may require new copies of the evidence required at registration.

Managing users on an account

- 1.67 An account holder may create different user profiles so that different operatives representing the company may access and update details on ROS. The first registered user will be designated the 'lead user' who is the main contact between the Administrator and the supplier. This individual has responsibility for creating new users on ROS. The lead user also has the responsibility to ensure the list of users is kept up to date and any users no longer requiring access are removed. The lead user can choose whether these users have the ability to:
- enter volume figures (trader accounts do not have this facility);
 - enter carbon and sustainability (C&S) data (trader accounts do not have this facility);
 - trade certificates;
 - or all three.
- 1.68 The lead user may designate any other user to be lead user instead of themselves.

- 1.69 A director may also provide a written request to change the lead user.
- 1.70 A user may change their own password (the user's login will always be their email address). This can be changed using a menu within ROS.
- 1.71 The Administrator can reset the account's lead users' passwords and will do so upon request. However the account's lead user can reset users' passwords. Information on ROS will be used to confirm that a user is who they claim to be. Where there is any doubt, password information will be communicated via the account's lead user.

Consolidating an account

- 1.72 Accounts may be consolidated by the Administrator. The Administrator will do so where one transport fuel supplier has been wholly subsumed into another supplier.
- 1.73 The sale of assets used in the production or supply of transport fuels from one supplier to another will not be grounds for an account merger. If the original supplier continues to exist it will still be an account holder under the RTFO Order and must discharge its duties accordingly.
- 1.74 Any supplier that expects to be in this position must contact the Administrator who will seek further evidence and provide guidance on a case-by-case basis.

2. Obligation

Chapter summary

This chapter contains details of how the Administrator will determine the volume of obligated fuel a supplier has supplied in an obligation period. It also covers the introduction of the crop cap from 15 April 2018 and development fuel target from 1 January 2019.

Minimum threshold

- 2.1 The RTFO Order places an obligation on any supplier of road transport/NRMM fuel who supplies more than 450,000 litres of relevant fuel (see Section 1.1) for use in the UK, in an obligation period.
- 2.2 Suppliers that supply less than this do not have an obligation.
- 2.3 For suppliers of road transport/NRMM fuel between 450,000 litres and 10 million litres, there is no obligation on the first 450,000 litres supplied.
- 2.4 The ROS system automatically calculates a supplier's obligation and takes into account the threshold step, as set out in 2.3.

Obligation periods

- 2.5 Previously, an obligation period ran from 15 April of one year to 14 April the following year. However, from 1 January 2019 the RTFO will move to a calendar year basis. To transition to calendar years, 'Year 11' will be a shorter obligation period running from 15 April 2018 to 31 December 2018. Thereafter, obligation periods will run from 1 January to 31 December each year (see Table 1).

Obligation period	Start date	End date
Year 11	15 Apr 2018	31 Dec 2018
Year 12	1 Jan 2019	31 Dec 2019
Thereafter	1 Jan 20xx	31 Dec 20xx

Table 1 Overview of obligation periods from Year 11 onwards

Calculation of the obligation

- 2.6 The obligation, which is comprised of the 'main obligation' and the 'development fuel target' (noting that the development fuel target is not commencing until Year 12) is calculated from the total volume of fuel supplied (taking into account the minimum

threshold provisions set out above). This total is then multiplied by the obligation percentage for that period.

- 2.7 The Administrator will round a supplier's obligation to the nearest litre.
- 2.8 The volume of sustainable fuel is the volume for which RTFCs have been issued, after its sustainability has been proven. See Chapter 5 for information on issuing RTFCs and the [C&S Guidance](#) for demonstrating compliance with the sustainability criteria. In practice this means that the obligation is calculated from the volume of fossil fuel and renewable fuel that does not meet the sustainability criteria. The formal calculation of the obligation will occur after the last potential date for RTFC revocation as this is the point at which the amount of sustainable renewable fuel is known. A 'running calculator' will be provided for suppliers during the year, which shows the amount of obligated fuel that a supplier has submitted and the amount of fuel that has been accepted as sustainable by the Administrator. To prevent confusion, fuel will be regarded to be proven sustainable only at the point that RTFCs are issued.
- 2.9 The Trajectory to 2032 is set out in Table 2 below. The obligation is calculated as a percentage of fossil and unsustainable renewable fuel supplied. This percentage, referred to as the 'specified amount', is shown below, and is the sum of the main obligation and development fuel target.

Obligation period	Specified amount, as share of fossil fuel, by volume	Specified amount, as share of total fuel, by volume ¹³
15 Apr 2018 - 31 Dec 2018(*)	7.817%	7.25%
1 Jan 2019 - 31 Dec 2019	9.289%	8.50%
1 Jan 2020 - 31 Dec 2020	10.803%	9.75%
1 Jan 2021 - 31 Dec 2021	11.235%	10.1%
1 Jan 2022 - 31 Dec 2022	11.607%	10.4%
1 Jan 2023 - 31 Dec 2023	11.857%	10.6%
1 Jan 2024 - 31 Dec 2024	12.107%	10.8%
1 Jan 2025 - 31 Dec 2025	12.360%	11.0%
1 Jan 2026 - 31 Dec 2026	12.613%	11.2%
1 Jan 2027 - 31 Dec 2027	12.867%	11.4%
1 Jan 2028 - 31 Dec 2028	13.122%	11.6%
1 Jan 2029 - 31 Dec 2029	13.378%	11.8%
1 Jan 2030 - 31 Dec 2030	13.636%	12.0%
1 Jan 2031 - 31 Dec 2031	13.895%	12.2%
1 Jan 2032 - 31 Dec 2032 (and subsequent obligation periods)	14.155%	12.4%

Table 2 Obligation percentages

¹³Excludes the effects of double counting and carry over.

(*) Note 'Year 11' will be a short year as the RTFO will move to a calendar year basis from 1 January 2019 (see 2.5).

The crop cap

2.10 The amended [RED](#) sets a limit for the amount of crop-derived biofuels which may be counted towards each Member State's transport target under the RED and FQD. Following consultation, the amended RTFO Order introduces an upper limit, by volume, on the contribution that crop-derived biofuels¹⁴ can make towards discharging a supplier's obligation (referred to as the 'crop cap'). That limit will be equivalent to a certain proportion of their total relevant fuel supply, beginning at 4% from 15 April 2018. The level will be fixed until 2020 and decrease year-on-year from 2021 to reach 3% by 2026 and 2% by 2032, as set out in Table 3 below.

Obligation period	Crop cap (expressed as a % of total relevant fuel supply)
15 Apr 2018 - 31 Dec 2018 (*)	4.00%
1 Jan 2019 - 31 Dec 2019	4.00%
1 Jan 2020 - 31 Dec 2020	4.00%
1 Jan 2021 - 31 Dec 2021	3.83%
1 Jan 2022 - 31 Dec 2022	3.67%
1 Jan 2023 - 31 Dec 2023	3.50%
1 Jan 2024 - 31 Dec 2024	3.33%
1 Jan 2025 - 31 Dec 2025	3.17%
1 Jan 2026 - 31 Dec 2026	3.00%
1 Jan 2027 - 31 Dec 2027	2.83%
1 Jan 2028 - 31 Dec 2028	2.67%
1 Jan 2029 - 31 Dec 2029	2.50%
1 Jan 2030 - 31 Dec 2030	2.33%
1 Jan 2031 - 31 Dec 2031	2.17%
1 Jan 2032 - 31 Dec 2032 (and subsequent obligation periods)	2.00%

Table 3 The level of the crop cap

(*) Note 'Year 11' will be a short year as the RTFO will move to a calendar year basis from 1 January 2019 (see 2.5).

2.11 The relevant crop feedstocks are defined according to the amended RTFO Order, i.e. crops are:

“relevant crops” means starch-rich crops, sugars, oil crops and main crops, where “starch-rich crops” include -

- (a) *cereals (regardless of whether only the grains are used or the whole plant);*
- (b) *tubers and root crops, including potatoes, Jerusalem artichokes, sweet*

¹⁴ Excluding dedicated energy crops

potatoes, cassava and yams; and
(c) *corm crops, including taro and cocoyam,*

but feedstocks listed in Annex IX of the directive are not relevant crops;

- 2.12 The amended RED gives the option to exclude dedicated non-food energy crops which have been grown on contaminated or degraded land from the limit on crop based biofuels. Given that all dedicated non-food energy crops¹⁵ are already excluded from the crop cap by virtue of their inclusion in Annex IX of the amended RED, no specific provision has been created for those grown on contaminated or degraded land. The feedstocks listed in Annex IX are not “relevant crops”, for the purposes of the RTFO.
- 2.13 The feedstock information entered in ROS will automatically determine whether the fuel is subject to the crop cap¹⁶. Suppliers will need to contact the Administrator when a new feedstock type would be required in ROS. The Administrator will then decide the appropriate classification on a case by case basis, based on the definition above.
- 2.14 RTFCs for biofuels derived from crops will be labelled as a 'relevant crop' RTFCs. The maximum number of 'relevant crop' RTFCs that can be redeemed by each supplier will be calculated alongside their obligation. Once this level has been reached, no further 'relevant crop' RTFCs will be able to be redeemed by that supplier.
- 2.15 The rules for carry over under the RTFO Order will continue to apply to all RTFCs once the crop cap is introduced. Relevant crop RTFCs that are carried over will count towards the following year's crop cap.
- 2.16 For Year 11, up to 25% of a supplier's main obligation can be met with RTFCs issued in the previous obligation period. As Year 10 RTFCs will not have been labelled they will not count towards the crop cap in Year 11. From Year 12 up to 25% of 'relevant crop' RTFCs permitted under the crop cap can be from the previous obligation period (see Chapter 5).

Introduction of a development fuel target

- 2.17 From 1 January 2019 (Year 12), a specific 'development fuels' target is set under the RTFO Order. This target takes into account the fuel type, production pathway and the feedstock, so as to incentivise those fuel pathways which need greater support and fit the UK's long term strategic needs.
- 2.18 Suppliers will be required to meet the developmental fuel target with a new class of 'development fuel' RTFCs that are issued to qualifying development fuels. These certificates will be awarded from 15 April 2018, with any certificates accrued during Year 11 of the RTFO redeemable against the target in Year 12. There is no limit to the number of development fuel RTFCs that can be carried over from Year 11 to Year 12. From Year 12 carry over will be limited to 25% (see para 2.27 below).
- 2.19 The proposed target level each year is set out in Table 4 below. Note that the targets include double counting, so the resultant development fuel supply will be half this level. These targets, together with the main obligation, comprise the specified

¹⁵ Annex IX includes ligno-cellulosic material and non-food cellulosic material except saw logs and veneer logs.

¹⁶ Excluding dedicated energy crops.

amount in Table 2. The target will form a growing proportion of the overall RTFO target.

Obligation period	Development fuel target, as share of fossil fuel ¹⁷ , by volume	Development fuel target, as share of total fuel ¹⁷ , by volume	Resultant development fuel supply, by volume ¹⁸
1 Jan 2019 - 31 Dec 2019	0.109%	0.1%	0.05%
1 Jan 2020 - 31 Dec 2020	0.166%	0.15%	0.075%
1 Jan 2021 - 31 Dec 2021	0.556%	0.5%	0.25%
1 Jan 2022 - 31 Dec 2022	0.893%	0.8%	0.4%
1 Jan 2023 - 31 Dec 2023	1.119%	1%	0.5%
1 Jan 2024 - 31 Dec 2024	1.345%	1.2%	0.6%
1 Jan 2025 - 31 Dec 2025	1.573%	1.4%	0.7%
1 Jan 2026 - 31 Dec 2026	1.802%	1.6%	0.8%
1 Jan 2027 - 31 Dec 2027	2.032%	1.8%	0.9%
1 Jan 2028 - 31 Dec 2028	2.262%	2%	1%
1 Jan 2029 - 31 Dec 2029	2.494%	2.2%	1.1%
1 Jan 2030 - 31 Dec 2030	2.727%	2.4%	1.2%
1 Jan 2031 - 31 Dec 2031	2.961%	2.6%	1.3%
1 Jan 2032 - 31 Dec 2032 and subsequent obligation periods	3.196%	2.8%	1.4%

Table 4 Development fuel target level each year

2.20 A 'development fuel' is a fuel made from certain (double rewarded) sustainable wastes or residues, excluding segregated oils and fats such as UCO and tallow, or a non-biological renewable fuel (RFNBO), that **is also** of a specified fuel type.

2.21 Specifically, eligible development fuel types are defined in the following way:

- A renewable transport fuel which is either:
 - Made from sustainable wastes or residues which the Administrator considers are eligible for double RTFCs, apart from segregated oils and fats such as used cooking oil and tallow (see Chapter 9 of the [C&S Guidance](#)); or
 - A renewable fuel of non-biological origin (RFNBO)
- And is one of the following fuel types:

¹⁷Excluding the effects of double counting and carry over.

¹⁸ As a proportion of total fuel supply. As development fuels will be eligible for double reward, the resultant development fuel supply is calculated as half of the sub-target. However, the actual development fuel supply may be lower where gaseous fuels are supplied under the sub-target (as these will attract more than two RTFCs per kg).

- Hydrogen
- Aviation fuel (avtur or avgas)
- Substitute natural gas (renewable methane produced from the product of gasification or pyrolysis, where—

“gasification” means the substoichiometric oxidation or steam reformation of a substance to produce a gaseous mixture containing at least two of the following; oxides of carbon, methane or hydrogen; and

“pyrolysis” means the thermal degradation of a substance in the absence of an oxidising agent (other than that which forms part of the substance itself) to produce char and at least one or both of gas and liquid.

- Alternatively, a qualifying fuel type could also be a fuel with the following characteristics:
 - A fuel that can be blended such that the final blend has a renewable fraction of at least 25% whilst still meeting BS EN: 228 (for petrol, as revised or reissued from time to time) or BS EN: 590 (for diesel, as revised or reissued from time to time). It should be noted that the minimum blend limit, of 25%, refers to the renewable fraction of the final fuel, not the fraction of the fuel that was blended with petrol or diesel. E.g. if a novel fuel is 50% renewable, and is blended in equal parts with regular fossil diesel, the relevant fraction in this instance would be 25%.

2.22 Qualifying fuels will be rewarded with double 'development fuel' RTFCs. This will ensure that where they are used to meet the main obligation, which might happen should supply go beyond the proposed target level, they will not be disadvantaged compared to certain conventional waste based fuels.

2.23 The Administrator will assess whether the fuel type, feedstock and production pathway meets the criteria for a development fuel and will use the information provided in RTFC applications to issue new 'development fuel' RTFCs accordingly.

2.24 In the case of novel fuels (i.e. those not specifically listed), the Administrator will need to be satisfied that the fuel meets the criteria, including that it can be blended such that the final blend has a renewable fraction of at least 25% whilst still meeting the relevant fuel standard (BS EN: 228/BS EN: 590).

2.25 The Administrator will need to be satisfied that the information contained within an application is accurate. Where deemed appropriate, the Administrator will validate this information itself. The Administrator will also have the power to require independent assurance to either a 'limited' or 'reasonable' assurance level using the standards set out in ISAE 3000 where it believes this is necessary.

2.26 The rules for carry over of RTFCs will continue to apply once the development fuel target is introduced. 'Development fuel' RTFCs carried over will count towards the development fuel target of the following year. In general, 'development fuel' RTFCs carried over from the previous year can count up to 25% of that year's target, though there will be no specific limit on carrying over 'development fuel' RTFCs from Year 11 into Year 12 (see Chapter 5).¹⁹

¹⁹ As an exception, carry over of RTFCs into Year 13 will not be allowed. Instead, RTFCs from Year 12 and Year 13 can be carried forward to meet up to 25% of a supplier's obligation in Year 14.

