HVO ORIGINATING IN THE UNITED STATES OF AMERICA (AS0067 & AD0068)

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EXECUTIVE SUMMARY

On 17 March 2025, the Trade Remedies Authority (TRA) initiated anti-dumping (AD0068) and anti-subsidy (AS0067) investigations into imports of hydrotreated vegetable oil (HVO) from the United States, following a complaint by representatives of the UK fatty-acid mono-alkyl esters (FAME) industry.

HVO and FAME are fundamentally different products and cannot be considered "like goods" under TRA criteria. As previously recognised by the TRA, they differ significantly in production methods, chemical composition, engine compatibility, storage, and market positioning. In addition, HVO and FAME serve distinct market segments and are neither commercially nor functionally substitutable. UK economic operators widely support this position, as illustrated by the comments received by the TRA in the business survey, which indicate that HVO has a number of uses for which FAME is not appropriate. The fact that HVO can replace fossil diesel entirely, while FAME cannot, underscores their lack of functional likeness. The UK currently has neither domestic HVO production, nor plans to establish such facilities. As a result, the complainants, representing only the FAME industry, lack standing to bring this complaint and the investigations should be immediately terminated.

Any injury suffered by the UK FAME industry is not caused by US HVO imports but by other factors, including a surge in dumped FAME imports from China, rising material and energy prices, and regulatory challenges, such as low RTFO targets and the double counting policy. The situation of the UK FAME industry during the POI was also a reflection of broader global market dynamics, where the profitability of biofuel production was under pressure due to high input costs and lower selling prices.

The UK does not have any HVO production and, therefore, it is fully dependent on imports of HVO. Duties would reduce its availability, increase prices, and hinder decarbonization efforts in road and maritime transport, heating, and other sectors. Imposing duties on US HVO imports would go against the UK's economic and environmental interests. UK economic operators have voiced their serious concerns about the adverse effects that duties would have, given the lack of UK HVO production. HVO is essential for meeting RTFO targets, given FAME's 7% blending limit, and without imports of HVO from the US, the UK risks failing to meet its GHG reduction commitments. Additionally, HVO's flexibility as a drop-in fuel allows hauliers and other transportation fuel users to switch between fossil and renewable fuels based on price, a critical feature in volatile fuels markets.

Additionally, the discontinuation of the Blenders Tax Credit (BTC) program on 31 December 2024 should lead to the termination of AS0067. Since 1 January 2025, US producers, including DGD, no longer receive the BTC. The significantly modified, so-called 45Z Producer's Tax Credit, is not available to imported UCO, which is the eligible raw material for UK sales.

In conclusion, HVO and FAME are not "like goods", there is no UK production of HVO and US HVO imports have not caused injury to the UK FAME industry. Imposing duties on HVO would disrupt supply, increase costs, and undermine the UK's decarbonization goals. Considering that the UK FAME producers do not have the capability to manufacture HVO, in line with established practice, the TRA should make a negative determination and terminate the investigations.

1. INTRODUCTION

On 17 March 2025, the Trade Remedies Authority (the "**TRA**") initiated anti-dumping and anti-subsidy investigations into imports of hydrotreated vegetable oil ("**HVO**") originating in the United States of America: AS0067 and AD0068.[1] The investigations were initiated following a complaint by the representatives of the UK fatty-acid mono-alkyl esters ("**FAME**") industry: Renewable Transport Fuel Association (RTFA), Greenergy Fuels Limited, Argent Energy Limited, and Olleco (collectively, the "**Complainants**").

The Notice of Initiation in case AS0067 and Notice of Initiation in case AD0068 (collectively, the "**Notices of Initiation**") describe the "goods concerned" as follows:

> "*Biodiesel (or paraffinic diesel fuel / gasoil) obtained from synthesis or hydrotreatment of oils and fats of non-fossil origin, in pure form or as included in a blend, originating in the United States of America (US). This biodiesel is commonly known as hydrotreated (hydrogenated) vegetable oil diesel (HVO), renewable diesel or green diesel. Synthetic paraffinic kerosene (also known as sustainable aviation fuel (SAF)) is excluded from this description of biodiesel*."[2]

Further, the Notices of Initiation provide that the Complainants consider that the following are "like goods" for the purposes of AS0067 and AD0068 investigations:

> "*Fatty-acid mono-alkylesters (FAME) from non-fossil origin, in pure form or as included in a blend, excluding sustainable aviation fuel*."
>
> and
>
> "*Biodiesel (or paraffinic diesel fuel / gasoil) obtained from synthesis or hydrotreatment of oils and fats of non-fossil origin, in pure form or as included in a blend, originating in the UK or Rest of World (RoW). This biodiesel is commonly known as hydrotreated (hydrogenated) vegetable oil diesel (HVO), renewable diesel or green diesel. Synthetic paraffinic kerosene (also known as sustainable aviation fuel (SAF)) is excluded from this description of biodiesel*."

2. TD0004 AND TS0005

In November 2022, in the context of the investigations in cases TD0004 and TS0005, the TRA concluded that it "*is likely on, the balance of probabilities that injury to the UK industry*

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[1] AS0067 - HVO originating in the United States of America, available here; AD0068 - HVO originating in the United States of America, available here.

[2] The Notices of Initiation provide that the "goods concerned" are subject to the following commodity codes:

1516209821	1518009923	2710194429	2710194810	2710201699
1516209823	1518009929	2710194432	2710194890	3824999210
1516209829	1518009932	2710194439	2710201121	3824999213
1516209832	1518009939	2710194621	2710201123	3824999214
1516209839	2710194221	2710194629	2710201129	3824999216
1518009121	2710194223	2710194623	2710201132	3824999219
1518009123	2710194229	2710194632	2710201139	3826009011
1518009129	2710194321	2710194639	2710201621	3826009019
1518009132	2710194329	2710194721	2710201623	3826009039
1518009139	2710194339	2710194723	2710201629	
1518009511	2710194390	2710194729	2710201632	
1518009519	2710194421	2710194732	2710201639	
1518009921	2710194423	2710194739	2710201692	

would not occur from importation of HVO from the US if the anti-dumping duty were no longer applied."[3] Consequently, the investigation on anti-dumping and countervailing duties against US HVO was terminated.

