

RTFO Guidance Part One: Process Guidance

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Executive Summary

This document is the Process Guidance for reporting under the Renewable Transport Fuels Obligation (RTFO) Order 2007 (as amended). The aim of this document is to provide information on how suppliers should comply with the Order and practical instruction on how they should 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 Fuels Certificates (RTFCs)
- penalties for non-compliance.

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 road transport. The RTFO commenced on 15 April 2008 and is intended to deliver reductions in carbon dioxide emissions from the road transport sector by encouraging the supply of renewable fuels. The RTFO has been amended to implement the transport elements of the EU Renewable Energy Directive (RED), which require that renewable fuel passes sustainability criteria before being rewarded under the RTFO.

Under the RTFO fuel suppliers have an obligation to provide sustainable renewable fuel in proportion to the volume of fuel they supply for road transport. This guidance sets out who is obligated and how they should comply with that obligation.

Meeting the obligation

Suppliers of road transport fuel supplying petrol, diesel 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. One certificate may be claimed for every litre (or kilogram in the case of biogas) of sustainable renewable fuel supplied. Fuel from certain types of feedstock is incentivised by awarding two certificates per litre supplied. Data on sustainability of fuel supplied must be independently verified before certificates will be awarded. The Carbon and Sustainability Guidance and Guidance for Verifiers form the other two parts of the RTFO Guidance and contain the detail on demonstrating compliance with sustainability criteria and of the verification process. Carbon and Sustainability is abbreviated to C&S throughout this document.

RTFCs may be traded on an open market. Any supplier of renewable fuels may apply to receive RTFCs, regardless of whether or not they have an obligation under the Order.

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 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 buy RTFCs for onwards sale, may also apply for an account.

Suppliers will be required to declare that a claim has not and will not be made under other renewable energy support schemes for the fuel upon which they are claiming RTFCs.

Penalties for non-compliance

The Administrator has powers to impose civil penalties in certain cases of non-compliance with the requirements of the RTFO.

1. Accounts

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, any company that owns and supplies 450,000 litres or more of any road transport fuels, for use in the UK, 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 or partially renewable fuel owned by the company.
- 1.2** Road transport fuel is covered by the RTFO at the point when the fuel becomes liable for excise duty in the UK - termed the 'duty point'.
- 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** Obligation periods under the RTFO run from 15 April in one year to 14 April in the next year.
- 1.5** Suppliers must have begun the process of opening an account within 28 days of having passed the 450,000 litre threshold.
- 1.6** If suppliers of less than 450,000 litres of renewable fuels wish to apply for Renewable Transport Fuel Certificates (RTFCs), they must first open an account with the Administrator.
- 1.7** As RTFCs are virtual certificates that exist only within the RTFO Operating System (ROS), any companies wishing to act as 'traders' in RTFCs (i.e. those who wish to own the RTFCs for onwards sale), must also open an account with the Administrator in order 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.

- 1.8** Fuels that are physically present within the UK but have not crossed the duty point (i.e. are 'duty suspended') are not covered by the RTFO.

Penalties for failure to open an account

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

Road transport fuels

- 1.10** The following road transport fuels are covered by the RTFO:
- Petrol
 - Diesel
 - Any wholly renewable fuel
 - Any partially renewable fuel
- 1.11** Wholly and partially renewable fuels can be either liquid or gaseous.
- 1.12** Petrol means those fuels covered by any volatile mineral oil intended for the operation of internal combustion positive-ignition engines for the propulsion of vehicles and falling within CN codes 2710 11 41, 2710 11 45, 2710 11 49, 2710 11 51 and 2710 11 59.
- 1.13** Diesel means gas oils falling within CN code 2710 19 41 and used for self-propelling vehicles as referred to in Directive 70/220/EEC and Directive 88/77/EEC.
- 1.14** A wholly renewable fuel means one where all of that fuel was derived from feedstocks that are of biological origin.
- 1.15** A partially renewable fuel is one where part of that fuel was derived from feedstocks from biological origin and part from feedstocks of fossil origin.
- 1.16** The term biofuel is not used in this part of the guidance. It is used in part two of the guidance to mean a fuel that has passed the sustainability criteria.
- 1.17** Whether or not a fuel is covered by the RTFO is independent of whether or not that fuel is blended, at any blend rate, with any other fuel.
- 1.18** In practice this means that fuels covered by the following HMRC duty codes are covered by the RTFO:
- Leaded petrol (515)

- Unleaded Petrol (522);
 - Heavy Oil (541)
 - Biodiesel (Used Cooking Oil) (580)¹
 - Biodiesel (589)
 - Bioethanol (595)
 - Natural gas including biogas (591)
- 1.19** Fuels covered by the following HMRC duty codes may also be covered by the RTFO, depending on what use the fuel is put to.
- Light oil (other than unleaded petrol) (520)
- 1.20** Fuel additives and supplements are not covered by the RTFO.

Applying for an account

- 1.21** Suppliers use the 'RTFO Operating System' - 'ROS' 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, 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 or to surrender them to gain a portion of the buy-out fund.
- 1.22** 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 Departments own data and information.
- 1.23** 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.
- 1.24** Once those who have applied for an account have received the URL, they are required to complete an online registration form. The Administrator will carry out the necessary registration checks before an applicant is granted full access to ROS.
- 1.25** When registering, companies must enter the following information on ROS:

¹ Until such point as this code is withdrawn due to the ending of the duty differential for this fuel.

- Account type (these either the same as HMRCs 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)
- The full name, position, email and phone number of a person with legal responsibility for the entity (usually a director or a partner²)
- 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).

1.26 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's³ full name, position, email and phone number.

1.27 In order to ensure that all entities that have access to the system are legitimate, this registration information will be checked.

² This will be yourself for a sole trader

³ Your verifier is the person or company who will provide assurance on the sustainability of any biofuel you supply – see Chapter 4.