3. Defining categories of renewable fuel

Renewable fuel categories

- 3.1 Historically, only fuels of biological or partial biological origin were supported under the RTFO Order. However, from 15 April 2018, RTFCs can be rewarded to renewable fuels of non-biological origin (RFNBOs) and the renewable portion of fuels that are part RFNBO, part non-RFNBO.
- 3.2 The RTFO Order makes no distinction between fuels of biological and of non-biological origin. However, these fuels are required to meet different C&S criteria (see [C&S Guidance](#)) and require different methodologies for calculating GHG intensity and determining partial renewability (for partially renewable transport fuels). Therefore, it is important that a distinction is made in the guidance between the different categories of renewable transport fuels and that suppliers correctly identify which type of fuel they are supplying.
- 3.3 In this Chapter, the different categories of renewable transport fuel are introduced and defined. This includes biofuels, partial biofuels, RFNBOs and fuels that are part RFNBO, part non-RFNBO. The specific carbon and sustainability requirements of biofuels, partial biofuels, RFNBOs and fuels that are part RFNBO, part non-RFNBO are laid out in the [C&S Guidance](#).

Suppliers should categorise their fuel as either a (non-renewable) fossil fuel, a biofuel, a partial biofuel, a RFNBO, or a fuel that is part RFNBO, part non-RFNBO according to the decision flow chart in Figure 1 below.

- 3.4 Note that Figure 1 does not deal with the situation where the feedstock is a RFNBO, or is a part RFNBO, part non-RFNBO. In these situations, the supplier should contact the Administrator. If in doubt about the categorisation of a fuel (for example, due to multiple feedstocks or process energy inputs), please contact the Administrator.

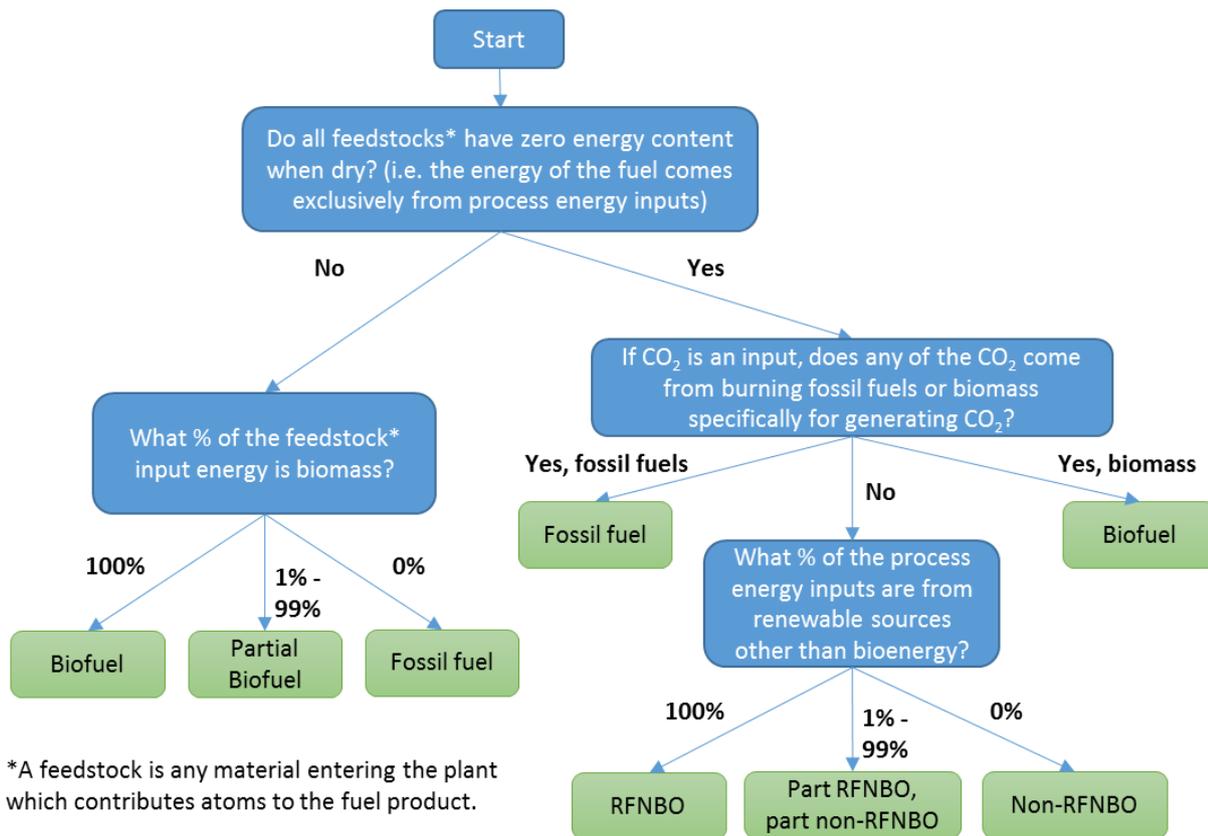


Figure 1 Flow chart for fuels categorisation

- 3.5 Fuels classified as 'fossil fuels' under this classification are not eligible to receive RTFCs, but may still have GHG savings when compared to conventional fossil fuels, and might therefore be rewarded under the Motor Fuel (Road Vehicle and Mobile Machinery) Greenhouse Gas Emissions Reporting Regulations 2012 No. 3030 ('the GHG Reporting Regulations') as amended. Please see the *GHG Reporting Regulations guidance*.

Biofuels

- 3.6 A biofuel is a renewable transport fuel that is wholly derived from biomass.

Partially renewable biofuels

Introduction to partially renewable fuels

- 3.7 A partially renewable biofuel is one where part of that fuel was derived from biological feedstocks and part from non-biological (e.g. fossil fuel) feedstocks.
- 3.8 If it meets the sustainability criteria, the renewable portion of a partially renewable fuel is eligible for RTFCs and can count towards meeting a supplier's obligation. The non-renewable portion of a partially renewable fuel is not eligible for RTFCs, and adds to a supplier's obligation (apart from the non-renewable fraction of aviation fuel, hydrogen and gas used in NRMM). This section explains how to calculate the volume of renewable fuel produced from a partially renewable fuel process.

Note that partially renewable biofuels whose renewable percentage is already defined HVO, FAME, ethyl tert-butyl ester (ETBE), methyl tert-butyl ester (MTBE) must be treated according to Article 4 of the Order.

Calculating the amount of renewable biofuel produced by a process

- 3.9 As a partially renewable fuel does not have discrete volumes that are renewable or fossil, in order to determine how much of that fuel is eligible for RTFCs, the volume of the fuel has to be split into notional non-renewable and renewable portions.
- 3.10 The following guidance is only for suppliers producing partially renewable fuels. Suppliers who process multiple biofuel feedstocks alongside one another must follow the guidance on mass balance in the RTFO Part 2 Carbon & Sustainability Guidance for assigning volumes of fuel to feedstocks.
- 3.11 The renewability of the product(s) is determined based upon the percentage (by energy) of all of the feedstocks to the production process that are of renewable origin. A feedstock is here defined as any material entering the plant which contributes atoms to the fuel. Feedstocks therefore include biomass and fossil inputs as well as any process chemicals that contribute atoms to the fuel.
- 3.12 The renewability of the product(s) is then calculated using Equation 1 below, where the energy within each feedstock in MJ is the feedstock mass flow over a given period multiplied by the respective feedstock lower heating value (LHV) over that period. Figure 2 also illustrates this calculation for a simple example.

$$MJ \text{ of renewable fuel} = \frac{\text{Total MJ of renewable feedstocks}}{\text{Total MJ of all feedstocks}} * \text{Total MJ of fuel produced}$$

Equation 1: Partial biofuel calculation

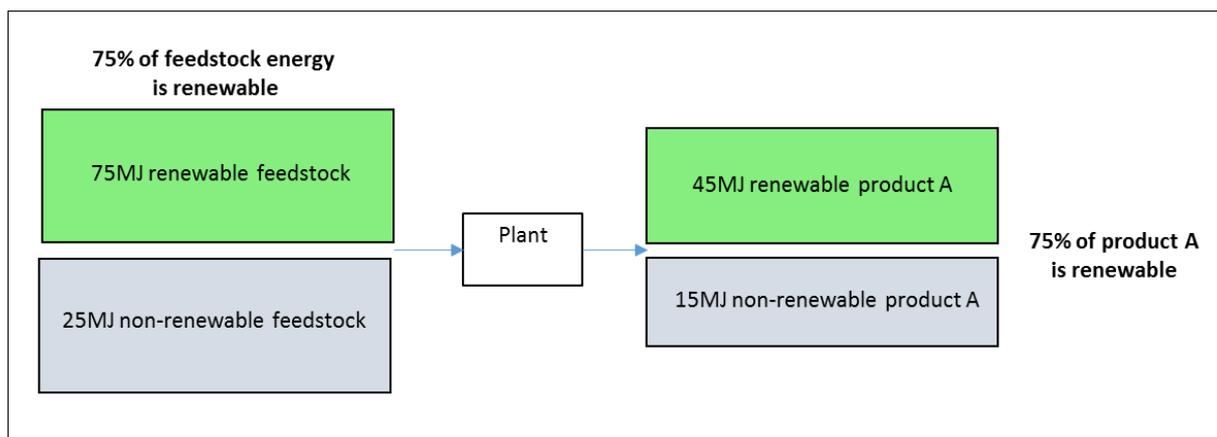


Figure 2 Calculating the amount of renewable fuel from a partially renewable fuel production process

Note that, for feedstocks that are a mix of renewable and non-renewable fractions, these should be treated as two separate feedstocks (one wholly renewable, one wholly fossil), each with their own LHV (MJ/kg) for the purposes of this renewability calculation.

For example, 10 tonnes of municipal solid waste (MSW) should be treated as 6 tonnes of biogenic MSW with a LHV of 12 MJ/kg, and 4 tonnes of fossil MSW with a LHV of 18 MJ/kg (indicative values only), which on its own would produce a partial biofuel that was $(6 \cdot 12) / (6 \cdot 12 + 4 \cdot 18) = 50\%$ renewable.

Each co-product from the fuel production process will be assigned the same percentage renewability as the main product. This is illustrated below

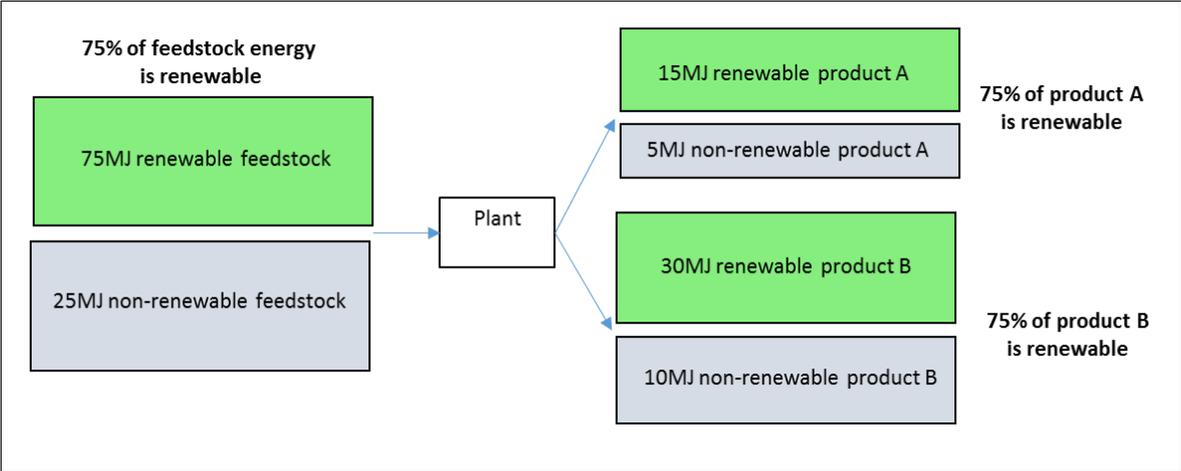


Figure 3 Calculating the amount of renewable fuel from a partially renewable fuel production process when there are multiple products / co-products

3.13 The percentage renewability of MTBE, ETBE, HVO and FAME is defined in Article 4 of the RTFO Order. These values must be used when reporting the volume of renewable fuel produced via these processes. If a supplier's process for production of one of these fuels differs from that defined in the 'RTFO Process Guidance - list of renewable fuels', the supplier should contact the RTFO Administrator.

3.14 This guidance for partially renewable fuels is summarised in Table 5 below.

Fuel	Production process	Renewability of fuel
Hydrotreated vegetable oil (HVO)	Vegetable oils wholly from biological sources, hydrotreated with hydrogen (or methane) either wholly from fossil sources or from biomass - could be located at a refinery or as a standalone plant	100%
	Vegetable oils wholly from biological sources, co-processed with fossil crude oil in a refinery	Renewability of each product set using Equation 1, considering the share of crude oil and vegetable oil inputs (on an energy basis) ²⁰

²⁰ The fossil diesel component of the blended fuel is not eligible for RTFCs

	Any other production process	Contact RTFO Administrator
Fatty acid methyl esters (FAME)	Transesterification of vegetable oils wholly from biological sources, with methanol either (i) wholly from biomass or (ii) from fossil sources	100%
	Any other production process	Contact RTFO Administrator
Bio-ethyl-tertiary-butyl-ether (Bio-ETBE)	Produced from ethanol wholly from biological sources and fossil isobutylene (2-methyl-propene)	47% (by volume)
	Any other production process	Contact RTFO Administrator
Bio-methyl-tertiary-butyl-ether (Bio-MTBE)	Produced from methanol wholly from biological sources and fossil isobutylene (2-methyl-propene)	36% (by volume)
	Any other production process	Contact RTFO Administrator
All other partially renewable fuels	Biomass feedstock only	100%
	Mixed renewable (biomass) and non-renewable feedstock	Calculated according to Equation 1 above

Table 5 Renewability of partially renewable fuels

Evidence required to demonstrate the proportion of renewable feedstock

- 3.15 The Administrator requires evidence as to the amount of renewable feedstock entering a partially renewable fuel production process. The Administrator will not issue RTFCs until satisfied that the percentage of that fuel that is renewable is correct. In order to report the % renewability of their products according to Equation 1, suppliers must evidence the mass and LHV energy content of each feedstock entering the plant over the time period. If feedstocks enter the plant as a mixture of renewable and non-renewable material (e.g. mixed MSW) then suppliers must evidence the mass and LHVs of both the renewable and non-renewable components, as they are considered separate feedstocks for the purposes of Equation 1.
- 3.16 The frequency of sampling required depends on whether these characteristics change over time, such as plants with variable mass flows (e.g. operators controlling the fraction of renewable feedstocks they use), or using feedstocks with lower heating values (LHVs) that vary over time, or using feedstocks with a variable mass fraction of renewable and non-renewable components over time.
- 3.17 The supplier must provide assurance to the Administrator that there is a Feedstock Measurement and Sampling (FMS) regime in place that allows the variability of feedstock characteristics to be known over time. Suppliers must have reached agreement with the Administrator on the type of FMS to be employed prior to applying for RTFCs.

- 3.18 Suppliers must agree with the Administrator how often the percentage renewability of their products must be re-calculated, and the evidence required to support this calculation. This re-calculation is likely to be required at least every three months for the first year that a supplier receives RTFCs, and will likely be more frequent if the relative mass flows or characteristics of the renewable feedstocks are highly variable. For characteristics that do not vary over time, fixed values can be used for each calculation. Future years might have less frequent re-calculation but the Administrator may check the supporting evidence for any time period, and reinstate more frequent re-calculations if appropriate.
- 3.19 Where a supplier has an alternate method of allocating the proportion of renewability, the Administrator may consider this on a case-by-case basis. An example could be using carbon dating. Carbon dating is however not always suitable for determining the renewability of the fuel produced, due to the variable ratio of carbon to hydrogen atoms in different feedstocks.

