



Department
for Transport

Motor Fuel (Road Vehicle and Mobile Machinery) Greenhouse Gas Emissions Reporting Regulations: Guidance for suppliers not obligated under the RTFO

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1. Introduction

- 1.1** This document explains the new requirements introduced by the Motor Fuel (Road Vehicle and Mobile Machinery) Greenhouse Gas Emissions Reporting Regulations 2012 No. 3030 ('the Motor Fuel GHG Regulations') which came into effect on 1st January 2013.¹
- 1.2** The Motor Fuel GHG Regulations implement the annual GHG reporting requirements of article 7a of the Fuel Quality Directive, FQD (European Union Directive 2009/30/EC).
- 1.3** The Motor Fuel GHG Regulations affect parties supplying over 450,000 litres of liquid or kilograms of gaseous fuel used for road transport and non-road mobile machinery (NRMM).
- 1.4** This guidance is provided for use by parties who exclusively supply fossil fuel gases for use in road transport or non-road mobile machinery (NRMM), inland waterway vessels, agricultural and forestry tractors, as well as recreational craft, and who are not obligated under the Renewable Fuels Transport Obligation (RTFO). It is also intended for use by relevant trade associations and other interested parties.
- 1.5** Suppliers obligated under the RTFO are also obligated under the Motor Fuel GHG Regulations. These suppliers should refer to the RTFO guidance documents published on the [DfT Website](#). Chapter 4 of the [RTFO Guidance Part 2](#) (Carbon and Sustainability Guidance) explains how these parties fulfil their obligations under the Motor Fuel GHG Regulations.

Requirements of the regulation

- 1.6** The Motor Fuel GHG Regulations require suppliers to:
 - register with the Administrator and open an account;
 - report annually, by 29 November, on the amount (weight), energy content and GHG emissions of relevant fuels supplied in the previous calendar year.
- 1.7** The first report is due by 29 November 2014 in respect of relevant fuels supplied in 2013.
- 1.8** Suppliers can fulfil their requirements to register under this regulation by completing the registration form available on the [DfT Website](#) and returning it to the Administrator at MFGHGregs@df.gov.uk. This should be done no later than 28 days after having supplied more than 450,000 kg of gaseous fuel within one calendar year.

¹ These are not the greenhouse gas reporting regulations overseen by the Department for Environment, Food & Rural Affairs.

- 1.9** The subsequent annual reporting requirement can be fulfilled by completing the reporting template available on the [DfT Website](#) and returning it to the Administrator no later than 29 November after the previous reporting period (which runs from 1 January until 31 December).

A short overview of the legislative framework

- 1.10** Article 7a of the European Union's Fuel Quality Directive (FQD) imposes an obligation on fuel suppliers for road transport and NRMM in all Member States of the EU to achieve at least a six percent reduction in life cycle greenhouse gas (GHG) emissions from the fuel they supply in 2020 against a 2010 baseline (set by reference to the average GHG intensity of all fossil fuels). In the meantime they must also reduce the GHG intensity of those fuels as gradually as possible towards the six percent reduction. It also introduces annual reporting requirements for affected fuel suppliers.
- 1.11** In the UK, the annual reporting requirements of the FQD have been implemented through the Motor Fuel GHG Regulations. The six percent CO₂ reduction target has not yet been set in UK regulation.

2. Accounts

Chapter summary

This Chapter contains details of who should register with the Administrator and how to register.

It contains details on how to manage an account once opened and on what grounds an account will be closed.

Requirement to register with the Administrator

- 2.1 Under the Motor Fuel GHG Regulations, any company that owns and supplies 450,000 kg or more of gaseous fuel for use in the UK as road transport or NRMM fuel during the course of a year, must register with the Administrator.
- 2.2 Fuel used in road transport and NRMM becomes subject to the Motor Fuel GHG Regulations at the point when the fuel becomes liable for excise duty in the UK - termed the 'duty point'.
- 2.3 If there is any uncertainty over whether or not a company is required to register, it is advisable to contact the Administrator.
- 2.4 Suppliers must have applied to open an account within 28 days of having passed the 450,000 kg threshold within an obligation period. Obligation periods under the Motor Fuel GHG Regulations run from 1 January until 31 December.
- 2.5 Fuels that are physically present within the UK but have not crossed the duty point (i.e. are 'duty suspended') are not covered by the Motor Fuel GHG Regulations. Fuels that are removed from the UK can be deducted from your obligation.
- 2.6 Please be aware that the same team at DfT that administers the RTFO also administers the Motor Fuel GHG Regulations. As the Motor Fuel GHG Regulations are expected to be a small part of the RTFO Units work it will not be renamed and therefore all emails will come from the RTFO Unit.