1.28 UK registered companies applying for an account must provide:

- Photocopy of 'Certificate of Incorporation' from Companies House (if registered limited company from the UK). For companies registered outside the 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 1.25 who have legal responsibility for the organisation. This can either be the original of a government issued proof of identification⁴, a photocopy or a scanned electronic copy. If a photocopy or a scanned electronic 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 manager⁵. If a photocopy 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).
- Where the applicant is a fuel supplier, proof of intent to supply road transport fuel is required. This is likely to be in the form of a photocopy of a letter of registration from HMRC, an excise duty registration document, or other correspondence that confirms the intent to supply road transport fuel.

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

- Photographic proof of identity of one or more of the persons named under 1.25 who have legal responsibility for the organisation. This can either be the original of a government issued proof of identification⁴, a photocopy or a scanned electronic copy. If a photocopy or a scanned electronic 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 manager⁵. If a photocopy 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 fuel is required. This is likely to be in the form of a

⁴ Original documents will be returned by registered post to the applicant.

⁵ Copies will be destroyed in a controlled manner once proof of identity has been verified.

photocopy of a letter of registration from HMRC, an excise duty registration document, or other correspondence that confirms the intent to supply road transport fuel.

- 1.30** In order 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 1.25 (or the individual if they a sole trader) is required.
- 1.31** 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.
- 1.32** Non-obligated suppliers or traders who wish to open an account must also consent to allowing the Administrator access to premises and to company information as required for purposes connected to the administration of the Order.
- 1.33** 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.
- 1.34** The Administrator will begin the processing of 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.
- 1.35** There is no fee for opening an account and no requirement to re-register in subsequent obligation periods.
- 1.36** Should an applicant not submit their application within 28 calendar days of beginning the process on ROS, ROS will automatically delete that application. A new application can be made at any point in the normal way.

Account refusal

- 1.37** 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.
- 1.38** The Administrator will provide, in writing, the reason why the account has been refused.

Changing information concerning an account

1.39 All account holders are required to ensure that the information concerning their account is accurate. Most information can be updated by the account holder on the ROS system.

1.40 In order 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 from the DfT website or directly from the Administrator.

The Administrator, after undertaking the necessary checks, will then alter these details for the account holder.

1.41 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

1.42 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.

1.43 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 6.

Account closure

1.44 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.

1.45 The Administrator may close an account when no certificates have been awarded or traded into the account in the preceding 36 months.

1.46 An account will not be closed where there are still certificates that can be either redeemed against an obligation or surrendered against a buy-out fund in the account.

1.47 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 from the DfT website or directly from the Administrator.

- 1.48** 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.
- 1.49** 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 ten years and will continue to be reported as official statistics.

Reinstating a closed account

- 1.50** 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

- 1.51** 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.

The lead user may designate any other user to be lead user instead of themselves.

A director may also provide a written request to change the lead user.

- 1.52** 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.
- 1.53** The Administrator can reset users' passwords and will do so upon request. 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

- 1.54** Accounts may be consolidated by the Administrator. The Administrator will do so where one transport fuel supplier has been wholly subsumed into another supplier.
- 1.55** 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 and must discharge its duties accordingly.
- 1.56** 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.

Illegal supply of fuel

- 1.57** Any fuel that is supplied illegally i.e. without being declared to HMRC, is subject to an obligation under the RTFO. The Administrator works closely with HMRC and where it becomes aware that such a supply has occurred, the supplier in question is subject to the same Civil Penalty liabilities as a supplier that has failed to register with the Administrator or an account holder who has failed to report accurate information (depending on the status of the supplier) see Chapter 6, Civil Penalties.

2. Obligation

Summary

This chapter contains details of how the Administrator will determine the volume of obligated fuel a supplier has supplied in an obligation period.

Minimum threshold

- 2.1** The RTFO order places an obligation on any supplier of road transport fuel who supplies more than 450,000 litres of petrol, diesel or renewable transport fuel, to places in the UK, in an obligation period.
- 2.2** Any supplier that supplies less than this volume of fuel to places in the UK in an obligation period does not have an obligation.
- 2.3** For suppliers of volumes of road transport 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** An obligation period runs from 15 April one year to 14 April the following year. Chapter 3 sets out how an obligation period is broken into reporting periods.

Calculation of the obligation

- 2.6** The obligation is calculated as the total volume of fuel supplied (taking into account the minimum threshold provisions set out above) minus the volume of sustainable fuel multiplied by the obligation percentage for that period.
- 2.7** The volume of sustainable fuel is that volume for which RTFCs have been issued, after the sustainability has been proven. See Chapter 4 for

RTFC issue and the C&S Guidance for demonstrating compliance with the sustainability criteria.

- 2.8** 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.
- 2.9** Figure 2.1 at the end of the chapter, shows a schematic of how this works.
- 2.10** The obligation percentages are set out in table 2.1 below. The obligation is calculated as a percentage of fossil and unsustainable renewable fuel which result in the supply of renewable fuel being a certain percentage of overall road fuel supply. This resultant renewable fuel supply is also shown.

Obligation year	Obligation percentage	Resultant renewable fuel supply
2008/2009	2.5641%	2.5%
2009/2010	3.3592%	3.25%
2010/2011	3.6269%	3.5%
2011/2012	4.1667%	4.0%
2012/2013	4.7120%	4.5%
2013/2014 and all subsequent years	5.2632%	5.0%