In the Final Recommendations on 10 November 2022, the TRA highlighted the divergent production processes[4], quality[5], technical and chemical characteristics[6], and commodity codes[7] of HVO and FAME. The TRA determined that it "consider[s] it economically rational that UK blenders would opt for the less expensive product (FAME) over HVO in order to satisfy the blending mandate and their requirements under the RTFO".[8] It also recognised that HVO has uses for which FAME is not appropriate, but determined that HVO and FAME "*compete in the biofuels market to replace (either in part or whole) mineral diesel as a road transport fuel with environmental benefits*."[9]

In light of the above, the TRA considered it appropriate to conduct separate analysis of FAME and HVO, which resulted in the termination of the investigation on imports of HVO.[10]

3. HVO AND FAME ARE NOT "LIKE" PRODUCTS

Paragraph 7(1) of Schedule 4 of the UK Taxation (Cross-border Trade) Act 2018 defines "like goods," as: (a) goods which are like those goods in all respects, or (b) if there are no such goods, goods which, although not alike in all respects, have characteristics closely resembling those of the goods in question.

According to the TRA Guidance,[11] to assess likeness, the non-exhaustive list of criteria is applied:

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

As a preliminary note, there have been no changes to the different physical characteristics, chemical, technical properties or uses of HVO and FAME or market structure since the TRA previous decision in November 2022 which could possibly justify a different position on "like products".

HVO and FAME are clearly not "like" each other in all respects. For two products to be considered "like", they must bear a close resemblance. Even if distinct products compete to some degree in the same market, they cannot be considered "like" unless they are also physically, chemically, and functionally similar. HVO and FAME do not meet these criteria.

DGD and VEL have consistently maintained that HVO and FAME are not "like" within the meaning of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019

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3 Section J1 of Final Recommendation, TD0004 - Biodiesel from United States and Canada, available here; Section J1 of Final Recommendation, TS0005 - Biodiesel from United States and Canada, available here.
4 Para. 176 of Final Recommendation, TD0004; para. 173 of Final Recommendation, TS0005.
5 Para. 177 of Final Recommendation, TD0004; para. 174 of Final Recommendation, TS0005.
6 Para. 178 of Final Recommendation, TD0004; para. 175 of Final Recommendation, TS0005.
7 Para. 179 of Final Recommendation, TD0004; para. 176 of Final Recommendation, TS0005.
8 Para. 185 of Final Recommendation, TD0004; para. 184 of Final Recommendation, TS0005.
9 Para. 184 of Final Recommendation, TD0004; para. 181 of Final Recommendation, TS0005.
10 Para. 187 of Final Recommendation, TD0004; para. 186 of Final Recommendation, TS0005.
11 Available here.

and The Trade Remedies (Amendment) (EU Exit) (No. 2) Regulations 2020. The TRA has recognised the difference between HVO and FAME in TD0004 and TS0005 and conducted a separate analysis of the two products. Therefore, the TRA should continue to assess HVO and FAME separately in order to account for the differences between the products, including their trading as separate commodities.

3.1 Different physical, chemical and technical characteristics and different production methods

The TRA has acknowledged that HVO and FAME differ in essential physical, chemical, and technical attributes, as well as in their production methods. The Complainants do not dispute the existence of different physical, chemical, and technical characteristics of HVO and FAME either.[12] These distinctions are critical and are not a matter of relative quality. Rather, they are fundamental to the products' nature and uses.

In addition, the differences between HVO and FAME are confirmed by various independent research institutions,[13] independent researchers,[14] and market operators.[15]

An assessment of likeness must therefore conclude that HVO and FAME are not "like" products. The following key differences support this conclusion:

(a) Production method

FAME is produced via transesterification, where triglycerides react with methanol to form methyl esters (FAME) and glycerol. This process relies on alcohol (typically methanol) and results in an oxygenated fuel. In contrast, HVO is produced through hydrogenation of triglycerides or fatty acids, using hydrogen as the reactant. This yields a hydrocarbon fuel chemically similar to fossil diesel. These fundamentally different processes result in fuels with divergent chemical compositions and performance characteristics.

The differences in production processes are confirmed by various independent research institutions and non-partisan think tanks, including the Baker Institute: "Biodiesel is produced through a process called transesterification, which is relatively simple and requires methanol and a catalyst. This process can even be done in a garage or small facility. The result is FAME or biodiesel, along with a byproduct called glycerin. (…) [HVO] production process is more complex compared to transesterification and requires a dedicated facility. HVO is often produced in petroleum refineries with only minor adjustments needed to accommodate the process. (…) The difference between the production processes is that transesterification, which is used to produce biodiesel, is less flexible when it comes to using low-quality feedstocks, such as used cooking oil, which has a high concentration of free fatty acids. To use this type of feedstock for biodiesel, a different catalyst, such as enzymatic catalyst, is needed. However, this is more

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12 Page 23 of the Application in cases AS0067 and AD0068.

13 See e.g. Baker Institute, 'What to Know About Renewable Diesel and Biodiesel', August 19, 2025, available here. The report was authored by Julieta Mariano and Edward M. Emmett, a Fellow in Energy and Transportation at Rice University's Baker Institute for Public Policy.

14 See e.g. P. Simacel et al., 'Impact of Hydrotreated Vegetable Oil and Biodiesel on Properties in Blends with Mineral Diesel Fuel' (2019), available here; G. Knothe, 'Biodiesel and renewable diesel: A comparison' *Progress in Energy and Combustion Science* (2010), available here.

