



Department for
International Trade

Transition Review of anti-dumping and countervailing measures

Cases TD0004 and TS0005: Biodiesel originating in the United States of America and consigned from Canada

Addendum to Questionnaire

for

Diamond Green Diesel Ltd

Period of Investigation:	1 July 2019 to 30 June 2020
Injury Period:	1 July 2016 to 30 June 2020
Deadline for response:	22 February 2021
Case Team Contact:	TD0004@traderemedies.gov.uk (dumping) or TS0005@traderemedies.gov.uk (subsidies)
Completed on behalf of:	<i>Diamond Green Diesel ("DGD")</i>

When you have completed this form, indicate the **confidentiality** of this document by placing an X in the relevant box below:

- Confidential
 Non-confidential – will be made publicly available

Please note that you will have to provide **two copies of your response** - a **Confidential** and a **Non-confidential version**. Both copies should be returned to TRID using the Trade Remedies Service (www.trade-remedies.service.gov.uk) by **22 February 2021**.

Please remember to upload this dumping and countervailing duties questionnaire to **both cases** on the Trade Remedies Service (www.trade-remedies.service.gov.uk).

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Instructions

I - Why you are being asked to complete this questionnaire

We seek further information regarding your submission on product scope dated 5 January 2021.

What happens next

Once you have completed your questionnaire responses and non-confidential versions of documents, you must upload these **to both cases** through our Trade Remedies Service at www.trade-remedies.service.gov.uk. Following this:

- you will receive an email confirming the documents have been uploaded successfully;
- the Case Team will contact you if further information is required;
- the non-confidential responses will be placed on the public file; and

the Case Team may contact you to conduct verification of the information contained in your responses.

Verifying the information you supply

TRID will verify, as far as possible, the information provided to it. Within your response to this questionnaire, please provide all formulas and steps used in your calculations and keep a record of these and all related material/documentation to assist with any verification that we may carry out.

II – Deadline for response

A completed questionnaire must be submitted to TRID by no later than **22 February 2021**. If you are unable to provide a completed response by the given due date and you wish to request an extension, please contact the case team at TD0004@traderemedies.gov.uk (dumping) or TS0005@traderemedies.gov.uk (subsidies).

IV – Note about confidentiality

You will need to submit one confidential version and one non-confidential version of your response by the due date. Please ensure that each page of information you provide is clearly marked either “Confidential” or “Non-Confidential” in the header. It is your responsibility to ensure that the non-confidential version does not contain any confidential information.

Please see <https://www.gov.uk/government/publications/the-uk-trade-remedies-investigations-process/an-introduction-to-our-investigations-process#how-we-handle-confidential-information> for further information on what can be considered confidential and how to prepare a non-confidential version of this questionnaire.

All information provided to TRID in confidence will be treated accordingly and only used for this investigation (except in limited circumstance as permitted by regulation 46 of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019) and will be kept in protected systems. The non-confidential version of your submission will be placed on the public file, which is available on www.trade-remedies.service.gov.uk/public/cases.

V – Period of Investigation

Any references to the Period of Investigation (POI) in this questionnaire relates to the period 1 July 2019 to 30 June 2020.

VI – Injury Period

Any references to the Injury Period in this questionnaire relate to the 1 July 2016 to 30 June 2020.

The scope of this review

Goods subject to review

This transition review covers biodiesel originating in the United States of America and consigned from Canada, described as:

Fatty-acid mono-alkyl esters (FAME) and/or paraffinic gasoil obtained from synthesis and/or hydro-treatment, of non-fossil origin, commonly known as biodiesel. In a pure form or in a blend containing by weight more than 20%, fatty-acid mono-alkyl esters and/or paraffinic gasoil obtained from synthesis and/or hydro-treatment, of non-fossil origin, originating in the United States of America and consigned from Canada.

