

Draft Order laid before Parliament under section 124(5) and 192(3) of the Energy Act 2004 (c. 20), for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2024 No. 0000

TRANSPORT

SUSTAINABLE AND RENEWABLE FUELS

ENERGY

**The Renewable Transport Fuel Obligations (Amendment) Order
2024**

Made - - - - 2024
Coming into force - - 1st July 2024

The Secretary of State makes this Order in exercise of the powers conferred by section 124(1), 125A(1)(a), 126(2)(a), (d) and (e), 131D and 192(3) of the Energy Act 2004^(a)“the 2004 Act”.

The Secretary of State has consulted such persons appearing to the Secretary of State to represent persons whose interests will be affected by this Order, and such other persons as the Secretary of State considers appropriate in accordance with section 124(4) of the 2004 Act.

A draft of this Order was laid before Parliament in accordance with sections 124(5) and 192(3) of the 2004 Act and approved by a resolution of each House of Parliament.

Citation and commencement

1. This Order may be cited as the Renewable Transport Fuel Obligations (Amendment) Order 2024 and comes into force on the 1st July 2024.

Extent

2. This Order extends to the United Kingdom.

Amendment of Order

3. The Renewable Transport Fuel Obligations Order 2007^(b) is amended as follows.

(a) 2004 (c. 20) as amended by section 157 of the Energy Act 2023 (c. 52).

(b) S.I. 2007/3072, amended by S.I. 2009/843, 2011/2937, 2013/816, 2015/534, 2018/374, 2020/1541, 2021/1420 and 2021/1115.

Amendment of article 2

4. In article 2(1)—

- (a) in the definition of “relevant feedstock”, after sub-paragraph (e), insert—
 - “(f) wastes of fossil origin designated as a relevant feedstock under article 15A;”;
- (b) in the definition of “sustainable feedstock”, after sub-paragraph (c), insert—
 - “(d) to the extent that it consists of wastes of fossil origin, meets the sustainable waste management criteria;”;
- (c) after the definition of “sustainable feedstock”, insert—
 - ““sustainable waste management criteria” means the criteria set out in paragraph 2(4) of Schedule 1.”.

Amendment of article 3

5. In article 3—

- (a) in paragraph (2C)(a)(iii), at the end, omit “or”;
- (b) in paragraph (2C)(b), at the end, replace “.” with “; or”;
- (c) after paragraph (2C)(b), insert—
 - “(c) recycled carbon fuel which consists of a type of renewable transport fuel specified in paragraph (2D).”.
- (d) after paragraph (2D), insert—
 - “(2E) For hydrogen produced using wastes of fossil origin, that hydrogen is only considered a specified type of renewable transport fuel under paragraph (2D) if carbon emitted during its production is captured and stored as determined by the Administrator and published in the guidance under article 15(1)(m).”;
- (e) after paragraph (8), insert—
 - “(8A) “recycled carbon fuel” means a transport fuel designated under paragraph (15);”;
- (f) in paragraph (12)(a), after “feedstock”, insert “, except for a waste of fossil origin designated under article 15A”;
- (g) after paragraph (14), insert—
 - “(15) For the purposes of section 131D(1)(a) of the 2004 Act, a liquid or gaseous fuel produced wholly from a waste of fossil origin designated by the Administrator as a relevant feedstock is designated as a recycled carbon fuel.”.

Amendment of article 15

6. In article 15(1)(m)—

- (a) at the end of paragraph 15(1)(m)(v), replace “.” with “;”;
- (b) after paragraph 15(1)(m)(v), insert—
 - “(vi) how the Administrator is to be satisfied that the sustainable waste management criteria are met;
 - (vii) for the purposes of paragraph 4 of Schedule 1, how the minimum GHG emissions saving from the use of an amount of recycled carbon fuel are determined and, in particular of how default values and actual values are determined for an amount of recycled carbon fuel;

- (viii) how the Administrator is to be satisfied that carbon emitted during the production of hydrogen using wastes of fossil origin has been captured and stored appropriately.”.

New article 15A

7. After article 15, insert—

“Designation of wastes of fossil origin

15A—(1) The Administrator must determine the wastes of fossil origin that may be used in the production of a recycled carbon fuel and designate each such waste as a relevant feedstock.

(2) In making a determination under paragraph (1), the Administrator must consider—

- (a) whether the production, supply or use of a fuel produced using a waste of fossil origin has one or more of the effects described in section 126(4) of the 2004 Act; and

- (b) any alternative uses and disposal outcomes available for that waste of fossil origin.

