

RTFO reporting guidance for small suppliers of used cooking oil biodiesel

The Renewable Transport Fuel Obligation (RTFO) was amended in December 2011 to implement the transport elements of the EU Renewable Energy Directive (RED). Those changes apply to fuels which pass the duty point on or after 15 December 2011. This means that biofuel suppliers must now prove that their fuels come from sustainable sources and deliver at least a minimum level of carbon savings in order to receive certificates. The RTFO Operating System (ROS) is designed to ensure that only biofuels which genuinely meet the sustainability criteria are rewarded and therefore to protect legitimate suppliers of these fuels.

Most small biofuel suppliers produce biofuel exclusively from used cooking oil (UCO) sourced from within the UK. Demonstrating that biofuel made from this material meets the new sustainability requirements is less complicated than for biofuels made from agricultural crops or from fuels with lengthy or complex supply chains.

In order to help these smaller suppliers, we have produced the following guidance note providing a brief overview of what is required. It is aimed, in particular, to assist suppliers who have claimed certificates under the RTFO regime operating before the implementation of the requirements in the RED, but have not previously been required to verify the carbon and sustainability (C&S) data associated with their biofuel.

This guide is not meant to replace the full RTFO Guidance, which can be found online on the Department for Transport's website.

1. What do UCO suppliers need to do?

- 1.1** Previously, under the RTFO regime applying before 15 December 2011, you have entered your volume and C&S information onto ROS, and submitted it to us in order to receive certificates. You had to enter data every month or every quarter depending on how often you reported to HMRC.
- 1.2** Under the current RTFO regime there are no changes to the way fuel volume information is submitted. However, your C&S data must now be independently verified before you submit it to us.

- 1.3 All of the C&S data that you report to us must be verified by a qualified third party. This includes the feedstock, the country of origin and the carbon intensity number. Most small suppliers use the default carbon intensity number which auto-populates on ROS; however, since it is possible to overtype the default, it is important that the carbon intensity is verified too.
- 1.4 If you wish to receive your certificates at the earliest opportunity, you will need to submit your C&S data and verification statement at the same time as your volume data.
- 1.5 You can submit the C&S data and verification statement at any time up to 14 August following the end of the obligation year. Therefore if it suits your business model to delay applying for certificates in order to have a number of consignments of fuel verified at once and potentially reduce the costs of verification, you may do this.

2. Finding a verifier

- 2.1 Since verification is required to be independent, you must find someone to do this for you. Verification of sustainability information is similar to auditing of financial data, and as such, many accountants will be able to carry out this work.
- 2.2 You may want to talk to your own accountant in the first instance. Show them the *RTFO Guidance Part 3: Guidance for Verifiers* to help them understand what is required. They should know from looking at this document whether or not it is something they are qualified to do.
- 2.3 If you would like to use someone other than your own accountant, ROS gives you access to a list of verifiers who have already registered to carry out the work for other suppliers. The administrator does not endorse individual verifiers and you do not have to use someone who is already on this list, but it will give you an indication of the kind of companies involved in this field.
- 2.4 Your chosen verifier needs to be added to your account details in ROS. You can do this by using the 'Account Details' option from the Account Actions menu, and browsing to the Verifier tab. You can search for verifiers already added to the system from here, or invite your chosen verifier through the system if they are not already there.

3. What verification means

- 3.1 The verifier must use an auditing standard called ISAE 3000. Chapter 9 of the *C&S Guidance* and the *Guidance for Verifiers* explains what this is and how it is to be applied.

- 3.2** The verifier will check a sample of the evidence which supports the C&S data you are reporting to us. This will be documents such as waste transfer notes, invoices or collection records. You may already be filing these documents for other purposes, but you should consider, and discuss with your verifier, the types of evidence that they will need to see in order to verify your data.
- 3.3** Your verifier also needs to be familiar with the *RTFO Guidance Part 2: Carbon & Sustainability* so that they can check that you have complied with its requirements. They will then produce a statement for you saying that they have done this and found no concerns, which you need to give to us. Requirements for this statement are set out in Chapter 7 of the *Guidance for Verifiers*.

4. How to submit your data

- 4.1** Prior to the implementation of the RED, C&S information was entered into ROS referring to discrete volumes of fuel as 'batches'. Post-RED, these are now known as 'administrative consignments'. This change in terminology helps differentiate between the C&S data for pre and post RED fuel supplied, and ROS now has new menu items to reflect this change.
- 4.2** You need to browse to the 'C&S Admin Consignments' screen from the Reporting menu in ROS in order to enter your C&S data. By selecting the 'add administrative consignment' button, you can then input the C&S data in much the same way as under the old system. You will see that ROS now auto-completes many of the fields once you have entered that the feedstock is UCO.
- 4.3** In order to submit your C&S data to the verifier, you must first create a group, even if this group only contains one consignment. To create a group, you need to choose the 'C&S admin consignment groups' option from the Reporting menu, select the appropriate date period and then enter your group's name in the text box by the 'create new group' field. Using the Admin Consignments menu, you can now add the appropriate consignments to this group.
- 4.4** From the group page, you can now submit the group to your verifier. This allows the verifier to see your data on ROS.
- 4.5** Your verifier can then verify your data and provide you with an assurance statement. The statement should then be sent to us; and the verifier will assign the administrative consignment group back to you in ROS. You can then submit the group to the RTFO Unit from the group page.
- 4.6** We will then assess your request and issue RTFCs if everything is in good order.

Further sources of help

All three parts of the RTFO guidance are designed to help you. You can also call the RTFO unit on 0207 944 8555 or e-mail on RTFO-compliance@dft.gsi.gov.uk

Those who have never claimed certificates, or who are supplying crop based biofuels, and are unfamiliar with the process should call the RTFO Unit directly on 020 7944 8555 to let us know that you are interested in setting up an account. We will then help you to understand which parts of the Guidance you need to read first.