These goods are currently classifiable within the following commodity codes:

Dumping and Subsidy:

- 1516 20 98 (TARIC 1516 20 98 21, 1516 20 98 29, 1516 20 98 30)
- 1518 00 91 (TARIC 1518 00 91 21, 1518 00 91 29, 1518 00 91 30)
- 1518 00 99 (TARIC 1518 00 99 21, 1518 00 99 29, 1518 00 99 30)
- 2710 19 43 (TARIC 2710 19 43 21, 2710 19 43 29, 2710 19 43 30)
- 2710 19 46 (TARIC 2710 19 46 21, 2710 19 46 29, 2710 19 46 30)
- 2710 19 47 (TARIC 2710 19 47 21, 2710 19 47 29, 2710 19 47 30)
- 2710 20 11 (TARIC 2710 20 11 21, 2710 20 11 29, 2710 20 11 30)
- 2710 20 16 (TARIC 2710 20 16 21, 2710 20 16 29, 2710 20 16 30)
- 3824 99 92 (TARIC 3824 99 92 10, 3824 99 92 12, 3824 99 92 20)
- 3826 00 10 (TARIC 3826 00 10 20, 3826 00 10 29, 3826 00 10 50, 3826 00 10 59, 3826 00 10 89, 3826 00 10 99)
- 3826 00 90 (TARIC 3826 00 90 11, 3826 00 90 19, and 3826 00 90 30)

These commodity codes are only given for information.

In this questionnaire, these goods will be referred to as the 'goods subject to review'. Any reference to goods subject to review in this questionnaire refers to the goods description above, regardless of the commodity code under which they are exported.

Section A – Product specification

A1 Technical product information

1. List and explain foreign and domestic authorisations your company has been required to obtain to produce, sell, or to export the goods subject to review. These may include licences, permits, permissions or mining concessions. Indicate if your company is subject to any direct or indirect, quantitative, or other, restrictions on any of these activities.

*Registration with the U.S. Environmental Protection Agency (“EPA”)
Operating Permit with the State of Louisiana*

Appendix reference: 1
[CONFIDENTIAL: Appendix 1 includes DGD’s authorisations obtained from the State of Louisiana (US) and the US Environmental Protection Agency. Both authorisation include sensitive information that if made public may be advantageous to DGD’s competitors.]

2. Please provide the TARIC codes for all the products your company exports.

TARIC Code	Description of goods
2710 19 43 29	<p><i>In the EU Common Nomenclature:</i></p> <p><i>Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, other than those containing biodiesel and other than waste oils, other than light oils and preparations, gas oils for other purposes, with a sulphur content not exceeding 0.001% by weight, paraffinic gasoil obtained from synthesis and/or hydro-treatment, of non-fossil origin, in pure form; blends containing by weight more than 20 % of paraffinic gasoil obtained from synthesis and/or hydro-treatment, of non-fossil origin, other than consigned from Canada</i></p> <p><i>Please note that this code does not exist in the Norwegian customs tariff.</i></p>
2710 19 41	<p><i>In the Norwegian customs tariff:</i></p> <p><i>Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, other than those containing biodiesel and other than waste oils, other than light oils and preparations, heavy oils, i.e. oils and preparations of which less than 65 % by volume (including losses) distils at 250°C by the ASTM D 86 method or of which the distillation percentage at 250°C cannot be determined by that method, gas oils, i.e. heavy oils of which 85 % or more by volume (including losses) distils at 350°C (ASTM D 86 method), with a sulphur content not exceeding 0,05 % by weight (including autodiesel)</i></p> <p><i>Please note that this code does not exist in the EU Common Nomenclature.</i></p>

+ additional rows as necessary

3. Please provide the HTS codes for all the products your company exports.

HTS Code	Description of goods
2710 19 45	<i>Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, other than those containing biodiesel and other than waste oils, other than light oils and preparations, other, mixtures of hydrocarbons not elsewhere specified or included, which contain by weight not over 50% of any single hydrocarbon compound</i>

+ additional rows as necessary

4. Please provide a technical description as well as sales brochures for all products you produce. To include:

- technical characteristics;
- chemical characteristics;
- physical characteristics;
- any other important factors

DGD does not have any sales brochures for its products. Please refer to the attached PowerPoint presentation on renewable diesel that is publicly available on the website of DGD (www.diamondgreendiesel.com).