15 Note to the Public File – Survey Responses – Dumping (AD0068, available here); Note to the Public File – Survey Responses – Subsidy (AS0067, available here).

expensive and has slower reaction rates. Another option is to add an acid pre-treatment process before the standard transesterification process. Hydrotreating, which is used to produce renewable diesel, does not need to adapt as much to treat low-quality feedstock."[16]

Because of these process differences, there is no supply-side substitutability. A producer of FAME cannot readily switch to HVO without a complete overhaul of infrastructure, requiring years of investment and preparation.

(b) **Chemical composition**

HVO is a synthetic paraffinic hydrocarbon, nearly identical to fossil diesel. It contains no oxygen, is virtually free of aromatics, sulphur, and metals, and has a density similar to diesel. FAME, on the other hand, contains approximately 11% oxygen by weight, leading to chemical instability and a higher tendency for degradation. FAME's oxygen content impacts several performance and environmental limitations, including but not limited to higher nitrogen oxide (NOx) emissions, inferior low temperature operability, and degradation over time. Its density is higher than that of diesel (typically 860–900 kg/m³), which affects engine compatibility and blending.

As explained by the Baker Institute, the fact that "FAME contains oxygen while [HVO] does not (…) leads to significant variations in their properties, affecting both engine performance and supply chain logistics. (…) [HVO] is fundamentally different from FAME biodiesel because it contains only hydrogen and carbon, making it a hydrocarbon fuel similar to petroleum diesel. While it is not identical to petroleum diesel due to its lower content of aromatics, branched hydrocarbons, metals, and other impurities, renewable diesel is so similar that it is considered a drop-in replacement. This means it can be used in modern diesel engines without needing to be blended with petroleum diesel. This drop-in characteristic is a significant advantage over FAME biodiesel."[17]

This conclusion is supported by various researchers, including P. Simacel *et al*., who explain that "HVO has many advantages in comparison with FAME. Beside higher heating value and low water solubility, it is firstly much higher oxidation stability. Lower boiling point and lower viscosity of HVO can be also mentioned. These parameters positively influence fuel atomization in the combustion engine. Many properties of HVO are even better than properties of standard mineral diesel fuel."[18]

The table below presents the different physiochemical properties of HVO, FAME and Diesel:[19]

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16 Baker Institute, 'What to Know About Renewable Diesel and Biodiesel', August 19, 2025, available here.
17 Baker Institute, 'What to Know About Renewable Diesel and Biodiesel', August 19, 2025, available here.
18 P. Simacel et al., 'Impact of Hydrotreated Vegetable Oil and Biodiesel on Properties in Blends with Mineral Diesel Fuel' (2019), available here, p. 5.
19 P. Simacel et al., 'Impact of Hydrotreated Vegetable Oil and Biodiesel on Properties in Blends with Mineral Diesel Fuel' (2019), available here, p. 6.

Parameter	HVO 1	HVO 2	FAME	Diesel	EN 590
Density at 15 °C [kg/m^3]	778.6	778.6	882.6	833.5	820-845
Viscosity at 40 °C [mm^2/s]	2.97	2.89	4.55	2.66	2.00-4.50
Distillation					
at 250 °C recovered [Vol.%]	4.8	7.3	< 0.1	39.7	max. 65
at 350 °C recovered [Vol.%]	97.8 [a]	97.8	91.9	94.7	min. 85
95 Vol.% recovered at [°C]	296	295	354	351	max. 360
Flash point [°C]	75	83	170	60	min. 55
Cetane index	95	93	59	52	min. 46
Sulphur [mg/kg]	< 2	< 2	4	8	max. 10
Nitrogen [mg/kg]	2	2	8	34	-
Polyaromatics [% (m/m)]	< 0.1	< 0.1	< 0.1	2.9	max. 9
Total aromatics [% (m/m)]	0.2	0.2	< 0.1	25.0	-
Low-temperature properties					
Cloud point [°C]	-19	-34	-5	-7	-
CFPP [°C]	-23	-38	-26	-24	max. -20 [b]
Pour point [°C]	-53	<-60	-30	-30	-

[a] The final boiling point at 300 - 310 °C
[b] F-class diesel fuel

(c) **Engine compatibility**

According to the European diesel standard EN590, FAME's oxygen content limits it to a maximum of 7% blend by volume in diesel.[20] HVO contains no oxygen since the hydrogenation process removes all oxygen from vegetable oils. It therefore has no limitations in the EN590 standard.

FAME blends over 7% are not a viable option due to the properties of the fuel, engine modifications and impact on warranties – FAME is not a drop-in fuel, comes with additional upfront costs, and does not allow fuel switching. Unlike HVO, blends with more than 7% FAME require engine modifications. Even lower blends of FAME can lead to filter blocking. HVO, a drop-in fuel, does not have these issues and has no blending limits. The blending is determined to fulfil the standard (e.g., density), and up to 50-70% volume blend is generally available, with the possibility to use 100% HVO as well. HVO provides the only drop-in fuel option for hauliers to switch between fossil and renewables based on price differential, which is critical in volatile European fuel markets.

The Baker Institute confirms these practical issues with using FAME: "Due to its physical properties, [FAME] has limited direct-use applications and logistical challenges:

- **Solvent Properties** — [FAME] is a powerful solvent, so it can degrade rubber in fuel lines and loosen sediments in fuel tanks and pipelines, leading to clogged engine fuel filters.

- **Cloud Point and Gelling** — [FAME] has a relatively high cloud point, which means that it turns into a gel at cooler temperatures, making its use problematic in cold climates. As a result, [FAME] cannot be stored or transported in regular petroleum liquid tanks and pipelines. Instead, it must be transported by rail, vessel, barge, or truck, often in specialized heated equipment to ensure it remains liquid.

[20] Available here.

