



MARKET INSIGHTS REPORT

Nirva – UK Low Carbon Road Fuel Market Insights Report

This report is designed to inform you on the transition to net zero for commercial vehicles in the UK.

Nirva supply a range of Road Fuels. Our goal is to work in partnership with our clients to make well-informed decision on how to transition from traditional Diesel to low carbon road fuels in the energy transition.

In this report, we provide the following insights;

1. A summary of the official UK Transport Decarbonisation Plan regarding low carbon fuels.
2. A concise industry overview from Logistics Matters covering key challenges in HGV decarbonisation and the practical contribution of transition low carbon fuels.
3. The Road Haulage Association's excellent overview of barriers, timelines, industry expectations, and required government support.
4. HVO – November '25 Market Insights.

1. A summary of the official UK Transport Decarbonisation Plan regarding low carbon fuels.

Sustainable low-carbon fuels (including advanced biofuels, renewable fuels of non-biological origin such as green hydrogen derivatives, and other lower-carbon alternatives to petrol and diesel) can support early carbon savings across transport, especially where electrification is harder (e.g., long-haul freight, aviation, shipping). [GOV.UK Assets](#)

1.1.Key goals and actions

The Government intends to maximise greenhouse gas emissions savings from low carbon fuels alongside wider decarbonisation measures. [GOV.UK Assets](#)

Measures include:

- Increasing the Renewable Transport Fuel Obligation (RTFO) target over time to create stronger demand for low-carbon fuels. [GOV.UK Assets](#). Please note that this is UK's main policy to encourage low-carbon fuels (including biofuels like biodiesel and bioethanol) in road transport is the RTFO. It requires fuel suppliers to include a set percentage of sustainable low-carbon fuels in the road transport fuel mix (including biofuels). The main obligation has been rising over time: it was 11.8% in 2024, is 12.15% in 2025, and is legislated to rise to 14.6% by 2032 of fuel volume supplied. After 2032 the percentage stays at that level unless changed by future policy. [GOV.UK Assets](#)
 - These fuels are intended to reduce greenhouse gas emissions compared to conventional petrol/diesel and can be "dropped in" or blended with fossil fuels.
 - Supporting the use of renewable fuels in sectors beyond road vehicles, including shipping. [GOV.UK Assets](#)
 - Making new fuel types, such as higher-blend biofuels and renewable hydrogen-based fuels, eligible for incentives under the RTFO. [GOV.UK Assets](#)
 - Recognising the limited supply of some low-carbon fuels and prioritising their use for sectors where alternatives (like batteries) are not yet viable. [GOV.UK Assets](#)
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1.2.Strategic direction

The plan signals that a long-term low carbon fuels strategy will be published, looking at how best to scale these fuels sustainably and integrate them across transport modes up to 2050. [GOV.UK Assets](#)

1.3.Benefits

A stronger low carbon fuels framework is expected to deliver additional CO₂ savings, support supply chain development in the UK, and help align fuel use with net-zero goals.

2.A concise industry overview from Logistics Matters

Both HVO and biomethane are seen by industry group Logistics UK as practical, near-term ways to cut greenhouse gas emissions from heavy freight, especially where battery electric or hydrogen trucks are not yet viable at scale. They serve as complementary bridges to zero-tailpipe technologies while supporting real emissions reductions now.

Key points

- Industry urging government support for low-carbon fuels

UK logistics firms are calling on ministers to recognise low carbon fuels as a practical way to cut emissions from heavy goods vehicles (HGVs), alongside the long-term shift to zero-emission technologies. logistics.org.uk

- Challenges with current decarbonisation path

Businesses say the existing focus on battery electric HGVs is highly ambitious given current barriers: high vehicle costs, reduced payloads, and delays/costs in installing necessary grid infrastructure. logistics.org.uk

- Industry Statement and signatories

An Industry Statement signed by 48 organisations—including logistics operators, fuel suppliers, vehicle makers and local authorities—was sent to government ministers. logistics.org.uk

- What low carbon fuels are being proposed

The statement highlights fuels like biomethane, high-blend biodiesel and renewable diesel (HVO) as acceptable means to reduce emissions from HGVs. logistics.org.uk

- Benefits of low carbon fuels

Logistics UK notes that using LCF can reduce greenhouse gas emissions by up to ~80% compared with diesel and can deliver relatively immediate emissions cuts while other technologies mature. logistics.org.uk

- Calls to government

The industry wants a technology-neutral policy approach that supports wider adoption and production of LCF, including stable long-term policy and fiscal incentives to make them commercially viable. logistics.org.uk

They emphasise that while zero tailpipe emission vehicles remain the long-term goal, LCF is complementary and necessary until those technologies are viable across all use cases. logistics.org.uk

- Practical focus

The industry stresses the need for an achievable, pragmatic and cost-effective decarbonisation strategy that doesn't penalise operators or threaten supply chain resilience. logistics.org.uk

3.RHA Net Zero Survey Report 2025

The Road Haulage Association's produced national survey on the UK road transport sector's readiness for net-zero. This provides an excellent overview of barriers, timelines, industry expectations, and required government support.

Below, we summarise the part relevant to low carbon fuels.

