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By email to biomasssustainabilityconsult@energysecurity.gov.uk

Common Biomass Sustainability Framework Consultation

Dear Sir or Madam

Fuels Industry UK represents the six main oil refining and marketing companies operating in the UK. The Fuels Industry UK member companies – bp, Essar, Esso Petroleum, Phillips 66, Shell, and Valero – are together responsible for the sourcing and supply of product meeting over 85% of UK inland demand, accounting for over a third of total primary UK energy[1].

The refining and downstream oil sector is vital in supporting UK economic activity. It provides a secure supply of affordable energy for road and rail transport, aviation, and marine applications, as well as for commercial and domestic heating. It also supplies base fluids for use in lubricants, bitumen for use in road surfacing, and graphite for use in electric vehicle batteries and as electrodes in steel and aluminium manufacture.

Fuels Industry UK welcomes the opportunity to respond to the consultation on a common biomass sustainability framework.

[1] Based on the Department of Energy Security and Net Zero Digest of UK Energy Statistics 2024

Our responses to the consultation questions are given in Attachment 1.

Yours sincerely

Chris Gould

Energy Transition Lead, Fuels Industry UK

Attachment 1: Fuels Industry UK Response

Chapter 1 – A Common Sustainability Framework

1. **Do you agree that the initial scope of the framework should be limited to bioenergy that is subject to government incentive schemes? If not, please explain why and provide evidence to support your response.**

Agree

We agree that the initial scope of the framework should be limited to bioenergy that is subject to government incentive schemes.

However, should there be increased uptake of biomass in non-energy sectors (for example due to new government policy or market developments) an extension will need to be considered to avoid feedstocks being diverted to sectors without sustainability requirements.

The requirements of the framework should be as limited as possible in order to avoid unintended consequences, such as making the requirements difficult or impossible to achieve for certain sectors. Any changes to existing schemes need to be subject to consultation and considered in the context of the sector, including e.g. how this may impact on competition across borders. There should also not be any gold plating of the scheme so that a particular requirement in one sector becomes a requirement for all.

There may need to be a choice in the future as to whether to alignment with international norms (to facilitate trading across borders) or alignment across sectors within the UK is a more desirable approach.

Any exemptions to the policy need to be justified and fully considered in order to prevent circumvention of the policy intent (i.e. by companies deliberately making their size sufficiently low to avoid the requirements).

2. **Do you agree that the common criteria should be delivered as a policy document and implemented through the relevant legislative or contractual frameworks of each individual biomass policy?**

Agree

This seems a pragmatic approach and avoids the expansion of associated guidance paperwork, where there is often already extensive documentation in place.

Any common criteria should be as limited as possible in order to avoid unintended consequences, such as making the requirements difficult or impossible to achieve for certain sectors.

There may need to be a choice in the future as to whether to alignment with international norms (to facilitate trading across borders), or alignment across sectors within the UK, is a more desirable approach.

Any changes to existing schemes need to be subject to consultation and considered in the context of the sector, including for example. how this may impact on competition across borders.

There should not be any gold plating of the scheme so that a particular requirement in one sector becomes a requirement for all.

3. **Should government consider a legislative route for implementing the common sustainability framework in the future, including expanding for non-subsidised uses? Please provide evidence to support your response.**

No

A legislative route creates further bureaucracy where it is not needed and must be avoided unless there is a compelling and clearly demonstratable need.

Specific schemes such as the Renewable Transport Fuels Obligation (RTFO) [2] or Sustainable Aviation Fuel (SAF) mandate [3] do not require detailed sustainability frameworks to be in place in legislation. Guidance is issued, following consultation with stakeholders, on a year-by-year basis [4]. This works very well with the DfT requiring suppliers to meet the guidance before any appropriate certificates are issued for redemption against the mandate. It also includes a feedstock list, which provides stakeholder clarity.

[2] https://www.gov.uk/government/collections/renewable-transport-fuels-obligation-rtfo-orders
[3] https://www.gov.uk/government/collections/sustainable-aviation-fuel-saf-mandate
[4] https://www.gov.uk/government/publications/rtfo-and-saf-mandate-technical-information

If a mechanism is set up for non-subsidised uses, then these should follow a similar approach. It would make sense for non-subsidised uses to follow the same route, if there is a wish to expand beyond energy uses.

Putting requirements in legislation would not add anything to this process and may be counterproductive. Any changes required as the biomass industry develops would need legislative changes, requiring further consultation and parliamentary time to implement. Simply issuing appropriate guidance would avoid this, whilst meeting the policy objectives.

4. **What are your views on the role of the Biomass Suppliers List (BSL) post RHI and how government should frame the relationship between the common framework and BSL in relation to sustainability requirements?**

Fuels Industry UK has no response to this question.

5. **Do you agree that the updated policy guidance document should be published every 5 years? Please provide evidence to support your response or an alternative proposal for review timelines.**

No firm view

The consultation document does not clarify what the policy guidance document would set out and how it would interact with the guidance documents that are issued for individual schemes (as an example, in the case of the RTFO and SAF Mandate, these are updated annually). The interaction between short term reviews such as these and a 5-year review cycle needs to be evaluated and clarified.

Chapter 2 – Biomass Feedstock Categories & Definitions

6. Do you agree with the list of key feedstock categories and their definitions in scope of the common framework? Please provide evidence to support your response.

Broadly Agree

This seems to be a reasonably comprehensive list of the key feedstock categories and is aligned with existing schemes such as the RTFO and SAF mandate.

However, the list does not include a category and definition for:

- Intermediate crops and crops on degraded or marginal land. We note the Department for Transport have recently issued a call for evidence regarding crop-derived SAF under the SAF Mandate [5]. Question 13 includes a question regarding the definition of cover crops and crops on degraded or marginal land.

- The renewable component of end-of-life tyres. The RTFO feedstocks list [6] already includes this material in Table 3: list of double counting wastes and processing residues.

The UK should follow international frameworks and introduce a separate category for intermediate crops. Unlike existing feedstock categories, the definition of intermediate crops needs to be related to how the feedstock is produced rather than the type of crop grown, i.e. these feedstocks need to be part of sustainable crop rotations that provide environmental benefits (i.e. soil benefits) and do not trigger additional land demand. Please see also our response to Q72.

[5] https://www.gov.uk/government/calls-for-evidence/saf-mandate-crop-derived-sustainable-aviation-fuel
[6] https://www.gov.uk/government/publications/rtfo-and-saf-mandate-feedstock-materials-used-for-creating-low-carbon-fuels/rtfo-and-saf-mandate-list-of-feedstocks-including-wastes-and-residues

Chapter 3 – Land criteria

7. Do you agree that the agricultural land criteria should continue to include prohibited land categories in line with existing criteria? Please provide evidence to support your response

Agree

We agree that the existing agricultural land criteria should be used as far as possible and generally support updates that result in alignment with international requirements as this can reduce the administrative burden.

Any changes to the use of existing criteria need to be justified on the basis of the issues being addressed and consulted on. While alignment of criteria can reduce administrative burden for the industry, the UK should not simply unilaterally adopt EU requirements such as those of RED III without justification.

