

**4th March
2021**



REA Green Gas Forum meeting



@REAssociation

Decarbonising the economy

Meeting Housekeeping

- ✓ All please join as *muted & without video*
- ✓ Please note where the *chat box* should you have any questions for the speakers

The session will be recorded for accurate note taking.

Participants of the meeting will receive a copy of the slides and recording will be available upon request.

Thank you



Agenda

- Welcome and general REA's updates (REA Biogas Chair, William Mezzullo, Foresight Group)
- Gas networks updates (Thom Koller, ENA)
- Defra's updates on next round of RWS consultations (Sam Hare, Defra)
- RHI and GGSS updates (William Lord, BEIS)
- Energy White Paper highlights (Kiara Zennaro, REA)
- Update on transport policy (Paul Thompson, REA)
- Update on Guarantees of Origin for green gas (Jesse Scharf, GGCS)
- Updates from REA Organics (Jenny Grant, REA)
- Update on AD business rates (Chris Handel, Handel Rating Consultants)
- Update on VAT RHI issue (Sam Tickle, REA)
- Meeting close (REA Biogas Chair, William Mezzullo, Foresight Group)



General REA's updates

1. REA's Strategy for Renewable Energy and Clean Technologies published in February
 - A green pathway that outlines the measures that need to be taken to deliver net zero and support the UK's economic recovery
 - Key targets within the Strategy include:
 - ✓ By the end of 2022, more than 50% of electricity generation will be provided by renewables – this figure will reach 100% by 2032;
 - ✓ Majority of energy demand for the heat and transport sectors could be met from renewable and clean technologies by 2035;
 - ✓ All bio-waste could be either separated and recycled at source or collected separately by the end of 2023.
 - Press release and the Strategy [here](#)
2. New [Biogas Steering Group](#) elected in January



Biogas Steering Group

1. William Mezzullo (Senior Portfolio Manager, JLEN Portfolio Lead, Foresight Group) – **Biogas Forum Chair**
2. David Hurren (CEO of Air Liquide Biogas Solutions Europe) – **Biogas Forum Vice-Chair**
3. Anna Becvar (Director, Earthcare Technical)
4. David Kinnersley (Partner and Head of the Agribusiness Team at Fisher German LLP)
5. John Baldwin (Managing Director, CNG Services)
6. Lucy Hopwood (Director and Lead Consultant for Bioenergy and Anaerobic Digestion, NNFCC)
7. Lucy Owen (Environmental Compliance Manager, Marches Biogas)
8. Mark Richmond (Technical Director, WRM Ltd)
9. Neil Liddell-Young (Strategy & Development, Severn Trent Green Power)
10. Philipp Lukas (MD, Future Biogas)
11. Richard Gueterbock (Director, Food Chains)
12. Thomas Minter (Director, Malaby Biogas)



Forum name change



3. As of Tuesday, the REA Board has signed off the plan to change the name of the Biogas Forum to *Green Gas Forum*. All green gases within scope, including (but not limited to):
 - Biogas and biomethane from anaerobic digestion
 - Biogas and biomethane from thermal gasification and pyrolysis
 - Green, bio-and carbon accounted blue hydrogen
 - Carbon dioxide (where used in or produced by renewable energy)
 - Biopropane / bio-LPG
4. We will shortly set up a new **working group on Hydrogen**, aimed at moving the hydrogen agenda forward. Let [Kiara](#) know if interested.



