

Notes from REA Landfill Gas Forum members' meeting

Tuesday 23 February 2021

1000-1200

Via Teams

Present

Graham Bone	Infinis (vice-chair)
Robert Brannan	Total Gas & Power
Christopher Charge	Suez
David Cross	Aurora Energy
Frank Gordon	REA
Bob Gregory	Gregory Environmental
Anne Jones	Defra (first half of meeting only)
Mark Langabeer	Veolia
Andrew Leeding	Infinis
Matthieu Lefebvre	WAGA
Will Llewellyn	Red Kite Management
Stuart Markham	EDL
Jon Mellor	Renewable Power
Isobel Morris	REA
David Reay	CPL Activated Carbons
David Rice	CLP Envirogas
Steve Shaw	Veolia (chair)
Paul Thompson	REA
Kiara Zennaro	REA

Apologies

Steve Atkins	SSE
Mike Guy	Velox
Andrew Leach	Renewable Power

Welcome, introductions, minutes of last meeting/matters arising, appointment of vice-chair

Minutes of the last meeting (9 September 2020) had been circulated in advance of the meeting. All actions from the previous meeting were either completed or to be discussed further in this meeting.

With regard to the appointment of a vice-chair, Steve Shaw set out that REA member forums generally have a vice-chair. This helps provide an additional point of view on behalf of members, as well as having the option of an alternate for when the group chair is unavailable. Graham Bone (Infinis) has provisionally agreed to take on this role. This was welcomed by those present. Paul asked any members who had any concerns with this appointment to raise them either during or after the meeting. No further feedback has been received as at 10 March.

Future economics of landfill report

Members discussed the following report, published by Defra shortly before Christmas:

[WR1922 Future Economics of Landfill \(defra.gov.uk\)](https://www.defra.gov.uk/publications/default.aspx?publication=6888)

Bob Gregory was one of the report authors and presented slides (attached) on the structure of the report, its conclusions and issues identified.

Anne Jones (Defra) also gave some insights on what the department was looking to get out of the report:

- Emissions from landfill a key area where action needs to be taken. Landfill gas is some 69% of the waste sector's total GHG emissions, and calculation of impact from methane is due to be adjusted from 25x impact of CO₂ to 34x
- There is a positive here in that it should be easier to take meaningful action as a large quantity of emissions is managed by a relatively small number of operators. Other areas for intervention require major behavioural change from large numbers of organisations/individuals
- Current emissions are calculated based on a model, so one drawback is that if there were actual improvements in practices these would not necessarily be captured by the methodology – so there would be an attraction for Defra if could obtain better empirical data
- Carbon Budget number 6 is in the process of being set so that (+ COP in UK at end of the year) is also a good spur to action. The Committee on Climate Change refers to issues with removal of ROCs in its latest set of reports¹
- Anne stressed that she is not a policy officer/economist, but could be interested in learning more about opportunities to incentivise gas collection and utilisation via energy policy. Also stressed that from Defra's point of view the priority is delivering GHG savings rather than supporting an existing industry as an end in itself

Points that emerged in discussion:

- Questions were asked about the assumed collection efficiency in the report (only 41% captured) and figures used for assumed methane generation. Both of these are based on modelling rather than actual data
- There was a degree of scepticism from members around implicit assumption that the 'market will provide' additional open landfill capacity if/when the need arises
- Likely that differentiated policies will be needed for:
 1. Old landfill that is now producing little or no methane
 2. Current landfill that is producing significant methane now, and where the bulk of future methane production will come from material that has already been landfilled
 3. Future landfills that would be expected to produce significantly less methane than current ones (although unclear whether that would be part of a general decline in organics going to landfill or as a result of dedicated 'low organics' cells)

¹ See page 188 of the following: <https://www.theccc.org.uk/wp-content/uploads/2020/12/Policies-for-the-Sixth-Carbon-Budget-and-Net-Zero.pdf>

Future support for landfill gas

Members have highlighted that the planned loss of ROCs in 2027 will mean that it will no longer be economic for many/most sites to continue to operate CHPs. ROCs have been a strong incentive to maximise capture of methane by more active management and investment in infrastructure. If this incentive is removed and not replaced then that could have significant adverse impacts on GHG impacts of landfill.

This has led to interest in possible alternatives, including cleaning up and injecting gas into the grid. Paul summarised current policy position:

- The Renewable Heat Incentive closes to new applications from 31 March 2021. Landfill gas has always been excluded
- BEIS has developed a medium term policy – the Green Gas Support Scheme. That is essentially an extension of the RHI for biomethane by another name. Relatively minor changes from the RHI are expected. Policy has completed its final set of consultations, with outcomes expected in spring 2021. Intention is to implement in Autumn 2021 and have it open to new applications for 4 years
- Landfill gas is not included in the Green Gas Support Scheme. Even if it were included in principle, BEIS has also said they only want to support **new** projects – so an existing site benefitting from ROCs would almost certainly be ruled out on that basis anyway
- BEIS intends to develop long term policy on greening the gas grid. This could look at range of funding mechanisms as well as other technologies such as syngas, hydrogen etc. No reason why it shouldn't include landfill gas if the arguments stack up

Members welcomed Mathieu Lefebvre, of Waga Energy, whose company produces equipment tailored for clean up of landfill gas for injection to the grid.