8. Do you agree that the baseline should be set in January 2008? Please provide evidence to support your response or provide an alternative proposal for when the baseline should be set.

Agree

This seems to be a pragmatic approach and in line with existing criteria.

9. Do you agree with the definitions of the highly biodiverse land categories given? If not, please explain why and provide evidence to support your response.

Agree

We agree with the list of definitions as provided; this seems to be a comprehensive list and in line with existing definitions.

10. Do you agree with the list of protected highly biodiverse land categories where sourcing is not allowed? Please provide evidence to support your response.

No firm view

This would be in line with existing criteria.

However, government may want to consider whether an absolute exclusion on certain categories is needed in all cases. Where some land types can be assessed through evidence-based exemptions, similar flexibility should be considered across all categories unless there is a compelling, clearly evidenced, reason to treat them differently.

11. **Do you agree with the list of protected highly biodiverse land categories where sourcing is allowed if sufficient evidence of no harm to the area of land can be provided? Please provide evidence to support your response.**

No firm view

This would be in line with existing criteria.

However, in Table 3.3, there is a clear inconsistency: some categories are entirely excluded with no possibility of consideration, while others may be permitted if appropriate evidence is provided. Alignment with RED III or other EU requirements may not be an adequate justification for imposing absolute exclusions on certain categories. Where some land types can be assessed through evidence-based exemptions, similar flexibility should be considered across all categories unless there is a compelling, clearly evidenced reason to treat them differently. Without such justification, the policy risks unnecessarily restricting land that could otherwise be used appropriately and sustainably for biomass production.

12. **Should other highly biodiverse land categories be added? If yes, what associated sourcing requirements could be included?**

We are not aware of any further land use categories that should be added.

13. **Do you agree with the definitions of high carbon stock land categories given? If not, please explain why and provide evidence to support your response.**

Agree

We agree with the list of definitions as provided; this seems to be a comprehensive list and in line with existing definitions.

14. Do you agree with the list of protected high carbon stock land categories, where sourcing is not allowed? Please provide evidence to support your response.

No firm view

This would be in line with existing criteria.

However, in Table 3.3, there is a clear inconsistency: some categories are entirely excluded with no possibility of consideration, while others may be permitted if appropriate evidence is provided. Alignment with RED III or other EU requirements may not be an adequate justification for imposing absolute exclusions on certain categories. Where some land types can be assessed through evidence-based exemptions, similar flexibility should be considered across all categories unless there is a compelling, clearly evidenced reason to treat them differently. Without such justification, the policy risks unnecessarily restricting land that could otherwise be used appropriately and sustainably for biomass production.

15. Do you agree that sourcing should be allowed from peatlands if evidence is provided that the cultivation and harvesting of that raw material does not involve drainage of previously undrained soil? Please provide evidence to support your response.

Agree

This is consistent with the approach that maximises land available for biomass production, whilst ensuring that appropriate no harms protection is in place.

16. Should other high carbon stock land categories be added? If yes, what associated sourcing requirements could be included?

We are not aware of any further high carbon stock land categories that should be added.

17. Should the crop cap be set at a sector level subject to sector specific ILUC risk assessments? If not, please suggest what level a cross-sector crop cap should be set at and provide evidence to support your response.

No

Fuels Industry UK supports a technology neutral approach combined with robust and credible sustainability criteria. Crop caps are an inherently arbitrary measure and should be avoided as far as possible in favour of more nuanced approaches.

Crops should be included as far as possible, taking into account proper consideration of issues such as Indirect Land Use Change (ILUC) factors and their associated Greenhouse Gas (GHG) impacts. There is sufficient data available on this subject, particularly for UK produced crops to allow this impact to be assessed.

As outlined in the 2024 RTFO statutory review document [7], the crop cap in the RTFO was introduced to "encourage the supply of waste derived fuels over those produced from crops, given their potentially negative implications related to ILUC, land availability and food security". Fuels Industry UK believes the best approach to achieve these objectives is as follows:

- Encourage supply of waste derived fuels.

- The possible use of Product Level Carbon Intensity Standards (PLCIS) [8]. PLCIS work by setting limits on carbon intensity which can be tightened over time. This technology neutral approach allows producers to choose any carbon-reducing technology to meet standards, ensuring fair competition without bias and can encourage innovation by rewarding producers who exceed carbon emission intensity standards by allowing them to trade compliance credits within their sector.

- Manage potential diversion of crops from food production.

- We advocate for the responsible use of resources, with a strong emphasis on addressing food security needs.

- Address sustainability concerns (e.g. negative implications related to ILUC, land availability).

- We advocate for a quantitative approach to estimate and include ILUC emissions as this closely aligns with our lifecycle-based, science-based and technology neutral policy principles. A quantitative approach is directionally representative of the GHG emissions impacts of biofuels. A quantitative approach will promote informed choices on using all applicable feedstocks unlike risk-based approaches (like crop caps) that eliminate some higher-ILUC risk feedstock solutions or omit altogether the indirect GHG

[7] https://www.gov.uk/government/calls-for-evidence/rtfo-statutory-review-and-future-of-the-scheme
[8] https://www.theccc.org.uk/wp-content/uploads/2020/12/CCC-Briefing-The-Potential-of-Product-Standards-to-Address-Industrial-Emissions.pdf

impact of lower-ILUC risk feedstocks. While ILUC results from different economic and emission factor models can vary, an effort should be made to represent and value the GHG emissions impact of biofuels as accurately as possible by including ILUC emissions estimates from the most recent, well-regarded peer-reviewed model applicable to the region of interest. Indeed ISO 14067 states that ILUC should be included once an international agreed procedure exists. We note that ICAO CORSIA uses ILUC values when calculating the GHG emissions of eligible aviation fuels.

Adopting this approach maximises the land available for biomass production, whilst ensuring that appropriate protections are in place.

18. If crop caps are set at a sector level, what factors should be included in the sector-specific food competition and ILUC risk assessment? What should this assessment consist of? Please provide evidence to support your response.

The setting of crop caps is an arbitrary, non-technology neutral approach and should be avoided as far possible.

Crops should be included as far as possible, taking into account proper consideration of issues such as Indirect Land Use Change (ILUC) factors and their associated Greenhouse Gas (GHG) impacts. There is sufficient data available on this subject, particularly for UK produced crops to allow this impact to be assessed.

This maximises the land available for biomass production, whilst ensuring that appropriate protections are in place.

19. What factors should be monitored at a cross-sector level to highlight emerging risks regarding food competition and ILUC risks from crop derived feedstocks?

This is a complex area which needs careful consideration.

We suggest that factors to consider include overall volumes, UK agricultural land use, global land use trends, rate of expansion into high biodiversity and high carbon stock land.

20. How could high ILUC risk feedstocks be identified? Please suggest what factors could be considered and provide evidence to support your response.

The EU approach of defining high ILUC risk feedstocks should be further considered as part of the exercise in establishing a UK biomass framework. We note that this includes relevant factors such as expansion of feedstock production into areas of high carbon stock land.

If deemed to be appropriate for the UK to follow, then it should also be adopted in the framework.