Please also refer to the appendix relating to technical data for renewable diesel listed in the next question.

Appendix reference: *2 Basics of Renewable diesel*

5. Please provide a technical data sheet for the HVO product you produce.

Please refer to the following attachments:

- *Standard Specification for Diesel Fuel Oils D975*
- *A Certificate of Analysis of DGD renewable diesel dated 10 January 2021;*

- *An analysis of DGD renewable diesel using European standards;*
- *A report on greenhouse gas (“GHG”) emissions savings of DGD products for the European Market..*

Appendix reference: *3 [CONFIDENTIAL: Appendix 3 includes sensitive information relating to DGD’s products that, if made public, may be advantageous to DGD’s competitors.]*

6. Please provide the extended safety data sheet for the HVO product you produce, if available.

Please find attached the safety data sheet for DGD Green Diesel R100 Renewable Diesel.

Appendix reference: *4 [CONFIDENTIAL: Appendix 4 includes sensitive information relating to DGD’s products that, if made public, may be advantageous to DGD’s competitors.]*

A2 Product similarity

1. Referring to your submission on product scope dated 5 January 2021, are there any further points you wish to make regarding the comparison between HVO and FAME biodiesel considering their chemical, physical and technical characteristics?

PowerPoint presentation detailing the differences between renewable diesel and biodiesel (FAME).

Appendix reference: *5 PowerPoint renewable diesel vs biodiesel*

2. Do you consider there to be differences between the markets for HVO and FAME biodiesel? Please provide evidence to support your claims that would help illustrate this.

Yes, there are differences between the markets for renewable diesel and FAME biodiesel. Both the FAME biodiesel and renewable diesel markets are led by demand (which is in turn driven almost exclusively by biofuel blending mandates), not by supply. Demand for renewable diesel is increasing, whereas demand for FAME biodiesel has not increased significantly over the past years. This can be explained by the blending limitation of 7% for FAME biodiesel and the fact that markets are saturated up to the blending limitation.

The market for FAME in the UK is saturated due to the blend limit of 7% for FAME. In order to meet increasing greenhouse gas (“GHG”) reduction goals for transportation fuels, renewable diesel is needed. Therefore, there is a unique market for renewable diesel for clients who out of preference, or compliance, desire to have a larger share of renewable fuels in their fuel blends. Superior cold flow performance, higher cetane values, and an overall better GHG emissions profile further distinguish renewable diesel from FAME. For example, in very cold climates, renewable diesel blends will be preferred or even necessary, whereas FAME biodiesel does not allow for very cold weather circumstances.

As a result of these differences, FAME and renewable diesel have very different price points. By consequence, at a price level, there is no competition between FAME biodiesel and renewable diesel because renewable diesel will always be more expensive.

Appendix reference:

3. In your submission on product scope dated 5 January 2021 it is suggested that HVO and FAME biodiesel are not interchangeable. Please provide any additional information in support of this view.

As mentioned above, FAME cannot compete with the product qualities of renewable diesel. Renewable diesel could replace FAME, but FAME, due to blend level restrictions and inferior quality, could not replace renewable diesel. In essence, renewable diesel is used to produce a finished fuel product with a higher component of renewable inputs, whereas FAME is used as a cost effective blend stock.

From a price-point perspective, renewable diesel cannot compete with FAME biodiesel. Up to the blend limit of 7%, renewable diesel will never replace FAME biodiesel because FAME biodiesel is cheaper. Of course, blending renewable diesel does not prohibit blending of FAME so a blender interested in maximizing both returns and renewable content would max-blend FAME and add renewable diesel.