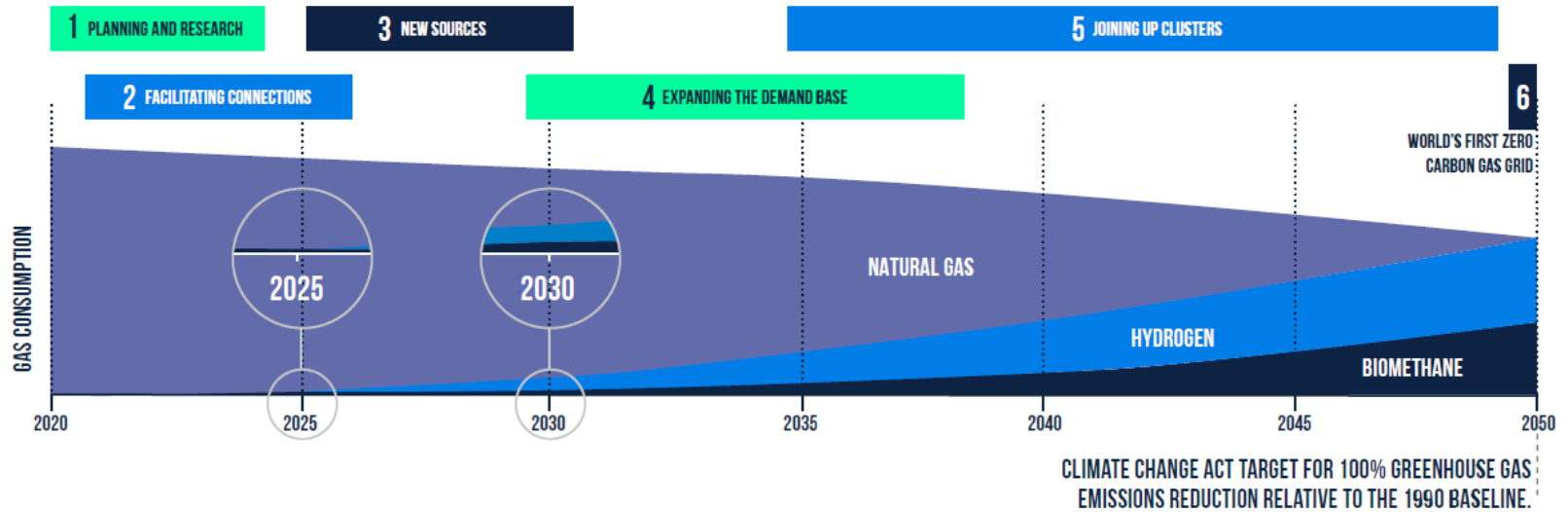


GAS GOES GREEN

2021 programme and
deliverables

DELIVERING THE
PATHWAY TO
NET ZERO

Net zero pathway



Governance



2021 Deliverables

Workstream 1 Investing in net zero



1.1 Net Zero
Strategy & Scenario



1.2 Zero Carbon
Commitment (v2)



1.3 Local, regional and
national pathways and
planning studies

Workstream 2 Gas quality and safety



2.1 Blending
delivery timeline



3.1 Hydrogen: Cost
to Customer



3.2 Licensing regime for
industrial cluster
hydrogen infrastructure



3.3 GHG reduction
potential for off grid
communities



3.4 Impact of
reducing gas
demand

Workstream 3 Consumer options

2021 Deliverables

Workstream 4 System enhancement



4.1 Supporting
green gas
producers



4.2 Opportunities
for CHP conversion



4.3 Network fugitive
emissions

Workstream 5 Hydrogen transformation



5.1 Delivering
BEIS/industry
hydrogen activity



5.2 Hydrogen
connection
agreement

Workstream 6 Communications and stakeholder engagement



6.1 Green gas data



6.2 Defining a smart
gas network

Entry Customer Forum

Entry Customer Forum

- **Purpose** - Ensure Entry connections processes, standards, and associated commercial arrangements are kept under review to promote standardisation across the networks, remove barriers, share best practise, enable efficiencies and improvements, and respond to industry developments.
- **Scope** - The connection processes for gas injections to the networks. This includes the initial application and assessment process, the construction and initial connection to the gas grid, ongoing operation of entry gas connections, and changes through the lifetime of a facility including final decommissioning.
- **Membership** - Any organisation operating one or more facilities injecting gas into the gas grid, including any party with agreed connection terms for a new facility, Gas Distribution Networks, National Grid NTS, any organisation supplying Grid Entry Units, Association of Independent Gas Transporters, Energy Networks Association, ADBA, REA, Energy UK, Joint Office, Ofgem.

EnCF Action Plan tracker – February 2021

#	Lead(s)	Problem	Commentary & agreed next steps	Review Date	Planned completion date	RAG against planned completion date	Priority
1	Alison Cartwright, John Baldwin & Kiara Zennaro	<u>CV blips and flaring - Lack of CV flexibility during plant start up</u>	Action: Re-invite Ofgem to EnCF Action: Arrange standalone deep-dive meeting with Ofgem	<i>Feb 2021</i>			
2	Russell Brown	<u>Primary legislation change for low flow systems - Unreachable CV targets</u>	Action: Re-invite Ofgem to EnCF Action: Arrange standalone deep-dive meeting with Ofgem	<i>Feb 2021</i>			
3	Kiara Zennaro & William Mezzullo	<u>Blending - GDN inconsistencies with blending</u>	Action: Cadent to share blending strategy with GDNs in 2021 Q1	<i>March 2021</i>			