Partially renewable fuels

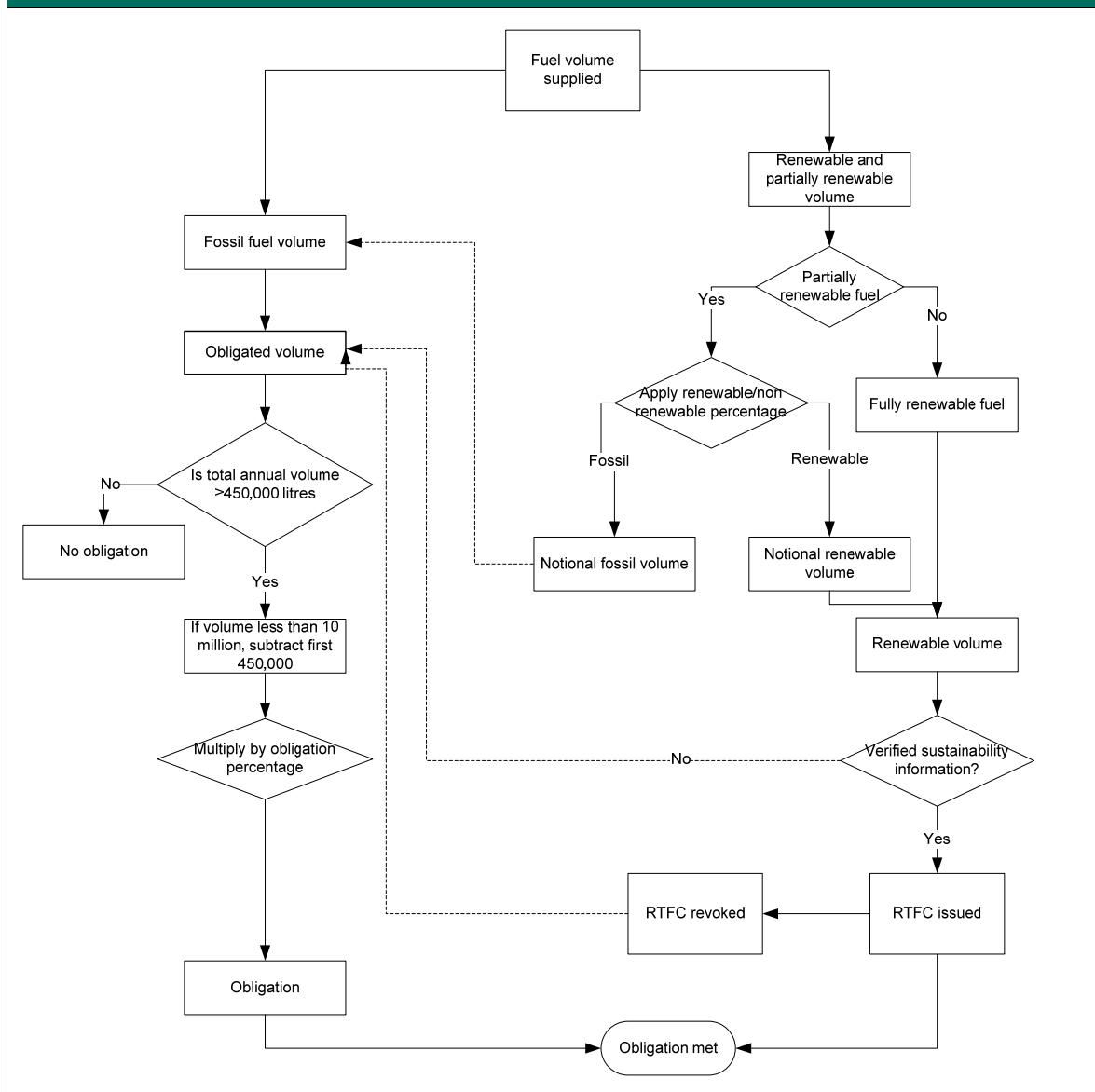
- 2.11** Partially renewable fuels are those where the molecular structure contains carbon atoms sourced from both fossil and renewable feedstocks e.g. bio-methyl-tertiary-butyl-ether (bio-MTBE).
- 2.12** As a partially renewable fuel does not have discrete volumes that are renewable or fossil, in order to determine how much of that fuel is eligible for RTFCs, the actual volume of the fuel has to be split into a fossil and a renewable element.
- 2.13** The calculated renewable volume is treated as a renewable fuel and subject to the same assessment of sustainability before RTFCs are applied for. Should this calculated renewable volume not pass the sustainability criteria then it is not subtracted from, and cannot count towards meeting the obligation.
- 2.14** The Order sets out the percentage renewability for three renewable fuels; these are bio-MTBE, bio-ethyl-tertiary-butyl-ether (bio-ETBE) and fatty-acid-methyl-ester (FAME). These percentages, set out in table 2.2, must be used in determining the amount of renewable fuel supplied.
- 2.15** FAME is regarded as a wholly renewable fuel under the RTFO and is treated as such in the determination of the eligibility for certificates. Where part of a litre of FAME does not pass the sustainability criteria (which may occur where a batch of FAME is produced from multiple feedstocks), the percentage that did pass the sustainability criteria will be applied to the whole volume of FAME (including the fossil-derived element) when determining eligibility for RTFCs and obligation volumes.
- 2.16** In order to determine the appropriate fossil/renewable split for a partially renewable fuel not included in table 2.2, one of the following approaches must be taken:
- a. Where a fuel is produced from precursor chemicals where each of those precursors is either wholly renewable or fossil derived, and not listed in table 2.2 a 'mass balance' approach taking into account the renewability of all reactants and products must be applied.
 - b. Where the precursors to a fuel are derived from a source that is a mixture of renewable and fossil material, the percentage renewable should be determined via the ratio of C¹² to C¹⁴. The Administrator will consider any percentages derived from such a method on a case-by-case basis and any supplier that wishes to use such a method is encouraged to contact the Administrator at least 6 months in advance before supplying such fuel, in order to discuss how they will be determining the ratio.

- 2.17** All calculations to determine the volume of renewable fuel should be rounded to the nearest litre.
- 2.18** For example, a supply of 1,000,000 litres of MTBE is multiplied by the renewable percentage 36% to generate the calculated renewable volume of 360,000 litres and by the fossil percentage of 64% to generate the calculated fossil volume of 640,000 litres. This calculated renewable volume would then be subject to the sustainability tests.
- 2.19** A supply of 1,000,000 litres of a diesel substitute produced from municipal waste that includes non-renewable material would be subject to C¹⁴ to C¹² ratio testing (methodology to be agreed with the Administrator). If this testing showed that 85% of the fuel was derived from renewable sources then the calculated renewable volume would be 850,000 litres. This calculated renewable volume would then be subject to the sustainability tests.

Table 2.2 - Determining what proportion of partially renewable fuels are renewable.