Assessing sustainability of the renewable portion of partially renewable fuels

- 3.20 The calculated renewable portion of the partially renewable fuel is treated as a renewable fuel and subject to the same assessment of sustainability as wholly renewable biofuels before RTFCs are applied for. Should this calculated renewable volume not meet the sustainability criteria then it is not subtracted from, and cannot count towards meeting, the supplier's obligation.
- 3.21 For the purposes of sustainability reporting, every feedstock is considered to be a separate consignment, and any non-renewable feedstock is not included within the scope of the sustainability assessment. In the case of feedstocks of mixed fossil and renewable content (e.g. MSW), only the renewable part of the feedstock is considered to be within the consignment.
- 3.22 Assessment of the sustainability characteristics and GHG emissions of the renewable portion of the partially renewable fuel is outlined in the Carbon and Sustainability Guidance.

Assigning renewability between different consignments of the same product

- 3.23 Renewability cannot be re-assigned between chemically different products²¹ coming out of the process. For example, in Figure 2, none of the renewability of Product A can be assigned to Product B, so the operator cannot choose to generate more or less than 15 MJ of renewable Product A.
- 3.24 However, renewability can be re-assigned between different consignments of the same (chemically identical) product made from a partially renewable process. This means, for example, that if a process produces a product that is 75% renewable (based on the MJ of the input feedstocks), the supplier can choose to:
- sell all of their product as 75% renewable (so that each 1 litre of fuel contains a 0.75 litres consignment of renewable fuel attracting, say, 1 RTFC per renewable litre); or
 - sell 75% of the product as a 100% renewable consignment (so that each 1 litre contains 1 litre of renewable fuel attracting 1 RTFC per renewable litre) and sell the remaining 25% of the product consignments as non-renewable consignments (so that each 1 litre contains 0 litres of renewable fuel), potentially in a different end market or outside of the UK. This gives the supplier flexibility to determine

²¹ The term "product" is taken here to mean all outputs of the process, including products, co-products, wastes and residues. So, for example, renewability cannot be re-assigned between a solid residue and a liquid transport fuel product, as these are chemically different.

which markets its renewability should be rewarded by, rather than having to also sell the fossil fraction into the UK fuel market, potentially attracting an obligation.

- 3.25 Any re-assignment of renewability between chemically identical consignments of a given product is acceptable (e.g. the supplier could sell a particular product as 22% renewable if they wish), provided that Equation 1 still holds true for the total volume of that product made at that facility.
- 3.26 For example, if a process uses 75% renewable feedstocks (based on the MJ of the input feedstocks) and produces ethanol and butanol, renewability can be assigned between different consignments of ethanol to produce some consignments of 100% bioethanol and some consignments of 100% fossil ethanol (because the fossil ethanol and the bioethanol produced in this process are chemically identical). However, renewability cannot be assigned between the ethanol and butanol: 75% of all butanol produced is renewable and 75% of all ethanol produced is renewable.
- 3.27 Once renewability has been assigned from the process, each consignment of each product must be sold with the appropriate renewability information. Downstream fuel mixing is subject to the usual mass balance rules (see [C&S Guidance](#)), which provides another potential opportunity to change fuel renewability percentages, provided the total renewable mass output from the tank equals the total renewable mass input. Any fuel designated as non-renewable must not be sold as renewable fuel in an alternative market.

Reporting renewable volumes of partially renewable fuels to the Administrator

- 3.28 The percentage renewability of the products must be reported each time a supplier applies for RTFCs. The total amount of renewable fuel reported to the Administrator must not exceed the total amount of renewable fuel produced in a given time period, regardless of the sampling frequency.
- 3.29 Suppliers should submit information on the volume of renewable fuel supplied and the percentage²² renewability of the process. Suppliers are encouraged to provide this information to the Administrator in sufficient time for the Administrator to make an assessment. The length of time this assessment takes will depend upon the complexity of the production pathway.
- 3.30 When reporting volumes of fuel to the Administrator, calculations to determine the volume of renewable fuel and fossil fuel from a partially renewable fuel production process should be rounded to the nearest litre.
- 3.31 If a supplier of a partially renewable fuel wishes to report just the renewable portion to the Administrator, for example due to selling the non-renewable portion(s) of that fuel into different market sectors, they will need to inform the Administrator.
- 3.32 Where a supplier wishes to confirm their approach, they can contact the Administrator at rtfo-compliance@dft.gsi.gov.uk.

²² Where the partially renewable fuel is a gas, the percentage should be on a mass basis, and the amount of renewable fuel on a kg basis.

Renewable fuels of non-biological origin (RFNBOs)

Definition of RFNBOs

- 3.33 RFNBOs are renewable liquid or gaseous transport fuels for which none of the energy content of the fuel comes from biological sources. These fuels are considered renewable where the energy content of the fuel comes from renewable energy sources but excluding bioenergy sources²³. This means that RFNBOs could be made using electricity and/or heat and/or cold from wind, solar, aerothermal, geothermal or water (including hydrothermal sources, waves and tides). RFNBOs cannot be derived from bioenergy sources and therefore would not be able to be derived from biomass, landfill gas, sewage treatment plant gas or biogases. As the available energy source of RFNBOs comes from the process energy, the input feedstocks must contain no usable energy. In practice this means that the feedstock must be either water and/or carbon dioxide (CO₂).
- 3.34 The simplest RFNBO is renewable hydrogen (for example from wind or solar power electrolysis) that is directly used in transport applications: either in an internal combustion engine or a fuel cell electric vehicle. A range of other renewable transport fuels can also be generated by reacting this RFNBO hydrogen precursor with CO₂, to produce RFNBO products such as methane, methanol, ethanol, di-methyl ether, petrol, kerosene and diesel.
- 3.35 If a RFNBO is produced from CO₂, the carbon dioxide can come from waste fossil sources (for example, waste flue gases from coal and natural gas power generation or similar industrial combustion processes), from biological sources (e.g. alcohol fermentation or anaerobic digestion) or from atmospheric or naturally-occurring/geothermal sources.
- 3.36 The carbon dioxide must not be deliberately produced for the purpose of producing a RFNBO. If the carbon dioxide is generated from fossil energy sources specifically for the purposes of converting the carbon dioxide into a transport fuel, this fuel is not renewable and is considered to be a fossil fuel. Similarly, if the carbon dioxide is generated from biomass specifically for the purpose of converting the carbon dioxide into a transport fuel, this fuel is not a RFNBO and is considered to be a biofuel.

Assessing sustainability of RFNBOs

- 3.37 The volume of RFNBO fuel is subject to an assessment of sustainability, as laid out in the [C&S Guidance](#). Because RFNBOs are substantially different to biofuels, in that the energy of the final fuel is provided by process energy input rather than a feedstock input to the process, the carbon and sustainability guidance for RFNBOs differ to those for biofuels. These differences include a modified GHG emission intensity calculation methodology. RFNBOs are also exempt from the land criteria.
- 3.38 Should the volume of RFNBO fail to meet the sustainability criteria then this volume will not be eligible for RTFCs. Moreover, this volume of unsustainable fuel will be added to the supplier's fuel supply from which its obligation is calculated, provided the supplier exceeds the reporting threshold (see Section 1.1).

Reporting volumes of RFNBOs to the Administrator

- 3.39 Suppliers should submit information on the volume of renewable fuel of non-biological origin to the Administrator through the ROS reporting system.

²³ Energy from renewable sources is defined as 'energy from renewable non-fossil sources, namely wind, solar, aerothermal, geothermal, hydrothermal and ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas and biogases'.

Part RFNBO, part non-RFNBO fuels

Definition of a fuel that is part RFNBO, part non-RFNBO

- 3.40 When a fuel is produced without biological feedstocks using a mixture of renewable (non-bioenergy) process energy and non-renewable (and/or bioenergy²⁴) process energy, the resulting fuel is a part RFNBO, part non-RFNBO. A simple example would be a hydrogen electrolyser drawing power from the grid, which is fed by a national mix of solar and coal electricity generators.
- 3.41 The renewable (non-bioenergy) portion of the fuel can be eligible for RTFCs and count towards meeting the supplier's obligation, provided the C&S requirements are met. It is important that, for fuels that are part RFNBO, part non-RFNBO, the same GHG intensity is applied to both the RNFBO and non-RFNBO parts of the fuel (due to sharing the same process energy input).
- 3.42 This is unlike partially renewable biofuels which have different GHG intensities for the biofuel and fossil portions. Although it might have a very low GHG intensity in some cases, the non-RFNBO portion of a fuel that is part RFNBO, part non-RFNBO cannot be issued with RTFCs or count towards meeting a supplier's obligation. Moreover, this volume of fuel will be added to the supplier's fuel supply from which its obligation is calculated, provided the supplier exceeds the reporting threshold (see Section 1.1) and is a type of fuel covered by the RTFO.

Calculating the amount of RFNBO produced from a process

- 3.43 As a fuel that is part RFNBO, part non-RFNBO cannot have discrete volumes that are renewable (non-bioenergy) or fossil/nuclear/bioenergy-derived, in order to determine how much of the fuel may be eligible for RTFCs, the volume of the fuel has to be split into RFNBO and non-RFNBO portions.
- 3.44 None of the feedstocks used to produce the fuel have any energy content, so Equation 1 cannot be used. The "(non-bioenergy) renewability" of the product(s) is therefore determined based on the percentage (by LHV energy) of all of the energy inputs to the process that are renewable, excluding bioenergy.
- 3.45 This is shown in the equation below

Equation 1: Part RFNBO, part non-RFNBO calculation

$$\text{MJ of RFNBO fuel} = \frac{\text{Total MJ of renewable (non - bio) energy inputs to the process}}{\text{Total MJ of all energy inputs to the process}} * \text{Total MJ of fuel produced}$$

- 3.46 Each co-product from the process will be assigned the same percentage renewability.
- 3.47 For the purposes of RFNBOs, renewable energy into the process includes all sources given in section 3.33, except bioenergy. As set out in the [C&S Guidance](#), any electricity consumed by the plant can only be considered to be wholly renewable when the plant is connected via a private wire to a renewable generator, or where the plant is grid-connected and the derogation conditions are met. It may be that

²⁴ Biomass-derived electricity cannot be used to generate a RFNBO, as the energy content of a RFNBO has to come from non-bioenergy sources. Biomass-derived electricity used in a hydrogen electrolyser therefore generates a hydrogen fuel that is not a fossil fuel, not a biofuel and not a RFNBO. Similarly, nuclear fission-derived electricity cannot be used to generate a RFNBO, as nuclear power is not listed as a renewable energy source, so again, the resulting fuel would neither be a fossil fuel, nor a biofuel, nor a RFNBO.

Equation 1 applies for some time periods when a part RFNBO, part non-RFNBO is produced, and in other times, the fuel produced is a wholly renewable RFNBO.

- 3.48 The evidence that is required to demonstrate the proportion of renewable (non-bioenergy) process energy input to a RFNBO production process will be decided by the Administrator on a case-by-case basis.

Assigning varying renewability to different consignments of the same product

- 3.49 Renewability can be re-assigned between different consignments of the same chemically identical product made from a part RFNBO, part non-RFNBO process, as for partial biofuels. Renewability cannot be assigned between chemically different products.
- 3.50 Each consignment of each product must be sold with the correct renewability information. For example, any non-renewable portion must not be sold as renewable fuel.

Reporting volumes of a part RFNBO, part non-RFNBO fuel to the Administrator

- 3.51 Suppliers should submit information on the volume of RFNBO fuel produced from a part RFNBO, part non-RFNBO process through ROS, along with the percentage²⁵ "(non-bioenergy) renewability" of the process. Those intending to supply part-RFNBO, part non-RFNBO fuels should first contact the Administrator to discuss their specific process.

Use of gas pipelines for distribution of biomethane or other renewable gases

- 3.52 Suppliers of biomethane, or fuels for which biomethane is a precursor (for example biomethanol or MTBE), can use national or international gas grid systems as part of their chain of custody provided that certain conditions are met, including:
- That the feedstock meets the sustainability requirements of the RTFO, and that any UK fuel duty that is liable has been paid.
 - That the renewable transport fuel or any chemical precursor from which that fuel was produced has not been, and will not otherwise be, counted towards the target referred to in Article 3(1) of the RED. If a fuel or chemical precursor has benefited under a support scheme, whether in the UK or another European Economic Area (EEA) state, that does not necessarily mean it cannot be awarded RTFCs. It is only in cases where benefiting under such a support scheme means that the fuel or precursor in question is counted towards the RED target, that it will not be eligible for RTFCs. This means, for example, that a parcel of biomethane supported under the RHI could not also claim RTFCs.
 - It is demonstrated that the supply of methane going into the grid could have been in contact with the gas being extracted, in order to satisfy the mass balance rules as set out in RTFO Guidance Part 2. If a supplier wishes to claim RTFCs for biomethane that has travelled across national boundaries it must be proved that there is movement of sufficient quantity of gas in the direction claimed within the time frame of the mass balance; and that there is a physical connection via pipeline between the input site and the point of extraction²⁶.

²⁵ Where the partially renewable fuel is a gas, the percentage should be on a mass basis, and the amount of renewable fuel on a kg basis.

²⁶ The International Energy Agency publish a quarterly "Gas Trade Flows" map, which can be accessed here: <https://www.iea.org/gtf/>.

- 3.53 As with all fuel chains, suppliers wishing to claim RTFCs for gas that has been distributed via a grid must include any conversion factors that affect the final supplied quantity of gas. Suppliers must use actual data for grid loss adjustments if available; or use national average figures if actual data is not obtainable²⁷. The carbon intensity of the gas must include any emissions associated with the pumping and distribution of the gas through the chain of custody.
- 3.54 A supplier may wish to use a third party gas certificate scheme to provide evidence of the mass balance. Different schemes offer different levels of assurance in respect of chains of custody. Any scheme that is to be used should operate a mass balance assurance, as book and claim schemes are not acceptable. Suppliers wishing to use one of these schemes must contact the Administrator first.

Grid gas duty point

- 3.55 This section concerns the point at which fuel duty becomes payable for gas supplied via a grid for use as a transport fuel. Suppliers intending to supply transport fuel via a gas grid must in the first instance contact HMRC to discuss the payment of fuel duty.
- 3.56 The duty point for methane supplied via gas grid pipelines is when the gas is sent out from the premises of the producer (or dealer) for use as fuel in a road vehicle; or when set aside for use as road fuel; whichever is the earlier. The point of “setting aside” takes place when it is decided that the gas is to be used as a motor fuel, this could be by physical separation or by way of an order being processed for road fuel gas at a depot.
- 3.57 In practice this means that either the injector of the renewable gas into the grid or the extractor of the gas from the grid could be the duty payer. Therefore either party, depending on where the duty point is, could be eligible for claiming RTFCs for sustainable renewable methane. It must be noted that only one claim for RTFCs can be made on a given parcel of gas; it is not permitted for both the injector and extractor to make claims for the same consignment.
- 3.58 Any supplier wishing to claim RTFCs for biomethane that has been extracted from the gas grid is advised to contact the Administrator first to discuss their specific requirements.

²⁷ Information on grid losses of gas is reported in the Digest of UK Energy Statistics (DUKES) Report, which can be accessed here: <https://www.gov.uk/government/collections/digest-of-uk-energy-statistics-dukes>. The figure and methodology for calculating it are subject to change, but a suggested figure of 0.15% would be an acceptable adjustment factor.

4. Submitting fuel volumes

Chapter summary

This chapter contains details of how suppliers must submit data on the volumes of fuel that they supply and how this will be assessed by the Administrator.