Another potential approach would be quantitative approach to estimate and include ILUC emissions in the LCA (e.g. by adding a default). This would have the advantage that it would help identify high ILUC risk feedstocks automatically and (dis)incentivised appropriately.

ILUC is a relevant source of GHG emissions that should be considered in climate policy development

There are two primary options for addressing ILUC emissions:

1. Quantitative approach

In a quantitative approach, indirect land use change impacts are estimated using economic models. This allows for a comparison of the different pathways, with all feedstocks able to compete in a technology-neutral manner. However, ILUC cannot be observed but only modelled and estimates vary significantly between models.

2. Risk-based, "qualitative" approach

A risk-based approach seeks to promote feedstocks with lower ILUC risks over those with higher ILUC risks. This avoids the uncertainty of ILUC models, but risks excluding feedstocks solutions that, subject to further improvements, could deliver benefits.

Most programs that implement the risk-based approach also include a process to identify and certify "low-risk" feedstocks, but this process has not been practical and has not resulted in large volumes of "low-risk" crop-based biofuel feedstocks.

A quantitative approach to estimate ILUC emissions should:

i. Use the most relevant, practical and applicable quality data - While ILUC results from different economic and emission factor models can vary, an effort should be made to represent and value the GHG emissions impact of biofuels as accurately as possible by including ILUC emissions estimates from the most recent, well-regarded peer-reviewed model applicable to the region of interest. In some cases, or for international standards, this could include a modified-average approach similar to ICAO CORSIA

ii. Update data as models improve - ILUC emissions estimates will continue to change as new data becomes available on both carbon content and flexibility of land types and how markets respond to increases in biofuel demand. LCFS and similar programs should include periodic updates to ILUC data.

iii. Harmonise data where possible - ILUC emissions estimates can be a relevant portion of biofuel lifecycle GHG emissions. Programs implementing different ILUC approaches or values could have an unintended impact on markets. Whenever possible, especially within region, ILUC values should be harmonised to the most recent available data during the periodic update.

iv. Provide certainty and stability for investment - an appropriate grandfathering provision for eligible feedstocks should be considered, provided that it can be effectively and fairly introduced, in order to enable stability and assurance to projects. While programs should strive to use the most recent data, industry needs stability to invest. If a periodic update were to increase an ILUC emissions estimate, projects that have reached a defined significant financial commitment prior to the update should be able to use the previous ILUC emissions estimate for a duration sufficient to support investment.

Should the Government adopt the EU's methodology for identifying high ILUC risk feedstocks, it is essential that a workable mechanism be included to allow producers to demonstrate verifiable low ILUC risk. As currently designed, the EU criteria are excessively prescriptive and administratively challenging, resulting in a process that is disproportionate to its intended policy objectives.

The UK should not go above and beyond any such criteria without appropriate justification. This maximises the land available for biomass production, whilst ensuring that appropriate protections are in place.

21. Should high ILUC risk feedstocks be phased out? If yes, please provide a timeframe and state if it should be at a cross-sector or individual sector level. Please provide evidence to support your response and explain how this could be done in compliance with international rules, e.g. WTO compliance.

The impact of withdrawing high ILUC risk feedstocks does need to be carefully considered to ensure that the decarbonisation policy objectives for each scheme would continue to be met.

Government needs to adequately consider this risk potential "buy-out" of the schemes, which represents a policy failure, increasing costs for no decarbonisation benefit. Similarly, any phase-out would likely need to consider impacts of a phase-out across different sectors to avoid the feedstocks being simply diverted from one use to another.

If government adopted a quantitative approach to ILUC is used, then high ILUC risk feedstocks will be automatically identified and (dis)incentivised appropriately.

Nonetheless, should a risk based ILUC approach be implemented, then an appropriate grandfathering provision for eligible feedstocks should be considered, provided that it can be effectively and fairly introduced. Under such a mechanism, if subsequent data updates or revisions to the risk assessment methodology result in a feedstock being reclassified as high risk, any project that has reached a defined significant financial investment decision prior to the reclassification should retain the ability to utilise that feedstock in accordance with its original risk designation.

22. Are there other approaches (beyond those suggested above) that should be considered to limit ILUC impacts of bioenergy feedstocks, in particular with regards to competition with food?

Fuels Industry UK does not have an alternative approach at this time.

However, any alternative approach should be technology-neutral and should consider the risk of biofuel production projects' likelihood of resulting in significant indirect land use change or significant expansion of the feedstock production area into land with high-carbon stock. Most programs that implement a risk-based approach also include a process to identify and certify "low-risk" feedstocks, but this process has not been practical and has not resulted in large volumes of "low-risk" crop-based biofuel feedstocks.

23. Are there any other issues (e.g. social or other environmental) that should be considered as part of the agricultural land criteria?

Fuels Industry UK does not have a response to this question.

24. Do you agree that, unless otherwise specified, all feedstocks should have to comply with the agricultural land criteria? If not, please explain why and provide evidence to support your response.

Agree

This seems to be a reasonable approach and is in line with the requirements of the RTFO.

25. Should dedicated energy crops be required to meet the agricultural land criteria? If not, please explain why and provide evidence to support your response.

Yes

This seems to be a reasonable approach and is in line with the requirements of the RTFO.

26. Do you have evidence regarding the impact of requiring energy crops to meet the agricultural land criteria? We are particularly interested in potential impacts on planting targets and spatial distribution of energy crops.

Fuels Industry UK does not have a response to this question.

27. Should the types of evidence for demonstrating compliance with agricultural land criteria be kept aligned with existing criteria? If not, please outline what changes should be made.

Yes

This seems to be a reasonable approach and is in line with the requirements of the RTFO.

28. Please highlight any specific cost implications to your business/sector in meeting the proposed agricultural land criteria. Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

29. Do you agree that the land on which the raw feedstock was grown should be subject to soil monitoring and management plans? Please provide evidence to support your response.

Yes

This seems to be a reasonable approach and is in line with the requirements of the RTFO.

30. Are there any additional aspects that should be included in the soil criteria? Please explain what these are, how they could be implemented and the rationale for inclusion.

Fuels Industry UK does not have a response to this question.

31. Do you agree that agricultural residues should comply with the soil criteria? Please provide evidence to support your response.

Agree

These are in line with existing criteria in key sectors such as the RTFO.

As demonstrated in the findings of the Government of New Brunswick, Department of Agriculture, Aquaculture and Fisheries paper [9] "Crop Residue and Tillage Roughness Management" the benefits of crop residue start to taper beyond ~30% and too much residue can introduce new agronomic problems. Requiring the retention of 100% of residues would therefore impose an unnecessary constraint, effectively preventing the utilisation of the remaining ~70% of residues in other sectors without delivering any overall agronomic benefit

32. Should 'other crops' (where the whole plant is used as a bioenergy feedstock) have to comply with the soil criteria? Please provide evidence to support your response, including the benefits and challenges of applying the soil criteria to these feedstocks.

Fuels Industry UK does not have a response to this question.

33. Should dedicated energy crops have to comply with the soil criteria? Please provide evidence to support your response, including the benefits and challenges of applying the soil criteria to dedicated energy crops.

