

Keir Mather MP
Minister for Aviation, Maritime and Decarbonisation
Department for Transport
Great Minster House
33 Horseferry Road
London
SW1P 4DR
By email

27 March 2026

Renewable Transport Fuel Obligation (RTFO) eligibility for transition fuels on tidal rivers and estuaries

Dear Minister,

We are writing as members of the BusinessLDN River Forum, a coalition of river operators, infrastructure owners and Thames-based businesses. London's rivers are central to the capital's transport network and support passenger, freight and construction services. Enabling low-carbon river transport supports the Government's growth mission while contributing to its Net Zero and clean air objectives.

We welcome the Government's recent announcement of £271 million to support clean maritime technology and coastal communities. This investment in innovation is an important step towards decarbonising the maritime sector and supporting growth in coastal economies. Alongside longer-term innovation funding, there is also an opportunity to deliver immediate emissions reductions through practical policy adjustments that enable operators to adopt lower-carbon fuels today.

Operators on the Thames have invested in cleaner vessels and low-carbon fuels, particularly second-generation Hydrotreated Vegetable Oil (HVO). For example, a passenger travelling from Tower Bridge to Westminster can choose a bus or river bus along similar corridors. Only buses qualify for RTFC support, creating a fuel cost difference of around 40–45 pence per litre (roughly £200,000 per year for an average operator). As a result, river operators face a structural cost disadvantage compared with equivalent public transport services, which risks pushing operators back towards higher-emission Marine Gas Oil (MGO).

HVO is a vital transition fuel, typically produced from waste-derived feedstocks. While electric and hydrogen propulsion will be essential long-term, HVO allows emissions reductions to start today and provides an immediately deployable pathway for existing fleets.

At the same time, operators who have invested in electrified vessels face a further structural challenge. The cost of grid electricity for marine use is currently higher than the cost of HVO, limiting the commercial viability of zero-emission vessels and constraining further private investment. Without targeted support, the transition from HVO to full electrification risks stalling.

London has led the UK in clean maritime innovation. The Port of London Authority's Thames Vision 2050 and significant private investment demonstrate this leadership. Current RTFO rules

undermine these efforts, penalising early adopters and discouraging further investment, particularly in central London where air quality remains a public health concern.

The RTFO has been amended previously when definitions no longer reflected operational reality. In 2018, it was updated to include mobile generators within non-road mobile machinery. Similarly, the 2024 Call for Evidence highlighted operational challenges on tidal waterways that the current RTFO does not fully address, leaving a policy gap despite strong evidence from operators.

We therefore urge you to take two practical steps:

1. Amend the RTFO to extend eligibility to tidal rivers and estuaries, allowing RTFCs to be claimed for HVO used by river-based businesses; and
2. Consider targeted measures to reduce the cost burden of shore power and grid-supplied electricity for electrified vessels, ensuring that zero-emission propulsion is commercially viable and that HVO can function as a true transition fuel.

These changes would avoid disproportionate cost burdens on sustainable transport operators, restore a level playing field with other public transport modes, and support the Government's growth mission and Net Zero ambitions.

We would welcome the opportunity to discuss this further with you or your officials and to share additional evidence from River Forum members and industry partners.

Yours sincerely,

Muniya Barua, Deputy Chief Executive, BusinessLDN

Peter Hogg, UK & Ireland Country Director, Arcadis

Geoff Symonds, Chief Operating Officer, Uber Boat by Thames Clippers

Grace Rawnsley, Director of Sustainability, Port of London Authority