### Statistical Release

#### 2 February 2017



## Department for Transport

#### About this release

This quarterly release covers the supply of renewable fuels from 15 April 2016 to 14 April 2017, based on data available as of 15 December 2016.

Six reports are published for each annual obligation period as Renewable Transport Fuel Certificates (RTFCs) can be issued up to seven months following the close of an obligation period.

Each report will update the previous report for that obligation period with the latest data.

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## **Renewable Transport Fuel Obligation** statistics: period 9 2016/17, report 2

The Renewable Transport Fuel Obligation Order (RTFO Order) requires transport fuel suppliers to ensure that a proportion of the fuel they supply comes from renewable sources (biofuels).

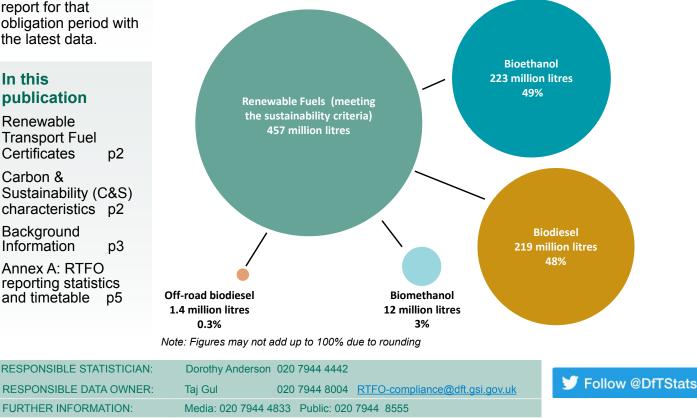
The legislation is of key importance in our efforts to deliver reductions in carbon dioxide emissions from fuels used for transport purposes and non-road mobile machinery (NRMM).

Current returns show 803 million litres of renewable fuel have been supplied in period 9, which is 3% of total road and non-road mobile machinery fuel.

457 million litres (57%) of this renewable fuel has so far been demonstrated to meet the sustainability requirements.

Of the 457 million litres so far meeting the sustainability requirements, bioethanol comprised 49% of supply, biodiesel 48% and **biomethanol 3%**. There was also a small volume of off-road biodiesel, biodiesel HVO and biomethane.

#### Volume of renewable fuels, by fuel type



Renewable Transport Fuel Certificates<sup>1</sup> (RTFCs) are awarded to transport fuel suppliers that meet sustainability criteria.

- In Period 9, **764 million** RTFCs have been issued for fuel meeting the sustainability requirements.
- This includes 614 million certificates which have been issued to "double counting" feedstocks.

#### **Carbon and Sustainability Characteristics**

Certain carbon and sustainability criteria have to be met by suppliers in order to receive RTFCs.

#### **Double counted feedstock**

• Of the 457 million litres renewable fuels meeting the sustainability criteria, 67% of biofuel was made from a waste/non-agricultural-residue (double counting) feedstock.

#### **Country of origin**

- UK feedstocks account for 34% of the biofuel.
  - The most widely reported source for biodiesel (by feedstock and country of origin) was used cooking oil from the UK (65 million litres, 14% of total fuel, 30% of biodiesel).



• The most widely reported source for bioethanol (by feedstock and country of origin) was wheat from the UK (54 million litres, 12% of total fuel, 24% of bioethanol).

#### Contribution to greenhouse gas emissions

 An aggregate greenhouse gas saving of 78% compared to fossil fuels was achieved so far in this period. Including emissions from indirect land-use change (ILUC) reduces this to 70%.

#### Schemes for certification and traceability

- Almost all (99%) of biofuel feedstocks so far this year have met the sustainability criteria and been certificated using a voluntary scheme.
- From the current voluntary schemes listed, the International Sustainability and Carbon Certification Scheme (ISCC) accounts for 93% of biofuel.

#### What is a voluntary scheme?

Voluntary schemes verify compliance with EU's biofuel sustainability criteria, which is a prerequisite for RTFCs to be issued.

<sup>1</sup>The deadline for applying for RTFCs is 12 August following the obligation period.

# What is double counting?

To encourage the use of fuels that offer environmental benefits, some biofuels, such as waste-based biofuels and residues, are double counted and issued with twice the number of RTFCs.

#### Feedstock

Any renewable, biological material that can be used directly as a fuel, or converted to another form of fuel or energy product.

#### **Biofuel legislation**

To receive Renewable Transport Fuel Certificates, fuels supplied must meet the sustainability criteria set out in the <u>Renewable</u> <u>Energy Directive</u> and the <u>Renewable</u> <u>Transport Fuel</u> <u>Obligations Order</u> <u>2007</u>.

#### Statistical Tables

Tables for this release are available online.

#### **Background Information**

#### Sources of data in this report

Data on volumes of fuel, Renewable Transport Fuel Certificates (RTFCs) (issues, redemptions, surrenders, transfers) and Carbon & Sustainability (C&S) are held by the Renewable Transport Fuel Obligation (RTFO) Administrator on the RTFO Operating System (ROS).

Fuel volume data is submitted on a monthly basis by fuel suppliers to the RTFO Administrator and validated against HMRC duty payment data.