Registration

- 2.7 Obligated suppliers need to fill in the registration template available on the [DfT Website](#).
- 2.8 The completed template should be sent to the Administrator via MFGHGregs@dft.gsi.gov.uk. Once the Administrator is satisfied that they have a valid reason for applying for an account, they will be sent the reporting template. Note that the same Unit in the DfT that administers the RTFO also administers the Motor Fuel GHG Regulations. Please make it clear that any communication you may send refers to the appropriate piece of legislation.

2.9 Companies applying for an account must provide:

- Full company name;
- Any other name(s) the company may be known or trading as;
- Full business address and contact details;
- The full name, position, email and phone number of a person with legal responsibility for the company ('the nominated contact person');
- Companies House number (where applicable).

2.10 The Administrator will acknowledge your new account application within 20 working days and inform you of whether any additional information is required.

2.11 There is no fee associated with the registration and reporting process.

Changing information concerning an account

2.12 All account holders are required to ensure that the information concerning their account is accurate.

2.13 If details of the account holder change between reporting intervals, an update should be sent to the Administrator, providing the new information.

Account closure

2.14 The Administrator may close an account when a non-obligated supplier no longer has good reason to hold an account.

2.15 If an account holder wishes to close their account, the nominated contact person of the company or authorised professional advisors of the account holder must write to the Administrator as soon as possible stating the reasons for the closure request.

2.16 Once an account has been closed, the account will become inactive. However, data already recorded will be retained for ten years and will continue to be reported as official statistics.

Reinstating a closed account

2.17 The Administrator may reinstate a closed account if the circumstances warrant this. Any such application will be dealt with on a case-by-case basis and the Administrator may require new copies of the evidence required at registration.

3. Reporting

Chapter summary

This Chapter gives information about details of fuels that need to be reported on, the reporting timetable and the GHG information that needs to be provided in the reports.

How to report

- 3.1** The annual reporting requirement can be fulfilled by completing the reporting template available on the [DfT Website](#) and returning it to the Administrator via MFGHGregs@dft.gsi.gov.uk.

Fuels that have to be reported on

- 3.2** Suppliers of fossil fuel gases for use in road transport or NRMM must report on the amount of fuel owned at the UK duty point.
- 3.3** Whether or not a fuel is covered by the Motor Fuel GHG Regulations is independent of whether or not that fuel is blended, at any blend rate, with any other fuel.
- 3.4** The Administrator will presume that fuel supplied under the following HMRC duty codes is obligated and used in a relevant end use:
- Natural gas including biogas (HMRC duty code 591);
 - Road fuel gas other than natural gas (HMRC duty code 592) e.g. liquefied petroleum gas (LPG) (only the biogas element of this duty code is covered by the RTFO).
- 3.5** These are not exclusive. If you supply any other gaseous fuel for a relevant use under another HMRC duty code and think you may have an obligation, please contact the Administrator via MFGHGregs@dft.gsi.gov.uk.
- 3.6** Fuel additives are not covered by the Motor Fuel GHG Regulations.

Reporting periods and timetable

- 3.7** Reporting periods run from 1 January to 31 December each year.
- 3.8** Reports are required by the 29 November after the end of each reporting period (or the next working day after 29 November). The first report is required by 29 November 2014 for fuels supplied between 1 January and 31 December 2013. The 29 November has been chosen to coincide with the RTFO obligation period's 'redemption' date (when suppliers have to meet their obligation) and therefore to minimise reporting burdens on parties obligated by both the RTFO and the Motor Fuel GHG Regulations.

3.9 Reports may be submitted early.

Information to report

3.10 Suppliers must provide information on:

- the amount of fuel (in kilograms) owned at the UK duty point for supply at or to places in the UK;
- whether the fuel is fossil, renewable or partially renewable;
- the proportions of renewable fuels that are sustainable;
- the additional sustainability information in respect of each type of biofuel;
- the amount of energy supplied; and
- the greenhouse gas intensity of each type of fuel.

3.11 In order to report the amount of energy supplied and the greenhouse gas intensity of the fuels, suppliers should use the energy intensities and GHG default values contained in Table 3.1 to meet this requirement. Note that the GHG default values may be subject to change before the requirement to report arises in November 2014. Suppliers will be informed of any such change.