It was agreed that we should approach BEIS on how to address the issues identified. Need to be clear on what our priorities are, main arguments and preferred outcomes.

Action: **Paul to set up initial meeting to discuss.**

Consultation on last resort disconnection of embedded generation

Graham Bone updated members. The interim measure introduced May 2020 for instructing disconnection has timed out and a new, enduring solution is being put together (GC0147)

REA responded to the initial consultation on this in the Autumn 2020. Key points from our response:

- Need for compensation – both in itself and as a further encouragement for the system operator to use this power only in a genuine last resort
- Need for commercial mechanisms to be put in place to reduce the likelihood of needing to use this power (the original 'ODFM' mechanism was used 5 times in spring/summer 2020 but has expired)
- Landfill and other sites that are continuously producing gas should be as low as possible on the disconnection order (other than critical infrastructure), given the environmental and safety risks associated from disconnection from the grid for a prolonged period (especially if several sites in the same area are disconnected simultaneously)

A further consultation was in progress, with closure date of 1 March 2021:

[GC0147: Last resort disconnection of Embedded Generation – enduring solution | National Grid ESO](#)

There was an understanding in the working groups that landfill sites would be low down the priority list for disconnection, but this is not stated in the consultation documents.

A replacement for last year's ODFM mechanism is being developed, although this is not finalised.

Multiple options are presented for compensation, although this may not be available for most sites, given the interpretation being put on the Clean Energy Package requirements (essentially that very little distribution-connected generation is sufficiently 'guaranteed' grid access to trigger the right to compensation).

Paul sought member feedback during and after the meeting and the REA response was submitted on time (attached).

Project to maximise potential of under-used grid capacity

Paul updated members. Steve Atkins (SSE) has been running this workstream within ENA. They are looking to see if there are opportunities to release under-used capacity by means of various sharing/trading arrangements of capacity and what the DNOs can do to facilitate this.

There were various initiatives talked about during 2020 although very little concrete progress. It looks like this is moving ahead now. ENA plan a series of workshops to inform a 'market simulation' to understand the potential scenarios and benefits/challenges. There was an initial meeting on 26 February, with the workshops themselves expected to take place in March.

Further details of the project are in the link below:

[2021 Project Initiation Document](#)

There remains a question of willingness to participate from industry side given the history of attempts to claw back underused capacity. Steve Shaw reported on a recent attempt to do this where a routine replacement of an engine resulted in a request to enter into a replacement connection agreement, which contained clawback clauses for under-use. Since this change wasn't highlighted by the network it is always possible that the document could have been signed without appreciating the consequences.

Ofgem and the Renewables Obligation

This is a long-running issue, triggered by Ofgem plans to develop a new register. Concerns raised:

- Loss of functionality in general
- Might lose historic documents (say for commissioning engines). Given the amount of time that has passed, the current site operator may no longer have those records, meaning it is essential that Ofgem also retains records of information submitted to them
- Risk around 'additional capacity'. Email from Ofgem of 8 April 2020 suggested when engines are removed this would be treated as last in first out – ie the additional capacity would be lost first

Paul followed this up with Ofgem and had a reply on 19 October 2020. This confirmed that older capacity can be decommissioned first, and also that Ofgem will retain all the historic information submitted, not merely that information which is migrated to the new register.

Action: Any members who would like the full Ofgem correspondence, contact Paul

A follow up question emerged in cases where an engine has previously been removed from a site and then reintroduced (with the engines on site always being within the accredited RO capacity). Paul has emailed Ofgem seeking confirmation on this point and will inform the group when Ofgem reply. Post-meeting note: Ofgem replied 9 March, but didn't say much of interest – 'case by case basis'/'take your own legal advice' etc

Other issues – business rates

The Government launched a 'fundamental review' of business rates in July 2020. This was discussed at the September 2020 meeting and the REA response was submitted in October

19 February the government confirmed that the full report will be published in Autumn 2021, with an interim report due to be published 23 March.

[Business Rates Review Update - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/business-rates-review-update)

Other issues – Interaction with other REA forums

Members were reminded that REA has a number of other forums which might be of benefit to them. These include work on electricity grid issues as well as those focussed on solar PV and storage technologies. Members are encouraged to sign up to forums of interest via the REA website and/or contact Paul if they wish to know more.

More widely, to consider for a future meeting how this group can interact with these areas more directly.

Actions

Set up meeting to discuss next steps on support for landfill gas capture and use	Paul
Contact Paul if want full text of Ofgem correspondence around RO register	All
Inform members when Ofgem replies to return of engines and RO question	Paul

Attachments

- Bob Gregory slides on Defra report
- REA response to last resort disconnection of embedded generators consultation