- **Water Absorption and Microbial Growth** — [FAME] can also absorb water, which may lead to microbial growth in storage tanks, causing subsequent corrosion or clogging problems.

Because of these limitations, the use of [FAME] is still limited to a maximum concentration of 7% in Europe (based on the EN 590 diesel standard) and up to 20% in other parts of the world."[21]

(d) **Storage stability and supply chain logistics**

HVO can be stored, handled and blended just like fossil diesel. By contrast, FAME – due to its oxygen contents – comes with blending and handling limits necessary to preserve product usability and vehicle operability. When stored for too long, FAME is prone to bacterial (filter blocking) growths and product separation where the bio-components drop out and form wax-like substances. FAME may also degrade rubber in fuel lines and loosen sediments in fuel tanks and pipelines, leading to clogged engine fuel filters.[22] Conversely, HVO has a much longer storage life than FAME and a reduced need for regular testing because of its extended storage lifespan (versus quicker degradation of FAME). Additionally, existing infrastructure for distribution does not need to be modified for HVO, it is considered simply a "drop-in" fuel, endorsed by a wide range of Original Equipment Manufacturers (OEMs) in the automotive industry and meeting existing fuel standards, including EN15940 standard for paraffinic fuels, ASTM D975 19B and Fuel Quality Directive 2009/30/EC Annex II.

(e) **Cold flow properties**

FAME is more susceptible to gelling or waxing in cold temperatures, leading to potential issues like clogged filters. Therefore, FAME cannot be stored or transported in regular petroleum liquid tanks and pipelines, and often has to be transported in specialised heated equipment. Different grades are available for various climates. HVO has an excellent cold-weather performance with very low cloud and pour points (often below -40°C), making it highly resistant to gelling.

(f) **Cetane number**

HVO has a cetane number significantly higher than both FAME and fossil diesel (often 85+), leading to more complete combustion and better engine performance. The qualities of HVO allow to upgrade Light Cycle Oil into diesel which incurs a value of $30/m3 for the HVO, which is not possible with FAME.

Based on the above, it is evident that HVO and FAME differ across the core criteria of the likeness assessment.

3.2 Commercial and functional likeness

The substantial differences in physical characteristics between HVO and FAME alone preclude a finding of "likeness" between the two products. HVO and FAME are not commercially or functionally "like" either. The differences, ranging from production and

[21] Baker Institute (see above).
[22] Baker Institute (see above).

transportation to marketing and end-use, inevitably result in differences in their market positioning and substitutability as well.

(a) **Commercial likeness**

HVO and FAME do not operate in the same commercial market and are not in direct competition. The TRA has previously acknowledged that HVO is used in contexts where FAME is not appropriate.[23] These divergent uses are driven by differences in blending limitations, engine compatibility, distribution channels, and consumer demand.

Both HVO and FAME may be considered road transport fuels with environmental benefits but that does not make them "like products", in particular given that they serve different purposes within the context of road transport fuels with environmental benefits. FAME is used virtually exclusively for meeting the RTFO obligations. The TRA has previously determined that economic operators will choose the cheaper product, i.e., FAME, for meeting the RTFO obligations. Conversely, the more expensive HVO is used where FAME cannot be used (e.g. heating or drop-in maritime fuel) or when customers strive for enhanced environmental benefits. FAME is generally restricted to low-blend applications, particularly the B7 standard, due to its limitations in engine compatibility, material degradation, and cold-weather performance. In contrast, HVO is a drop-in fuel that can be used in any concentration up to 100% without engine modification. HVO provides the only drop-in fuel option for hauliers to switch between fossil and renewables based on price differential, which is critical in volatile European fuel markets. HVO is fully compatible with existing infrastructure and is often approved by OEMs (such as Volvo, Scania, Ford, Mercedes-Benz and others) as a direct substitute for fossil diesel,[24] while FAME is often excluded from use beyond 7% and may void vehicle warranties when used above that threshold.

These differences translate into distinct market segments and consumer preferences. [Confidential: commercially sensitive information]. In addition, HVO provides greater flexibility for obligated parties and refiners, allowing them to optimize product quality and blend strategies. [Confidential: commercially sensitive information].

Complainants argue that consumers at the rack cannot distinguish between HVO and FAME in B7 diesel. However, this situation is a function of regulatory standards (set at the highest common denominator for blending of HVO and FAME due to FAME's limitations), not commercial substitutability. [Confidential: commercially sensitive information].

(i) Pricing

Customer behaviour supports this segmentation. HVO and FAME do not compete on price, as determined also by the TRA.[25] Buyers are willing to pay a premium for HVO due to its performance and sustainability benefits, while avoiding FAME. The fact that HVO – a significantly more expensive product than FAME – is consistently

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23 Para. 184 of Final Recommendation, TD0004; para. 181 of Final Recommendation, TS0005.

24 See e.g. Volvo (available here), Scania (available here), Ford (available here), Mercedes-Benz (available here).

25 Para. 362 of Final Determination in TD0004: "other users for HVO means that it does not need to compete with UK FAME on price".

and increasingly purchased, confirms that HVO and FAME are not "like" products and are not considered interchangeable.

The TRA previously found that the price difference between HVO from the US and FAME produced in the UK was too large for the products to compete against each other, noting that US HVO would need to be sold at dumped prices to compete in the UK FAME market. The Complainants confirm this by citing a study that "HVO has traditionally commanded a premium price", confirming the lack of commercial substitutability of FAME and HVO.[26] The temporary reduced price difference in 2024, which led to some blending of HVO for RTFO credits, was an anomaly driven by exceptional market conditions (as explained below). The return to normal structural price differences in 2025 further confirms that the products are not commercially alike. [Confidential: commercially sensitive information].

(b) **Functional likeness**

The functional characteristics of HVO and FAME reinforce that the two products are not substitutable. While both may reduce GHG emissions compared to fossil diesel, their performance, handling, and technical capabilities differ. A narrow overlap in the considerations behind the use of products is insufficient to render the products interchangeable. Regulatory treatment (classification as biofuels under RTFO) is insufficient to reach a conclusion that the products are substitutable.