What to submit

- 4.1 Obligated suppliers are required to submit information on the volume of all fossil, renewable or partially renewable fuels that are covered by the RTFO Order.
- 4.2 If a non-obligated supplier wishes to apply for RTFCs they must submit information on the volume of fuels that are covered by the RTFO Order. They are under no requirement to do so if they do not wish to apply for RTFCs.
- 4.3 The RTFO Order applies to fuels that a supplier owns at the duty point (or alternative assessment time for fuels without a duty point - see Chapter 1) that are supplied at or for delivery to places in the UK for use in road transport and NRMM. Where that fuel is subsequently supplied outside the UK, or for purposes other than for road transport or NRMM use, that fuel is not covered by the RTFO Order.
- 4.4 All suppliers that submit volume information must provide information on:
 - a. the volume of fuel, by fuel type that they owned at the duty point and paid duty upon (termed 'own lifts');
 - b. the volume of fuel, by fuel type that they owned at the duty point and another supplier paid duty on (termed 'lifts by others');
 - c. the volume of fuel, by fuel type that another supplier owned at the duty point but which they paid duty on (termed 'lifts from others');
 - d. the duty, by fuel type that they have paid to HMRC broken down by the form (e.g. HO10, HO930 etc) on which the duty has been paid;
 - e. for fuels without a duty point, or where there is a duty point but the RTFO Order specifies the use of a different assessment time, the volume of fuel, by fuel type that they owned at the assessment time (See Chapter 1 for relevant assessment times);
 - f. for fuels without a duty point, the volume of fuel, by fuel type that another supplier owned at the assessment time, for fuels without a duty point (See Chapter 1 for relevant assessment time).
- 4.5 In the case of (b) or (c), the volume must be broken down by each supplier that a lift to/from has occurred with and reported by both parties. A volume cannot be validated until both parties agree to this volume. Where a supplier pays all of the duty on the

fuel that it owns at the duty point and does not pay any duty on fuel owned by any other party at the duty point, then only the data under (a) and (d) is required.

- 4.6 Where a supplier subsequently removes the fuel from the UK road transport/NRMM market, and where that volume is confirmed by HMRC, the Administrator will not normally require any further evidence from that supplier that this is the case. However, the Administrator may require evidence where there are concerns that the fuel is either not being recorded for HMRC purposes with the correct split of fossil and renewable transport fuel, or that the fuel in question should have counted towards the RTFO.
- 4.7 This means in practice that the Administrator will regard the fuels which the RTFO Order applies to as being those volumes of fuel which a supplier is liable to pay road/NRMM duty on - i.e. the 'net' figure of duty liability minus duty reclaim. This means that where fuel is supplied as road fuel by one supplier (A) and then 'marked' for off-road use by another supplier (B), supplier A will be obligated on this fuel as road fuel and supplier B will have a net zero obligation (as the amount of road fuel deducted will equal the amount of non-road fuel supplied).
- 4.8 Where a subsequent supply of fuel for non-UK uses results in a duty payment to HMRC becoming 'negative' for a given fuel type (i.e. the duty reclaimed exceeds any duty liabilities), the supplier must inform the Administrator and advice will be given on a case-by-case basis as to how this fuel should be recorded.
- 4.9 Where a supplier declares that a fuel is not covered by the RTFO Order, and where no duty rebate has been claimed, the Administrator will examine this on a case-by-case basis. The Administrator may require the supplier to provide evidence that this is the case.
- 4.10 To facilitate administration, we expect that the monthly submissions to the Administrator should match the net duty payments to HMRC. When fuel crosses the duty point as road/NRMM fuel in one month and duty is reclaimed in another (due to the time lag of making duty reclaims against the determination of a volume to be included in a monthly duty payment), deductions from the submission to the Administrator should be made in the month when the duty is reclaimed from HMRC.
- 4.11 Where the fuel is originally supplied for UK road/NRMM use in one obligation period and then subsequently supplied for non-UK use in another obligation period, the supplier should inform the Administrator of the fuel types and volumes concerned. The Administrator will determine, on a case-by-case basis, how this fuel should be recorded in the obligation periods concerned.
- 4.12 Where this subsequent supply for non-UK use across obligation periods is part of a regular series of fuel movements and the overall effect on an obligation period would be balanced at either end of the period, the Administrator will not normally require this fuel to be recorded across different obligation periods.
- 4.13 When submitting fuel volumes to the Administrator, suppliers should report volumes by fuel type, as they are outlined in ROS. Where an HMRC duty code always covers only *either* a fossil fuel or a renewable fuel, the ROS codes will match the HMRC duty codes. Some HMRC duty codes cover different fuels and in some cases this can cover both fossil fuels and renewable fuels. For example, the HMRC duty code for heavy oil covers both fossil diesel and renewable diesel (i.e. HVO). In these instances there will be a separate code in ROS for the different fuel types and suppliers should report their volumes accordingly.

- 4.14 If a non-obligated supplier does not supply any volume in a reporting period, we do not require them to submit a 'zero' return.

Denaturant in bioethanol

- 4.15 For ethanol denatured in the UK, HMRC requires a 1% denaturant level (of either petrol (TSDA 10) or denatonium benzoate (TSDA 9)).
- 4.16 As petrol is covered by the obligation, any petrol used as TSDA 10 is subject to an obligation and must be recorded on ROS.
- 4.17 As fossil methanol is not covered by the obligation, any supplied as TSDA 9 is not subject to an obligation and therefore should not be recorded on ROS. You may need to provide supporting evidence to reconcile this with HMRC duty payment data.
- 4.18 The Administrator will not require any further proof of the volume of denaturant supplied, where a 1% denaturant level is submitted for ethanol denatured in the UK. For ethanol denatured in other Member States or outside of the EU, suppliers must submit the relevant amount of denaturant and provide proof of the level used.

Partially renewable biofuels and part RFNBO, part non-RFNBO fuels

- 4.19 The volumes of partially renewable biofuels should be split into the renewable and fossil volumes as outlined in Chapter 3. The Administrator will create 'renewable element of partially renewable fuel' and 'fossil element of partially renewable fuel' fuel types on ROS which these fuels should be submitted under, e.g. 'the renewable part of ETBE' and 'the fossil part of ETBE'. Note that any bioenergy or nuclear energy used in making a part RFNBO, part non-RFNBO fuel has to be recorded in the 'fossil element of partially renewable fuel' fuel type. The volumes of a part RFNBO, part non-RFNBO fuel should therefore be split into corresponding 'renewable' element of partially renewable fuel' (i.e. RFNBO) and 'fossil element of partially renewable fuel' (i.e. non-RFNBO) volumes.
- 4.20 How the fossil element should be entered will depend on how HMRC requires the duty paid on that fuel to be recorded. As HMRC's recording of partially renewable fuels develops, the Administrator will inform suppliers as to how to record the fossil element of a particular partially renewable fuel.

Determining the end use of gas oil

- 4.21 The RTFO Order contains a presumption that low sulphur gas oil and off-road biodiesel is for use in NRMM unless a supplier can satisfy the Administrator to the contrary. This is to minimise administrative burden by not placing a requirement on a supplier to know the end use of their gas oil supply.
- 4.22 Off-road biodiesel will be eligible for RTFCs, where duty has been paid (HMRC duty code 571), provided the Administrator is satisfied that the fuel has met the sustainability criteria. A supplier cannot apply for RTFCs if the fuel in question, or any chemical precursor from which that fuel was produced, has already been, or will otherwise be, counted towards the target referred to in Article 3(1) of the RED.
- 4.23 Whilst HMRC's duty code marked gas oil (556) can contain both high sulphur gas oil and low sulphur gas oil which is for NRMM and non-NRMM end uses (such as stationary generators), the presumption set out above means that the RTFO Administrator will assume that all fuel dutied under this code is obligated unless the contrary can be demonstrated to the satisfaction of the Administrator.

- 4.24 Suppliers who produce high sulphur gas oil should contact the Administrator to discuss what evidence can be provided to demonstrate that this fuel is high sulphur gas oil. As the presumption of NRMM use does not apply to high sulphur gas oil, this fuel will only be obligated should there be evidence that the fuel was used for road/NRMM purposes. Any such use is likely to be in contravention of the Motor Fuel Regulations.
- 4.25 Where a supplier wishes to rebut the presumption that low sulphur gas oil or off-road biodiesel is used in NRMM they must provide evidence specific to the fuel they supply.
- 4.26 The Administrator will continue to work with suppliers to determine what that evidence should consist of and will issue clarification on either a case-by-case or industry wide basis.

How the Administrator validates supplier submissions

- 4.27 The Administrator's process to verify that volume data is correct is termed 'validation' to distinguish it from the verification of C&S information by independent verifiers.
- 4.28 The principle method that the Administrator uses to validate volume submissions is to check a supplier's submitted figures against HMRC duty payment data. Figure 4 and Figure 5 show how this is done when duty is paid on a duty deferred basis.
- 4.29 Where a volume is not checkable against HMRC data, for example where a single duty code covers both fossil and renewable elements or where a supplier is claiming that a volume that has been charged road transport duty is not in fact for road/NRMM use, or for fuels without a duty point, the Administrator will validate this volume in one of the following ways:
- by requiring the supplier to provide evidence for each and every submission;
 - by assessing the systems and processes that the supplier uses to derive these volumes on a periodic basis and with the supplier providing assurance to the Administrator that these systems have been used for each submission;
 - by requesting that a supplier obtains independent verification of the volumes ([See Guidance for Verifiers](#)).
- 4.30 Which approach is used, and the details of that approach, will be determined on a case-by-case basis and will depend upon the complexity and nature of the issue.
- 4.31 In some cases, the Administrator may choose to validate data despite discrepancies if those discrepancies are deemed to be trivial or legitimate. These may include cases where there are differences between:
- a supplier's declaration and HMRC duty payment data;
 - two suppliers' declarations where fuel has been deferred from one duty account to another.

Additives

- 4.32 Additives are not covered by the RTFO Order (see 4.15 for details on denaturants).
- 4.33 Where a supplier blends additives at the duty point and pays the duty upon them, these do not need to be added to a supplier's obligation. As the volumes supplied

each month are small, a supplier may choose to report them during the obligation period and then deduct the total amount supplied in the obligation period from the last reporting period. Proof as set out in section 4.29 will be needed for this volume.

Energy content

- 4.34 The RED requires Member States to report on the energy content of fuels supplied. As the RED (Annex III) provides energy content by volume for most fuels that will be covered by the RTFO Order, we do not require suppliers to submit this, unless:
- a. the fuel is not listed in Annex III of the RED;
 - b. the supplier is aware that the energy content of their fuel is significantly different to that in Annex III.
- 4.35 If a supplier is aware of this they must inform the Administrator in writing to: rtfo-compliance@dft.gsi.gov.uk.

