

# Department for Transport

# Renewable Transport Fuel Obligation statistics: period 11 (2018), report 2

#### **About this** release

This quarterly release covers the supply of renewable fuels from 15th April 2018 to 31st December 2018, based on data available as of 11th January 2019.

This is report 2 of 5 for period 11 (2018), and therefore contains an incomplete dataset for the period.

Data can be supplied up to seven months after the end of the obligation period. The final report for period 11 is scheduled for release in November 2019.

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Annex A: RTFO Statistics Reporting Timescales р5 Reports and associated tables for period 11 and future periods will reflect changes to the Renewable Transport Fuel Obligations (RTFO) legislation. Period 11 will cover only 9 months as the reporting schedule moves to a calendar year from Period 12 onwards.

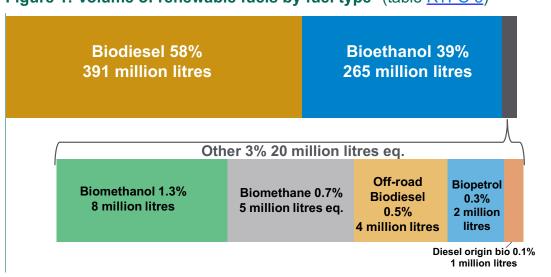
The Renewable Transport Fuel Obligation (RTFO) order requires transport fuel suppliers to ensure that a proportion of the fuel they supply comes from renewable sources (biofuels). This is to deliver reductions in greenhouse gas (GHG) emissions from fuels.

Current returns show 1,401 million litres eq. of renewable fuels have been supplied in period 11 (2018) so far, which is 4% of total road and non-road mobile machinery fuel.

675 million litres eq. (48%) of this fuel has so far been demonstrated to meet the sustainability requirements.

Of the 675 million litres eq., biodiesel comprised 58% of supply, bioethanol 39% and biomethanol 1%. There were also small volumes of other biofuels, including biomethanol and biomethane.

Figure 1: Volume of renewable fuels by fuel type\* (table RTFO 5)



<sup>\*</sup> Figures may not add up to 100% due to rounding.

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<sup>\*</sup> Biogases (such as biomethane) are reported in kg but are converted to equivalent litres using standard multiplication factors (1.9 and 1.75 respectively) as stated in the RTFO order.

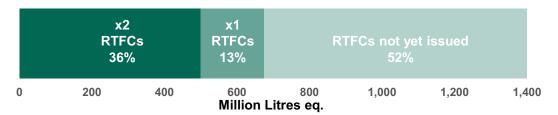
## Renewable Transport Fuel Certificates (RTFCs)

RTFCs are awarded to transport fuel suppliers whose biofuels meet the sustainability criteria. In period 11, 1,174 million RTFCs have so far been issued to 675 million litres eq. of biofuel. This is out of a total 1,401 million litres eq. supplied in this period.<sup>1</sup>

#### **Double Counting Feedstock**

 Of the 675 million litres eq. of renewable fuels meeting the sustainability criteria, 74% was made from a waste/residue or "Double Counting" feedstock.

Figure 2: Biofuel to which Renewable Transport Fuel Certificates have been issued (table RTFO 2).



# **Country of Origin**

- UK feedstocks account for 22% of biofuels for this period so far.
- The most common source for biodiesel (by feedstock and country of origin) is used cooking oil from the UK (61 million litres, 9% of certified fuel, 16% of certified biodiesel).
- The most widely reported source for bioethanol (by feedstock and country of origin) was **non-EC corn from Ukraine** (48 million litres, 7% of certified fuel, 18% of certified bioethanol).

#### **GHG Savings**

 An aggregated GHG saving of 79% compared to fossil fuels was achieved in this period. Accounting for emissions from Indirect Land-Use Change (ILUC) reduces this to 75%.

# **Schemes for Certification and Traceability**

- Almost all biofuel (98%) that has met the sustainability criteria has been supplied by a voluntary scheme.
- From the current voluntary schemes listed, the International Sustainability and Carbon Certification Scheme (ISCC) accounts for 91% of biofuel receiving RTFCs.

#### What is a voluntary scheme?

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

<sup>1</sup>The deadline for applying for RTFCs is 14<sup>th</sup> May following the obligation period.

#### Sustainability Criteria

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

#### Feedstock

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

# What is double counting?

To encourage the use of fuels that represent environmental advantages some biofuels, such as wastebased biofuels and residues, are double counted and issued with twice the number of RTFCs per litre/kg.

#### Statistical Tables

Tables for this release are available on GOV. UK.

# **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 (15th 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.

## **Biofuel Mix Reporting**

The data reported by fuel suppliers under the RTFO is in line with EU rules on mass balance. A mass balance system requires suppliers throughout the supply chain to account for their product on a units in - units out basis, but does not require physical separation of certified feedstock or fuel from uncertified material. It ensures that for every unit of sustainable biofuel sold, the corresponding sustainable feedstock has been produced. This can mean the actual feedstock mix might differ from that reported. Nonetheless, the feedstocks and biofuels reported in this document represent those that are incentivised and rewarded under the RTFO.

#### 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.

#### **Further Details**

Further information on the data can be found in the Notes and Definitions.

#### **Next Update**

The next publication, which will be based on data up to 15th March 2019, is scheduled for released in May 2019.

Data is published quarterly.

Carbon and Sustainability data on biofuel supplied by fuel suppliers are published

# 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.

# **Background Information (continued)**

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:

- 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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# **Annex A: RTFO Statistics Reporting Timescales and Contents**

Reports are published quarterly.

The last report for the obligation period (number five) 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

Table 1 – Typical content of RTFO reports

		Report					
Table	Description	One	Two	Three	Four	Five	Six
RTFO 01	Volume of fuel supplied	Yes	Yes	Yes	Yes	Yes	Yes
RTFO 02	Volume of fuel to which RTFCs issued and number of RTFCs issued	Yes	Yes	Yes	Yes	Yes	Yes
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	RTFO wide voluntary scheme data	Yes	Yes	Yes	Yes	Yes	Yes
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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	Country of origin by supplier as a percentage of their supply	No	No	No	No	No	Yes
RTFO 09	Percentage of renewable fuel that was sustainable by supplier	No	No	No	No	No	Yes
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

NOTE: Period 11 covers only 9 months, moving the calendar for reporting to allign with the calendar year from period 12 onwards. As a result, there will be no Report 6 for period 11 while Report 5 will be the summary report for Period 11 and will contain RTFO tables 07 - 13.

# **Annex A: RTFO Statistics Reporting Timescales and Contents (continued)**

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

		Feb 18	May 18	Aug 18	Nov 18	Mar 19	May 19	Aug 19	Nov 19
Obligation	Quarter 1	Report 2	Report 3	Report 4	Report 5	Report 6			
Period 10	Quarter 2	Report 2	Report 3	Report 4	Report 5	Report 6			
2017/18	Quarter 3		Report 3	Report 4	Report 5	Report 6			
	Quarter 4			Report 4	Report 5	Report 6			
Obligation	Quarter 1				Report 1	Report 2	Report 3	Report 4	Report 5
Period 11	Quarter 2					Report 2	Report 3	Report 4	Report 5
2018	Quarter 3						Report 3	Report 4	Report 5
Obligation	Quarter 1							Report 1	Report 2
Period 12	Quarter 2								Report 2
2019	Quarter 3								
	Quarter 1								

<sup>\*</sup> Highlighted reports indicate summary report for the period.