FAME is a compliance-driven product, blended into diesel primarily to meet biofuel mandates. Its instability, poor cold flow properties, and limited storage life restrict its use to light vehicles in mild climate. Its substitutability is constrained by technical limitations.

Conversely, HVO is a performance-based product that serves as a full substitute for fossil diesel. The fact that HVO can replace fossil diesel entirely, while FAME cannot, underscores their lack of functional likeness. Treating the two as interchangeable products would disregard this asymmetry. HVO offers superior cold-weather performance, longer shelf life, and cleaner combustion. It is generally selected by end-users who prioritize fuel quality, engine performance, and emissions reduction. In addition, HVO's high cetane and low density make it possible to upgrade Light Cycle Oil into diesel, which improves the quality of ultra-low sulfur diesel ("**ULSD**") and increases the value of USD30/m3 for HVO. Conversely, blending FAME with ULSD would decrease its quality.

As confirmed in results to the TRA's business survey, economic operators do not consider FAME and HVO to be interchangeable due to various factors, which include "high carbon saving", "lower greenhouse gas emissions", "sustainability", "cleaner burning", "ease of use", "stable and reliable", "better operational capacity in cold weather", "better product", and use in "marine vessel main engines" or "mobile generators".[27] [Confidential: commercially sensitive information].

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[26] Page 139 of the Application in cases AS0067 and AD0068.

[27] Note to the Public File – Survey Responses – Dumping (AD0068, available here); Note to the Public File – Survey Responses – Subsidy (AS0067, available here).

4. THERE IS NO HVO PRODUCTION IN THE UK

Section 52(2) of the UK Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 requires that the TRA determines that the application is supported by UK producers whose collective output constitutes at least 25 percent of the total production in the United Kingdom of the like goods, and is not opposed by other UK producers of the like goods whose collective output is greater than or equal to that percentage, before initiating anti-dumping or countervailing investigations.

There is no UK production of HVO and no known planned investments to establish facilities for HVO production in the near future. The Complainants represent only the FAME industry and fail to establish that the UK FAME industry can adequately represent an industry that does not exist in the UK.

DGD and VEL consider that imports of HVO, a product which is not produced in the UK, cannot be subject to anti-dumping and anti-subsidy measures. The TRA has previously determined that no measures shall be imposed on certain goods not manufactured in the UK. In case AD0012, the TRA identified that certain goods concerned were not manufactured in the UK during the period of investigation and that UK producers did not have the capacity to produce them.[28] Consequently, the TRA made a final negative determination against measures concerning these goods:

> *The TRA has determined that certain Goods Concerned and Like Goods are comparable and that Like Goods are manufactured in the UK, however there are certain goods that were not manufactured in the UK during the POI. Even though the UK Industry could technically have the capability to make some larger goods, we have not obtained evidence that the UK Industry is likely to start manufacturing these goods. This does not change our conclusion based on the evidence that goods with a cross-sectional dimension greater than 310mm, or with a weight per metre larger than 14kg were not manufactured in the UK during the POI. We recommend making a final negative determination against these goods pursuant to paragraph 11(6)(b) of Schedule 4 to the Act.*[29]

Further, the TRA confirmed that the negative determination was made because the UK industry did not have the capability to manufacture the investigated products:

> *30. The reason for excluding the larger extrusions from the measure was that the UK industry did not have the capability to manufacture these products during the PoI or at the present time. Information provided by the UK producers highlighted that to do so would require modifications to existing machinery and these were not in place at the time of the original investigation and no information was submitted with timings of when / if the UK producers were committed to updating their machinery*
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> *31. The examination of the PCNs showed that the UK industry did not have a product that interchanged with a product of a size greater than 310mm. Thereby it was reasonable for the original investigation to not include those products greater than 310mm in the measure.*

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[28] Para 97 of Final Determination, AD0012.
[29] Para. 115 of Final Determination, AD0012.

> *32. It was reasonable for the original investigation to adopt a different approach to the larger extrusions (where there was no UK ability to manufacture) and the other PCNs (where there was the ability to manufacture, but there were not made during the POI).*
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> *33. The final determination at paragraph 115 states that the goods excluded from the measure are those not manufactured in the UK. A final negative determination was made against these larger extrusions.*[30]

The TRA reached similar conclusions in AD0047 - Certain excavators from China[31] and AS0046 – Certain excavators from China,[32] where it issued negative determination for goods not produced within the UK:

> *81. The TRA has not received any information to suggest that XXXL excavators should reasonably be considered as part of this investigation. There is no evidence to show these excavators are being manufactured by the UK industry or causing injury to the UK industry. It follows the TRA will make a final negative determination in respect of the XXXL excavators originating from the PRC.*[33]

In the Final Negative Determination in cases AS0046 and AD0047, the TRA confirmed these findings:

> *During the course of the TRA's investigation, it was identified that UK industry did not manufacture any excavators within the XXXL category. It was determined that the goods produced by the UK industry were not alike in all respects to XXXL excavators from the PRC nor they do share characteristics closely resembling one another. Therefore, it was concluded that the XXXL excavators from the PRC do not constitute "like goods" for the purposes of paragraph 7 of Schedule 4 to the Act. The TRA also determined that XXXL excavators from the PRC have not or are not causing injury to the UK industry.*[34]

The same considerations should be applied to the ongoing investigations into imports of HVO from the US, given that no HVO is manufactured in the UK.

Further, in case TD0013, the TRA decided to maintain a sub-type of goods subject to review within the scope of the investigation because it found secondary sources suggesting its production in the UK within the period of investigation.[35] This determination indicates that goods subject to review with no production in the UK should be excluded from the scope of investigations.