Yes

There should be a consistent approach across all crops, whether they are designated as being "energy crops" or not.

[9] https://www2.gnb.ca/content/dam/gnb/Departments/10/pdf/Agriculture/CropResidues.pdf

34. Should the types of evidence for demonstrating compliance with soil criteria be kept aligned with existing criteria? If not, please outline what changes should be made.

Yes

This seems to be a reasonable approach and is in line with the requirements of the RTFO.

35. Please highlight any specific cost implications to your business/sector in meeting the proposed soil criteria. Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

36. Do you agree that the requirements for setting the principles for sustainable land management are appropriate for the common framework? If not, how could they be changed?

Fuels Industry UK does not have a response to this question.

37. Do you agree that the common framework should continue to align with the biodiversity and ecosystem requirements set out in the Timber Standard? Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

38. Are there any areas where government should go further than the existing requirements? How should these requirements be included?

The government should not go further than the existing requirements without appropriate justification. There needs to be clear evidence of a problem to be addressed, rather than simply seeking to gold plate requirements.

39. Do you agree that the common framework maintains the existing social requirements in current criteria? Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

40. Should the common framework require forest managers to uphold the high-level principles running through the fundamental ILO Conventions? Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

41. Do you agree that forest managers should be required to ensure the management and harvesting activities have a positive impact on local communities in the sourcing area? Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

42. Are there any other social requirements that should be included in the common framework relating to the sourcing and harvesting of forest biomass? Please explain what these are, how these could be implemented, and the rationale for inclusion.

Fuels Industry UK does not have a response to this question.

43. Do you agree that requirements relating to productivity are sufficiently addressed in existing criteria? Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

44. Do you agree that the forest criteria should explicitly prevent forest derived biomass from being sourced from areas that would be permanently deforested? Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

45. Do you agree with the definition of deforestation given above? If not, please explain why and provide an alternative definition.

Fuels Industry UK does not have a response to this question.

46. Do you agree there should be an explicit requirement for long term forest carbon stocks to be maintained? What timescale should this assessment consider? Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

47. How could the assessment area be defined and determined? When should non-harvestable forests be included/excluded from the area assessment?

Fuels Industry UK does not have a response to this question.

48. What additional guidance should there be regarding a short-term reduction in carbon stocks? This should include what reasons are acceptable for short-term reductions in forest carbon stocks, what evidence should be provided to demonstrate steps are being taken to restore forest carbon stocks and how often assessments should be revisited.

Fuels Industry UK does not have a response to this question.

49. Should government set requirements relating to management changes? How could these be monitored and what should these requirements cover? Please provide evidence, rationale and risks of this approach.

Fuels Industry UK does not have a response to this question.

50. What data could government collect from sourcing regions to monitor management changes? How can government understand the extent to which bioenergy demand may be influencing management changes?

Fuels Industry UK does not have a response to this question.

51. Do you agree that forest biomass should not be sourced from the prohibited land categories proposed? Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

52. Should material be allowed to be sourced from primary, old growth and highly biodiverse forest if it can be demonstrated that the area has been harvested to prevent disease, fire or pests, or that the production of the raw material did not interfere with nature protection purposes? If yes, what evidence should be required to demonstrate compliance?

Yes

This approach is consistent with that taken in other areas, such as protected highly biodiverse land categories.

It maximises the land available for biomass protection whilst ensuring that suitable protection is in place.

We agree that suitable evidence should be provided to demonstrate that the area has been harvested to prevent disease, fire or pests, or that the production of the raw material did not interfere with nature protection purposes. However, we do not have sufficient expertise to advise on what this should be.

53. Do you agree that roots should be an ineligible feedstock? Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

54. Should the sustainability criteria allow for certain circumstances where roots can be used for bioenergy? If yes, please state what circumstances these might be and how they can be evidenced.

Yes

This approach is consistent with that taken in other areas, such as protected highly biodiverse land categories.

It maximises the land available for biomass protection whilst ensuring that suitable protection is in place.

We agree that suitable evidence should be provided to demonstrate that the roots have been removed for appropriate reasons. However, we do not have sufficient expertise to advise on what this should be.

55. Do you agree with the proposed specification of sawlogs? If not, please explain why and provide an alternative definition.

Fuels Industry UK does not have a response to this question.

56. Should sawlogs be prevented from use in bioenergy? Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

57. If sawlogs are prevented from use in bioenergy, should a small margin of tolerance be introduced? If yes, what should the margin of tolerance be set at? Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

58. Beyond the above sawlog proposal, how could the cascading use principle be implemented in the common framework? Please provide details of the administrative burden across the supply chain and how this could be reduced.

Fuels Industry UK does not have a response to this question.

59. Should the cascading use principle only apply to forest derived biomass, or all woody biomass? Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

60. Do you agree that, under the common framework, government should only provide support (where the forest criteria apply) to bioenergy from feedstocks that meet the forest criteria? Please provide evidence to support your response.

Disagree

The RTFO and many international schemes currently not require sawmill residues to meet forestry criteria. This is because they are considered a residue of an industrial activity and as such treated like any other processing residue, i.e. traceability and sustainability requirements only go back to the point of origin or waste. The focus for these feedstocks should be on securing credible certification that demonstrates that the material was not intentionally created for the purposes of bioenergy production. It is not clear from the consultation document why Government believes that robust and credible traceability is not possible.

There needs to be a justification as to why a change is required in this area, rather than simply adopting the requirement. For the RTFO, this is an example of "gold plating" and should not be adopted.

61. **Considering the forest criteria in the round, are there any other criteria that should be included to ensure forest biomass is low carbon?**

Fuels Industry UK does not have a response to this question.

62. **Do you agree with the feedstocks that are in scope? If not, please explain which feedstocks should be in or out of scope of the forest criteria. Please provide evidence to support your response.**

Fuels Industry UK does not have a response to this question.

63. **What are the challenges with applying the forest carbon stocks criterion to secondary feedstocks (e.g. sawmill residues)? How could these be overcome?**

It is difficult to see how it would be practical to trace the sawmill residues back to the source area of the individual logs, given that the raw material would be mixed during processing and the original logs will likely have reached the sawmill through various routes from a wide sourcing area].

64. **Are there challenges with applying the prohibited land categories to secondary feedstocks (such as sawmill residues)? If yes, please identify challenges and suggest how these could be overcome (e.g. through the use of appropriate proxies).**

Fuels Industry UK does not have a response to this question.

65. **Do you have any additional views on secondary feedstocks (such as sawmill residues) that have not been captured by questions above? For example, the risks associated with misalignment with other international sustainability criteria (e.g. EU RED III).**

Given the lack of alignment with international sustainability criteria, this will also lead to additional administrative burdens and cost.

66. **Should SRF have to comply with the productivity criterion, forest carbon criterion or deforestation criterion? If not, what should the cut off age of the trees harvested be for the exemption? Please provide evidence to support your response.**

Fuels Industry UK does not have a response to this question.

67. Should the types of evidence for demonstrating compliance with forest criteria be kept aligned with existing criteria? If not, please outline what changes should be made.

Fuels Industry UK does not have a response to this question.

68. Please highlight any specific cost implications to your business/sector in meeting the proposed forest criteria. Please provide evidence to support your answer.