Fuel (IUPAC nomenclature)	Percentage renewable (by volume)	Source
FAME - fatty-acid-methyl-esters	100%	In the Order
ETBE - ethyl-tertiary-butyl-ether (2-ethoxy-2-methyl-propane)	47%	In the Order - derived from 2003 Biofuels Directive
MTBE - methyl-tertiary-butyl-ether (2-methoxy-2-methyl-propane)	36%	In the Order - derived from 2003 Biofuels Directive
TAAE - tertiary-amyl-ethyl-ether (2-ethoxy-2-methyl-butane)	{?%}	{?}

Figure 2.1 - Overview of how different fuels are treated under the RTFO



3. Volume submission

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

- 3.1** Obligated suppliers are required to submit information on the volume of all fossil, renewable or partially renewable fuels that are covered by the RTFO.
- 3.2** 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. They are under no requirement to do so if they do not wish to apply for RTFCs.
- 3.3** The RTFO applies to fuels that a supplier owns at the duty point that is supplied at or for delivery to places in the UK for use in road transport. Where a supplier subsequently supplies that fuel outside of the UK or for purposes other than for road transport use, that fuel is not covered by the RTFO.
- 3.4** 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.

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 upon the fuel that it owns at the duty point, then only the data under (a) and (d) is required.

- 3.5** Where a supplier subsequently removes the fuel from the UK road transport 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 biofuel, or that the fuel in question should have counted towards the RTFO.
- 3.6** This means in practice that the Administrator will regard the fuels which the RTFO applies to as being those volumes of fuel which a supplier is liable to pay road duty on - i.e. the 'net' figure of duty liability minus duty reclaim.
- 3.7** Where a supplier declares that a fuel is not covered by the RTFO, 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.
- 3.8** In order 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 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.
- 3.9** Where the fuel is originally supplied for UK road transport use in one obligation period and then subsequently supplied for non-road or 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.
- 3.10** Where this subsequent supply for non-road or 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.
- 3.11** Where a subsequent supply of fuel for non-road or 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.

- 3.12** When submitting fuel volumes to the Administrator, suppliers should report volumes by fuel type, as they are outlined on 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. hydrogenated vegetable oil). In these instances there will be a separate code on ROS for the different fuel types and suppliers should report their volumes accordingly.
- 3.13** Fossil denaturant added to bio-ethanol to render it unfit for human consumption should be recorded as a fossil fuel as it is not a renewable fuel. A separate fuel type will be created on ROS in order to validate this information e.g. 'denaturant (petrol) in ethanol'.
- 3.14** The volumes of partially renewable fuels should be split into the fossil and renewable volumes as outlined in paragraphs Chapter 2 above. The Administrator will create 'renewable element of partially renewable fuel' and 'fossil element of partially renewable fuel' fuel types on ROS which this volume should be submitted under. e.g. "the renewable part of ETBE" and 'the fossil part of ETBE'.
- 3.15** How the fossil element should be entered will depend on how HMRC require 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.

How the Administrator validates supplier submissions

- 3.16** The process of the Administrator verifying that the volume data is correct is termed 'validation' in order to distinguish it from the verification of carbon and sustainability information by independent verifiers.
- 3.17** 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 3.1 and Figure 3.2 show how this is done when duty is paid on a duty deferred basis.
- 3.18** Where a volume is not checkable against HMRC data, for example where a single duty code covers both fossil and renewable elements, 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.

3.19 Which approach is used will be determined on a case-by-case basis and will depend upon the complexity and nature of the split in volumes.

3.20 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

3.21 Additives are not covered by the RTFO. See 3.13 on how denaturants are dealt with by the RTFO.

3.22 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 chose to report them during the obligation period and then deduct the total amount supplied from the last reporting period in the obligation period. Proof as set out in section 3.18 will be needed for this volume.

Energy content

3.23 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 of the fuels that will be covered by the RTFO, we do not require suppliers to submit energy content information, unless:

- a. the fuel is not listed within 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.

If a supplier is aware of this they must inform the Administrator.