In the cases submitted by the Complainants – TD0008 and TS0009 – where the TRA decided to maintain in the scope of the measures limited to goods not produced domestically, the fundamental difference is that there was confirmed domestic production of the majority of the "goods concerned" and the UK industry of those goods had the capacity to immediately commence production of the goods not manufactured during the period of investigation.[36] This is not the case in the present case, there has never been

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30 Paras. 30-33 of Reconsideration of the final negative determination of certain goods in investigation AD0012.
31 Final Determination, AD0047.
32 Final Determination, AS0046.
33 Para. 82 of Final Determination, AD0047.
34 Final Negative Determination, AD0047.
35 Para. 109 of Final Determination, TD0013.
36 *See e.g.* para. 74 of Final Determination, TD008.

production of HVO production in the UK and there are no facilities to produce them. Starting such production in the UK would require substantial investments and time.

5. STANDING TO BRING THE COMPLAINT

In addition to substantive considerations, cases AS0067 and AD0068 should be terminated by the TRA on procedural grounds, as the Complainants did not have the standing to bring the complaint.

Section 52(2) of Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 specifies that the application must be made by or on behalf of UK industry where the TRA determines that the application is supported by UK producers whose collective output constitutes at least 25% of the total production in the UK of the like goods.

The Complainants do not represent the domestic HVO industry, as this industry does not exist. Therefore, the Complainants do not meet the sufficient representativeness criteria necessary to bring a compliant. Consequently, the TRA should terminate the investigations in cases AS0067 and AD0068.

6. US IMPORTS OF HVO DID NOT CAUSE ANY INJURY TO THE UK FAME PRODUCTION

The lower price of HVO in the EU (and the UK) for several months in 2024 was a temporary and isolated market phenomenon, rather than injurious dumping. This price fluctuation was primarily driven by simultaneous increase in production capacity and reduced demand (such as the reductions of Sweden's biofuels mandate from 30.5% to 6% in early 2024). Importantly, the rebound in HVO prices in the fourth quarter of 2024 and their continued stability into 2025 demonstrate that the 2024 price drop was not indicative of under-pricing. These higher prices have continued into 2025 [Confidential: commercially sensitive information].

In addition, HVO's properties – including its high cetane number and lower density – provided additional value by allowing the upgrading of Light Cycle Oil into diesel, further justifying its use in blending during the temporary price dip. [Confidential: data available under subscription].

Given the brief pricing disruption in mid-2024, the TRA should recognise that, throughout the 48 months of the injury period, due to regional and global developments HVO price was closer to FAME's for only about 3 months, i.e., approx. 6% of the injury period. As previously recognized by the TRA, under normal pricing circumstances HVO and FAME do not compete because of their price difference. The one-time anomaly during a brief period of roughly 3 months when US HVO was sold at a price level similar to FAME is insufficient to connect the situation of the UK FAME industry in years 2021-2024 to imports of US HVO.

In addition, the Complainants assert that "prices of US HVO sold in the UK are much below the prices of US HVO sold in the EU. Based on Q2 2024 averages, HVO in the UK is selling at nearly a [0-250] USD/cbm discount to HVO sold in the EU".[37] We were surprised by this statement and the accompanying comparison, as, to the best of our knowledge, there are no US HVO exports to the EU due to the anti-dumping and anti-subsidy measures in place. Consequently, it is not possible to draw a valid comparison between US HVO exports to the UK and the EU. [Confidential: commercially sensitive information].

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[37] Page 139 of the Application in cases AS0067 and AD0068.

7. US HVO PRODUCTION NO LONGER BENEFITS FROM THE BLENDERS TAX CREDIT

Until 31 December 2024, the U.S. Biodiesel Mixture Credit provided a tax credit commonly called the "Blender's Tax Credit" ("**BTC**") for blenders that produced and sold a qualifying fuel mixture, containing biodiesel or renewable diesel and at least 0.1% petroleum diesel fuel, that was produced and sold or used as a fuel in the blender's trade or business. This credit was equal to $1.00 per gallon for FAME (including agri-biodiesel) and $1.00 per gallon for HVO. From 1 January 2025, the BTC was replaced by the 45Z PTC (Clean Fuel Production Credit), a significantly more limited programme targeting producers of biofuels, which distributes credits based on the carbon intensity of the produced fuel. [Confidential: commercially sensitive information]. Certain other feedstocks may benefit from a credit ranging between [Confidential: commercially sensitive information] under the 45Z PTC credit program.

The transition from Section 40A BTC (Biodiesel Blenders Tax Credit) to 45Z PTC (Clean Fuel Production Credit) on 1 January 2025 represents a significant shift in US federal tax incentives for biofuels, primarily driven by the Inflation Reduction Act (IRA) of 2022.

- 40A BTC: This was a blender's tax credit. It provided a $1.00 per gallon credit to entities that blended FAME or HVO.
- 45Z PTC: This is a production tax credit and a carbon intensity (CI) based credit. The amount of the credit is now determined by the lifecycle GHG emissions of the fuel. Lower carbon intensity means a higher credit. The 45Z credit also includes prevailing wage and apprenticeship requirements for facilities that qualify for the full credit amount. [Confidential: commercially sensitive information].

The discontinuation of the BTC program should lead to the immediate termination of case AS0067.

Under the current 45Z PTC credit framework, there is no feasible pathway for HVO to simultaneously benefit from both the 45Z PTC scheme and double-counting under the RTFO. HVO produced from feedstocks such as soybean oil, DCO, domestic UCO or tallow would only qualify for single-counting under the RTFO, rendering such sales to the UK economically unviable.

Additionally, the very limited availability of US ISCC UCO effectively rules out the possibility of sales to the UK that could leverage both 45Z PTC credits and double-counting under the RTFO. [Confidential: commercially sensitive information].