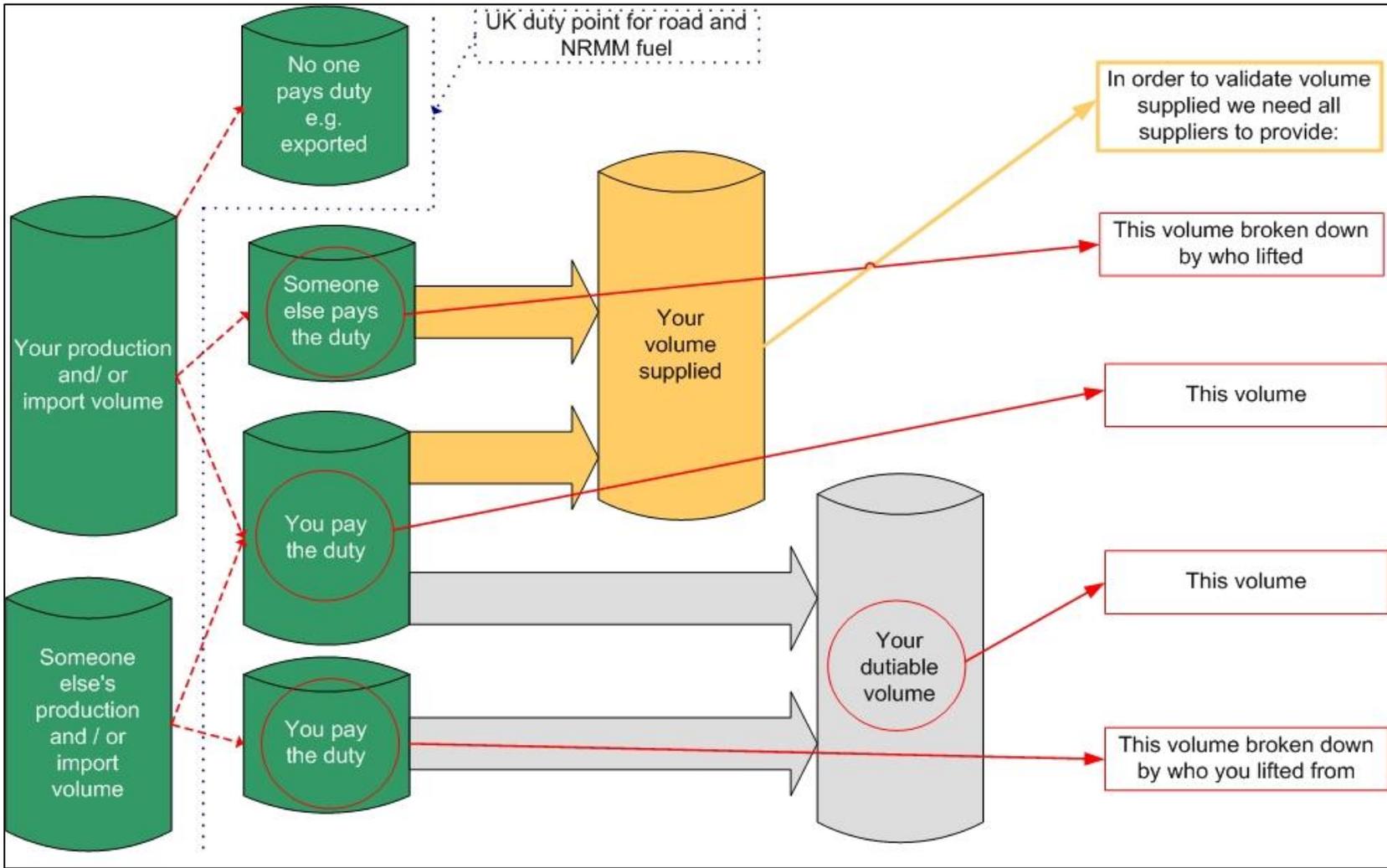


Figure 4 How duty deferring relates to the duty points

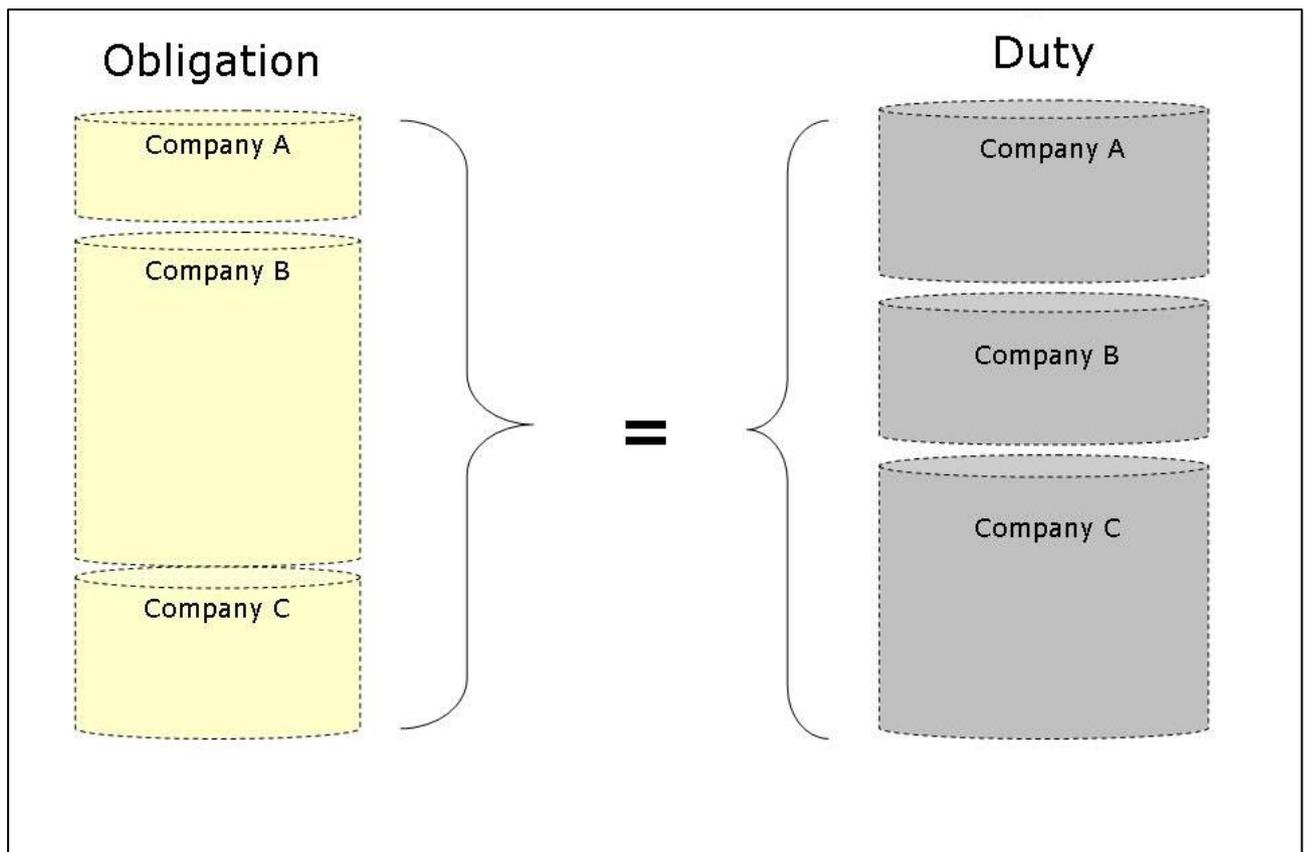


Figure 5 How this allows cross checking

Reporting timetable

- 4.36 Companies who report to HMRC using the HO10 duty form submit volume information to the Administrator on a monthly basis for a period beginning on the 15th of one month to the 14th of the next. The submission to the Administrator for this period should be made by the end of the 14th of the month after the one in which the report is submitted to HMRC. For example, for the fuel supplied 15 September to 14 October, this will be reported to HMRC by 31 October, and then this in turn must be submitted to the RTFO Administrator by 14 November. When the 14th falls on a weekend or bank holiday, submissions must be made by the previous working day.
- 4.37 Companies who report to HMRC using the HO10 duty form who also report to HMRC on other forms, e.g. CHIEF, REDS / RCS or EX601, should submit the volumes to the Administrator with the submission for the month that includes the last day covered by the form: e.g. REDS duty payment covering July (1 - 31) will be reported on ROS in the period 15 July to 14 August, as 31 July falls within this period.
- 4.38 Companies who report to HMRC using the HO930 form on a **monthly** (calendar month) basis submit volume information to the Administrator on the same monthly basis. The submission to the Administrator must be made by the end of the 14th of the month (or previous working day) after the one in which it is reported to HMRC. For example, for the fuel supplied in the month ending 30 September, which is reported to HMRC by 31 October, a submission must be made to the RTFO Unit by 14 November.

- 4.39 Companies who report to HMRC using the HO930 form on a **quarterly** basis submit volume information to the Administrator on a quarterly basis. The submission to the Administrator must be made by the end of the 14th of the month (or previous working day) after the one in which it is reported to HMRC. For example, for the fuel supplied in the quarter from 1 July to 30 September, which is reported to HMRC by 31 October, a submission must be made to the RTFO Unit by 14 November.
- 4.40 The RTFO previously operated from 15 April to 14 April in the following year, and so both monthly and quarterly HO930 companies were required to report fuel supplied in 'month 13' (from 1 April to 14 April) separately to the remainder of the fuel supplied in April or the second quarter of the year respectively. Once the RTFO moves to a calendar year basis in 2019, this '13th month' will no longer be necessary for HO930 suppliers (see 4.45).
- 4.41 Companies who report to HMRC using other forms on a calendar month basis only (e.g. CHIEF, REDS / RCS), must submit volume information to the Administrator on a calendar month basis in line with the rules for HO930 monthly reporters as set out in 4.39. This excludes those companies covered by 4.37.
- 4.42 Companies who report to HMRC using W50 or any other form not discussed above should contact the Administrator for advice as to how to submit volume information.
- 4.43 The Administrator publishes a table each year of the reporting dates for that obligation period. Table 6 below, shows an example of when different companies must report as well as first potential certificate award dates.
- 4.44 This section does not deal with the timelines for submission of C&S data to receive RTFCs. This is dealt with in Chapter 5.

Mid month to mid month duty payments			Calendar month and payments		Quarter duty		
Period end	Reporting deadline		Period end	Reporting deadline	Quarter end	Report deadline	*First potential RTFC award ¹
14/05/aa	14/06/aa	1	30/04/aa ²	14/06/aa			15/07/aa
14/06/aa	14/07/aa	2	31/05/aa	14/07/aa			15/08/aa
14/07/aa	14/08/aa	3	30/06/aa	14/08/aa	30/06/aa ²	14/08/aa	15/09/aa
14/08/aa	14/09/aa	4	31/07/aa	14/09/aa			15/10/aa
14/09/aa	14/10/aa	5	31/08/aa	14/10/aa			15/11/aa
14/10/aa	14/11/aa	6	30/09/aa	14/11/aa	30/09/aa	14/11/aa	15/12/aa
14/11/aa	14/12/aa	7	31/10/aa	14/12/aa			15/01/bb
14/12/aa	14/01/bb	8	30/11/aa	14/01/bb			15/02/bb
31/12/aa	14/02/bb	9	31/12/aa	14/02/bb	31/12/aa	14/02/bb	15/03/bb

Table 6 Reporting dates for the obligation periods 15 April year 'aa' to 31 Dec year 'bb'

* Calendar month and quarterly duty payments can be made one month earlier (see 5.10)

Notes:

1) Certificates are awarded overnight between 14th and 15th of the month – i.e. around 2am on the 15th.

2) Calendar month and calendar quarter reporting companies must split their submissions of supply for the period 01/04/aa to 30/04/aa or 01/04/aa to 30/06/aa such that the supply from 01/04/aa to 14/04/aa is reported in the prior period.

3) Calendar month and calendar quarter reporting companies will not be required to split their submissions of supply for Year 11 where the end of the year is 31/12. However HO10 reporting companies will be required to split the month ending 14/1, in periods 15/12 - 31/12 for Year 11 and 1/1/ - 14/1/ for the beginning of Year 12 (See Table 7).

4.45 From Year 12 onwards the obligation period will be changed to a calendar year basis, running from 1 January to 31 December. Reporting dates are shown in Table 7.

4.46 The Administrator will continue to allow RTFCs to be claimed on a monthly basis. Whilst introducing a 1 January to 31 December obligation year, the Administrator wants to minimise disruption for suppliers and maintain alignment of supplier reporting to HMRC. To this end, it will still be possible for HO10 suppliers to report on a mid-month to mid-month basis. The concept of 'month 13' (see above) will be introduced for HO10 suppliers to report fuel volumes supplied between 15 and 31 December.

- 4.47 Applications for both the period 15 December to 31 December and 1 January to 14 January the following year should be made by 14 February.
- 4.48 At the beginning and end of a calendar year where the RTFO reporting period does not match the HMRC reporting period, suppliers may base their fuel volume reported under the RTFO on the average daily fuel supply over that period. The Administrator will check total fuel volumes over the split period. The Administrator will only ask for further evidence if it becomes apparent that another approach has been used or if a supplier has used different approaches for different fuel types.
- 4.49 For HO930 suppliers and all those who report to HMRC on a monthly or quarterly basis, the reporting timetable will be simpler as they will no longer need to use the concept of 'month 13'.
- 4.50 RTFCs will still be issued on the 15th of the month and an application, including all supporting information, must be made by the 14th of the previous month to be considered by the Administrator.

Mid-month to mid-month duty payments			Calendar month		Quarter duty payments			
	Period end	Reporting deadline		Period end	Reporting deadline	Quarter end	Report deadline	First potential RTFC award ¹
1	14/01/aa ²	14/02/aa						15/03/aa
2	14/02/aa	14/03/aa	1	31/01/aa	14/03/aa			15/04/aa
3	14/03/aa	14/04/aa	2	28/02/aa	14/04/aa			15/05/aa
4	14/04/aa	14/05/aa	3	31/03/aa	14/05/aa	31/03/aa	14/05/aa	15/06/aa
5	14/05/aa	14/06/aa	4	30/04/aa	14/06/aa			15/07/aa
6	14/06/aa	14/07/aa	5	31/05/aa	14/07/aa			15/08/aa
7	14/07/aa	14/08/aa	6	30/06/aa	14/08/aa	30/06/aa	14/08/aa	15/09/aa
8	14/08/aa	14/09/aa	7	31/07/aa	14/09/aa			15/10/aa
9	14/09/aa	14/10/aa	8	31/08/aa	14/10/aa			15/11/aa
10	14/10/aa	14/11/aa	9	30/09/aa	14/11/aa	30/09/aa	14/11/aa	15/12/aa
11	14/11/aa	14/12/aa	10	31/10/aa	14/12/aa			15/01/aa
12	14/12/aa	14/01/bb	11	30/11/aa	14/01/bb			15/02/bb
13	31/12/aa ²	14/02/bb	12	31/12/aa	14/02/bb	31/12/aa	14/02/bb	15/03/bb

Table 7 New reporting dates for obligation periods running 1 January to 31 December in year 'aa', starting from Year 12 onwards

1) Certificates will continue to be awarded overnight between 14th and 15th of the month – i.e. around 2am on the 15th.

2) Mid-month to mid-month duty payment reporting companies must split their submissions of supply for the HMRC period 15/12/aa to 14/01/bb such that the supplies from both periods, i.e. 15/12/aa to 31/12/aa and 01/01/bb to 14/01/bb are reported on the same date in the following obligation period, i.e. in the obligation year 'bb' on the 14/02/bb.

5. Renewable Transport Fuel Certificates

Chapter summary

This chapter contains details on:

- how RTFCs should be applied for;
- how they will be issued;
- how carry-over of RTFCs to subsequent obligation periods works;
- when RTFCs will be revoked.

The C&S Guidance and Guidance for Verifiers should be referred to alongside this chapter.

Which fuels are eligible for RTFCs

- 5.1 The total volume of a wholly renewable fuel, the portion of a partially renewable biofuel that is derived from biomass feedstocks, and the portion of a part RFNBO, part non-RFNBO fuel that is derived from (non-bioenergy) renewable energy sources (see Chapter 2), is eligible for RTFCs, provided it has been proven, to the Administrator's satisfaction, that they have passed the sustainability criteria.

Requirements before an application for RTFCs can be made

- 5.2 To apply for RTFCs, a supplier must:
- have submitted, or intend to have submitted by the first possible RTFC issuing point, sufficient volume data, which the Administrator must have validated. See Chapters 2 and 4;
 - submit C&S information that demonstrates that the fuel has met the sustainability criteria and submit a verifier's assurance report attesting to this. See [C&S Guidance](#) for details on the C&S requirements and [Guidance for Verifiers](#) for details on the verifier's assurance report;
 - meet other stipulations under the RTFO Order, as mentioned in Chapters 1, 2 and 4. These include: having an account with the Administrator; being the owner of the fuel at the duty point (or equivalent assessment time for fuels which are not subject to duty); having paid all duty that is liable on the renewable or partially renewable fuels to HMRC; having supplied the fuel at, or for delivery into, the UK for road transport/NRMM or aviation fuel purposes.

- 5.3 Suppliers will be required to declare that the fuel upon which they are claiming RTFCs, or any chemical precursor from which that fuel was produced has not been, and will not otherwise be, counted towards the target referred to in Article 3(1) of the RED. This is to avoid the same MJ of renewable energy being counted more than once towards Member State targets under the RED. If a fuel or chemical precursor has benefited under a support scheme, whether in the UK or another European Economic Area (EEA) state, that does not necessarily mean it cannot be awarded RTFCs. It is only in cases where benefiting under such a support scheme means that the fuel or precursor in question is counted towards the RED target, that it will not be eligible for RTFCs. This means, for example, that a supplier must not apply for RTFCs if an application has been made or will be made to Ofgem under the Renewable Heat Incentive or Renewables Obligation in relation to that fuel or a chemical precursor to that fuel.
- 5.4 An amount of renewable transport fuel meets the sustainability criteria if:
- it meets the relevant greenhouse gas (GHG) emission saving threshold for the obligation period; and
 - it was produced from feedstocks which met the land criteria; or
 - any of the exemptions related to fuels produced from waste or residue feedstocks apply.
- 5.5 Full details of the sustainability criteria and how compliance with them must be verified by an independent verifier can be found in the [C&S Guidance](#).

Joint applications for RTFCs and GHG credits

- 5.6 The GHG Reporting Regulations run parallel to the RTFO Order. From January 2019, applications for RTFCs will also be treated by the Administrator as applications for GHG credits under the GHG Reporting Regulations, with any GHG credits being awarded at the same time as any RTFCs.
- 5.7 More information on how this will be done will be provided in the guidance for Year 12 of the RTFO. See also the *GHG Reporting Regulations* guidance.

Timeline for applications

- 5.8 Once the above requirements have been met, including that the Administrator is satisfied with the accuracy of the information demonstrating compliance with sustainability criteria²⁸, RTFCs will be issued on the 15th of the month and are added to the supplier's account on ROS. Applications, including all supporting information, must be made by the 14th of the previous month to be considered by the Administrator. This pattern will continue when the RTFO moves to a calendar month basis from 1 January 2019. However, both applications for the period 15 December to 31 December and applications for the period 1 January to 14 January the following year should be made by 15 February. Where suppliers are splitting fuel from one HMRC reporting period, this may be done proportionally. The Administrator will validate the total fuel volumes over the period against HMRC data and may require additional evidence regarding any non-proportionate split of the volume across the two RTFO reporting periods.

²⁸ See the Administrator's sustainability compliance policy at Annex A for further details.

- 5.9 Suppliers may apply for RTFCs at any time but must apply before the cut-off date of 14 May (or a later date if specified by the Administrator), after the end of an obligation period.
- 5.10 Due to the alignment of the RTFO with the HO10 (mid-month) duty payment system, suppliers making a duty payment via the HO930 system can experience a time lag of an additional two weeks between the end of their supply month or quarters and the first possible issuing date for RTFCs. This is due to the monthly cycle by which HMRC provides the Administrator with data on volumes upon which duty has been paid. To facilitate the claiming of RTFCs by HO930 suppliers closer to the supply month, the Administrator will accept evidence from the supplier that all the duty upon the fuel supplied that month has been paid to HMRC. This evidence must consist of the HMRC duty liability statement and proof of payment of this (e.g. a bank statement). Whilst the Administrator will accept this evidence as proof of payment of duty, there will still be a process of validation against data received from HMRC. Should that process not confirm the suppliers proofs, the RTFCs issued will be revoked and the Administrator may withdraw this option from that supplier. Those wishing to submit such evidence should contact the Administrator to discuss how this should be done.
- 5.11 Figure 6 below shows the timeline for applying for, and the processing of, RTFCs for a given month of fuel supply.