Figure 3.1 - How duty deferring relates to the duty point

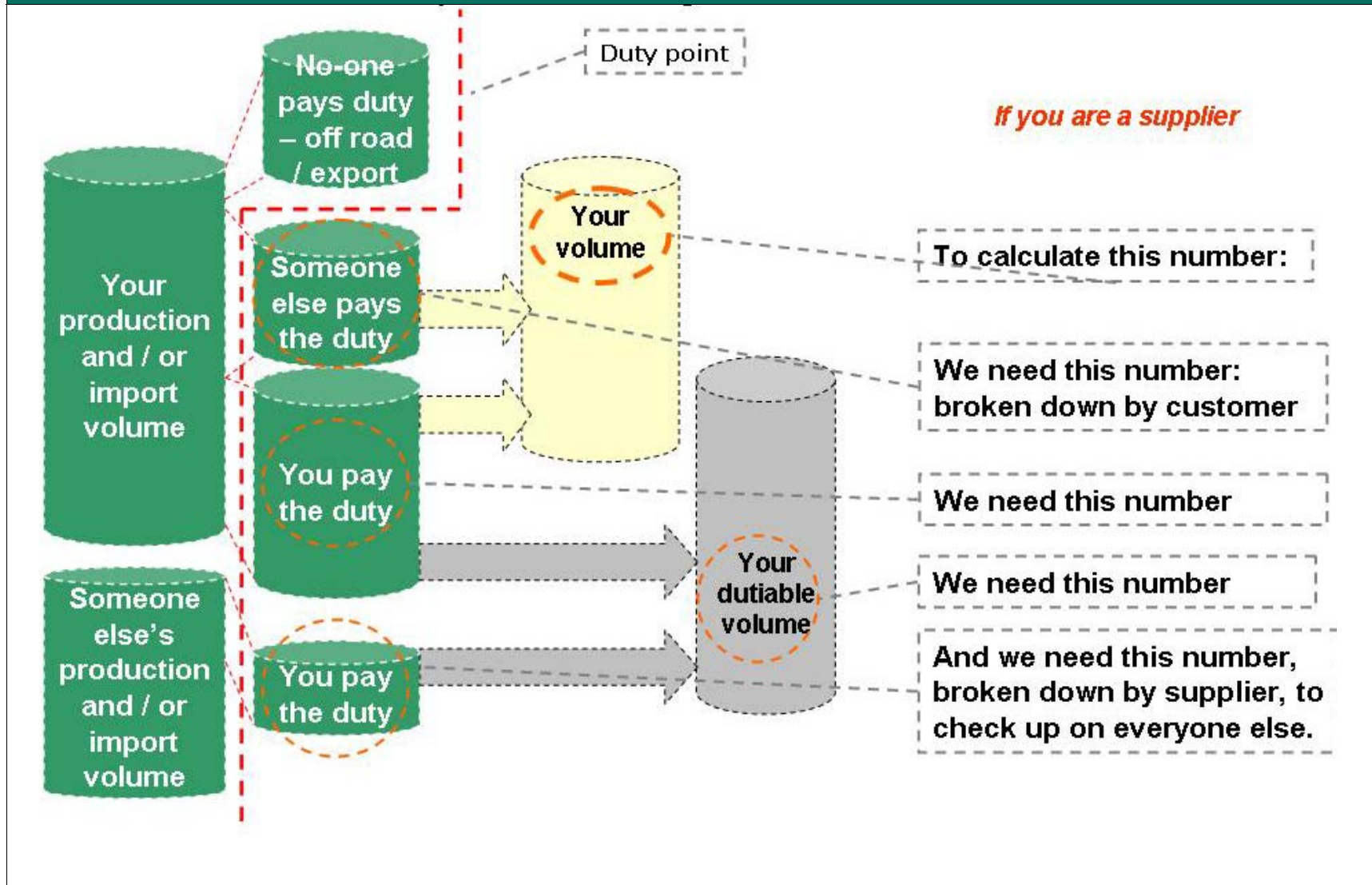
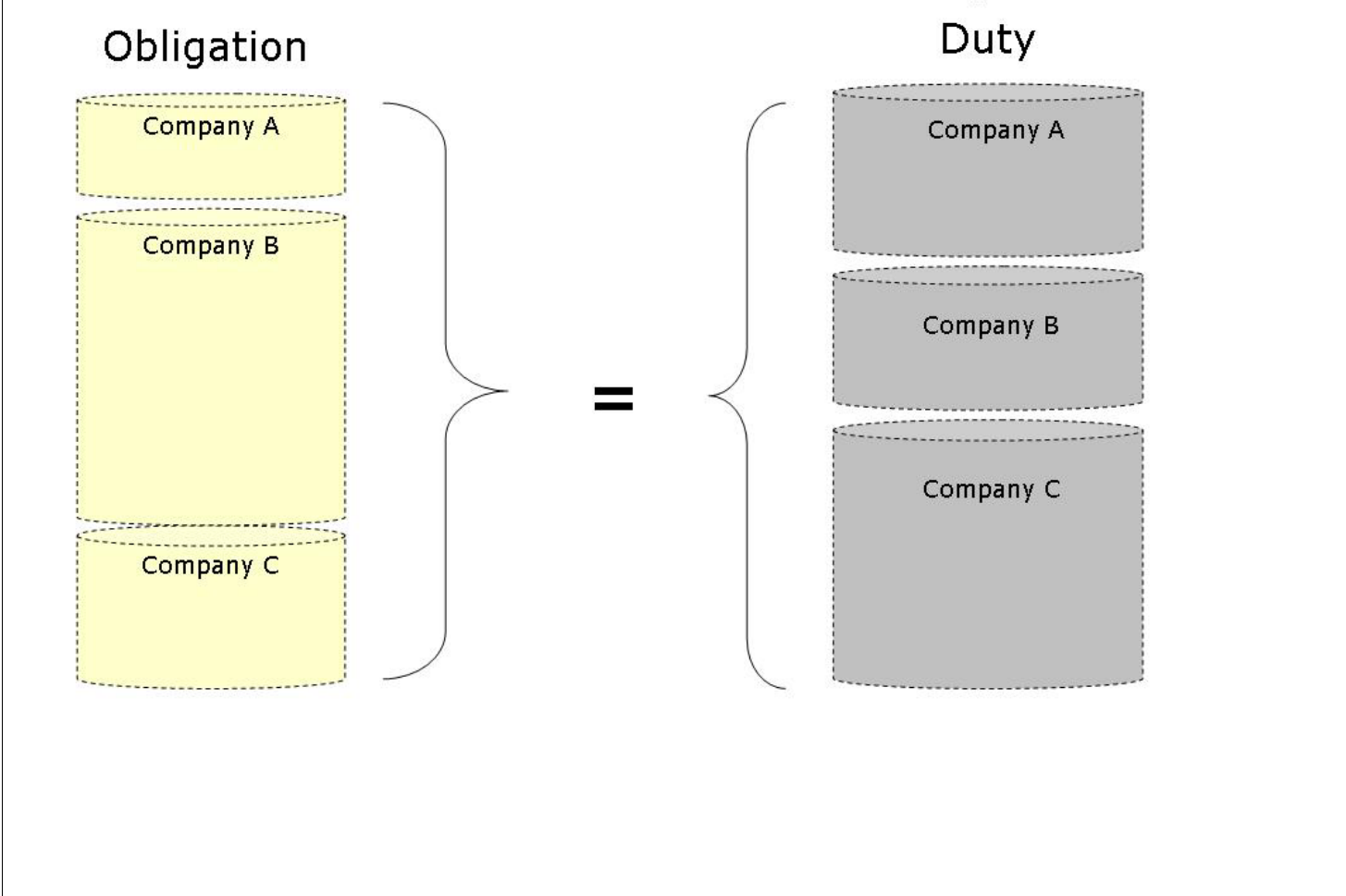


Figure 3.2 - How this allows cross checking



Reporting Timetable

- 3.24** 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 Administrator by 14 November. When the 14th falls on a weekend or bank holiday, submissions must be made by the previous working day.
- 3.25** 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.
- 3.26** 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.
- 3.27** 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 01 July to 30 September, which is reported to HMRC by 31 October, a submission must be made to the RTFO Unit by 14 November.
- 3.28** As the RTFO operates from 15 April to 14 April in the following year, both monthly and quarterly HO930 companies must 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.
- 3.29** Currently HO10 reporting companies are not required to split their 15 December to 14 January report into two sections breaking on 31 December/01 January. This may be required in the future to align RTFO reporting with the UK's reporting requirements under the RED and FQD. Suppliers will be informed if this is the case.