8. INJURY AND CAUSAL LINK

Measures may be imposed against dumped imports only if their import into the UK causes injury. The TRA must determine that a UK industry suffers an injury, and that the imports are causing that injury to that UK industry.[38] Injury caused by other known factors must not be attributed to the dumped goods or subsidised imports.[39] Other known factors may include:

[38] Section 27(2) of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019.
[39] Section 35(2) of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019.

(i) the volume and the prices of imports that are not dumped or subsidised into the UK;

(ii) contraction in demand or changes in the pattern of consumption of the like goods in the UK;

(iii) trade restrictive practices of and competition between the overseas exporters and the UK industry;

(iv) developments in technology;

(v) the export performance and productivity of the UK industry.[40]

Because HVO and FAME are not like products, imports of HVO from the US cannot cause injury to UK FAME industry. In any event, any injury suffered by the UK FAME industry cannot be attributed to imports of HVO from the US, but rather to other factors.

(a) **Imports of FAME from third countries, in particular China**

Any injury suffered by the Complainants would most likely be attributed to FAME imports from China. In the recently published Statement of Essential Facts in case AD0058 – Biodiesel from China,[41] the TRA has determined that dumped imports from China have exploded in the injury period, in particular between 2022 and 2023, causing injury to the UK FAME industry. The TRA has determined that total imports of pure biodiesel from China relative to UK domestic production significantly increased during the injury period from 28% to 350%.[42] The TRA found that the PRC increased its share of total imports into the UK from the 30% range to the 80% range during the injury period.[43] The TRA has established that dumped imports from China have caused injury to the UK FAME industry.[44]

Further, the TRA compared imports of US HVO and FAME from China when assessing the causality between FAME imports from China and domestic FAME industry injury. The TRA calculated that HVO from the US increased its share of total imports into the UK from 0% to 4% in the injury period, where imports from China rose from approximately 30% to 80% of total imports of biofuels into the UK over the injury period. The TRA has not released actual imports figures. In addition, we note that the fact that the increase on the volume of imports of HVO from the US must be attributed to the termination of the measures against such imports in 2022, which was precisely aimed at increasing imports of US HVO.

We note that Greenergy – one of the Complainants – is a major importer of FAME from China. As explained in the Application in AD0058, "During the POI considered in the Transition Review, for example, Greenergy purchased between 650,000 to 800,000 metric tonnes of the like good while producing less than half of the purchased volumes (between 320,000 and 370,000 metric tonnes)." The complainants in case AD0058 (Argent and Olleco) believe that Greenergy exports all UK-produced biodiesel, while it sells imported goods from China to its UK

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40 Section 35(3) of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019.
41 Available here.
42 Para. 437 of the Statement of Essential Facts in case AD0058.
43 Para 536 of the Statement of Essential Facts in case AD0058.
44 Para 538 of the Statement of Essential Facts in case AD0058.

customers.[45] By importing FAME at potentially dumped prices from China, Greenergy causes injury to the domestic FAME industry.

(b) **Exports by the UK industry**

The Complainants have been exporting feedstock and FAME to other countries, including to the US in order to benefit from US regulatory frameworks, rather than using it for domestic production of biofuels, reducing their availability for domestic FAME production and driving up costs for UK producers. The data provided by the Complainants indicates that the export sales by the UK industry continued to increase between the start of the injury period and the POI.

The Complainants submit that in 2022 an estimated 68% of FAME produced in the UK was exported because the market is flooded by low-priced imports of predominantly US HVO.[46] The duties on US HVO were lifted only in November 2022. Although the Complainants argue that imposing duties on imports of US HVO will enable biodiesel production to stay within the UK and allow the UK producers to sell more of their goods on the domestic market, this does not appear to be supported by their practice during the period before the duties on US HVO were removed. For example, in 2020, 52% of domestic FAME was exported.[47]

(c) **Raw material and energy prices**

According to the information provided by the Complainants, the cost of raw materials and energy costs increased substantially during the injury period.[48] The increase in feedstock prices would have contributed to any injury experienced by the UK FAME industry.

(d) **Regulatory framework**

The regulatory frameworks affecting the production of FAME have been identified by the RTFA as causing challenges to the UK industry.[49] In particular, in a recent statement, the RTFA has included the following regulatory decisions as negatively affecting the performance of the UK FAME industry:

(i) Allowing co-products to double count towards meeting the RTFO

(ii) Allowing renewable fuels to enter the UK tariff free

(iii) Not increasing the RTFO targets

These challenges identified by the Complainant must be attributed to the state of the domestic FAME sector. The RTFA's statement pointedly did not call on the UK Government to impose tariffs on US HVO. In contrast, the suggested remedies are focused on declassifying unrefined liquid dextrose ultrafiltration retentate (ULDUR) as a waste, removing double count for bioethanol feedstocks, moving the RTFO to

45 Page 30 of the Application in case AD0058.
46 Page 40 of the Application in cases AS067 and AD0058.
47 Department for Environment, Food & Rural Affairs, available here.
48 Page 124 of the Application in case AD0058.
49 Available here.

a GHG metric, putting in place demand side measures for bioethanol and biodiesel, and making bioethanol eligible under SAF Mandate.

(e) **Global biofuel markets**

The challenges faced by the UK FAME industry during the POI are a reflection of broader global market dynamics in the biofuel sector. The profitability of biofuel production worldwide was under significant pressure during the POI due to rising input costs coupled with lower selling prices driven by competitive market forces. As part of the global markets, the UK FAME industry is vulnerable to such fluctuations in international prices for biofuels and their raw materials, but not by any alleged injury caused by US imports.

9. ECONOMIC INTEREST

Interests of the domestic users and consumers of US origin HVO in the UK requires that no measures are imposed against such imports. In addition, such measures would have a significant detrimental effect on the success of UK's sustainability schemes. Economic operators have identified the adverse effects that the imposition of duties on imports of HVO would have on UK users.