Fuels Industry UK does not have a response to this question.

69. What challenges (including costs) are faced by certification schemes updating their criteria to be compatible with the forest criteria proposals that go beyond existing requirements? Please highlight any challenges that may vary depending on biomass end use sector or application e.g. transport vs electricity.

Fuels Industry UK does not have a response to this question.

70. Do you agree that, unless otherwise stated, wastes and residues should be exempt from the land criteria? Please provide evidence to support your response.

Agree

The point of origin of a waste or residue should be considered the location where it is generated and where its intended use is discarded. Furthermore, such material should be certified under a robust and credible certification scheme, demonstrating that it has not been intentionally modified or contaminated, and that the holder discards, intends to discard, or is required to discard it. This approach has been used in the RTFO for many years and has operated successfully to achieve the policy decarbonisation objective.

It should be continued unless there is clear evidence and justification for changing the criteria.

71. Do you have evidence that wastes are being purposefully created to produce feedstocks for bioenergy? If yes, please provide evidence.

No

The approach on wastes has been used in the RTFO for many years and has operated successfully to achieve the policy decarbonisation objective [10]. Furthermore, such material should be certified under a robust and credible certification scheme, demonstrating that it has not been intentionally modified or contaminated, and that the holder discards, intends to discard, or is required to discard it

It should be continued unless there is clear evidence and justification for changing the criteria.

72. Are there any emerging or novel biomass feedstocks for which sustainability criteria may need to be developed? If yes, please specify the feedstocks and suggest criteria that would mitigate potential environmental harms arising from the sourcing of the feedstock.

As per our response to Q6, the UK should introduce a separate category of intermediate crops. Unlike existing feedstock categories, their definition is related to how the feedstock is produced rather than the type of crop grown, i.e. these feedstocks need to be part of a sustainable crop rotation that provides environmental benefits and does not trigger additional land demand.

To verify the requirement that intermediate crops will not trigger additional land use and improve soil content, a practical and credible verification process would need to be put in place. This would include a Dynamic Land Utilisation approach which assesses historic crop rotation on a farm level and ensures that only land otherwise unproductive e.g. left fallow or idle would be used. Similarly, it will need to be demonstrated that agricultural management practices that are well known to improve soil quality are adopted (i.e. use of no-/zero-tillage or minimum-/low- tillage practices or leaving residues on the field) [11].

We would suggest that the framework includes a process to be followed should further feedstocks emerge in the future. This should include what evidence is required, the government entity granting approval and indicative timelines for a decision to be made.

[10] https://www.gov.uk/government/statistics/renewable-transport-fuel-obligation-rtfo-statistics-2024-final-report/renewable-transport-fuel-obligation-rtfo-statistics-2024-final-report

[11] https://www.studiogearup.com/sgu-recommendations-for-practical-certification-guidelines-intermediate-crops/

73. How would the land criteria, as currently formulated, be applied to biomass feedstocks regardless of their end use (including non-energy uses)?

Fuels Industry UK does not have a response to this question.

74. Would the land criteria need be adapted to mitigate potential negative environmental impacts associated with non-energy uses of biomass? Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

75. If applied to non-energy uses, how could government ensure that the application of land criteria does not create unintended barriers for sustainable non-energy uses of biomass?

Fuels Industry UK does not have a response to this question.

76. What environmental or social concerns are there regarding the wider biomass supply chain? Please be specific about their nature and the sectors that these concerns relate to.

Fuels Industry UK does not have a response to this question.

77. Should sector specific policy measures be put in place to mitigate potential risks relating to the wider supply chain or should these be set out at a cross-sector level under the common framework? Please provide detailed evidence on what these could be and how they could be implemented, noting the challenges highlighted above.

As per our previous responses, there should be no gold plating and any impacts should be carefully considered, in terms of additional administrative burden and costs (particularly in case of lack of international alignment) but also in terms of whether amendments to the sustainability criteria are indeed the best way to achieve the desired outcome]

Chapter 4. Greenhouse Gas (GHG) Criteria

78. Do you agree that the proposed life cycle parameters can be used to give an appropriate representation of the bioenergy LCA emissions? Please provide evidence to support your response.

Agree

As outlined in the consultation document, these parameters are broadly consistent with those applied under the RTFO and the SAF mandate. The RTFO has operated successfully for many years and has provided a robust framework for delivering substantial carbon savings.

Given this long-established effectiveness, any departure from these established parameters should only occur where there is clear and compelling justification. We generally support updates that result in alignment with international requirements as this can reduce the administrative burden but would request that changes are not adopted without a clear and evidence-based rationale for doing so.

Fuel pathways that may achieve net negative emissions should be fully supported and accounted for in the LCA methodology, as they could help unlock investment in lower carbon intensity solutions at scale, making these options more accessible and thus having the potential to play an important role in decarbonisation efforts.

79. Are there additional parameters that should be considered? Please provide evidence to support your response

Quantitative ILUC emissions should be included in line with ISO 14067: 2018, the current authoritative standard to help inform policies, whether the government chooses a quantitative approach or a qualitative approach to ILUC. We intentionally reference the 2018 edition, as ongoing revision work has not yet produced a final, approved update on which to comment.

It should be noted that there is international stakeholder consensus around a quantitative, model-based approach through the International Civil Aviation Organisation CORSIA program deliberations.

Fuel pathways that may achieve net negative emissions should be fully supported and accounted for in the LCA methodology, as they could help unlock investment in lower carbon intensity solutions at scale, making these options more accessible and thus having the potential to play an important role in decarbonisation efforts.

80. Do you agree with the approach on system boundary application? Please provide evidence to support your response, including sector-specific impacts where possible.

Agree

As discussed in the consultation document, this is consistent with the approach used in the RTFO and SAF mandate. The RTFO has operated successfully for many years and have provided the framework for significant carbon savings.

It does not make sense to include the end use of the product; this would involve a significant (and potentially impossible) administrative burden and provide no environmental benefit.

81. Do you agree that there should be a requirement for ILUC values to be reported separately for crop-based feedstocks by all future biomass policies? Please provide evidence to support your response.

Agree

This approach is consistent with that used under the RTFO, which has operated successfully for many years and provided the framework for significant carbon savings.

We government should consider a quantitative approach to estimating and include ILUC emissions as this closely aligns with lifecycle-based, science-based and technology neutral policy principles. A quantitative approach is directionally representative of the GHG emissions impacts of biofuels. A quantitative approach will promote informed choices on using all applicable feedstocks unlike risk-based approaches (like crop caps) that eliminate some higher-ILUC risk feedstock solutions or omit altogether the indirect GHG impact of lower-ILUC risk feedstocks.

A robust quantitative system requires reliable ILUC values and is essential to the application of Product Level Carbon Intensity Standards (PLCIS), which establish lifecycle carbon intensity thresholds that can be progressively tightened.

ISO 14067 states ILUC should be included in carbon footprint studies once an internationally agreed procedure exists." There is international stakeholder consensus around this approach through the International Civil Aviation Organisations (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) [12] program deliberations.