EnCF Action Plan tracker – February 2021

#	Lead(s)	Problem	Commentary & agreed next steps	Review Date	Planned completion date	RAG against planned completion date	Priority
4	David Hurren	<u>Flexible local offtake requirements</u>	Action: Coordinate the development options for progressing a modification response, appraising whether changes could be added to the existing 749R modification Action: Obtain update from DN Forum regarding flexible local offtake requirements Action: Networks to review capacity study processes	<i>Feb 2021</i>			
5	Joel Martin	<u>Management of test and calibration gas bottles</u>		<i>To be discussed in Feb 2021</i>			
6	Tina Hawke	Standardisation – Calibration Methodology	Working with Orbital to develop a standard methodology following which will work with the other 3 GEU suppliers. Networks are close to finalising comments to sent to GEUs.				
7	Tina Hawke	Standardisation – GSMR Siloxanes	The Siloxanes Impact on Domestic Appliances and the On-line Siloxane Analyser studies are complete and a final report with recommendations has been produced and agreed between all GDNs. We are now engaging with the HSE for endorsement of the recommendations.				

EnCF Action Plan tracker – February 2021

#	Lead(s)	Problem	Commentary & agreed next steps	Review Date	Planned completion date	RAG against planned completion date	Priority
8	Tina Hawke	Standardisation – IO Schedule	This is on hold at present to assess benefit realisation. Engagement with the 2 RTU suppliers will commence again to try and gain standardisation however they are reluctant to work together due to intellectual property rights.				
9	Tina Hawke	Standardisation – Site Acceptance Testing	SAT Methodologies developed by the 4 GEU suppliers and currently in review with GDNs. Next steps to provide comments to GEU suppliers and DFO's before final agreement.				
10	Tina Hawke	Standardisation – GQ8	<p>Simpler process developed for ease of understanding with a:</p> <ul style="list-style-type: none"> • Pre-Information proforma to capture details pre the GQ8 meeting • Reporting template to make reports easier to understand & capture the maintenance regime for the listed mitigations • With COVID 19 restrictions, GQ8 risk assessment meetings being held using technology ie:TEAMS <p>Cadent currently trialling the new meeting framework however delay in sharing with GDNs due to COVID pressures.</p>				

EnCF Action Plan tracker – February 2021

#	Lead(s)	Problem	Commentary & agreed next steps	Review Date	Planned completion date	RAG against planned completion date	Priority
11	Chris Hogg	Standardisation - LGT	3 GDNs have same operating model. Ownership of the LGT equipment being reviewed in NGN.				
12	Tina Hawke	Standardisation - ME2	Exploring option of an IGEM document which will be a Specification of Requirements not a Work Procedure. Work Procedures to be developed after for specific metering systems.				
13	Tina Hawke	Standardisation - PSSR	Development of consistent GDN requirements initiated				
14	Tina Hawke	Standardisation - Central Feedstock Register	This initiative requires funding to proceed and scoping				
15	Tina Hawke & Chris Hogg	Operator safety passport				<i>Proposal pending</i>	

EnCF Action Plan tracker – February 2021

#	Lead(s)	Problem	Commentary & agreed next steps	Review Date	Planned completion date	RAG against planned completion date	Priority
	Alison Cartwright	<u>Location heatmaps</u>	Discussed 26/01/21 and agreed to continue bilateral conversations GDNs to discuss available capacity was currently the best approach, whilst linking with ENA's Data Working Group.	<i>N/A</i>	<i>Jan-21</i>	<i>Closed</i>	
	John Baldwin & Kiara Zennaro	<u>In-grid compression – adopting technology</u>	Joint network position shared on 15/12/20 and OptiNet presentation on 26/01/21.	<i>N/A</i>	<i>Jan-21</i>	<i>Closed</i>	
	William Mezzullo	<u>Consistent GDN application for ISO10723 tests</u>	Network position clarified in standalone meeting on 3 rd February.	<i>N/A</i>	<i>Jan-21</i>	<i>Closed</i>	

Standardisation Summary – February 2021

	Jan	Feb	Mar	Apr	Jun	Jul	Aug		
INITIATIVE	DELIVERY							COMMENTARY	RAG
GSMR Siloxanes								No HSE endorsement, networks to look at how recommended siloxane level is implemented	G
Site Acceptance Testing Methodology								Seeking updated methodology from suppliers, will review internally and communicate to DFOs and suppliers.	A
Gas Quality Risk Assessment								Update to be provided in May	G
ME2								Update to be provided in April	
LGT								Update to be provided in April	
Blending Strategy								Update to be provided in March	

Future Initiatives

INITIATIVE	COMMENTARY	REVIEW DATE
PSSR	Development of consistent GDN requirements initiated	
Central Feedstock Register	This initiative requires funding to proceed and scoping	
ME2	Exploring option of an IGEM document which will be a Specification of Requirements not a Work Procedure. Work Procedures to be developed after for specific metering systems.	
I/O Schedule	This is on hold at present to assess benefit realisation. Engagement with the 2 RTU suppliers will commence again to try and gain standardisation however they are reluctant to work together due to intellectual property rights.	