Reporting on and verification of amounts of fuel by the Administrator

3.12 Suppliers should report on the amounts (in kg) of fuel that are owned at the UK duty point for supply to places in the UK. If fuel is not owned by the supplier then this does not need to be reported.

3.13 If fuel is exported from the UK and duty is reclaimed (whether by the supplier or another party), please contact the Administrator to discuss how this should be reported.

3.14 The Administrator has access to HMRC fuel duty data² and will use this to validate weights of fuel supplied. Where there are any discrepancies the Administrator may require you to provide information as to why this is and evidence to substantiate this information.

3.15 If the gas is renewable then sustainability must be proven as per the [RTFO Guidance Part 2](#) (Carbon and Sustainability Guidance). However, if this is done under the RTFO, it does not need to be done again.

² This access is granted by law and the data is subject to strict data protection provisions.

Reporting on whether the fuel is fossil, renewable or partially renewable

- 3.16** We anticipate that any supplier of renewable or partially renewable gaseous fuel will already be an account holder under the RTFO in order to benefit from the certificates that are issued to such fuel under the RTFO.
- 3.17** Therefore the Administrator expects that fuel reported on only under the Motor Fuel GHG regulations will be fossil fuel. If this is not the case, please contact the Administrator to discuss whether you are also obligated under, or would benefit from opening an account under the RTFO.

Reporting on sustainability and additional sustainability information

- 3.18** This information only needs to be reported on for renewable fuels and any supplier of such fuels is advised to contact the RTFO Unit for advice.

Calculating and reporting on the energy content and GHG intensity of energy products

- 3.19** Table 3.1 sets out the energy content of renewable and fossil fuels to be used when reporting. That for biogas is taken from Annex IV of the Fuel Quality Directive, FQD (Directive 2009/30/EC). The figures for CNG and LPG are taken from published sources³. The emissions per unit of energy for biogas are published in the FQD, while the fossil fuel default value is determined in the Motor Fuel GHG regulations.

Table 3.1 Energy content and GHG emissions			
Fuel type	HMRC duty tax code	Energy (MJ) (per kg)	Emissions per unit of energy (gCO₂ per MJ)
Road fuel gases			
CNG (other than biogas)	591	50	88.3
LPG (other than biogas)	592	46	88.3
Biogas from municipal organic waste as compressed natural gas	591	50	23
Biogas from wet manure as compressed natural gas	591	50	16
Biogas from dry manure as compressed natural gas	591	50	15
Biogas (unsustainable)	591	50	88.3

³ If suppliers wish to use alternative figures for fuels not contained in Annex IV, please contact the Administrator.

- 3.20** The fuel baseline standard in the Motor Fuel GHG regulations of 88.3 grammes of carbon dioxide equivalent per megajoule (gCO_{2e}/MJ) may change with policy reviews in the future.
- 3.21** The FQD sets a six percent reduction target for 2020 in relation to the baseline. Although the target has not yet been set in UK legislation, for illustrative purposes, suppliers may wish to note that to achieve a six percent reduction in GHG emissions in relation to the baseline of 88.3 gCO_{2e}/MJ suppliers would need to ensure that in aggregate, the per unit emissions of their energy products supplied in 2020 is 83 gCO_{2e}/MJ or lower.

Third party verification

- 3.22** The Administrator has the right to require a supplier to provide a third party verifier's opinion upon all or any of the information provided. However we do not expect this to be required if the information is straight forward.

Publication of information

- 3.23** The Administrator publishes data on fuel supply under the RTFO and may also do so for information provided under the GHG emissions reporting regulations. Any information published will exclude data on individual supplier fuel volumes. It would include the proportions of the different types of fuel supplied and the average carbon intensity for each fuel supplier.

Potential future changes

- 3.24** The Motor Fuel GHG Regulations include a 2010 baseline emissions figure of 88.3 gCO_{2e}/MJ. This figure originates from a European Commission draft proposal. The baseline is required to calculate the 2020 target requirement, but the European Commission has yet to confirm this as the final baseline figure⁴. The UK will amend the baseline in the GHG Emissions Reporting Regulations, if necessary, in line with EU legislation.
- 3.25** There are additional aspects of article 7a of the FQD that have not been included in the regulations at this time. These are:
- a GHG emission reduction target of six percent in 2020 against a 2010 baseline;
 - a requirement to report on the origin of fuels and where they were purchased;
 - an accounting methodology for fossil fuels.
- 3.26** The Government is awaiting clarification at a European level on the final 2010 baseline figure and the accounting methodology for fossil fuels before seeking to implement the 2020 GHG reduction target. Further details of the Government's implementation of the FQD can be found in the [Government's Response](#) to consultation.
- 3.27** European committee-based negotiation procedures may lead to further changes to the FQD, which may in turn require future changes to the GHG

⁴ 88.3gCO_{2e}/MJ was the figure included in a draft proposal.