Appendix reference:

Section B – Production, costs, and sales

B1 Production and production process

1. Please specify all products produced by your company (i.e. HVO, FAME, SME biodiesel)

<p><i>HVO</i> <i>Renewable naphtha</i> <i>Renewable LPG's (eg. Butane, propane)</i></p>	<p>Appendix reference:</p>
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2. Please fill in your company's total production volume and capacity of HVO and all other biodiesel products during the POI:

	Volume (please confirm units of measurement)
Overall production of HVO biodiesel	<i>[700,000 – 1,250,000] MT</i>
Total production capacity of HVO biodiesel	<i>[700,000 – 1,250,000] MT</i>
Overall production of other biodiesel products	<i>N/A</i>
Total production capacity of other biodiesel products	<i>N/A</i>

3. Please provide a diagram and written summary of your production process for HVO biodiesel.

<p><i>Please find attached a diagram of the production process for HVO diesel.</i></p>	<p>Appendix reference: <i>6 [CONFIDENTIAL: Appendix 6 includes sensitive information relating to DGD's production process of renewable diesel that, if made public, may be advantageous to DGD's competitors.]</i></p>
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4. Please provide the physical addresses (including town/city and state) of all your company's US sites/facilities involved in the production of HVO biodiesel.

Company name	Legal address
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<i>Diamond Green Diesel LLC</i>	<i>14891 Airline Highway Norco, Louisiana, USA</i>
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Appendix reference:

+Add additional rows as required

B2 Joint products and by-products

1. Please list any by-products resulting from the production process of HVO biodiesel and confirm the waste/scrap ratio.

<p><i>HVO</i> <i>Renewable naphtha</i> <i>Renewable LPG's (eg. Butane, propane)</i></p> <p><i>[CONFIDENTIAL: Sensitive information relating to DGD's production process, in particular the waste/scrap ratio, that is not publicly available]</i></p>

Appendix reference:

B3 Purchases

1. Did your company purchase any HVO or FAME biodiesel to cover any shortfalls in your own production, or for any other reason, during the POI? If so, please provide information in the table below:

	Volume (please confirm units of measurement)	Value (please confirm currency)
Total purchases of HVO during the POI	<i>[CONFIDENTIAL: Sensitive commercial information relating to DGD's purchases]</i>	<i>[CONFIDENTIAL: Sensitive commercial information relating to DGD's purchases]</i>
Total purchases of FAME biodiesel during the POI	<i>[CONFIDENTIAL: Sensitive commercial information relating to DGD's purchases]</i>	<i>[CONFIDENTIAL: Sensitive commercial information relating to DGD's purchases]</i>

B4 Sales

1. Please provide a sample price list for all customer types

<i>[CONFIDENTIAL: Sensitive commercial information relating to DGD's sales]</i>
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Appendix reference:

B5 Domestic Sales

1. Please provide details of the domestic sales of HVO made in the POI.

Customer	Volume (please confirm units of measurement)	Value (please confirm currency)
<i>[CONFIDENTIAL: Sensitive commercial information relating to DGD's sales that is not publicly available]</i>		

+additional rows as necessary

2. Select two invoices from two different customers from the above table. Provide a complete set of documents for these sales. For example:

- purchase order;
- order acceptance;
- commercial invoice;
- applicable discounts or rebates;
- credit/debit notes;
- contracts of sale;
- inland freight contract; and
- bank documents showing proof of payment.

*Please refer to appendix 7 for 2 samples of invoices to domestic sales.
[CONFIDENTIAL: Sensitive commercial information relating to DGD's sales]*

B6 Exports

1. Please provide details of any countries within the European Free Trade Association that you currently export HVO to.

DGD exported to the following customers during the POI.

Customer	Volume (please confirm units of measurement)	Value (please confirm currency)
<i>[CONFIDENTIAL: Sensitive commercial information relating to DGD's sales e]</i>		

+additional rows as necessary

Please refer to appendix 8 [CONFIDENTIAL: Sensitive commercial information relating to DGD’s sales].

2. Select two invoices from two different customers from the above table. Provide a complete set of documents for these sales. For example:

- purchase order;
- order acceptance;
- commercial invoice;
- applicable discounts or rebates;
- credit/debit notes;
- contracts of sale;
- inland freight contract; and
- bank documents showing proof of payment.