Register your interest in joining EnCF

- EnCF@energynetworks.org

Defra's updates on waste consultations

- **Samuel Hare**, Waste and Recycling Policy Adviser, Environmental Quality Directorate, Department for Environment, Food and Rural Affairs



RHI & GGSS Update

Will Lord, Policy Implementation Lead, Green Gas Support Scheme and NDRHI, BEIS

NDRHI Scheme Closure – Key Dates

- **14th January 2021** - Publication of Government Response – NDRHI: Ensuring a Sustainable Scheme.
- **Midnight 31st March 2021:**
 - NDRHI closes as scheduled to new applications.
 - All Tariff Guarantee (TG) applicants must have submitted properly made stage 2 (financial close) information.
- **Midnight 31st March 2022** – All RHI TG projects must be commissioned and have submitted stage 3.

NDRHI Closure Reforms - Biomethane

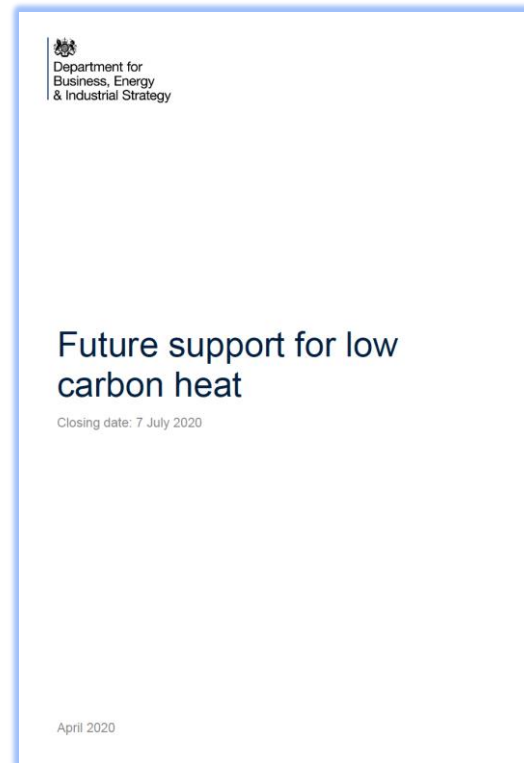
- Allowing flexible interaction with the Renewable Transport Fuels Obligation (RTFO)
- Introducing change of ownership provisions for biomethane producers.

Green Gas Support Scheme

GGSS

2020 consulted on:

- New support scheme for AD biomethane injection
- From Autumn 2021 for 4 years, then replaced by long-term alternative
- Learning lessons from RHI
- Funded by levy on gas



GGSS Policy summary

- Subject to ministerial and parliamentary approval...



Familiar policy elements

- Tariff support scheme with tiered support
- Tariff Guarantees
- Feedstock sustainability and a minimum waste %
- Interaction allowed with RTFO
- New AD only

What changes to expect v RHI

- Funded by Levy
- How RTFO interaction managed
- Value for Money
- Digestate management
- Restricted to AD

Next steps

- Government response imminent
- Regulations
- Autumn launch

Any questions:

greengassupport@beis.gov.uk

Energy White Paper highlights

Kiara Zennaro, Head of Biogas, REA



Powering our
Net Zero Future

December 2020 | CP 337

Energy
White Paper
highlights
(December
2020)

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- ✓ They will increase proportion of biomethane in the gas grid. Re-commitment to the **Green Gas Support Scheme** expected to start autumn 2021 and to last four years; will treble biomethane amount in the gas grid. **Green Gas Levy** will fund the scheme.
- ✓ Government set to consult on updates to the **Gas Act** to help decarbonise gas supplies while providing correct price signals to market participants.
 - ✓ **Reviewing the Domestic Load Connection Allowance**, which incentives extension of the gas grid rather than other low-carbon options. Work with Ofgem to remove such market distortions.
 - ✓ Consult on whether appropriate to **end gas grid connections to new homes being built from 2025** – in favour of clean energy alternatives (to align to Future Homes Standard)
 - ✓ This will include a review of **gas quality standards** to enable wider range of gases
 - ✓ They will continue to work with the HSE to enable up to **20% H₂ blending** on the network by 2023.
 - ✓ There will be a series of **workshops and consultations** in 2021, working with network operators, suppliers and consumer groups to look at the future of gas.
- ✓ By mid-2030s they expect **all newly installed heating systems to be low carbon or appliances that can be converted to a clean fuel supply**



