

RTFA response to proposed guidance changes for the RTFO scheme in 2024.

The DfT communicated that the guidance for 2024 may contain some substantial changes, and asked for feedback on these before a deadline of November 17th. Our responses to each change in the Compliance Guidance are as per below:

1. **Chapter 1, para 1.21:** An inclusion of a definition of "inland waterway vessels" as part of the broader definition of NRMM. This is not a change, but an attempt to clarify which types of vessels are in this category.

This change is a welcome clarification and the RTFA supports it.

2. **Chapter 4, para 4.78:** Clarification to the development fuel definition

We have been pointing out for some time that fuel production pathways that do not meet the policy intent behind development fuels are being used, and we welcome DfT's intention to tighten the definition. However, we do not endorse this proposal as it currently stands, as it may have unintended consequences.

We are engaging with your officials on this and are hopeful of arriving at a satisfactory outcome. In the meanwhile, our reservations regarding the current proposal are as follows:

- i. The proposal as set out will disadvantage producers who process partially renewable feedstocks. If a feedstock is 50% renewable, the 25% requirement effectively becomes a 50% requirement based on the renewable content, which reduces the feasibility of producing fuels from these feedstocks in some cases.
- ii. DfT have indicated that allocation of renewability of the feedstock prior to refining may be acceptable - which seems at odds with the outline of the proposal in the document - so we request that the DfT develops further guidance on how this will work. The RTFA is happy to work with the DfT in developing this.
- iii. Once recycled carbon fuels (RCFs) are eligible in the RTFO (and with Royal Assent of the Energy Act 2023 they will be) - qualifying RCF feedstocks will count towards the 25%. The RTFA asks that the DfT confirms that this will be the case.
- iv. These changes only apply to development petrol and diesel. Aviation fuel made from eligible feedstocks is currently a development fuel, and there is no 25% blending requirement for this type of fuel. This means this route will still be eligible for dRTFCs when used to make SAF. Consequently, once the SAF Mandate is enacted (and aviation fuel is removed from the RTFO), aviation fuel made using this route will be eligible for SAF certificates. Such fuel will sit outside of the HEFA cap so will be in direct competition with the various advanced SAF pathways.
- v. The DfT proposal indicates that the change will apply from July 2024. This is not a long enough lead time to allow for the additional testing and trials that may be required to demonstrate the 25% blending requirement as a consequence of this change.

3. **Chapter 8, para 5.83 (and within Annex D)**: Proposal to remove the 45 gCO₂e/MJ credit for where manure is used as a feedstock for biogas and biomethane.

The RTFA does not support this change. It is desirable to maintain alignment with the EU and it creates an incentive for better management of manure on farms. Ideally it should be left as it is. If a change must be made, the credit should only be removed if the biomethane is further processed.

The DfT has provided the following explanation for this change:

"We're proposing getting rid of the manure credit because it risks perverse outcomes where producers get a greater credit by having a less efficient system, because the more manure consumed, the greater the negative emissions value credited. It can also potentially be used to offset otherwise polluting/inefficient practices (e.g., the use of coal for process input)"

The rationale for this credit is that manure or slurry diverted from farm storage into anaerobic digestion will avoid emissions of methane and/or NO_x from the farm storage; with the resulting digestate still applied to land as fertiliser. The manure credit was initiated by the EC / REDII ([see p97 of the REDII](#)).

The RTFA disagrees with the logic of saying that the "more manure consumed, the greater the negative emissions value" is a "perverse" outcome. The only way in which this would apply would be if AD plants intentionally consumed more manure to produce less biomethane in order to generate more credit. This does not make commercial sense as the production of biomethane is the main driver for their operation. No AD operator would seek to *reduce* product output from the same (or increased) feedstock consumption.

However – the RTFA does agree that the manure credit has the potential to be mis-used to bring down the carbon intensity of otherwise carbon intensive production routes, where biomethane is not the final fuel being produced. Complex production routes converting manure into biomethane, and then converting this into (bio)hydrogen and using the hydrogen for hydrotreatment of petrol / diesel etc. could make use of the manure credit to bring the GHG savings below the 65% threshold.

Consequently – we suggest the DfT limits the manure credit to only being used for biomethane as a fuel; and prohibits its use for more complex fuel pathways.

4. **Chapter 8, para 8.58**: This is a new definition of carbon capture and storage. The guidance now states that storage must be stable, and for a minimum of 100 years, and provides the examples of underground burial or use in concrete.

The RTFA supports this proposed change, but does ask that the list of suggested examples of carbon capture and storage is extended to include biochar.

Additionally, we have the following comments on the updated RFNBO guidance:

Chapter 2, para 2.12 and para 2.13: These two paragraphs appear to disagree with one another, in respect of allowing the assignation of renewability between consignments and selling consignments with the correct renewability information. Would it be possible to update para 2.13 to make it explicit that the guidance laid out in 2.12 may still apply in this instance?

Chapter 3, para 3.16: This paragraph could be clarified by explaining exactly which figures may be averaged; and/or under which circumstances. i.e., is this *only* in the situation outlined in para 3.18, or can it be applied more widely?