C&S data is submitted as part of a supplier's RTFC application. As suppliers may choose when to apply for RTFCs, and if the application is not approved the renewable fuel is not regarded as sustainable, C&S data is only reported on once RTFCs have been issued. There will therefore be a difference between the volume of biofuel supplied and the number of RTFCs issued/C&S data available. This difference will decrease over time until the final deadline for issuing RTFCs has passed (15 November following the obligation period). The final report for an obligation period will show the final position.

Data on RTFCs (issues, redemptions, surrenders, transfers) is recorded in ROS as all are issued, traded and tracked electronically.

#### Strengths and weaknesses of the data

The Administrator validates volume data submitted by fuel suppliers against that held by HMRC regarding fuel duty liabilities. This data may change over time even after validation against HMRC data as suppliers make amendments to the volumes of fuel they have supplied (and duty liabilities).

C&S data is verified by independent verifiers and is also checked against the RTFO Guidance by the Administrator.

Whilst the Administrator validates volume data against HMRC data at a company level, there is not an exact match between the volume of fuel reported in this report and the volume of fuel reported in HMRC's Hydrocarbon Oils bulletin. Reasons for this include:

#### **Further Details**

Further information on the data can be found in the <u>Notes and</u> <u>Definitions</u>.

#### Next Update

The next publication will be on 4 May 2017. Data is published quarterly. Carbon and Sustainability data on biofuel supplied by fuel suppliers is published annually.

#### Related Information

Previously published reports can be found on the DfT website:

https://www.gov. uk/government/ organisations/ department-fortransport/series/ biofuels-statistics.

The publication timetable can be found at Annex A.

• Road duty is paid on fuel that is later proven to be for non-road use;

• Differences between how fuel is categorised under the RTFO and by HMRC, in particular, the RTFO requires recording of fuels on the basis of their renewability but this is different than the categories HMRC use for duty coding (e.g. petrol used as denaturant in ethanol is recorded as ethanol by HMRC and petrol under the RTFO);

- Accidental recording of fuel against the incorrect duty codes by suppliers;
- Calendar month and quarterly duty payments being recorded against different supply periods under the RTFO and by HMRC (these are typically a month different);

• Differences in when adjustments in duty payments are recorded. HMRC record these in the month the adjustment occurs: whilst this practice is usually followed under the RTFO there are exceptions around the change in obligation period.

#### **Official Statistics**

Official Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics. They undergo regular quality assurance reviews to ensure they meet customer needs.

Details of ministers and officials who received pre-release access to these statistics up to 24 hours before release can be found in the pre-release access list.

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Reports are published quarterly.

The last report for the obligation period (number six) will report on the carbon and sustainability performance of individual suppliers. These reports are available online at:

#### https://www.gov.uk/government/organisations/department-for-transport/series/biofuels-statistics

#### Report Table Two Three Five Six Description One Four RTFO 01 Yes Yes Yes Yes Yes Yes Volume of fuel supplied RTFO 02 Volume of fuel to which RTFCs issued and number of Yes Yes Yes Yes Yes Yes **RTFCs** issued RTFO 03 RTFC balances by obligation period Yes Yes Yes Yes Yes Yes RTFO 04 RTFC trades to date by company type Yes Yes Yes Yes Yes Yes RTFO 05 RTFO wide carbon and sustainability data Yes Yes Yes Yes Yes Yes RTFO 06 Yes RTFO wide voluntary scheme data Yes Yes Yes Yes Yes RTFO 07 Performance against obligation by supplier No No No No No Yes RTFO 08a Feedstock by supplier as a percentage of their supply No No No No No Yes RTFO 08b No No No No No Yes Country of origin by supplier as a percentage of their supply RTFO 09 Percentage of renewable fuel that was sustainable by No No No No No Yes supplier RTFO 10 Carbon and sustainability data by supplier No No No No No Yes RTFO 11 RTFO wide fuel supply by volume and energy No No No No No Yes RTFO 12 Civil penalties and other non-compliance No No No No No Yes RTFO 13 Performance against GHG reporting Requirements No No No No No Yes

#### Table 1 – content of RTFO reports

### Table 2 – Publication dates and contents of each report

		Publication Date									
		2-Feb-17	4-May-17	3-Aug-17	2-Nov-17	1-Feb-18	3-May-18	2-Aug-18	1-Nov-18	7-Feb-19	7-May-19
Obligation period 8 2015/16	Quarter 1	Report 6									
	Quarter 2	Report 6									
	Quarter 3	Report 6									
	Quarter 4	Report 6									
Obligation period 9 2016/17	Quarter 1	Report 2	Report 3	Report 4	Report 5	Report 6					
	Quarter 2	Report 2	Report 3	Report 4	Report 5	Report 6					
	Quarter 3		Report 3	Report 4	Report 5	Report 6					
	Quarter 4			Report 4	Report 5	Report 6					
Obligation period 10 2017/18	Quarter 1				Report 1	Report 2	Report 3	Report 4	Report 5	Report 6	
	Quarter 2					Report 2	Report 3	Report 4	Report 5	Report 6	
	Quarter 3						Report 3	Report 4	Report 5	Report 6	
	Quarter 4							Report 4	Report 5	Report 6	
Obligation period 11 2018/19	Quarter 1								Report 1	Report 2	Report 3
	Quarter 2									Report 2	Report 3
	Quarter 3										Report 3
	Quarter 4										

Publication Date