Emissions Reporting Regulations. These future changes are yet to be agreed upon, but may include:

- requiring suppliers to report GHG emissions per unit of energy for specific fossil fuels on the basis of their origin or method of production (in the current regulations, all fossil based fuels are reported as having emissions equal to the fuel baseline standard, currently 88.3 gCO_{2e}/MJ);
- a methodology to calculate the contribution of electric road vehicles to GHG emissions reductions.

3.28 The fossil fuel comparator value (83.8 gCO_{2e}/MJ), which is used to calculate the GHG savings of biofuels, may be updated through a report from the European Commission. This would result in an alteration to the reported GHG saving values of biofuels. Such a change would be reflected in updates to this guidance.

4. Civil penalties

Chapter summary

This Chapter contains information on the civil penalty process.

- 4.1** The Administrator may issue a civil penalty on the following grounds:
- if a supplier does not apply for a Motor Fuel GHG Regulations account from the Administrator with 28 days of the supplier becoming obligated (see Chapter 2);
 - if a supplier or other person provides information, or evidence to support information, where they have not taken reasonable steps to ensure that it is accurate;
 - where a supplier or other person has taken reasonable steps to ensure that information or evidence (to support that information) is accurate, but the supplier has subsequently become aware (either through their own or another person's actions) that it is in fact inaccurate and has failed to inform the Administrator, within 20 days of so becoming aware.
- 4.2** For information, or evidence supporting information, that relates to the establishment of an account, a supplier or other person is not liable for a civil penalty if they inform the Administrator within 20 days of becoming aware (either through their own actions or another party's actions) that the information is no longer accurate. If the Administrator becomes aware that such information or evidence is inaccurate, a supplier is not liable for a civil penalty if the supplier investigates and, if necessary, remedies the inaccuracy within a time period set by the Administrator.
- 4.3** For information or evidence supporting information that relates to volume information, a supplier or other person is not liable for a civil penalty if they inform the Administrator within 20 days of becoming aware that the information is no longer accurate. This applies whether this is due to the supplier's own actions or another party's actions. If the Administrator becomes aware that such information or evidence is inaccurate, a supplier is not liable for a civil penalty if the supplier investigates and, if necessary, remedies the inaccuracy within a time period set by the Administrator.

Communicating civil penalty notices

- 4.4** A civil penalty notice will be given, by written notice, from the Administrator, to the defaulter, detailing the amount, the reason for the penalty, the date by which the penalty must be paid, how to make payment and informing the

supplier or other person of their rights to appeal, plus an explanation of the powers of the Administrator to enforce the penalty.

Amount of civil penalties

- 4.5** A civil penalty may be up to the lesser of £50,000, or 10 percent of turnover derived from fuels covered by the Motor Fuel GHG Regulations.

Objections to civil penalties

- 4.6** A supplier or other person who wishes to object to a civil penalty must do so in writing within 28 days from the day after being given the civil penalty notice. The supplier must state the grounds for the objection.
- 4.7** The Administrator will consider the objection and will inform the supplier or other person in writing of the outcome of that consideration.
- 4.8** The objection will be considered outside of the RTFO Unit in order to ensure that the objection is assessed objectively.
- 4.9** A supplier or other person may also challenge the outcome of the Administrator's decision through the courts.

Appeals to civil penalties

- 4.10** An appeal can be made under regulation 21 Motor Fuel (Road Vehicle and Mobile Machinery) Greenhouse Gas Emissions Reporting Regulations 2012 No. 3030 on either or both of the following grounds, these are that the recipient considers that they are not liable to pay the penalty and/or that the amount of the penalty is too high.

Unpaid civil penalties

- 4.11** Where a civil penalty is not paid by the date specified in the civil penalty notice (i) interest may be applied at 5 percent above the Bank of England base rate (calculated on a daily basis) as of the day before the civil penalty is due and (ii) the total sum will be a debt recoverable by the Administrator.
- 4.12** Where a supplier objects to, or appeals against, a civil penalty, interest shall accrue while the objection or appeal is being considered, and the supplier shall be liable to pay that interest where an objection or appeal is dismissed.