Double counting & FQD implementation in the UK

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Presentation summary

• FQD implementation

• UK rules and experience on double counting

• 3 Double counting challenges
Fuel Quality Directive Implementation

• RED & FQD implemented December 2011
  - sustainability requirements
  - double counting

• Target is 4.75% 2013/14 onwards

• No separate GHG target

• New GHG reporting requirement for fossil fuels
UK Rules on double counting

- Set out in detailed guidance
- Positive & ‘negative’ list

### Table 1- Products

<table>
<thead>
<tr>
<th>Material</th>
<th>Description</th>
<th>Valid from</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virgin oils</td>
<td>Including, but not limited to, oils derived from palm, soy, rape and sunflower. The treatment of these materials and of the meal produced as part of the same process in the RED GHG calculations makes clear that these are to be treated as products.</td>
<td>15/12/11</td>
</tr>
<tr>
<td>Tallow (animal fats) category 2</td>
<td>Tallow is a product of the meat rendering process. Category 2 tallow has a high economic value and a variety of productive uses. It is a direct substitute for other products (e.g. palm oil). Note: As this material is not obtained directly from land, suppliers are not required to demonstrate compliance with the land criteria. The previous land use column in ROS automatically defaults to ‘not applicable’ as the land criteria are automatically satisfied for tallow.</td>
<td>15/12/11</td>
</tr>
<tr>
<td>Tallow (animal fats) category 3</td>
<td>Tallow is a product of the meat rendering process. Category 3 tallow has a high economic value and a variety of productive uses. It is a direct substitute for other products (e.g. palm oil). Note: Category 3 tallow is specifically excluded from the</td>
<td>15/12/11</td>
</tr>
</tbody>
</table>

1 The treatment of tallow will be kept under consideration and may be reviewed for April 2014 in relation to legislative changes and to assess the impact on other markets resulting from additional incentives for tallow based biodiesel.
Criteria for wastes developed with some OMSs through REFUREC

Wastes are materials for discard:

- Listed in the RED
- The main process should not be modified to make more of it
- The material is <15% of the main product &/or
- The material does not have other productive uses
Assessment process for new wastes

1. Suppliers apply (questionnaire)

2. Discussion with OMS and other regulators

3. Decision
Double counting effects

Volume of biofuel supplied

RTFCs needed to meet obligation

RTFO introduced

RED implemented & double counting introduced
Three major challenges

1. Defining and categorising
2. Fraud
3. Contaminated materials
Challenge 1: Defining & categorising

- No EU list; broad-based definition in RED
- Waste is complex: context specific
- Consistency: 28 member states, 15 voluntary schemes
- What material are we talking about precisely? (‘low grade’ starch slurry)
Challenge 2: Fraud risk

- Chain of custody for ‘waste’ is not beginning at the origin in some VS
- No control on materials coming in = uncertainty
- There are widespread reports of fraud, for UCO biodiesel in particular

Restaurants records?  UCO collector records?  Aggregator Records?  VS certified Producer

“Declaration”

VS PoS
UK experience – UCO supply
Challenge 3: Contaminated materials

- Many wastes are contaminated materials
- What is the effect of converting contaminated materials into fuels?
- Are current regulatory controls sufficient?
What would we like to see?

- Greater collaboration and EC leadership on:
  - classification & categorisation
  - fraud prevention
  - reflection on contaminated materials
Thank you

www.gov.uk/renewable-transport-fuels-obligation

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