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To: "Alice Mitchell" <[Alice.Mitchell@ofgem.gov.uk](mailto:Alice.Mitchell@ofgem.gov.uk)>

Date: 4/25/2022 3:29:23 AM

Subject: Further validation of NDRHI/RTFO interaction – action required



Dear participant,

Since 1 April 2022, all registered biomethane producers are required to provide an annual, independently assured audit report (ISAE 3000 [revised] or equivalent) on their Non-Domestic Renewable Heat Incentive (NDRHI) / Department for Transport's Renewable Transport Fuel Obligation (RTFO) interaction. This is an additional requirement.

There is a separate section of the annual sustainability audit that must be included in the report. The RTFO report must be submitted to ensure continued compliance with NDRHI regulations.

## Background

The requirement for further validation of NDRHI/RTFO interaction to be submitted with the annual sustainability audit was announced when we published our decision and final guidance document on 2 November 2021. You can read our final decision on our website: <https://www.ofgem.gov.uk/publications/decision-final-guidance-further-validation-ndrhirtfo-interaction-biomethane-producers-when-submitting-biomethane-claims>.

## What do I need to do?

Producers who are due to submit their sustainability audit reports on or after 1 April 2022 must include the RTFO audit section in their annual sustainability audit. Producers should also continue to submit their quarterly declarations on NDRHI/RTFO interaction.

It is a producer's preference as to whether they use the same, or different, auditors for the RTFO report and the sustainability audit.

## Consequences

Failure to submit the RTFO report may result in the temporary withholding of periodic support payments. We may decide to permanently withhold, reduce, or recover payments where there has been a material or repeated failure to comply with ongoing obligations.

## Want to know more...

Full details on how to submit your RTFO report can be found in our guidance: <https://www.ofgem.gov.uk/publications/non-domestic-rhi-main-guidance>.

Specifically, chapter 13, (paragraphs 13.13 to 13.16), of our guidance volume 2: ongoing obligations and payments.

We've also updated our sustainability audit guidance for participants/auditors and our sustainability self-reporting guidance which you can also read using the link above.

If you have any queries regarding this email, please contact [rhi.biomass-sustainability@ofgem.gov.uk](mailto:rhi.biomass-sustainability@ofgem.gov.uk).

Yours faithfully,  
Stakeholder Team