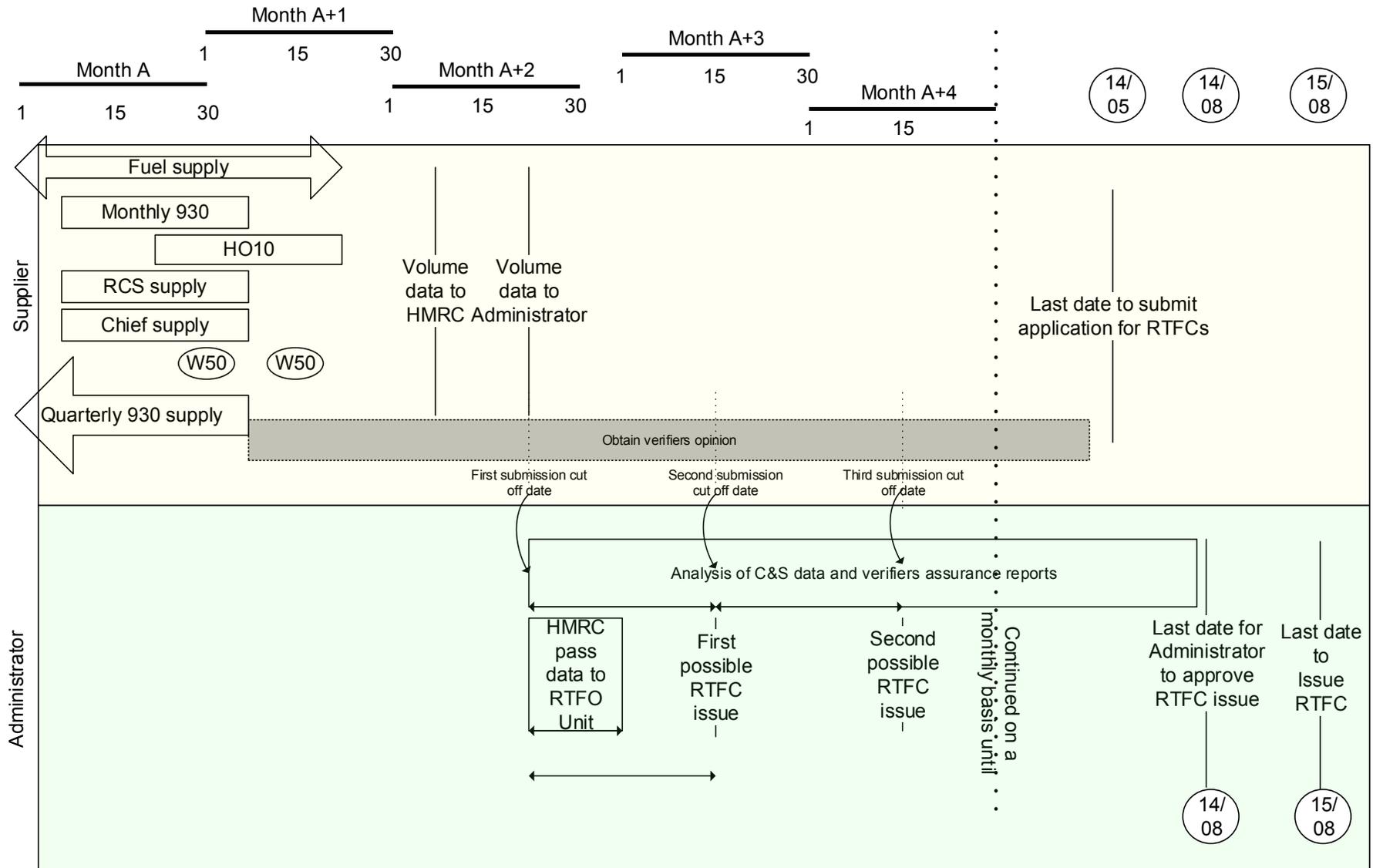


Figure 6 RTFC issue - timeline for fuel supplied in a given month

Flow of information before and during the application process

- 5.12 Figure 6 at the end of this chapter shows how C&S information flows between the supplier and the verifier, and between the supplier and the Administrator, before and during the application process.
- 5.13 This flow of information is facilitated on ROS. ROS performs logic checks to flag any data that suggests a renewable fuel has not met the sustainability criteria. ROS 'locks' data after it has been forwarded by the supplier to the verifier and only if that application is returned without a verifiers opinion, not submitted to the Administrator or the Administrator rejects the application, may that data be altered. The details of how ROS works are contained on the ROS help screens.
- 5.14 The submission for RTFCs occurs at the 'administrative consignment group' level. An 'administrative consignment' is a volume of fuel that has homogeneous sustainability characteristics, as set out in Guidance Part Two: [C&S Guidance](#). An 'administrative consignment group' is one or more administrative consignments that a supplier has sought a verifier's assurance report on (see: [Guidance for Verifiers](#) for further information on verification of the C&S data). The assessment of the application will occur at the administrative consignment level; however, the acceptance or rejection of an application will affect all administrative consignments in a group.
- 5.15 An administrative consignment group may contain administrative consignments from more than one reporting period within an obligation period, however it may not contain administrative consignments from multiple obligation periods.

How an application will be assessed

- 5.16 As stated in 5.8, the Administrator assesses applications in monthly submission periods.
- 5.17 The Administrator will not approve an application for RTFCs where either (i) any volumes for months to which the application relate have not been validated, or (ii) where the application is for a larger volume of renewable fuel than has been validated. Suppliers can check this on the Administrative Consignment page on ROS.
- 5.18 The Administrator will assess the verifier's opinion to determine whether it provides the required assurance.
- 5.19 As set out in the Sustainability Compliance Policy, the Administrator will undertake other work as proportionate and necessary to verify the supplier's declaration that all the renewable fuel covered by the application has passed the sustainability criteria.
- 5.20 The Administrator may require a supplier to provide further information or evidence in support of an application. Where such information or evidence has not been provided in sufficient time for an assessment to occur in the original assessment period, the Administrator will 'roll over' the assessment to the next assessment period.
- 5.21 If the Administrator has cause to believe, from either the verifier's opinion or any other evidence or information, that any portion of the application does not meet the sustainability criteria, or any of the other requirements before an RTFC can be issued are not met (see 5.2-5.4), that application will be rejected.
- 5.22 The Administrator will inform the supplier as to why an application has been rejected.

- 5.23 If a supplier wishes to alter their application after submission, this must be done by withdrawing the original submission and making a new application. To allow a supplier to withdraw a submission, the Administrator will reject the application upon request from the supplier.
- 5.24 The Administrator will roll over an application (i.e. neither approve nor reject it) in a given application period if:
- There are outstanding issues concerning that application;
 - Fossil or renewable fuel volumes for any of the months covered by the application have not been validated;
 - There are any significant account management issues such as the Administrator no longer being satisfied that the account holder is the owner of the fuel at the duty point due to changes in a corporate group's structure etc.
- 5.25 In the event of a verifier being notified of a change in the evidence supporting an application for RTFCs, the verifier should assess that change, taking into account the opinion of any relevant certification body (where reliance is being placed upon a voluntary scheme for all or part of the information submitted and/or the chain of custody, the relevant certification body is the last point in the chain of custody that was covered by a voluntary scheme). The verifier should also provide a statement as to the materiality of that change and how it bears on the assurance statement issued for the relevant ACG, stating, where relevant, that the opinion of any relevant certification body upon that change has been taken into account.
- 5.26 If the amendment of evidence supporting an application does not result in a new assurance statement, the verifier should provide a statement that the change is not material to the original assurance.

How RTFCs will be issued

- 5.27 RTFCs are credited to the supplier's electronic account on ROS. All other transactions involving RTFCs occur on ROS as well.
- 5.28 One RTFC is issued per litre of renewable transport fuel or renewable part of a partially renewable transport fuel that meets the requirements set out above, except where 5.30 applies.
- 5.29 1.9 RTFCs are issued per kilogram of biomethane supplied, and 1.75 RTFCs per kilogram of biobutane or biopropane supplied (or a combination of both), where the fuel meets the requirements set out above. For hydrogen, 4.58 RTFCs may be claimed per kilogram of renewable hydrogen supplied. For any other renewable gas of biological origin, 1 RTFC will be issued per kilogram supplied, except where 5.30 applies.
- 5.30 Two RTFCs are issued per litre of renewable or renewable part of partially renewable transport fuel where that fuel meets the requirements above and that fuel has been produced from certain feedstocks that are wastes or residues, dedicated energy crops, or produced using only renewable energy of non-biological origin (RFNBOs). For gaseous fuel produced from these double counting feedstocks (or process energies) the number of certificates is doubled to 3.8 and 3.5 RTFCs per kilogram of biomethane and biobutane or biopropane respectively, and 9.16 per kilogram of hydrogen. For any other gaseous fuel produced from feedstocks that are wastes, 2 RTFCs are issued per kilogram. See Guidance Part Two: [C&S Guidance](#) for information on which feedstocks fall into these categories.

- 5.31 A development fuel target is introduced in the RTFO Order from 1 January 2019. Once the development fuel target is in place, two 'development fuel' RTFCs will be issued to liquid fuel that meets the definition of a development fuel (see Chapter 2). Gaseous fuels that meet the eligibility criteria will be rewarded with development fuel RTFCs equivalent to double their relevant multipliers (e.g. hydrogen will receive 9.16 development fuel RTFCs per kg).

Rounding of volumes to which RTFCs are issued

- 5.32 As a consequence of how RTFCs are issued for renewable gaseous fuels (see 5.29), the Administrator will apply rounding when issuing RTFCs. Rounding will be applied to each administrative consignment rather than to each litre. In practice this means an approved application for 100,001 kilograms of biomethane (from a single counting material) would be multiplied by the kilograms: litres factor of 1.9, which gives an entitlement to 190,001.9 RTFCs. As 0.9 of an RTFC cannot be issued, this would be rounded to 190,002 RTFCs.

RTFC categories

- 5.33 Previously, RTFCs were categorised based on GHG saving. On 15 April 2018, these categories were replaced with three new categories of RTFC: 'relevant crop', 'development fuel' and 'general' RTFCs.
- 5.34 Biofuels made from feedstocks that fall under the definition of relevant crop and hence are counted towards the crop cap are awarded 'relevant crop' RTFCs. Relevant crop RTFCs cannot be counted towards the development fuel target - for more information see Chapter 2.
- 5.35 A 'development fuel' is a fuel of a specified fuel type, made from sustainable wastes or residues which the Administrator considers are eligible for double RTFCs (apart from segregated oils and fats such as used cooking oil and tallow), or a non-biological renewable fuel (RFNBO). Further information is included in Chapter 2.
- 5.36 RTFCs awarded to all other renewable fuels will be labelled as 'general'. This category will include: fuels from wastes which do not meet the development fuels eligibility criteria and fuels from dedicated energy crops.
- 5.37 These new RTFC categories are summarised in Table 8. See Chapter 9 of the *Carbon and Sustainability* guidance for more information on the classification of waste and residues, and dedicated energy crops.

Type of feedstock and / or fuel	Subject to crop cap?	Can be used for development fuel sub target?	RTFC category
Crop	Yes	No	Relevant crop
Dedicated energy crop	No	No	General
1x counting wastes and residues	No	No	General
2x counting wastes and residues, not development fuel type	No	No	General
2x counting wastes and residues, are a development fuel type	No	Yes	Development fuel
RFNBO, not development fuel type	No	No	General
RFNBO, of a development fuel type	No	Yes	Development fuel

Table 8: Summary of RTFC categories from 15 April 2018

Identification and 'carry over' of RTFCs

- 5.38 RTFCs are marked with the obligation period relating to the supply of fuel for which they were issued.
- 5.39 A supplier's obligation period RTFC account on ROS is divided into the three categories of RTFC and a supplier can choose which category of RTFCs they wish to redeem or transfer from their account. When transferred, an RTFC is credited to the appropriate category in the receiver's account.
- 5.40 The RTFO Order allows 25% of the main obligation and development fuel target to be met with RTFCs issued in the preceding period - commonly termed 'carry over'. ROS will not accept redemption transactions which attempt to meet more than 25% of the main obligation or development fuel target with RTFCs from the previous obligation period.
- 5.41 RTFCs carried over from previous obligation years will keep their 'relevant crop', 'development fuel' or 'general' label and will count towards the respective cap or target of the new obligation year. Paragraphs 2.16 and 2.27 explain further how 'relevant crop' and 'development fuel' RTFCs will be treated when carried over.
- 5.42 All RTFCs carried over from Year 10 into Year 11 will not be labelled and so will not count towards the crop cap. Development RTFCs may be claimed in 2018 (Year 11) then either redeemed against Year 11 main obligation or carried over for Year 12.

Carry over into 2020 and 2021

- 5.43 In order to ensure that the UK meets its RED target, carry-over of any RTFCs from the 2019 obligation period into the 2020 obligation period is prohibited.

- 5.44 The Administrator will permit any RTFCs issued in both 2019 and 2020 to be carried over into obligation Year 2021. This will mean that in meeting their main obligation and development fuel target in 2021, suppliers will be allowed to use a combination of RTFCs earned for fuel supplied in 2019 and 2020, but, as now, this carry over will be limited to a total of up to 25% of their main obligation and development fuel target in 2021 (subject to the carryover limits described in paragraphs 2.16 and 2.27).
- 5.45 From 2022 onwards the carry-over rules will revert to how they were before 2020, meaning that from 2022 suppliers will be able to meet a maximum of 25% of their main obligation and development fuel target with RTFCs supplied in the previous year.

Transferring RTFCs from one account to another

- 5.46 The RTFO Order allows suppliers to transfer RTFCs from one account to another.
- 5.47 This is done via the ROS system where a supplier selects how many RTFCs they wish to transfer and the account to which they wish to transfer them.
- 5.48 A supplier may select which year's RTFCs and which RTFC category to transfer.
- 5.49 Suppliers may set up delayed transactions to occur in the future.
- 5.50 Transfers of RTFCs are authorised overnight. It is not possible to transfer RTFCs into a recipient's account on the same day as applying for certificates. RTFCs are transferred at the beginning of the day that has been selected.
- 5.51 For an RTFC to be eligible for either redeeming or surrendering, it must be present in the account of the supplier that wishes to redeem or surrender it on the day of the redemption or surrender deadline.
- 5.52 Any commercial matters related to a transfer are matters for the two parties involved in the transfer.
- 5.53 The Administrator will correct any IT system errors that occur in a transaction; however, the Administrator can only reverse a transfer where only one party is disputing that transaction if ordered to do so by a court, as the Administrator does not have the powers to judge which party is correct in the event of a dispute.
- 5.54 The Administrator will apply a 'first in-first out' principle to tracing RTFCs from the original supplier to a transferee, unless the original supplier or any subsequent transferor notifies the Administrator of a different arrangement for the relevant RTFCs. An example of such a notification would be that a third party trading entity would be able to state which supplier they had traded the certificates on to.
- 5.55 If account holders wish to provide evidence to override the presumption of 'first in-first out' they may do so by noting this in the notes field for an RTFC transfer.

Approach to issuing RTFCs and serious wrongdoing

Where there has been serious wrongdoing

- 5.56 The Administrator must be satisfied that the sustainability criteria have been met and that information submitted is accurate. The Administrator is unlikely to issue RTFCs to fuel where there has been a serious wrongdoing (which calls either of these into question) on the part of any entity(s) in the supply chain and is likely to revoke RTFCs already issued.

- 5.57 Serious wrongdoing includes, but is not limited to, fraudulent activity.
- 5.58 Suppliers have an ongoing duty to inform the Administrator if they become aware that any information they have provided may be, or is no longer accurate. This includes information relating to fuel supplied in previous obligation periods.

Where there have been allegations of serious wrongdoing

- 5.59 Where there is concern that there has been serious wrongdoing, the Administrator may not be able to make a decision on whether it is satisfied that the sustainability criteria have been met, or that information submitted is accurate.
- 5.60 Where an allegation has been made and a competent authority is investigating (or considering investigating), the Administrator will not make such a decision until that investigation has been completed, or there is a compelling reason to be satisfied that the sustainability criteria have been met and information submitted is accurate.
- 5.61 Where such an investigation continues past the normal cut-off date for issuing RTFCs for an obligation period, should no wrongdoing be found or compelling evidence be submitted, the Administrator will issue the RTFCs after the cut-off date.