[12] https://www.icao.int/CORSIA

82. How could the GHG criteria life cycle assessment be expanded to include accurate ILUC emissions in the future? Please provide evidence to support your response.

ILUC is a relevant source of GHG emissions that should be considered in climate policy development

There are two primary options for addressing ILUC emissions:

1. Quantitative approach

In a quantitative approach, indirect land use change impacts are estimated using economic models. This allows for a comparison of the different pathways, with all feedstocks able to compete in a technology-neutral manner. However, ILUC cannot be observed but only modelled and estimates vary significantly between models.

2. Risk-based, "qualitative" approach

A risk-based approach seeks to promote feedstocks with lower ILUC risks over those with higher ILUC risks. This avoids the uncertainty of ILUC models, but risks excluding feedstocks solutions that, subject to further improvements, could deliver benefits.

Most programs that implement the risk-based approach also include a process to identify and certify "low-risk" feedstocks, but this process has not been practical and has not resulted in large volumes of "low-risk" crop-based biofuel feedstocks.

Experience in the RTFO suggests that a qualitative approach combined with reporting on ILUC can be used in practice, provided that suitable guidance and tools on how it can be calculated are provided.

A quantitative approach to estimate ILUC emissions should:

i) Use the most relevant, practical and applicable quality data - While ILUC results from different economic and emission factor models can vary, an effort should be made to represent and value the GHG emissions impact of biofuels as accurately as possible by including ILUC emissions estimates from the most recent, well-regarded peer-reviewed model applicable to the region of interest. In some cases, or for international standards, this could include a modified-average approach similar to ICAO CORSIA

ii) Update data as models improve - ILUC emissions estimates will continue to change as new data becomes available on both carbon content and flexibility of land types and how markets respond to increases in biofuel demand. LCFS and similar programs should include periodic updates to ILUC data.

iii) Harmonise data where possible - ILUC emissions estimates can be a relevant portion of biofuel lifecycle GHG emissions. Programs implementing different ILUC approaches or values could have an unintended impact on markets.

Whenever possible, especially within region, ILUC values should be harmonised to the most recent available data during the periodic update.

iv) Provide certainty and stability for investment – an appropriate grandfathering provision for eligible feedstocks should be considered, provided that it can be effectively and fairly introduced in order to enable stability and assurance to projects. While programs should strive to use the most recent data, industry needs stability to invest. If a periodic update were to increase an ILUC emissions estimate, projects that have reached a defined significant financial commitment prior to the update should be able to use the previous ILUC emissions estimate for a duration sufficient to support investment.

83. To ensure consistency, and to minimise reporting costs, should those reporting on ILUC values, and incorporating them into GHG criteria life cycle assessments, be obliged to base such values on future government provided coefficients? Please provide evidence to support your response.

Yes

The impact of ILUC arising from increased biofuel demand can be estimated using global economic models such as GTAP and GLOBIOM and then incorporated into carbon intensity calculations. However, there are several limitations to relying on modelled ILUC values:

1. Estimates vary significantly between models, and the underlying assumptions and input data can be subjective.

2. ILUC values cannot be directly measured or independently verified, as they rely on complex, uncertain modelling rather than empirical observation.

3. Data availability, accuracy, and long-term stability remain uncertain, raising questions about the reliability of the outputs over time.

Given these limitations, providing government issued ILUC coefficients offers a practical means of ensuring a consistent and transparent approach, both within a scheme and across different government initiatives. As the consultation question highlights, this approach also reduces reporting burdens and supports the widest possible range of biomass pathways, while still ensuring that robust and credible GHG savings are delivered.

84. Are there other ways in which ILUC could be addressed within the common biomass sustainability framework? Please provide evidence to support your response.

Fuels Industry UK does not offer any further alternative approaches.

However, any alternative approach should be technology-neutral and should consider the risk of biofuel production projects' likelihood of resulting in significant indirect land use change or significant expansion of the feedstock production area into land with high-carbon stock.

85. What could be done to further improve data collection and monitoring of soil carbon accounting?

It is important for emission savings from soil carbon accumulation ("esca") to be enabled in the UK and duly considered, with the methodology aligned with the framework that is already in place in the EU. For example, the current carbon intensity methodology for manure used for biogas does not account for esca and benefits of methane being avoided and therefore is treated close to 0 gCO_2e/MJ (compared with around –100 gCO_2e/MJ in most European schemes). This does lead to an uneven level playing field to the disadvantage of biogas in the UK, especially should schemes like the RTFO at some point change to a GHG-based rather than a volumetric scheme.

To simplify data collection and monitoring of soil carbon account for esca, we recommend adopting proper MRV systems rather than traditional soil sampling. Incorporating approaches such as proximal soil-sensing technologies and digital soil mapping would support scalability while reducing data uncertainty and fraud risk. These enhancements would help ensure the robustness and integrity of regenerative-agriculture feedstocks carrying an esca claim.

For pragmatic approaches as relates to proving intermediate crops have maintain or improve soil content requirements see also Question 72.

86. What other considerations should be made when defining or updating default values in line with the common framework GHG life cycle parameters?

We agree that the best available data from government, industry or academic sources should be used. This allows the most up to date and accurate assessments of GHG savings to be made.

This approach is consistent with that used in the RTFO, which has operated successfully over many years and delivered significant GHG savings.

However, we note that a safety factor may be used for default values to account for any uncertainties or data gaps. Given that default values are based on the best available data, we would question the need for this safety factor. If government ultimately decide that one is required, then it should be set as low as possible to avoid disincentivising biomass use.

We note that the RTFO permits the use of both disaggregated default values and actual values. We strongly support retaining this flexibility in the common framework. Disaggregated values allow suppliers who invest in lower-carbon processes to demonstrate those benefits; combining values obscures these differences and may lead to less accurate reporting and weaker overall emissions performance. It is therefore essential that suppliers have the option to supply actual values.

In addition, the following considerations are essential:

1. Alignment with international standards: Default values must be developed in accordance with ISO 14040/44 to ensure methodological robustness and consistency.

2. Transparency and data quality requirements:

   - Representativeness: Geographic, technological, and temporal coverage must reflect typical industry conditions.

   - Traceability: All data, whether industrial averages, literature sources, or direct measurements—should be fully traceable and auditable.

   - Regular updates: Default values should be reviewed and updated on a routine basis (e.g., annually or biennially) to reflect technological advances, changes in feedstocks, and emerging scientific insights.

3. Stakeholder input and peer review:

   - Engagement with industry to gather operational data,

   - Independent expert peer review consistent with ISO processes,

   - Public consultation when used in a regulatory context.

We note from the consultation that a safety factor may be considered when developing default values to account for uncertainties or data gaps. However, given that default values are already based on the best available data, we question the necessity of such a factor as it would be subjective.

87. Do you agree that thresholds under the GHG criteria should be set by individual biomass policies instead of a single cross-sector biomass supply chain threshold? Please provide evidence to support your response.

Yes

The GHG savings vary from sector to sector; for example, the savings associated from wood used in power generation would be different from bioethanol used in petrol for transport fuel.

The needs of each scheme need to be carefully considered to ensure that each operates effectively and practically based on their respective requirements.