*Please refer to appendix 9 for 2 samples of export sales.
[CONFIDENTIAL: Sensitive commercial information relating to DGD’s]*

3. Please provide your total export volume for HVO during the POI:

	Volume (please confirm units of measurement)	Value (\$)	Percentage of your company’s total production
Total exports of HVO during the POI	<i>[CONFIDENTIAL: Sensitive commercial information relating to DGD’s sales]</i>		

4. Please provide information on the costs of transportation and shipping of HVO.

With regard to transportation, [CONFIDENTIAL: Sensitive commercial information relating to DGD’s sales].

Appendix reference:

5. What discounts/adjustments are offered on your export and domestic sales of HVO and on what volumes?

[CONFIDENTIAL: Sensitive commercial information relating to DGD’s sales].

Appendix reference:

B7 Costs of production

1. Please provide a detailed costs breakdown of your production of HVO up to the point of sale, including all inputs and after sales costs.

*The main cost factors for renewable diesel are:
[CONFIDENTIAL: Sensitive commercial information relating to DGD's cost of production]*

Appendix reference:

2. Please confirm the feedstocks used in your HVO production and the costings.

[CONFIDENTIAL: Sensitive commercial information relating to DGD's cost of production]

Appendix reference:

Section C – End user information

1. In addition to the information you have supplied in your submission on product scope dated 05 January 2021, do you have any further comments on the end uses of HVO and FAME biodiesel?

Valero and DGD find that there is already a big need in both the UK (and Ireland) for renewable diesel, including Valero's own customers. There are several reasons why customers are looking to buy renewable diesel:

- environmental benefits (many companies have made their own commitments in GHG emissions savings);*
- commercial customers because renewable diesel is asked for in the context of Council tenders where the benefit attached to a reduction of local emissions is seen as very positive for urban environments;*
- wholesale customers, in particular in the agriculture sector (where renewable diesel is an ideal solution for GHG emissions savings in applications where FAME is not suitable due to storage and performance limitations).*

[CONFIDENTIAL: Sensitive commercial information relating to potential customers of DGD]

Appendix reference:

Section D – Additional information

Please provide any other relevant information which you think would be useful to help our investigation in the box below.

Following our meeting of 1 February 2021, please find below additional information that may be helpful in the context of the investigation.

1. The Blender's Credit does not allow renewable diesel to price out FAME biodiesel

It is important to understand that there is currently no more room on the market (UK and EU) for FAME biodiesel due to the blending limitation of 7% (also referred to as the "blend wall"). The FAME biodiesel market is no longer expanding: the future investments or expansion projects are minimal to non-existent. Blenders in the UK, including Valero Energy Limited UK, are targeting a 7% blend at all times of its operations.

According to official statistics of the UK Department for Transportation, it is clear that the current blending on the market has reached up to 6.6% (essentially 7% taking into account a compliance margin – please refer to Appendix 10 on UK blending of renewable fuels). Because of this maximum saturation of the UK market, the FAME biodiesel industry is no longer increasing or expanding – there is simply no outlet.

From a price-point perspective, it is also imperative to understand that renewable diesel cannot compete with FAME biodiesel because it will always be more expensive than FAME biodiesel. For this reason, the market will always need FAME biodiesel for blending up to the 7% blend wall. As such, any potential benefit provided by the Blender's Credit in the U.S. is not relevant in the sense that it will not make a difference in the fact that renewable diesel will still be more expensive than FAME biodiesel and that there will always be demand for FAME biodiesel up to the 7% blend wall. The Blender's Credit does not allow renewable diesel to price out or compete with FAME biodiesel.

2. Environmental benefits of renewable diesel

DGD wishes to reiterate that renewable diesel and other advanced biofuels are absolutely necessary for the UK to reach its ambitious climate change objectives (notable net zero GHG emissions by 2050). As indicated above, the market is saturated with FAME biodiesel.

The UK Department for Transport is expected to increase the biofuel blending mandate from the current 9.6% to 14.6% (an increase of 5%). The blending limitation of 7%, which is related to the chemical properties of FAME biodiesel and to political considerations, is not expected to increase. By consequence, alternative advanced biofuels, such as renewable diesel, are necessary to achieve the higher biofuel blending mandates.