Revocation of RTFCs

Circumstances in which RTFCs may be revoked

- 5.62 The Administrator may revoke an RTFC where they are satisfied that:
- the declaration that accompanied the application for RTFCs was false;
 - RTFCs were issued as a result of fraudulent behaviour, statement or undertaking on the part of the supplier, any connected person or the verifier;
 - the information provided on volumes or sustainability information was materially inaccurate or any evidence presented to support this information was insufficient to substantiate it;
 - the verifier's assurance report on the sustainability information was materially inaccurate.

Which RTFCs will be revoked

- 5.63 Whilst the Order applies revocation to individual RTFCs, in practice the Administrator will revoke all the necessary RTFCs in one action and actions in the subsequent paragraphs apply to that group of RTFCs. Where the reasons for revocation relate to the verifier's assurance report on an administrative consignment group, it is likely that all RTFCs relating to that group will be revoked. Where the reasons for the revocation relate to the sustainability information within an administrative consignment, the revocation will relate to that consignment. Where the reasons for revocation relate to the volume of fuel supplied and the volume in question does not match the volume in one or more administrative consignment, the Administrator will decide on a case-by-case basis whether the revocation(s) occur within or at administrative consignment level.
- 5.64 Where possible the Administrator will revoke RTFCs of the correct obligation period and GHG category from the original supplier.
- 5.65 Where the supplier does not have sufficient RTFCs for the Administrator to revoke from the correct obligation period and category, RTFCs of that same category and obligation period will be revoked from a transferee.

- 5.66 The Administrator will apply a 'first in-first out' principle to tracing RTFCs from the original supplier to a transferee, unless the original supplier or any subsequent transferor notifies the Administrator of a different arrangement for the relevant RTFCs.
- 5.67 If, upon the notice of revocation being served the original supplier or a subsequent transferor wishes to submit evidence that the assignment of the RTFCs in question to a particular transfer should not be applied on a 'first in-first out' principle or any notification made to the supplier at the point of the transfer, this will be taken into account by the Administrator in determining which RTFCs to revoke.
- 5.68 For example, 15,000 RTFCs are issued to supplier A for two administrative consignments of 7,500l with the same RTFC category. Supplier A then transfers these RTFCs in the following order: 5,000 to supplier B, 5,000 to supplier C and 5,000 to supplier D. The Administrator then determines that RTFCs should not have been issued to one of the administrative consignments and revokes 7,500 RTFCs. As supplier A no longer has any RTFCs of the correct obligation period or category, they must be revoked from one of the suppliers to whom they have been transferred. If the transferor has not provided any evidence as to which RTFCs they purchased, the Administrator will apply the 'first in-first out' principle. This means that 5,000 RTFCs will be revoked from supplier B and 2,500 from supplier C.
- 5.69 When a revocation of RTFCs occurs, relevant C&S data will be removed from ROS.
- 5.70 Where the RTFCs related to a particular volume of renewable fuel are revoked, that volume will no longer be subtracted from the obligation.

Process for revoking RTFCs

- 5.71 The Administrator will mark the administrative consignment data in question as 'revoked' and this data will become available to suppliers as an 'open' administrative consignment.
- 5.72 The Administrator must inform a supplier of its intent to revoke an RTFC and inform the supplier as to the grounds for revoking that RTFC.
- 5.73 The Administrator may not serve notice of intent to revoke after 16 June immediately after the obligation period to which the RTFC in question belongs.
- 5.74 An RTFC will be marked on ROS as 'intended for revocation' during this process. Whilst RTFCs are marked 'intended for revocation', they cannot be traded, redeemed or surrendered by the current owner.
- 5.75 If that RTFC has been transferred out, then the Administrator must inform both the original supplier, and any subsequent owner of the RTFC, of both the intent to and the grounds for revocation.

Making representations against a revocation proposal or decision

- 5.76 Revocation of an RTFC occurs in two stages. First the Administrator issues 'notice of intent to revoke' which both the original owner and any subsequent owner(s) may make representations against. Should the Administrator decide to, a 'revocation notice' is then served, against which the original owner and any subsequent owner(s) may appeal.

- 5.77 Any representations against the 'notice of intent to revoke' or the 'revocation notice' must be made within 14 days of the notice being received.
- 5.78 The last date the Administrator may issue a 'notice of intent to revoke' is 16 June (the deadline will also be 16 June once the RTFO moves to a calendar year basis) after the end of the obligation period. Any representations against this 'notice of intent' must be considered by 16 July after the end of the obligation period. Once the RTFO moves to a calendar year basis, this deadline will remain as 16 July.
- 5.79 The last date the Administrator may issue a 'revocation notice' is 16 July after the end of the obligation period (the deadline to issue a 'revocation notice' will be the 16 July once the RTFO moves to a calendar year basis). Any appeal against this revocation must be considered by 15 August after the end of the obligation period. Once the RTFO moves to a calendar year basis, the deadline will also be 15 August.
- 5.80 The Administrator will inform the parties involved of the outcome of its consideration of either a representation against a 'notice of intent to revoke', or an appeal against a 'revocation notice'.
- 5.81 If the Administrator determines that the revocation should not occur at either stage, the relevant parties will be informed and the RTFCs will become available to the current owner for trading, redeeming or surrendering.
- 5.82 The Administrator may allow an oral hearing when considering a representation against a 'notice of intent to revoke' or an appeal against a 'revocation notice'.
- 5.83 If the Administrator fails to make a determination by 15 August, the RTFCs will be re-instated.
- 5.84 If the Administrator confirms that a revocation should occur, the RTFC will be marked on ROS as revoked and therefore be permanently unavailable for trading or redemption by the current owner. The grounds for this confirmation (which may be different to the grounds for the original intent to revoke) will be communicated in writing.

Applying for RTFCs for fuel that has had RTFCs revoked

- 5.85 Where RTFCs have been revoked for the fuel in question, suppliers may apply again for RTFCs. However unless there is new information or evidence to support the application the Administrator is unlikely to issue RTFCs. Suppliers must be aware of the requirements of the [C&S Guidance](#).

Temporarily freezing new certificate issue and trading

- 5.86 If the Administrator has grounds to suspect that a supplier has incorrectly gained certificates and is therefore considering a revocation, an account may be temporarily frozen to ensure that the Administrator can revoke from that supplier if necessary. Whilst an account is frozen no new certificates can be issued to the account and no trades can occur.
- 5.87 The Administrator will provide, in writing, the grounds for 'freezing' an account.
- 5.88 A supplier may write to the Administrator to have the 'freezing' reconsidered.

5.89 Once the grounds for freezing have been resolved, the Administrator will reactivate the account and any RTFCs due to be issued or traded in or out of the account will occur.

Links from RTFC revocation to civil penalties

5.90 The gaining or attempt to gain an RTFC through the provision of inaccurate information, or the continued ownership of an RTFC where a supplier is aware that the information used to gain that RTFC is inaccurate, but has failed to inform the Administrator, is subject to a civil penalty as set out in Chapter 7.

Obligation status of renewable fuel for which RTFCs have been revoked

5.91 Where RTFCs have been revoked, the renewable fuel in question will no longer be regarded as sustainable and it will therefore count towards a supplier's obligation.

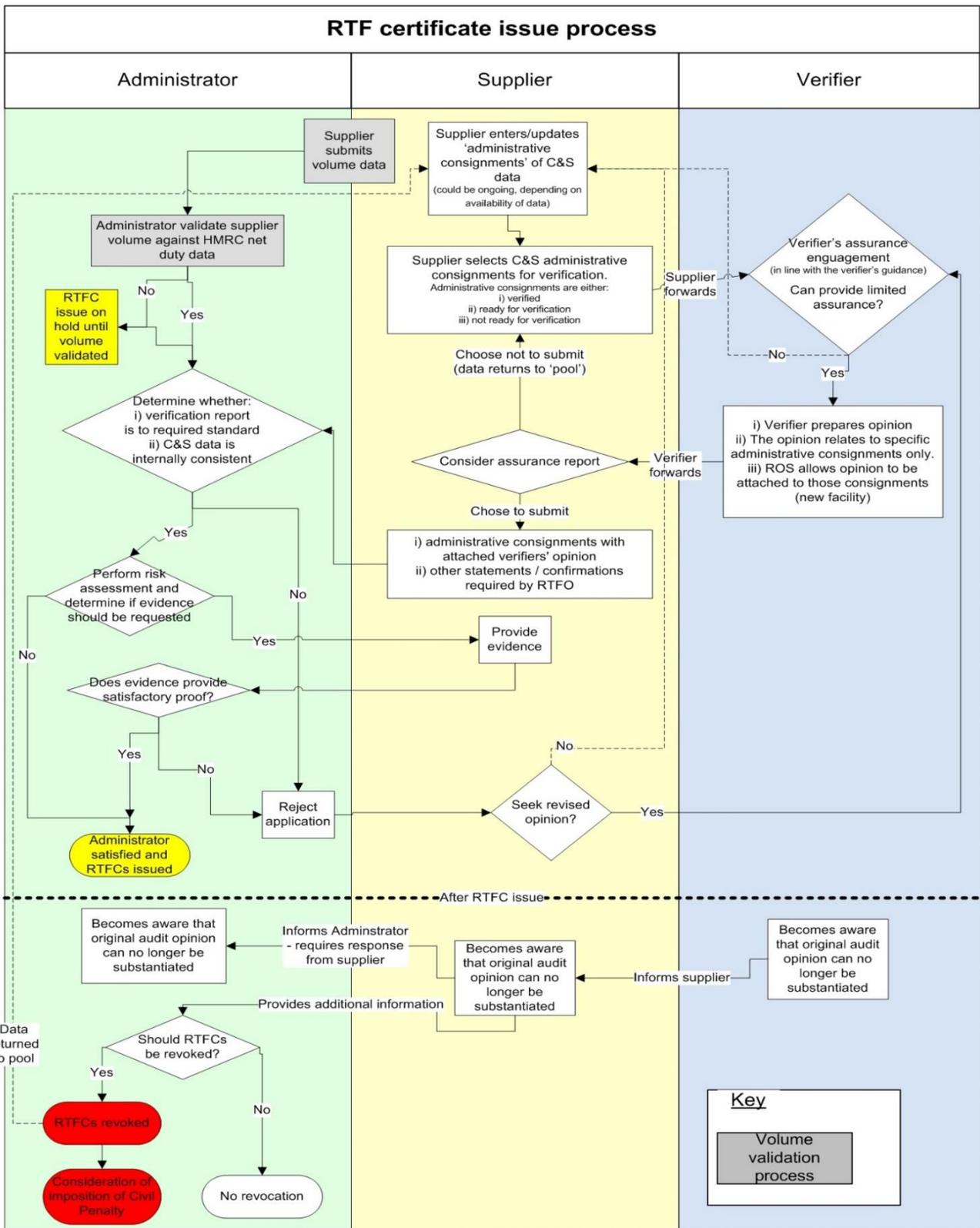


Figure 7 RTFC issue process

6. Meeting the obligation

Chapter summary

This chapter contains details of how suppliers must meet their obligation.

- 6.1 A supplier is required to discharge their obligation (see Chapter 2) by either redeeming one RTFC per unit of obligation, or by paying a 'buy-out' price. From 1 January 2019 suppliers will also have an obligation to supply a percentage of development fuels (see Chapter 2). The development fuel obligation is required to be discharged by either redeeming 'development fuel' RTFCs, or by paying the development fuel 'buy-out' price.
- 6.2 Suppliers will be notified of their obligation for an obligation period ahead of the redemption point. Suppliers will be notified shortly after the last issuing date for RTFCs, relating to the last possible submission period. In practice this will be on or shortly after 16 July following the obligation period in question. Chapter 2 describes how to calculate the obligation.
- 6.3 Suppliers are required to redeem RTFCs by 15 September immediately after the obligation period in question.
- 6.4 The redemption facility on ROS will be available for four weeks before that time and can be accessed via the RTFC account for that period's RTFCs.
- 6.5 A supplier is able to nominate which RTFCs they wish to redeem, i.e. whether from the previous obligation period (up to 25% of the main obligation or development fuel target), or the current obligation period, and from which of the RTFC categories. Note that relevant crop RTFCs are only allowed to be redeemed up to the level of the crop cap. Development fuel RTFCs can be "over-redeemed" above the development fuel target as these RTFCs also count towards the overall RTFO obligation.
- 6.6 The Administrator will calculate any buy-out as soon as is practicable after 16 September and inform the relevant suppliers by email. This communication will include the details of how to pay the amount due.
- 6.7 Where a supplier fails to redeem sufficient RTFCs to meet their main obligation they must pay a buy-out price of 30 pence per RTFC that would otherwise be required to meet this obligation. Where a supplier fails to redeem sufficient development fuel RTFCs to meet their development fuel obligation, they must pay a buy-out price of 80 pence per development fuel RTFC that would otherwise be required to meet the development sub target obligation shortfall that is missing.
- 6.8 This sum must be paid to the Administrator by 26 October following the end of the obligation period.

- 6.9 Note that the recycling mechanism of the buy-out fund is now removed. There will be no recycling of monies paid into any buy-out fund arising from obligation Year 10 and from subsequent obligation years.
- 6.10 Where a supplier fails to make the buy-out payment by 26 October, interest will be payable on that sum at 5% per annum above the Bank of England base rate on 27 October. This interest will be applied daily.

7. Civil penalties

Chapter summary

This chapter contains information on the civil penalty process.

- 7.1 The Administrator may issue a civil penalty on the following grounds:
- if a supplier does not apply for an RTFO account from the Administrator within 28 days of the supplier becoming obligated (see Chapter 1);
 - if a supplier does not wholly discharge either of its obligation by either the redemption of RTFCs or making a buy-out payment;
 - if a supplier or other person fails to submit a verified annual report on the additional sustainability information in the case that they are required to do so;
 - if a supplier or other person provides information, or evidence to support information, where they have not taken reasonable steps to ensure it is accurate;
 - where a supplier or other person has taken reasonable steps to ensure that information or evidence (to support that information) is accurate, but the supplier has subsequently become aware (either through their own or another person's actions) that it is in fact inaccurate and has failed to inform the Administrator, within 20 days of becoming aware.
- 7.2 For information, or evidence supporting information, that relates to the establishment of an account, a supplier or other person is not liable for a civil penalty if they inform the Administrator within 20 days of becoming aware (either through their own actions or another party's actions) that the information is no longer accurate. If the Administrator becomes aware that such information or evidence is inaccurate, a supplier is not liable for a civil penalty if the supplier investigates and, if necessary, remedies the inaccuracy within a time period set by the Administrator.
- 7.3 For information or evidence supporting information that relates to:
- volume information;
 - an application for an RTFC;
 - the revocation of an RTFC.
- 7.4 A supplier or other person is not liable for a civil penalty if they inform the Administrator within 20 days of becoming aware that the information is no longer accurate, so long as the Administrator is informed before or on the 16 August immediately after the obligation period to which that volume or RTFC relates. This applies whether this is due to the supplier's own actions or another party's actions. If the Administrator becomes aware that such information or evidence is inaccurate, a supplier is not liable for a civil penalty if they:

- are not informed of this by the Administrator before or on 16 August immediately after the obligation period to which that volume or RTFC relates; or
- investigate, and if necessary remedy, the inaccuracy within a time period set by the Administrator.

Communicating civil penalty notices

- 7.5 A civil penalty notice will be given, by written notice, from the Administrator, to the defaulter, detailing the amount, the reason for the penalty and informing the supplier or other person of their rights to appeal.

Amount of civil penalties

- 7.6 A civil penalty, for all issues except those related to the award of RTFCs, may be up to the lesser of £50,000 or 10% of turnover derived from fuels covered by the RTFO Order.
- 7.7 A civil penalty for issues related to the unlawful gain or attempt to gain RTFCs, may be up to the lesser of two times the buy-out price per RTFC covered by that issue, or 10% of turnover derived from fuels covered by the RTFO Order. Development fuels attract a higher buy-out price of 80ppl, and so the civil penalty for unlawful attempts to gain development fuel RTFCs will be two times greater than for other categories of RTFCs.