- 3.30** Companies who report to HMRC using other forms on a calendar month basis (e.g. CHIEF, REDS / RCS) must submit volume information to the Administrator on a calendar basis in line with the rules (excluding those covered by 3.25).
- 3.31** 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.
- 3.32** The Administrator will publish a table each year of the reporting dates for that obligation period. Table 3.1, below, shows an example of when different companies must report as well as first potential certificate award dates.
- 3.33** This section does not deal with the timelines for submission of C&S data in order to received RTFCs. This is dealt with in Chapter 4 below.

Table 3.1 - Reporting dates for the obligation periods 15 April year 'A' to 14 April year 'B'

Mid month to mid month duty payments			Calendar month and quarter duty payments					
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	
14/01/bb	14/02/bb	9	31/12/aa	14/02/bb	31/12/aa	14/02/bb	15/03/bb	
14/02/bb	14/03/bb	10	31/01/bb	14/03/bb			15/04/bb	
14/03/bb	14/04/bb	11	28/02/bb	14/04/bb			15/05/bb	
14/04/bb	14/05/bb	12	31/03/bb	14/05/bb	31/03/bb	14/05/bb	15/06/bb	
		13	14/04/bb ³	14/05/bb	14/04/bb ³	14/05/bb	15/06/bb	

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 must split their submissions of supply for the period 01/04/bb to 30/04/b or 01/04/bb to 30/06/bb such that the supply from 01/04/bb to 14/04/bb is reported in this period in the 13th reporting period

4. RTFCs

Summary

This chapter contains details on:

- how RTFCs should be applied for
- how they will be issued
- how carry over works
- when RTFCs will be revoked.

The Carbon and Sustainability Guidance and Guidance on Verification should be referred to alongside this chapter.

Which fuels are eligible for RTFCs

- 4.1** The total volume of a wholly renewable fuel, and the part of a partially renewable fuel that is derived from renewable sources (see Chapter 2), are eligible for RTFCs, provided it has been proven that they have passed the sustainability criteria.

Requirements before an application for RTFCs can be made

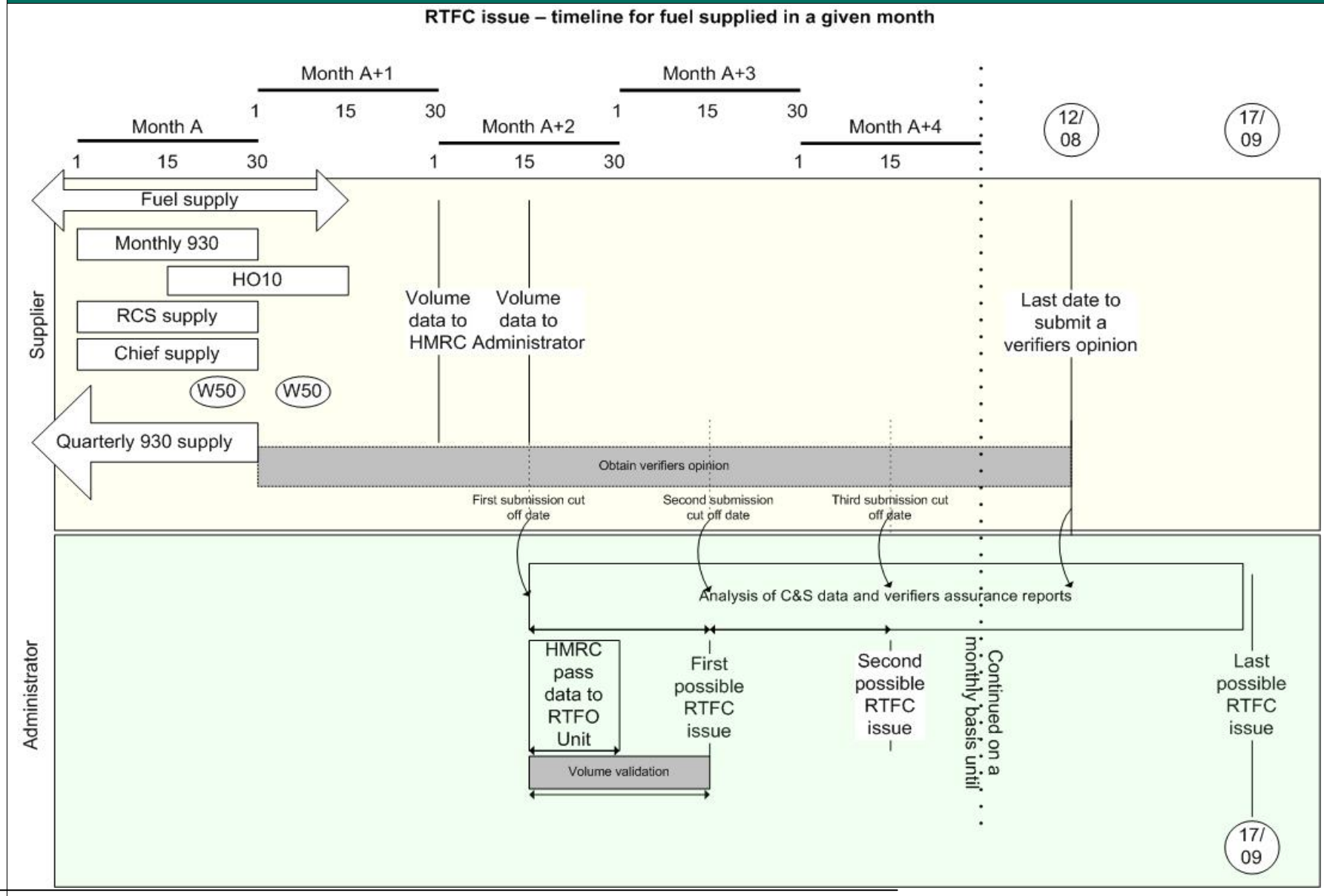
- 4.2** In order to apply for RTFCs, a supplier must:
- submit sufficient volume data, which the Administrator must have validated. See Chapters 2 and 3.
 - submit Carbon and Sustainability information that demonstrates that the fuel has meet the sustainability criteria, submitted a verifier's opinion attesting to this. See Guidance on Verification.
 - meet other stipulations under the RTFO, as mentioned in Chapters 1, 2 and 3. These other stipulations include: having an account with the Administrator; being the owner of the fuel at the duty point; having paid all duty that is liable on the renewable or partially renewable fuels to HMRC; have supplied the fuel at, or for delivery into, the UK for road transport purposes.