88. Do you agree with the proposed considerations in determining appropriate thresholds and that these can achieve meaningful decarbonisation across different bioenergy sectors? Are there other key considerations that should be factored in? Please provide evidence to support your response.

Yes

We broadly agree with the proposed considerations including the latest evidence and methodological developments; however, we note the reference to the EU renewable energy directive in the consultation. Given the UK's withdrawal from the EU, we would question whether this is appropriate. We would ask that the UK conducts its own analysis on what is required, rather than simply following the requirements applicable in the EU.

89. Are there alternative ways to set a threshold for bioenergy pathways? If yes, please explain how this could be achieved?

Fuels Industry UK does not have a response to this question.

90. Do you agree with the proposed feedstocks in scope of the GHG criteria as shown in table 4.1? Please provide evidence to support your response, including sector-specific impacts where possible.

Agree

This seems a pragmatic approach.

91. What are the barriers and challenges (if any) in accounting for GHG emissions from wastes, including mixed wastes?

Fuels Industry UK does not have a response to this question.

92. Should the methods for reporting greenhouse gas (GHG) emissions savings be kept in line with existing criteria? If not, please outline what changes should be made.

Yes

This approach has been used under the RTFO for many years. The scheme is well understood by stakeholders and has delivered significant GHG savings. We note that the RTFO permits the use of both disaggregated default values and actual values. We strongly support retaining this flexibility. There should not be a change from this scheme unless it is evidenced and justified.

93. Please highlight any specific cost implications to your business/sector in meeting the proposed GHG criteria. Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

94. How can life cycle GHG emissions from non-energy uses of biomass best be calculated, taking account of methodological challenges?

LCA GHG emission calculations should follow sound science as per ISO 14067:2018, the current authoritative standard. We intentionally reference the 2018 edition, as ongoing revision work has not yet produced a final, approved update on which to comment.

95. At what points in the material life cycle is it most feasible to collect data on GHG emissions for non-fuel uses of biomass?

GHG emissions for non-fuel uses of biomass should follow sound science as per ISO 14067:2018, the current authoritative standard. We intentionally reference the 2018 edition, as ongoing revision work has not yet produced a final, approved update on which to comment.

We are aware that some stakeholders may advocate the GHG emissions for non-fuel uses of biomass to be based on Cradle to Gate which then includes all the negative emissions from biomass making products potentially carbon neutral at the “gate”. However, such products are often combusted and the GHG emissions must account for the potential combustion emissions. As required in 14067:2018 biogenic carbon accounting, biogenic uptake is recorded separately in carbon footprints.

Clause 6.4.9.8 of 14067:2018 Table 1 (Specific GHG emissions and removals treatment in the CFP or the partial CFP and documented separately in the CFP study report) provides requirements, guidance and illustration on the treatment of specific GHG emissions and removals.

96. What is your view on the preferred declared or functional unit of expression for LCAs for non-fuel uses of biomass, as an alternative to gCO2e/MJ?

Fuels Industry UK does not have a response to this question.

97. Do you believe that there exists a sufficient evidence base to set default values of biomass sustainability for non-energy uses?

Fuels Industry UK does not have a response to this question.

Chapter 5 – Monitoring Reporting and Verification

98. Do you agree that biomass feedstock definitions need to be harmonised across end-use sectors? If biomass feedstock definitions should be harmonised, how broad or granular should these categories or definitions be? Please provide examples.

Agree

A harmonised set of biomass feedstock definitions across sectors would be beneficial in minimising confusion on the terms used.

We note the reference to the RTFO and SAF mandate and agree that this is a good place to start. The definitions have been used in the RTFO for many years and are well understood by stakeholders.

The granularity in the RTFO would also be a good starting point for broader definitions across sectors.

99. Are there any other improvements to the feedstock type reporting process that should be considered?

We suggest that improvements could be made to the reporting of food waste-derived material, which carries uncertainty as to whether it is eligible for RTFO even if it carries a valid Nabisy code.

More generally, there is potentially a need for further guidance on how feedstocks map across international schemes...

100. Do you agree that biomass feedstock country of origin reporting should be mandatory, with certain exemptions? Please provide evidence to support your response.

Agree

This approach is consistent with that used in the RTFO for many years. The RTFO is established, delivers significant GHG reductions and is well understood by stakeholders.

101. Please state which feedstocks should be exempt from country of origin reporting? Please provide evidence to support your response.

All feedstocks should be included in the country-of-origin reporting.

This avoids unintended consequences, including potential circumvention of sustainability requirements and potential fraud risks.

102. Do you agree there should be a list of minimum sustainability metrics that are collected and reported to the relevant delivery body? Please explain your answer, including examples of sustainability metrics that could be included.

Agree

This approach is consistent with that used in the RTFO for many years. The RTFO is established, delivers significant GHG reductions and is well understood by stakeholders.

103. How should this be achieved in practice?

The RTFO and SAF mandate provide detailed guidance on reporting requirements, as well as the verification requirements. These are updated on an annual basis following consultation with stakeholders. Suppliers must meet these requirements in order to receive appropriate certificates to redeem against their obligations.

The RTFO is established, delivers significant GHG reductions and is well understood by stakeholders.

104. What potential barriers or challenges, including cost implications, need to be overcome to achieve standardisation of reporting?

In general terms, standardisation typically will add to administrative burden and require investment costs in upgrading IT systems and training costs

105. Do you agree with the above proposal on publishing relevant sustainability data? Please provide evidence to support your response.

Agree

We agree that aggregated data should be published where possible.

As the consultation notes, the RTFO has published detailed aggregated data on the low carbon fuels supplied. This provides transparency on the operation of the scheme, whilst protecting the commercial interests of fuel suppliers,

A similar approach may be used for other schemes.

The data published for the RTFO is fit for the purpose that it serves. A different approach which potentially reveals commercially sensitive supplier data should not be introduced.

106. Which data points should be included to improve the transparency of sustainability practices across the biomass incentive schemes? Please provide evidence to support your response.

We would draw attention to the data supplied under the RTFO scheme and suggest that this is a good place to start when looking at what data is useful and should be provided.

Any data provided should be aggregated and not reveal commercially sensitive information of scheme participants. This is the case for the RTFO data.

107. Are there any data points that should not be included? Please provide evidence to support your response.

We would draw attention to the data supplied under the RTFO scheme and suggest that this is a good place to start when looking at what data is useful and should be provided.

Any data provided should be aggerated and not reveal commercially sensitive information of scheme participants. This is the case for the RTFO data.

108. Overall, do you agree that there should be a risk assessed approach to carrying out third-party audits? Please provide evidence to support your response.

Agree

This approach has been successfully used under the RTFO for many years. The RTFO is well understood by participants and has delivered significant GHG savings over may years. We also note that there is no evidence of fraud under this scheme.

109. Do you agree the risk assessment should determine whether a 'reasonable' or 'limited' assurance audit needs to be carried out? Please provide evidence to support your response.

Agree

This approach has been successfully used under the RTFO for many years. The RTFO is well understood by participants and has delivered significant GHG savings over may years. We also note that there is no evidence of fraud under this scheme.