3. Further relevant information relating to the FAME biodiesel / renewable diesel markets

Please find attached the 2020 GAIN Report by the U.S. Department for Agriculture (see Appendix 11) which includes relevant information with regard to the market of FAME biodiesel and renewable diesel. The GAIN Report has also been relied on by the European Commission in the context of the previous EU biodiesel investigations. The complainant in the ongoing expiry review investigations, the European Biodiesel Board, has used the GAIN Report as a basis for its calculations for EU and UK production and production capacity, as can be viewed in the public file of the investigations.

In the EU, for example, there is a clear increased demand for renewable diesel due to blending mandates in line with ambitious climate change goals and market saturation of FAME biodiesel. As the market is a demand-led market, EU FAME biodiesel production dropped by 4% in 2020 whereas renewable diesel production increased by 14%. The same trend is expected for the UK market. However, there is no domestic production of renewable diesel in the UK which increases the dependency of the UK on third country imports. Due to the measures in place against U.S. imports, the UK is 100% reliant on one main source for renewable diesel imports: the EU, even though the EU's demand for renewable diesel is also increasing.

4. Relation between the UK tallow industry and the biodiesel industry

On 25 January 2021, the Foodchain and Biomass Renewables Association ("FABRA") submitted information relating to the Economic Interest Test and information relating to the tallow industry in the UK. DGD wishes to take the opportunity to provide comments in this regard.

FABRA submitted that 70-80% of UK Category 1 tallow is supplied to Argent Energy, a UK producer of FAME. It also submitted that 75-80% of UK Category 3 tallow is supplied to the EU biodiesel industry and renewable fuel manufacturers. Tallow is manufactured from animal by-products that are sourced from the UK meat industry. FABRA argues that as a consequence of a termination of the anti-subsidy and anti-dumping measures on U.S. imports of biodiesel, the UK tallow industry may have less demand for its product in the UK if cheaper biodiesel is imported from the U.S.

First, it is worth noting that less than 1% of total UK biodiesel (or approximately 15 million litres) is produced on the basis of UK Category 1 tallow feedstock. Please see in this regard appendix 10 for statistics of the Department of Transport on UK tallow blending and total blending of renewable fuels. The UK Category 3 tallow is mostly all exported to the EU, as indicated by FABRA itself, so this would not be impacted by any potential U.S. imports of renewable diesel made available on the UK market. It can also be noted that the largest UK producer of FAME biodiesel, Greenergy, is apparently not being supplied any UK tallow, even when FABRA argues that the UK biodiesel sector has capacity to increase tallow intake.

Second, as mentioned above, renewable diesel from the U.S. cannot compete with FAME biodiesel from a price perspective. Therefore renewable diesel from the U.S. cannot price out or replace tallow-based UK production of FAME biodiesel. There will always be a demand for FAME biodiesel up to the 7% blend wall.

Third, even if there would be less demand for UK tallow by UK producers of FAME biodiesel, which DGD does not consider would be the case, tallow can also be used by producers of renewable diesel, both UK-based (which do not exist at the time being) and third country renewable diesel producers. There would always be demand for UK tallow as a feedstock for FAME biodiesel or renewable diesel.


In light of the above, DGD wishes to reiterate that for the purpose of the investigation, renewable diesel and FAME biodiesel should be considered as distinct products so that, if the UK authorities find that anti-dumping and anti-subsidy measures with regard to biodiesel imports from the U.S. should be imposed, renewable diesel is excluded or exempt from the measures.

Section E – Certification

The undersigned certifies that the information supplied herein is correct and complete to the best of their knowledge and belief.

The undersigned certifies that they have the authority to supply the information contained herein on behalf of Diamond Green Diesel.

Signature (including e-signature):



Name: *[CONFIDENTIAL: personal identifying information]*

Position at company: Appointed legal counsel for Diamond Green Diesel; Partner at Hogan Lovells

Date: 22 February 2021