9.1 Effects on HVO availability in the UK

UK is a net importer of HVO, and there is no domestic HVO industry. Measures against imports of HVO from the US could significantly disrupt supply and lead to increased domestic prices for HVO. Any increase in import prices will be passed on to customers and result in increases domestic prices for HVO in the UK, also confirmed by economic operators who anticipate that they would need to pass 100% price increase on to their customers.[50]

US is a significant source of HVO supply which could not be easily replaced by imports from other countries. In addition, US is a secure, trusted and high-quality HVO source and measures against it would create a gap in supply that would result in higher prices and lower sales.

HVO uses go beyond road transport and it is used in sectors which cannot replace the HVO supply with FAME, such as heating or maritime transport. It would go against the UK's interest to deprive these sectors of HVO taking into consideration only road transport.

HVO is the only viable drop-in fuel option for hauliers seeking to decarbonize without requiring engine modifications or compromising warranties, unlike FAME blends. Measures targeting US HVO would likely increase HVO prices, reduce its availability, and hinder the ability of hauliers to switch between fossil and renewable fuels based on price differentials.[51] [Confidential: commercially sensitive information].

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[50] Note to the Public File – Survey Responses – Dumping (AD0068, available here); Note to the Public File – Survey Responses – Subsidy (AS0067, available here).

[51] Note to the Public File – Survey Responses – Dumping (AD0068, available here); Note to the Public File – Survey Responses – Subsidy (AS0067, available here).

Sectors such as heating that can use only HVO would be significantly affected, and the continuation and future of sustainable projects such as the HVO village (Kehelland) and other projects aimed at decarbonisation of UK homes would be hindered.[52]

Similarly, the introduction of measures against imports of HVO from the US would significantly hinder the UK maritime transport decarbonisation strategy, which – as announced in March 2025 – sets out goals to reduce UK greenhouse gas emissions by 30% by 2030, 80% by 2040 and to zero by 2050, including by switching to biofuels.[53] Given the 30% blending limit for FAME in this sector (as compared to no blending limits for HVO), significant volumes of HVO will be necessary to meet these targets.[54]

In the event that measures against US HVO are imposed, the UK market would not be competitive, as nearly all HVO would come from a single EU supplier. This would most likely lead to a non-market increase in HVO prices in the UK. The dominant position of the largest EU HVO producer would ultimately harm UK consumers. The risks associated with overreliance on a single supplier were starkly demonstrated by the sharp spike in HVO prices in late 2024, which was largely driven by reduced HVO availability following the suspension of production due to a fire.[55]

9.2 Technical and regulatory considerations

The market for FAME in the UK is saturated due to the 7% blend limit for FAME. Achieving GHG reduction goals under RTFO requires HVO; without domestic production, imposing duties on HVO would compromise the ability to meet these obligations.

FAME is restricted to a 7% blend under EN590, whereas HVO, as a drop-in fuel, can be blended up to 100%. As of 2025, with the main RTFO obligation requiring a 14.05% share of eligible fuels, UK FAME cannot meet the standard. The UK domestic FAME production would only be able to cover less than 10% of the 2025 RTFO obligation.[56]

The UK government, in November 2024, acknowledged that while past RTFO targets were met with FAME, evolving market conditions and blend limits necessitate greater reliance on HVO, drawing a distinction between the products:

> *"Historically, most of the obligation has been met via the supply of renewable fuels, with negligible levels of buy-out. This means the RTFO targets have been achievable and realised carbon savings. However, going forward the landscape will evolve with domestic and global demand for the fuels and feedstocks used to produce the fuels supplied under the RTFO main obligation. This is expected to rise as low carbon fuels are increasingly used in other modes and operations. […]*
>
> *This presents some challenges. For example, given a declining road fuel market, to keep low carbon fuel volumes constant, obligation percentages would need to increase. Higher obligation percentages could be more challenging to meet, as the blend limits that apply to E10 petrol and B7 biodiesel.*

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52 In this regard, please refer to the submission by Mitchell & Webber in the present cases.
53 Available here.
54 Available here.
55 Available here.
56 Available here.

> *However, advances in both supply of waste derived ethanol and hydrotreated vegetable oil (HVO) may mitigate the impact of blend limits on the ability to meet increased obligations."*[57]

Imposing duties on HVO imports would risk undermining the RTFO framework, which was responsible for 54% of the overall transport emissions savings in carbon budget 3 (2018 to 2022).[58] Additionally, duties on HVO would hinder its use in other sectors, such as maritime transport or heating under the Renewable Liquid Heating Fuel Obligation. Various heating projects across the UK, such as the Kehelland village, are designed only to accommodate HVO.

The anticipated disruptive effects of such measures are confirmed by economic operators, who expect that they would result in reduced HVO purchases, replacing HVO with diesel, and missed carbon commitments.[59]

We also note that competitive prices of HVO are a key success indicator on any low carbon renewable policy. The net result is that the UK can meet its carbon commitments at a significantly lower cost which, in turn, is a lower cost to the tax payer.

Therefore, the TRA should issue a negative determination because the imposition of anti-dumping or countervailing duties would be against UK's economic interest.

10. REGISTRATION OF IMPORTS

Finally, we note the Secretary of State's decision to register the imports of HVO from the U.S.,[60] potentially opening the door for the imposition of retrospective duties. We wish to recall the key requirement under the relevant Regulations – a substantial increase in imports. [Confidential: commercially sensitive information].

The registration of imports has had a significant chilling effect on imports of HVO into the UK from the US, as retrospective duties would disrupt the profitability of such sales, which is a risk that importers are unwilling to take. The drop in US imports may have dramatic consequences for the availability of HVO in the UK and may hinder the satisfaction of UK's regulatory requirements.

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57 Available here.
58 Available here.
59 Note to the Public File – Survey Responses – Dumping (AD0068, available here); Note to the Public File – Survey Responses – Subsidy (AS0067, available here).
60 Available here.