110. Do you agree the risk assessment should determine the frequency of auditing? Please provide evidence to support your response.

Disagree

We agree with the principle that any high-risk entities should be subject to further scrutiny. However, for the RTFO and SAF mandate the frequency of auditing is already outlined in the guidance; it is required as part of the process to release certificates which are redeemed against supplier obligations.

For the RTFO and SAF mandate there is limited benefit in a risk assessment; the requirements are clear and well understood. All that a risk assessment would do is create uncertainty where it is not needed.

111. What are the differences in the financial and resourcing burden involved in carrying out 'reasonable' versus 'limited' assurance audits? Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

112. What effect would the requirement of reasonable assurance have on government incentive scheme participants? Please provide evidence to support your response.

In the case of the RTFO and SAF mandate, this imposes an additional burden on fuel suppliers. While it may improve on transparency and data across the supply chain, it will result in a higher compliance costs. Given that there is no evidence of fraud under the scheme, we would question why the additional requirement is needed at all.

Additional and unjustified requirements have the effect of making the UK a less attractive place to invest and do business.

113. Do you agree that benchmarking exercises for voluntary certification schemes should be at intervals no greater than five years? Please provide evidence to support your response.

No firm view

We believe that this is a matter for government to consider.

114. Do you agree that VCSs should be required to disclose the following measures as part of the benchmarking process? Please provide evidence to support your response.

a. What quality control framework the auditor has in place and how the operator has confirmed that the quality control framework is sufficient to ensure that the ISAE3000 auditor can issue a reliable opinion.

b. The competence and qualifications of the individuals delivering each assessment, including the amount of required professional development hours undertaken by auditors to maintain necessary skills.

c. Specific details on the level of scrutiny and detail involved in the decision-making process to issue a certificate to any operator.

d. How long an auditor has been working with each operator they audit.

While we support efforts to improve the system, we would like to note that the description provided is not entirely accurate. Voluntary Certification Schemes approved and recognised by the UK Department for Transport (DfT) for RTFO compliance operate under their own established rules and requirements, which form the basis of the certification process, based on inspections following ISO standards. They also include elements about capacitation, conflict of interest and controls/shadow audits of the work of the certification bodies that perform such audits. On the other hand, the ISAE 3000 audit is a financial assurance audit carried out for different purposes and should not be considered as part of the same process.

115. Do you agree that operators should be required to provide a declaration that they are independent from the VCS, and to declare any actual or perceived conflicts of interest? Please provide evidence to support your response.

Agree

This seems to be a pragmatic step ensuring that an independent assessment has been carried out.

116. Do you agree that auditors carrying out ISAE3000 audits should rotate on a more frequent basis to provide more objective outputs and mitigate the risk of bias and conflicts of interest? Please provide evidence to support your response.

Fuels Industry UK does not have a response to this question.

117. What challenges and barriers to achieving this are you aware of? For example, are there specific feasibility or cost concerns with overseas site visits?

There are likely to be significant cost impacts as a result of overseas site visits. We would ask what the benefits are of this, and whether they justify the additional costs.

118. What benefits do you see this providing to the monitoring and assurance of biomass sustainability?

Given that there is no evidence of fraud under the RTFO or SAF mandate at this time, we would question whether there are any benefits to this at all.

119. Should incentive schemes have the ability to request data relating to biomass sustainability from any body involved in the certification, auditing and evidence generation process? Please provide evidence to support your response.

Yes

Data can be requested through the supply chain in order to ensure that the data is verifiable and robust. This can be of value to verify complex chain of custodies and triangulate data. However, any such requests by the incentive schemes should also be mindful of the assurance process and periodic audits undertaken by voluntary certification schemes to avoid creating unnecessary work and undermine trust in the system.

120. Should incentive schemes have the ability to require participants to include data sharing provisions in contractual agreements with third parties? Please provide evidence to support your response.

No

Incentive schemes should not interfere in contractual agreements to any extent.

While reputable suppliers will often have similar clauses in supply contracts, government intervention in this area creates a risk of government interference and undue oversight. The UK needs to be seen as an attractive place to operate and invest, and such requirements do little if anything to assist this.

As evidenced in the RTFO, a more effective approach is to make the biomass sustainability and verification requirements clear and let market participants make the appropriate arrangements for themselves.

121. What are barriers (including costs) are there to implementing data sharing as described above?

Incentive schemes should not interfere in contractual agreements to any extent. There are also concerns regarding commercial confidentiality which need to be recognised and addressed.

While reputable suppliers will often have similar clauses in supply contracts, government intervention in this area creates a risk of government interference and undue oversight. The UK needs to be seen as an attractive place to operate and invest, and such requirements do little if anything to assist this.

As evidenced in the RTFO, a more effective approach is to make the biomass sustainability and verification requirements clear and let market participants make the appropriate arrangements for themselves.

122. Do you have any additional views on current MRV practices that have not been captured by questions above?

Fuels Industry UK does not have a response to this question.

123. Please provide any suggestions for strengthening MRV practices that are not outlined above, including as much detail as possible.

Fuels Industry UK does not have a response to this question.

124. Do you agree with the outlined enforcement guiding principles? Please provide evidence to support your response.

Agree

The principles outlined are consistent with those used under the RTFO for many years and are well understood by participants.

They have been rarely used in the context of the volume of lower carbon fuels supplied, with suppliers meeting their requirements in a responsible manner.

As such, there is no requirement for these enforcement principles to be strengthened for the RTFO or SAF mandate.

125. What are your views on including a mechanism in future policy design to pass on costs of investigating non-compliant entities? Please provide evidence to support your response.

We would question the basis for this, as well as the optics of how it looks in the context of the UK being seen as a place in which to operate and invest if costs of investigating non-compliant entities would generally fall on operators (rather than just on entities for which non-compliance has been proven). There is a potential that the government could force excessive costs onto operators, without justification or redress, which does little if anything to encourage UK industry.

A future mechanism to pass potentially unlimited costs to operators must therefore be avoided.

126. What is the appropriate forum for resolving disputes over the amount of costs charged to a non-compliant entity, for example a first-tier tribunal, or independent auditor?

We would question the basis for this, as well as the optics of how it looks in the context of the UK being seen as a place in which to operate and invest. There is a potential that the government can force excessive costs onto operators, without justification or redress, which does little if anything to encourage UK industry.

A future mechanism to pass potentially unlimited costs to operators must be avoided.

Given that auditors are already independent, we would also question the value of this approach.

Conclusion

127. Do you consider there to be any longer-term implications that have not already been addressed in this consultation, including costs to sectors, business, or consumers?

We note the reference in the consultation to the support schemes potentially being not required in the future.

In the context of the RTFO and SAF mandate, this is unrealistic; lower carbon fuels are extremely likely to be more expensive than their fossil equivalents for the foreseeable future (for a number of reasons). Support schemes will be needed for many years to come.

The costs of the RTFO and SAF mandate will typically increase costs to consumers, and the wider economy.

128. Do you have any further comments or suggestions across all policy proposals included in this consultation in relation to the objectives (set out above and in chapter 1), including on the costs and practicalities.

Fuels Industry UK does not have a response to this question.