- 4.3** Once the above requirements have been met and agreed by the Administrator, RTFCs will be issued to the supplier on the 15th of the next month. RTFCs are added to the supplier's account on ROS. See Timeline for applications below.
- 4.4** A supplier must not apply for RTFCs if there has also been a claim, by the supplier or other entity, for the same fuel under another national support scheme, e.g. a claim to Ofgem under the Renewables Obligation for support as a bioliquid, or a claim for support under another European Economic Area State's biofuel obligation.
- 4.5** An amount of renewable transport fuel meets the sustainability criteria if:
- it meets the greenhouse gas (GHG) emission saving threshold for the obligation period
 - it was produced from feedstocks which met the land criteria
 - any of the exemptions related to fuels produced from waste or residue feedstocks apply.
- Full details of the sustainability criteria and how this must be verified by an independent verifier can be found in the C&S Guidance.

Timeline for applications

- 4.6** RTFCs will 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 in order to be considered by the Administrator.
- 4.7** Suppliers may apply for RTFCs at any time but must apply before the cut off date of 12 August, after the end of an obligation period.
- 4.8** Figure 4.1 below shows the timeline for applying for, and the processing of, RTFCs for a given month of fuel supply.

Figure 4.1 - RTFC issue - timeline for fuel supplied in a given month



Flow of information before and during the application process

- 4.9** Figure 4.2 - RTFC issue process below sets out how carbon and sustainability information flows between the supplier and the verifier, and between the supplier and the Administrator, before and during the application process.
- 4.10** This flow of information will be facilitated on ROS. ROS will perform logic checks to flag up any data that indicates that a renewable fuel has not met the sustainability criteria. ROS will 'lock' data after it has been forwarded by the supplier to the verifier and only if the data is removed from that application may it be altered. The details of how ROS works are contained on the ROS help screens.
- 4.11** RTFCs will only be issued after the Administrator is satisfied that all requirements have been met.

How an application will be assessed

- 4.12** The Administrator will not approve an application for RTFCs where an insufficient volume of renewable fuel has been validated by the Administrator.
- 4.13** The Administrator will assess the verifier's opinion to determine whether it provides the required assurance.
- 4.14** The Administrator will undertake other work as necessary in order to verify the supplier's declaration that all the renewable fuel covered by the application has passed the sustainability criteria.
- 4.15** The Administrator may require a supplier to provide further information or evidence in support of an application.
- 4.16** 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, no RTFCs will be awarded to that application.
- 4.17** The Administrator will also reject an application if the supplier fails to meet any other requirement under the RTFO.
- 4.18** The Administrator will inform the supplier as to why an application has been rejected.
- 4.19** If a supplier wishes to alter their application, for example to remove the fuel that the Administrator does not consider to have passed the sustainability criteria or to obtain a different verifiers opinion, this must be

done by withdrawing the original submission and making a new submission with either the fuel in question removed from it or a new verifiers opinion attached to it.

How RTFCs will be issued

- 4.20** RTFCs are credited to the supplier's electronic account on ROS only. All other movements of RTFCs occur on this Certificate page too.
- 4.21** One RTFC will be issued per litre of renewable transport fuel that meets the requirements set out above.
- 4.22** One RTFC will be issued per kilogram of renewable gaseous fuel (including biogas) that meets the requirements set out above.
- 4.23** Two RTFCs will be issued per litre of renewable transport fuel or per kg of renewable gaseous fuel, where a supplier has made a verified claim that a renewable fuel has been produced from feedstocks that are wastes, residues, ligno-cellulosic or non-food cellulosic materials.

How RTFCs will be identified and 'carry over' of RTFCs

- 4.24** RTFCs are marked with the obligation period relating to the supply of fuel for which they were issued.
- 4.25** In order to ensure the eligibility of RTFCs for carry over (see below), RTFCs will be marked as to the greenhouse gas emission category they relate to. The categories are:
- Pre-RED
 - <35% (Grandfathered)
 - 35%-50%
 - 50%-60%
 - >60%
- 4.26** This will facilitate the market in RTFCs as account holders will know when transferring RTFCs whether or not they will qualify for carry over
- 4.27** A supplier's obligation period RTFC account on ROS will be divided into these categories and a supplier will be able to choose which category of RTFCs they wish to redeem, surrender or transfer from their account. When transferred, an RTFC will be credited to the correct category in the receiver's account.

- 4.28** The RTFO allows 25% of an obligation to be met with RTFCs issued in the preceding period - this is commonly termed 'carry over'.
- 4.29** Where there is a change in GHG criteria between one obligation period and the next, only RTFCs that meet the GHG saving criteria that apply on the first day of the period in question, may be redeemed in that period. I.e. an RTFC issued in the prior period that doesn't meet the GHG criteria that apply at the start of the current period cannot be redeemed.
- 4.30** The only exception to this is that any RTFCs issued in 2010/11 may be used to meet the 2011/12 obligation.
- 4.31** The only sustainability criterion change in the current RTFO Order is the greenhouse gas saving threshold. Any other changes to the criteria will be introduced via new legislation and that legislation will deal with any implications of the criteria it introduces on carry over.

Transferring RTFCs from one account to another

- 4.32** The RTFO Order allows suppliers to transfer RTFCs from one supplier's account to another.
- 4.33** 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 to.
- 4.34** A supplier may select which year's RTFCs and which greenhouse gas saving category they wish to transfer.
- 4.35** Suppliers may set up delayed transactions to occur in the future.
- 4.36** 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.
- 4.37** In order 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.
- 4.38** Any commercial matters related to a transfer are matters for the two parties involved in the transfer.
- 4.39** The Administrator will only reverse a transfer if ordered to do so by a court.
- 4.40** 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.

- 4.41** If account holders wish to provide evidence to override the presumption of 'first in first out' they may do so by noting this on the notes field for an RTFC transfer.

