

Lead Investigator AS0067
Trade Remedy Authority
60 Caversham Road,
Reading
RG1 7EB

www.rtfa.org.uk

19th December 2025

RTFA comments on the Statement of Essential Facts, (AS0067 - Subsidy investigation into Hydrotreated Vegetable Oil (HVO) originating in the United States of America (US)) (Non confidential)

The following comments on the above are supported by all biodiesel producers, whose logos appear at the foot of this submission.

'Like Goods'

During transition reviews TS005 and TD004, the Trade Remedies Authority determined that HVO and FAME are comparable products and are like goods. Both fuel types are low sulphur fuels used to displace fossil diesel, and both products have lower carbon dioxide emissions than diesel. Within EN590 diesel fuel specification, once they are both blended in diesel and used as a road transport fuel, they perform the same function, (i.e., displacement of fossil diesel), so can be considered like goods. Both fuel types are also eligible for RTFCs, so are directly competitive under the RTFO mandate. Therefore, both FAME and HVO can be considered biodiesel.

The SEF accurately summarises how FAME and HVO compare according to the following aspects, and the conclusion that the products are like is also consistent with the EU, as well as that of the transition review, mentioned above:

- physical likeness, including physical characteristics;
- commercial likeness, including competition and distribution channels;
- functional likeness, including end-use or interchangeability of the goods;
- similarities in production, including method of production and inputs;
- other relevant characteristics.

Products can differ in various ways, yet still be determined to be like goods. We can draw comparisons to the Japan – Alcoholic Beverages II (DS8, DS10, DS11) cases, which determined that differences in **composition or production technology do not preclude likeness**, when products compete in the same market and serve the same end use. Vodka vs schichu have different ingredients

and production processes, yet were considered like goods due to shared end use¹.

Similarly, imported distilled liquors and Soju (a traditional Korean alcoholic beverage)², have different production processes but are considered like goods.

The US – Clove Cigarettes (DS406) case supported the proposition that products with different physical characteristics can be “like”, where consumers view them as substitutes³.

45z

45z replaced the blender’s tax credit on 1st January 2025. Several US producers in 2025 have announced they have reached agreements to sell production tax credits to 3rd parties. This proves the system is functional and US producers are still able to claim a government subsidy, so without a measure injury to UK producers would still be caused. Press articles include:

- [Darling Ingredients announces agreement to sell approximately \\$125 million in production tax credits](https://www.darlingii.com/media/news/20250930-darling-ingredients-announces-agreement-to-sell-production-tax-credits)⁴
- [Gevo North Dakota Sells Its Remaining 2025 45Z Production Tax Credits for \\$30 Million, Bringing the Contracted Total for the Year to \\$52 Million | Gevo, Inc.](https://investors.gevo.com/news-releases/news-release-details/gevo-north-dakota-sells-its-remaining-2025-45z-production-tax)⁵

Domestic Biofuel Production

The proposals within the SEF will ensure a level playing field, and allow domestic producers to compete fairly with imports. The UK’s biofuel industry presents an opportunity to strengthen both energy independence and long-term resilience. Through the production and use of domestically sourced, renewable biofuels, the UK can reduce its dependence on volatile global energy markets, ensuring a stable and resilient energy supply.

As geopolitical uncertainties continue to challenge the global energy system, biofuels provide a sustainable, flexible, and reliable solution, reinforcing the UK’s commitment to energy security, economic stability, and environmental sustainability.

¹ Page 10 WTO Dispute Settlement: One-Page Case Summaries, page 36.

https://www.wto.org/english/res_e/booksp_e/dispu_settl_1995_2022_e.pdf

² page 36 above reference

³ Page 175 of reference 1

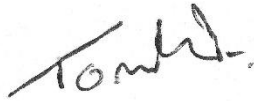
⁴ <https://www.darlingii.com/media/news/20250930-darling-ingredients-announces-agreement-to-sell-production-tax-credits>

⁵ <https://investors.gevo.com/news-releases/news-release-details/gevo-north-dakota-sells-its-remaining-2025-45z-production-tax>

ARGENT
ENERGY

Greenergy

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Tom Reid', is written over a faint, light-colored circular stamp or watermark.

Tom Reid
Chief Executive, RTFA