- Access to refuelling / re-charging infrastructure

A significant proportion of operators see lack of hydrogen refilling facilities as a major barrier to hydrogen HGV adoption – both at depots (37 % of HGV operators) and publicly (33 %). rha.uk.net

Many coach operators are particularly doubtful about hydrogen infrastructure: 59 % are unsure sufficient public hydrogen refuelling stations will exist within five years, and 39 % are not confident they'll be able to get hydrogen supplied to their depots. rha.uk.net

- Infrastructure investment needed

The RHA notes ongoing energy sector investment is welcome but stresses that continued and accelerated development of both electric charging and hydrogen refuelling infrastructure is essential. rha.uk.net

They emphasize depot infrastructure – and minimising costs of installing it – as important to giving operators confidence to adopt zero-emission vehicles. rha.uk.net

- Fleet size and decarbonisation readiness

Larger fleets (100+ vehicles) are significantly more ready to adopt zero-emission and low-carbon solutions than smaller fleets: about 49 % of large fleets have or plan to introduce electric HGVs within five years, compared with only 8 % of very small fleets (1–4 vehicles). rha.uk.net

- Low carbon fuels

For low carbon fuels, larger fleets are also more likely to be using or plan to use them, with 65 % of big HGV fleets planning uptake versus 22 % of the smallest. rha.uk.net

The survey shows clear demand for low carbon fuels as a transitional solution while zero-emission technologies mature. rha.uk.net

However, operators note the current supply of such fuels is limited (e.g., hydrotreated vegetable oil – HVO – was only about 1 % of the UK fuel market at the time). rha.uk.net

The RHA calls on government to support low carbon fuels – including policies like a fuel duty rebate linked to emissions reduction – to boost supply and uptake. rha.uk.net

In short, the RHA highlights infrastructure barriers (especially for hydrogen), differences by fleet size in readiness to decarbonise, and strong interest in low carbon fuels as part of the transition – but notes the challenges related to supply and cost that need policy support.

4.HVO – November '25 market insights

- Market Overview – November 2025

According to national-average pricing data, delivered-in conventional diesel rose modestly from 106 ppl to 107 ppl over November.

In contrast, wholesale UK HVO saw a larger increase: prices moved from 117 ppl to 121 ppl over the month.

During the month there was a brief but sharp spike mid-November: a fire at a major biofuel refinery (Neste's Rotterdam plant) temporarily disrupted supply – HVO soared to ≈169 ppl before later easing.

- Market Drivers & Context

The disruption from the Rotterdam refinery fire was a major immediate driver for the mid-month HVO spike.

Meanwhile, global crude oil (Brent) softened: Brent futures fluctuated between ~US\$75.10 and ~US\$70.80, ending near US\$72.94/barrel. This relative weakness helped keep fossil diesel price increase modest.

The differential between HVO and fossil diesel widened in November – meaning HVO became more expensive relative to conventional diesel.

- Other Market Considerations

The value of blending biodiesel into the UK standard (B7) remained largely flat in November (≈7 ppl), and the benefit from certificates under the Renewable Transport Fuel Obligation (RTFO) stayed at 23 p per certificate. This meant the net cost advantage of HVO (after RTFO benefit) did not improve.

On the regulatory/trade front: the Trade Remedies Authority (TRA) in the UK published a "Statement of Essential Facts" on 28 November 2025 proposing countervailing duties on HVO imports from the United States – between £257.80 and £303.56 per tonne – citing subsidised U.S. imports harming UK producers. GOV.UK

With proposed duties, future HVO imports – and thus supply – from the U.S. may decline or become more expensive, which could put further upward pressure on UK wholesale HVO prices. GOV.UK+1

- What This Means for Fleet Operators / HVO Users

The widening price gap means HVO is becoming more expensive relative to fossil diesel, which may reduce the financial incentive to switch – especially if RTFO-benefit remains stable or uncertain.

Supply disruptions (as seen with the refinery fire) remain a real risk – meaning price volatility for HVO is non-trivial, and operators depending on HVO should plan accordingly (e.g., secure supply, lock in contracts).

Regulatory/trade developments (like the new TRA duties) could reduce HVO imports or raise costs – possibly tightening supply and sustaining elevated HVO prices in the medium term

How can Nirva help?

Road transport faces growing pressure to cut emissions—fast, without adequate government support. With volatile costs, shifting regulations, and a maze of fuel options, the path forward isn't always clear. That's where we come in.

At Nirva, we simplify sustainable fuel oil. Our team can help you pragmatically cut emissions, meet customer and regulatory demands, and protect margins—without operational disruption.

We review your current fuel supply and deliver clear, pragmatic strategies to reduce emissions using drop-in alternatives like HVO, FAME, and other certified low-carbon fuels. Need to understand the options from a technical, supply chain, emissions, or cost perspective?

Want to do the right thing but fear getting it wrong? You're not alone—and we've got you covered.

We secure reliable supply by leveraging our independent wholesale network, offering fixed-price or index-linked contracts to keep you in control.

Our solutions help you decarbonise operations without downtime, confusion, or unnecessary cost.

Whether you're starting your transition or scaling up, we help you move fast—with the confidence that you're doing it right.

From advisory to delivery, Nirva is your partner in sustainable fuel oil supply.

More Information

Nirva's dedicated fuel experts strive to find the optimum fuel solution tailored to your needs. Send us a brief message, and we'll ensure an appropriate member of the team gets back to you promptly.

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