Temporarily freezing new certificate issue and trading

- 4.42** If the Administrator has grounds to suspect that a supplier has incorrectly gained certificates, an account may be temporarily frozen. During this period, no new certificates can be issued to the account and no trades can occur.
- 4.43** The Administrator will provide, in writing, the grounds for 'suspending' an account.
- 4.44** A supplier may write to the Administrator to have the 'suspension' reconsidered.
- 4.45** Once the grounds for suspension have been resolved, the Administrator will un-suspend the account and any RTFCs that are due to be issued or traded in or out of the account will occur.

Revocation of RTFCs - process

- 4.46** 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 behavior, 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 verifiers assurance report on the sustainability information was materially inaccurate.
- 4.47** Whilst the Order applies 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.
- 4.48** 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.

- 4.49** The Administrator may not service notice of intent to revoke after 18 September immediately after the obligation period to which the RTFC in question belongs.
- 4.50** An RTFC will be marked on ROS as 'intended for revocation' during this process of revocation. Whilst RTFCs are marked 'intended for revocation', they cannot be traded, redeemed or surrendered by the current owner.
- 4.51** 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

- 4.52** 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.
- 4.53** Any representations against the 'notice of intent to revoke' or the 'revocation notice' must be made within 14 days of the notice being received.
- 4.54** The last date upon which the Administrator may issue a 'notice of intent to revoke' is 18 September after the end of the obligation period. Any representations against this 'notice of intent' must be considered by 16 October after the end of the obligation period.
- 4.55** The last date upon which the Administrator may issue a 'revocation notice' is 23 October after the end of the obligation period. Any appeal against this revocation must be considered by 15 November after the end of the obligation period.
- 4.56** 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'
- 4.57** If the Administrator determines that the revocation should not occur at either stage, the relevant parties will be informed of this and the RTFCs will become available to the current owner for trading, redeeming or surrendering.
- 4.58** The Administrator may allow an oral hearing when considering a representation against either the 'notice of intent to revoke' or an appeal against a 'revocation notice'.

- 4.59** If the Administrator fails to make a determination by 15 November, the RTFCs will be re-instated.
- 4.60** 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, redemption or surrender 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.

Revocation of RTFCs - which RTFCs

- 4.61** Where possible the Administrator will revoke RTFCs of the correct vintage (obligation period) and greenhouse gas saving category from the original supplier.
- 4.62** Where the supplier does not have sufficient RTFCs for the Administrator to revoke from the correct vintage and greenhouse gas saving category, RTFCs of that same category and vintage will be revoked from a transferee.
- 4.63** As stated in 4.40, 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.
- 4.64** 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 regarded as being either based upon the '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.
- 4.65** For example 15,000 RTFCs are issued to supplier A for two administrative consignments of 7,500l with the same GHG savings. Supplier A then transfers these RTFCs as follows. 5,000 to supplier B, 5,000 to supplier C and 5,000 to supplier D. The transfers occur in this order. 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 vintage or GHG category, they must be revoked from a one of the suppliers to who they have been supplied. 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.
- 4.66** When a revocation of RTFCs occurs, relevant C&S data will be removed from ROS.
- 4.67** Where the RTFCs related to a particular volume of renewable fuel are revoked, that volume will no longer be subtracted from the obligation.

Links from RTFC revocation to Civil Penalties

- 4.68** The gaining or attempting 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 of this, is potentially subject to a Civil Penalty as set out in Chapter 6.

5. Meeting the obligation

Summary

This chapter contains details of how suppliers must meet their obligation and how the buy-out fund will be recycled.

- 5.1** 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.
- 5.2** Suppliers will be notified of their obligation for an obligation period ahead of the redemption point. Chapter 2 describes how to calculate the obligation.
- 5.3** Suppliers are required to redeem RTFCs by 29 November immediately after the obligation period in question.
- 5.4** 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.
- 5.5** 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 obligation), or the current obligation period, and from which of the greenhouse gas saving categories.
- 5.6** Where a supplier fails to redeem sufficient RTFCs to meet their obligation they must pay a buy-out price of thirty pence per RTFC that would otherwise be required to meet the obligation.
- 5.7** This sum must be paid to the Administrator by the 10 January following the end of the obligation period.
- 5.8** Immediately after the redemption deadline, the Administrator will inform all suppliers what the buy-out fund for that period should be if all suppliers who owe buy-out payments make those payments.
- 5.9** Suppliers will then have until 10 January following the end of the obligation period to surrender any RTFCs from any period to obtain an additional portion of the buy-out fund.
- 5.10** The buy-out fund will be recycled to any supplier who has redeemed or surrendered RTFCs in proportion to the number of RTFCs that they have

redeemed or surrendered out of the total number redeemed or surrendered by all suppliers.

- 5.11** Where a supplier fails to make the buy-out payment by 10 January, interest will be payable on that sum at 5% above the Bank of England base rate on 11 January. This interest will be applied daily.

6. Civil penalties

6.1 The Administrator may issue a civil penalty on the following grounds:

- if a supplier does not apply for an RTFO account from the Administrator with 28 days of the supplier becoming obligated (see Chapter 1)
- if a supplier does not wholly discharge the obligation period 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 that 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 so becoming aware.

6.2 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.

6.3 For information or evidence supporting information that relates to:

- volume information
- an application for an RTFC
- the revocation of an RTFC

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 16th November 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 the 16th of November immediately after the obligation period to which that volume or RTFC relates, and
- investigate, and if necessary remedy, the inaccuracy within a time period set by the Administrator.

Communicating civil penalty notices

- 6.4** 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

- 6.5** A civil penalty, for all issues other than 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.
- 6.6** A civil penalty for issues related to the award of RTFCs, may be up to two times the buy-out price per RTFC covered by that issue.

Objections to civil penalties

- 6.7** 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.
- 6.8** The Administrator will consider the objection and will inform the supplier or other person in writing of the outcome of that consideration.
- 6.9** The objection will be considered outside of the RTFO Unit in order to ensure that the objection is heard objectively.
- 6.10** A supplier or other person may challenge the outcome of the Administrator's consideration in the courts.