

Review of proposed amendments to the RTFO Guidance

Summary

This document summarises the proposed amendments to the [RTFO Guidance](#) relating to the use of gas pipelines for distribution of biomethane or other renewable gases. The proposed amendments set out what evidence is required when demonstrating the physical flow of biomethane across international boundaries, and incorporating losses of biomethane during gas transit.

The DfT intends to amend the RTFO Guidance for the 2021 Obligation Period, however it is anticipated that the changes will be implemented once this review is complete.

Current guidance for the use of gas pipelines and rationale for amendments

Since 15 April 2016, or the RTFO Obligation year 9, the use of gas pipelines has been permitted for suppliers of biomethane to road transport and non-road mobile machinery, and where biomethane is used as a precursor.

The use of gas pipelines to transport biomethane is in accordance with the mass balance rules set out in the RTFO Order Part 3 Section 13A. Once cleaned, biomethane is chemically identical to natural gas, and therefore there can be no differentiation between biomethane and natural gas after it has been injected into the gas grid.

In order to comply with the current guidance, suppliers wishing to apply for RTFCs for biomethane from a source external to the national boundary are required to demonstrate that there is sufficient physical flow of gas from the point of injection to the UK, where an application for renewable transport fuel certificates can be made. This is set out in **section 3.49** of the [Process Guidance](#):

“It is demonstrated that the supply of methane going into the grid could have been in contact with the gas being extracted, in order to satisfy the mass balance rules as set out in RTFO Guidance Part 2. If a supplier wishes to claim RTFCs for biomethane that has travelled across national boundaries it must be proved that there is movement of sufficient quantity of gas in the direction claimed within the time frame of the mass balance; and that there is a physical connection via pipeline between the input site and the point of extraction”

The Guidance provides a footnote reference to the International Energy Agency’s quarterly “[Gas Trade Flows](#)”. It is clear from observing international gas trade flows that they vary temporarily, and gas networks operate by balancing supply and demand rather than facilitating the movement of specific consignments of gas. Therefore, due to the chemical properties of biomethane, it can be assumed that if a unit of molecules of biomethane are injected into the grid in country A then it will either export the gas if it is surplus to demand or it will import less. Therefore, there is some adjusted flow of gas as a result of the injection of biomethane.

We are proposing to remove the requirement that there is a physical flow of gas in the direction of the RTFC claim. There will still be a minimum requirement that there is a physical connection between the input site (the point of injection) and the point of extraction in the UK.

Suppliers will still need to provide full chain of custody evidence when required. This will need to demonstrate that there is an exchange of ownership of the gas as it is shipped via the network operators from the country of origin to the point of use in the UK.

The proposed change to the guidance

The proposed text is provided below.

“It must be demonstrated that the supply of biomethane going into the grid could have been in contact with the gas being extracted, in order to satisfy the mass balance rules as set out in RTFO Guidance Part 2. If a supplier wishes to claim RTFCs for biomethane that has travelled across national boundaries there must be a physical connection via pipeline between the input site and the point of extraction, and the supplier must provide evidence of arrangements for gas shipping, alongside full chain of custody details as required.”

Questions

Our questions:

- 1) Do you agree with the proposed change to the RTFO Process Guidance section 3.49?
- 2) If you do not agree, what alternative would you propose?

Other updates: Losses in biomethane supply chains

This is a reminder to suppliers of biomethane that, like all renewable fuels, losses of feedstock throughout the supply chain must be included in the GHG calculations and mass balance calculations for the whole chain of custody. Currently in **section 3.50** of the Process Guidance it states:

“As with all fuel chains, suppliers wishing to claim RTFCs for gas that has been distributed via a grid must include any conversion factors that affect the final supplied quantity of gas. Suppliers must use actual data for grid loss adjustments if available; or use national average figures if actual data is not obtainable. The carbon intensity of the gas must include any emissions associated with the pumping and distribution of the gas through the chain of custody.”*

*The Guidance provides a footnote reference to Digest of UK Energy Statistics (DUKES) Report, which can be accessed here: <https://www.gov.uk/government/collections/digest-of-uk-energy-statistics-dukes>. The figure and methodology for calculating it are subject to change. In the 2019 Guidance a suggested figure of 0.15% is an acceptable adjustment factor. This will be updated each year following updates to DUKES.

Also in **section 8.42** of the RTFO Carbon and Sustainability Guidance it states:

“Gains and losses of fuel may occur along the fuel chain, for example, through variation in tolerances of meters and tank gauges, spillages and evaporation, or where residual volumes

remain in pipework. Suppliers should endeavour to apply appropriate controls to minimise such gains and losses. Where gains and losses do occur however, C&S data should be adjusted in proportion to the volume of fuel gained/lost at regular intervals. The Administrator recommends that one month would be an appropriate timeframe to make any adjustments.”

And in **section 6.86**

“Emissions from transport and distribution, e_{td} , includes emissions from the transport and storage of raw and semi-finished materials, wastes and leakages, and from the storage and distribution of finished materials. Emissions from transport and distribution to be taken into account under e_{ec} shall not be covered by this point.”

Biomethane, and likewise methane, is a greenhouse gas (GHG). Therefore, the GHG emissions from biomethane leakage should be included in the calculation of the carbon intensity of biomethane, if using actual figures. If coming from abroad this should be for both the importing country and the UK. This will requirement specific to biomethane will be stated the Carbon and Sustainability Guidance.