(3) The Administrator must publish a list containing each waste of fossil origin designated as a relevant feedstock under paragraph (1).”.

Amendment of article 17A

8. In paragraph (1)(a)(iii)(cc), after “waste”, insert “, except for wastes of fossil origin”.

Amendment of Schedule 1

9.—(1) Schedule 1 (sustainability criteria) is amended as follows.

(2) In paragraph 2(1), in the table (compliance with the sustainability criteria)—

- (a) in the third row of the second column, after “wastes”, insert “of biological origin”;

- (b) for the sixth row of the second column, substitute—

“Any feedstock not falling within entries 1 to 5 or 7”;

- (c) after entry number 6, insert—

“7	Wastes of fossil origin	The GHG emission saving threshold and the sustainable waste management criteria”;
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(3) After paragraph 2(3), insert—

“(4) Wastes of fossil origin meet the sustainable waste management criteria if the renewable transport fuel supplier provides evidence, by reference to the guidance published by the Administrator under article 15(1)(m), that satisfies the Administrator that adequate monitoring or management plans are in place to address the local environmental impacts caused as a result of sourcing or processing the waste.”;

(4) In paragraph 4 (minimum emission saving)—

- (a) in sub-paragraph (a), after RFNBO, insert “or a recycled carbon fuel.”;

- (b) in sub-paragraph (b), after RFNBO, insert “or a recycled carbon fuel.”;

- (c) after sub-paragraph (b), insert—

“(c) the minimum GHG emission saving from the use of an amount of recycled carbon fuel is determined by reference to guidance published by the Administrator under article 15(1)(m).”.

Signed by the authority of the Secretary of State for Transport

Date

Name
Parliamentary Under Secretary of State
Department for Transport

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Renewable Transport Fuel Obligations Order 2007 (S.I. 2007/3072) (“the RTFO Order”).

Article 4 of this instrument amends article 2 of the RTFO Order to extend the range of relevant feedstocks to include wastes of fossil origin.

Article 5 of this instrument amends article 3 of the RTFO Order to insert paragraph (2E) to set a condition that hydrogen produced using wastes of fossil origin must capture and store carbon emissions for it to be a specified type of renewable transport fuel. The amount of carbon captured and stored will be determined by the Administrator. Paragraph (8A) defines recycled carbon fuel. A new paragraph (15) designates as a recycled carbon fuel a liquid or gaseous fuel produced wholly from a waste of fossil origin designated as a relevant feedstock by the Administrator. By designating a recycled carbon fuel, the Secretary of State is enabling that fuel to be treated as renewable transport fuel under the RTFO Order.

Article 6 of this instrument amends article 15 of the RTFO Order to add an obligation on the Administrator to publish guidance on how the sustainable waste management criteria is to be met; how the minimum emission saving from the use of an amount of recycled carbon fuel is to be determined; how the default and actual values are to be determined for recycled carbon fuel and how the Administrator is to be satisfied that carbon emitted during the production of hydrogen using wastes of fossil origin has been captured and stored appropriately.

Article 7 of this instrument adds a new article 15A which imposes a duty on the Administrator to determine the wastes of fossil origin that may be used in the production of a recycled carbon fuel and requires the Administrator to consider certain specified matters when making that determination. Where the Administrator determines that a waste of fossil origin may be used in the production of a recycled carbon fuel, the Administrator must designate that waste as a relevant feedstock under the RTFO Order.

Article 8 of this instrument amends article 17A of the RTFO Order to ensure that wastes of fossil origin are not awarded an additional Renewable Transport Fuel Certificate.

Article 9 of this instrument amends Schedule 1 of the RTFO Order to insert wastes of biological origin to the feedstock column of row 3 and adds wastes of fossil origin to a new row 7, which must meet the corresponding sustainability criteria. The minimum GHG emission saving for use of recycled carbon fuel is determined by the Administrator in guidance.

An impact assessment (in the form of a cost-benefit analysis) of the effect that this Order will have on the costs of business, the voluntary and public sectors is available from the Low Carbon Fuels Division, Department for Transport, Great Minster House, 33 Horseferry Road, London SW1P 4DR. The cost benefit analysis is annexed to the Explanatory Memorandum, which is available alongside this Order at <http://www.legislation.gov.uk>.

An Explanatory Memorandum is available alongside this instrument on the UK legislation website at www.legislation.gov.uk

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