Objections to civil penalties

- 7.8 A supplier or other person who wishes to object to a civil penalty must do so in writing within 28 days of being issued with the civil penalty notice. The supplier must state the grounds for the objection.
- 7.9 The Administrator will consider the objection and will inform the supplier or other person in writing of the outcome of that consideration.
- 7.10 The objection will be considered outside of the RTFO Unit to ensure it is assessed objectively.
- 7.11 A supplier or other person may also challenge the outcome of the Administrator's decision through the courts.

Appeals to civil penalties

- 7.12 An appeal can be made under section 131 of the Energy Act 2004 on either or both of the following grounds: that the recipient considers that they are not liable to pay the penalty and/or that the amount of the penalty is too high.

Unpaid civil penalties

- 7.13 Where a civil penalty is not paid by the date specified in the civil penalty notice (i) interest may be applied at 5% above the Bank of England base rate (calculated on a daily basis) as of the day before the civil penalty is due and (ii) the total sum will be a debt recoverable by the Administrator.
- 7.14 Where a supplier objects to, or appeals against, a civil penalty, interest shall accrue while the objection or appeal is being considered, and the supplier shall be liable to pay that interest where an objection or appeal is dismissed.

Annex A: Sustainability compliance policy

Introduction

- A.1 This annex sets out the RTFO Administrator's policy on undertaking checks on the accuracy of information relevant to the sustainability criteria provided by suppliers and therefore whether the sustainability criteria have been met.
- A.2 When applying for RTFCs a supplier must provide a declaration that the information submitted in the application is accurate. Suppliers are also required to seek independent assurance (verification) of their information relating to compliance with the sustainability criteria and submit the assurance report to the Administrator. The supplier is expected to have its own processes and procedures to ensure that it provides accurate information and can therefore make such a declaration of accuracy. Verification and the provision of an assurance report are expected to occur in addition to this. Because compliance with some of the sustainability criteria can only be demonstrated through knowing the origin of the feedstock, information and/or evidence must pass along a chain of custody from the origin to the reporting party. Credible supporting evidence must be in place at each point in the chain so that the accuracy of the information can be checked.
- A.3 The Administrator has had regard to the [Regulators Compliance Code](#) in developing this policy.

Assessing applications for RTFCs

- A.4 Before issuing RTFCs, the Administrator, amongst other things, must be satisfied, so far as is reasonably practicable, that information related to compliance with the sustainability criteria (C&S data) provided by the supplier is accurate. To reach this level of satisfaction, the Administrator carries out checks on the sustainability information provided by the supplier in an application for RTFCs. In summary, these include the following four categories of checks:
 - 1 A check that the reported renewable fuel volume figures are consistent with the renewable fuel volume figures submitted to HMRC.
 - 2 A check that the C&S data is consistent with the requirements in the [C&S Guidance](#) for demonstrating compliance with the sustainability criteria.
 - 3 A check that the verifier's assurance report provides the required assurance that the C&S data has been prepared in accordance with the [C&S Guidance](#).
 - 4 A check on the accuracy of the reported C&S data relating to specific consignments of fuel in an RTFC application. Accuracy may be checked through, for example, requesting further information and/or evidence from the supplier. Specific consignments are selected based on an overall assessment of all RTFC applications.

- A.5 Further detail on the first three checks listed above can be found in earlier sections of this Process Guidance.
- A.6 This annex focuses on the accuracy checks carried out on selected consignments (check four) and sets out the process used to select these individual consignments.
- A.7 The Administrator will not issue RTFCs, where, following any of these checks, the Administrator is not satisfied, so far as is reasonably practicable, that information provided by the supplier relating to compliance with the sustainability criteria is accurate.
- A.8 Regarding check four, the Administrator uses the following process to check the accuracy of the information on the sustainability criteria for the selected consignments. Each stage is described in more detail in the sections that follow.
- a. The Administrator requests further information and/or evidence from the supplier(s) concerned;
 - b. Supplier(s) respond;
 - c. The Administrator assesses the response and determines whether RTFCs should be awarded or not and whether any further action should be taken;
 - d. The Administrator communicates lessons learned to fuel suppliers, verifiers and the wider stakeholder group, as appropriate, and updates its guidance where necessary.

Process of selecting consignments for further checks

- A.9 The Administrator selects consignments to carry out further checks by assessing the likelihood that the sustainability information provided by the supplier for individual consignments is inaccurate, together with the impact if the information was not accurate.
- A.10 Identification of factors that influence the likelihood of information in applications for RTFCs being inaccurate ('risk factors') is a dynamic process based on information gathering. This information may come from publicly available sources, other renewable fuel regulators, other UK public bodies, specific allegations from within the industry or the analysis of C&S information and evidence provided. The following paragraphs set out some of the types of risk factor which may be considered.
- A.11 Some risk factors are inherent in the nature of the RTFO, such as those raised by an increased incentive provided by double rewarding of fuels.
- A.12 The Administrator also considers information related directly to administrative consignments which have been submitted. For example, RTFC applications containing inconsistent or unusual C&S data, or limitations or exclusions in the verifier's statement, may increase the likelihood that information on the sustainability criteria is inaccurate.
- A.13 Information on individual suppliers may be taken into account. For example, those which have demonstrated good compliance with the regulations may be considered to be less likely to submit applications with inaccurate information than those which have not demonstrated good compliance.
- A.14 The Administrator will communicate information on risk factors to suppliers, verifiers and other stakeholders as it considers appropriate. In some instances there may be issues relating to specific allegations which cannot be publicly communicated.

- A.15 In determining the likelihood of information being inaccurate, the Administrator will consider if any risk factors are relevant to the consignment and if so will carry out an assessment that may include looking at:
- Whether the supplier has used an approved voluntary scheme;
 - The severity of any issue with the C&S information or verifier's statement;
 - The nature of any external information relating to the C&S information reported;
 - The credibility of the source of the information;
 - The past record of the supplier in complying with the sustainability criteria in the RTFO and any similar legislation, e.g. the UK's Renewables Obligation or another Member State's renewable fuels legislation;
 - Any knowledge the Administrator may have about the supply chain used and its record of compliance;
 - The nature of the sustainability information reported and the likelihood that it may not be accurate.
- A.16 In assessing the impact, the Administrator may take a number of factors into account including:
- The cumulative volume of fuel reported by the supplier with the same C&S characteristic(s);
 - The number of RTFCs per litre which have been applied for;
 - The nature of the sustainability information reported and the impact of any risks associated with that information (for example, whether or not RTFCs would have been issued if accurate information had been provided in the RTFC application).

Process for further checks

a) Administrator sets out what it requires from the supplier

- A.17 Where an administrative consignment has been selected for further checks, the lead user at the supplier will be contacted by e-mail clearly setting out what is required of them. This may include an explanation of unusual data, a query about the verification statement or a request for further information, and/or evidence to demonstrate the accuracy of the data. The Administrator will ask the supplier to acknowledge receipt of the request.
- A.18 Where a selected consignment forms part of a larger administrative consignment group, the decision on whether to issue RTFCs to any of the consignments in the group will be held until the decision on the consignment in question has been made.
- A.19 The deadline for a full response will be provided, allowing the Administrator sufficient time to review the information and make a decision on RTFC issue within the current application month. Failure to meet the deadline will result in the application being 'rolled over' to the subsequent month.
- A.20 Under the RTFO Order, applications for RTFCs may be made at any time up to 14 May following the end of an obligation period. If suppliers wish to use the RTFC for redemption against an obligation for the obligation period in question, the last scheduled RTFC issue date is 15 June. Towards the end of an obligation period, the Administrator will provide an end of year deadline for provision of evidence for any outstanding applications beyond which further evidence may not be considered.

- A.21 As set out in the [C&S Guidance](#) Chapter 6, a chain of custody must exist from the origin to demonstrate that the C&S data being reported is accurate.
- A.22 Where an approved voluntary scheme is used, only the relevant scheme certificate for the consignment of fuel in question is required to be produced, with the following exceptions:
- the scheme does not include a certified chain of custody;
 - there is a gap in the chain of custody between the certificate issue and point of UK supply;
 - the scheme certificate does not include the required data (e.g. the feedstock type).
- A.23 Where an approved voluntary scheme is not used, or where it does not address all the requirements as outlined above, the Administrator may require that documentation is provided that demonstrates the entire chain of custody. For example, this may occur where evidence to demonstrate feedstock or reporting items relating to land use is required.
- A.24 When requiring information and/or evidence behind an application, the Administrator may give the supplier an option to provide details of the chain of custody and a list of the evidence which is available for each step before they are asked to provide the evidence in question. This may be part of the evidence pack that was prepared for the verifier in advance of the verification process. The Administrator will review this list to determine whether it is appropriate to select a sample of evidence for review rather than requiring evidence for the entire chain of custody. Whilst it is not a requirement that the supplier holds such a list, the provision of a list is likely to contribute to a quicker outcome.
- A.25 The Administrator recognises that supply chains may be complex and involve many different entities, especially close to the origin of the feedstock. It is likely that the Administrator will want to see all of the evidence demonstrating the chain of custody for the later stages of the supply chain. However, it is unlikely that all of the evidence relating to every entity close to the origin will be required for review. By providing a list of the suppliers or information and/or evidence involved, the supplier will facilitate the selection of a sample for review by the Administrator.

b) Suppliers respond

- A.26 The Administrator would prefer to receive all of the information and evidence in one pack, preferably labelled such that it is clear which evidence applies to which steps in the chain of custody. If the supplier intends to supply information and/or evidence in several sections they should indicate this at the outset, and once the final documentation has been provided they must also let the Administrator know so that the review can commence.
- A.27 If the supplier is unwilling or unable to respond to the request, they may withdraw their application; however, the Administrator will require the supplier to inform them if they subsequently seek to apply for RTFCs on the fuel in question. If the supplier has not responded to the request to the Administrator's satisfaction by the end of year deadline mentioned in paragraph A.20, RTFCs may not be issued in time for redemption in the obligation period in question.

c) Administrator reviews the response

- A.28 The Administrator will review the supplier's response and any information and/or evidence provided within the time period set out in the original request. If the Administrator is satisfied that the information relating to compliance with the sustainability criteria is accurate for the selected consignment(s), the application for RTFCs will be approved (subject to all other conditions being met).
- A.29 If the Administrator is not satisfied that the information provided is accurate and therefore that the sustainability criteria have been met, RTFCs will not be issued. The application for the administrative consignment group concerned will be rejected. The reasons for rejection will be set out in an e-mail to the supplier notifying them that the application has been rejected. A requirement will be placed upon the supplier to inform the Administrator if they subsequently seek to apply for RTFCs for the fuel in question.
- A.30 If RTFCs are not issued, the Administrator will consider whether further enforcement action is also necessary such as the imposition of a civil penalty (see Chapter 7). If the Administrator is considering additional enforcement action, this may also be communicated in the e-mail notifying them of the non-issue of certificates. Whilst there may be a link between the rejection of an application for RTFCs and the imposition of civil penalties, the Administrator may only consider imposing a civil penalty where a supplier has not taken reasonable steps to ensure that the information or evidence is accurate.
- A.31 The circumstances in which certain enforcement actions may be taken and the processes involved, including those for appeal are set out in earlier sections of this guidance.
- A.32 If the Administrator informs the supplier that the evidence provided is insufficient to substantiate the information, the administrative consignments can be re-submitted at any time up to the final deadline for submission for that obligation period (subject to the requirement to notify the Administrator of this as set out above). Upon re-submission, the Administrator will expect to see additional evidence or further explanation to that already provided and will assess this as set out above. The re-submitted application may not be processed within the normal monthly timeframe.
- A.33 In accordance with the mass balance rules, if an application for RTFCs has been rejected, there must be a volume of unsustainable renewable fuel equivalent to the amount for which RTFCs were not issued in the supplier's account within the supply period (month or quarter) in question. The Administrator will check that this is the case.
- A.34 The Administrator will consider whether the outcome of any checks on RTFC applications has changed the risk profile such that other checks on RTFC applications either from the supplier in question, or other suppliers should be initiated. For example, if an issue with a specific supply chain party was discovered, the Administrator may require that all suppliers declare whether their chain(s) of custody included this party.
- A.35 Where an RTFC application has been rejected, the Administrator may, where requested by the supplier, make comment on the likely outcome of any future application for the same or similar fuel.

d) Communicating lessons learned

- A.36 Communication about a specific application for RTFCs will be directly with the supplier involved. The Administrator is available for discussions with the supplier and the verifier involved.
- A.37 The Administrator will not discuss the specifics of a case directly with a verifier without specific written permission from the supplier concerned; however the Administrator is available for general discussions with individual verifiers.
- A.38 The Administrator will use existing communication channels to keep suppliers, verifiers, and the other stakeholders informed of any developments.

Reviewing RTFCs already issued

- A.39 Where the Administrator identifies an issue with consignments of renewable fuel supplied for which RTFCs have already been issued, the Administrator may need to review evidence in respect of that fuel. For example, if it became apparent that some consignments of fuel from a particular supply chain did not meet the mandatory sustainability requirements, the Administrator might need to review the evidence for fuels reported through that supply chain.
- A.40 In such a case the Administrator will inform suppliers and request evidence as considered appropriate.
- A.41 If as a result of the investigation it becomes apparent that RTFCs may have been awarded incorrectly, the Administrator will consider the appropriate actions to take, which may include revocation of the RTFCs.
- A.42 There is a process that allows for representations against revocation of RTFCs and a reconsideration of the decision to revoke as set out in Chapter 5.

Annex B: Changes

Section	Changes
Executive summary	Summary of changes in Year 11 guidance added
Executive summary	Approach to determining whether a waste or residue will receive a double reward outlined.
Executive summary, Chapter 1 (1.2, 1.11-1.13, 1.18,1.25-1.28)	Inclusion of renewable aviation fuel under the RTFO Order.
Executive summary, Chapter 5 (5.3)	Clarification around claiming re: chemical precursors.
Executive summary, Chapter 1 (1.11, 1.14-1.15), Chapter 2 (2.22) Chapter 3 (3.33-3.51)	Inclusion of renewable fuels of non-biological origin (RFNBOs) and part RFNBO, part non-RFNBOs fuels under the RTFO.
Executive summary, Chapter 1 (1.14, 1.22, 1.29-1.30, 1.33-1.36)	Inclusion of hydrogen under the RTFO Order.
Chapter 1 (1.20-1.24)	Definition of the assessment time for fuels which do not have a duty point.
Executive Summary, Chapter 2, Chapter 5 & Chapter 6	Changes to the RTFO target trajectory detailed, as well as obligation period and reporting timetable changes.
Executive summary, Chapter 2 (2.17 -2.26), Chapter 5 (5.30-5.36, 5.40) & Chapter 6.	Development fuel target explained.
Executive summary, Chapter 2 (2.10- 2.16), Chapter 5 (5.32-5.36) & Chapter 6	Crop cap explained.
Chapter 2, Chapter 4, Chapter 5, Chapter 6, and Chapter 7.	Chapters updated to reflect the move to a calendar year obligation period (from Year 12) and consequential changes to RTFO reporting deadlines.
Chapter 3 (3.52 - 3.53)	Update to the statement regarding other forms of support for renewable energy. Update to the guidance on gas trade flows across international borders; and on the adjustment factor to use for gas grid losses.
Chapter 5 (5.33 -5.37)	Text on RTFC categories amended to include the removal of GHG categories and introduction of 'crop cap' and 'development fuel' RTFCs.
Chapter 5	Explanation of dedicated energy crops.

Section	Changes
Chapter 5	Amended text on carryover to cover arrangements when the crop cap and the development fuel target are implemented. Special arrangements for carry over into 2020 and 2012 outlined.
Chapter 6 (6.9)	Guidance updated to discontinue recycling of RTFC buy-out fund.

Table 9 Summary of main changes in Version 11.0