Powering our
Net Zero Future

December 2020 | CP 337



Energy White Paper highlights (December 2020)

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- ✓ Recommended to a **Hydrogen Strategy in 2021** and develop plans for a possible pilot hydrogen town by end of the decade.
- ✓ **5 GW** of low-carbon hydrogen production by 2030
- ✓ **Net Zero Hydrogen Fund** to support production: £240m of capital co-investment out to 2024/25
- ✓ They will consult on the role of hydrogen ready appliances in 2021 – encouraging or requiring new gas boilers to be 'hydrogen-ready'
- ✓ Further details in 2021 on a revenue mechanism to encourage investment into **new business models** to support industrial CCS and H₂.
- ✓ Government '**Industrial Clusters Mission**' aiming to deliver four low-carbon clusters by 2030 and one fully net zero cluster by 2040.
- ✓ **Industrial Decarbonisation Strategy** 2021



Energy White Paper other highlights (December 2020)

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Bioenergy

- Re-commitment to a **new Biomass Strategy by 2022**
- Strategy will establish the role which Bioenergy with Carbon Capture and Storage (BECCS) can play in reducing carbon emissions and how it can be deployed, as well retrofitted to ensure longer term use of current bio-energy generation capacity.
- Reiterated commitments to other **Greenhouse Removal technologies**, citing the current Call for Evidence that was released earlier this month.

Carbon pricing

- A UK Emission Trading Scheme (UK ETS) in line with Net Zero ambitions, which will apply to energy-intensive industries, electricity generation and aviation.
- A recommitment to exploring how the UK ETS can be expanded to cover currently uncovered emissions, e.g. heat and transport.

Transport

- ✓ Re-iterated they will consult on a date for phasing out the sale of new diesel HGVs
- ✓ *'Solution for larger, long-haul, road freight vehicles is not yet clear and so we will invest in £20m in 2021 in freight trials to pioneer H₂ and other zero emissions truck technologies'*

New Government Biomass Strategy 2022

- Consideration of the best-uses of biomass and waste resources to 2050 - Including wood in construction and the wider bio-economy

White Paper confirmed four focus areas:

- Review of the amount of sustainability biomass available in the UK;
- How it is best used to get to Net Zero;
- A review of the UK's current biomass sustainability standards and how it can be improved 'even further'
- Consider what role biomass plays in wider environmental targets, including air quality.



Call for
Evidence

Progress
Update in 2021

Published 2022

This will be a 'cross-whitehall' workstream



Department for
Business, Energy
& Industrial Strategy



Department for
International Trade



Department
for Environment
Food & Rural Affairs



Department
for Transport



Greenhouse Gas Removals (GGRs)



HM Government

Greenhouse Gas Removals

Call for Evidence

Closing date: 26 February 2021

December 2020

- ✓ First public document inviting views on the role of GGRs and how Government support will enable deployment.
- ✓ Group of methods that actively remove GHG from the atmosphere, likely to be required to offset residual emissions in the most hard-to-abate sectors.
- ✓ Looks to gather evidence for the deployment of a policy framework to incentivise innovation, deployment and cost reductions of GGRs.
- ✓ States ambition for UK to be a leader in GGRs
- ✓ Segments GGRs into '**nature based**' and '**engineered**'
- ✓ Seeks views on barriers – demonstrations, financial, non-financial, accounting and environmental
- ✓ REA interested in BECCS, Biochar, Afforestation, Soil Carbon and Sequestration. Plus applications to technologies like ACTs
- ✓ Other Methods mentioned – Direct Air Capture, Enhanced weathering.
- ✓ Our response [here](#).



Biomass Feedstock Innovation programme

- ✓ Chancellor yesterday announced three of the ten priorities under the BEIS £1bn net zero innovation portfolio:
 - ✓ £68 million funding to support first-of-a-kind longer duration energy storage
 - ✓ Up to £20m funding to develop world leading Floating Offshore Wind capabilities and
 - ✓ A £4 million UK-wide competition for the first phase of a Biomass Feedstocks Innovation Programme.

- ✓ Information regarding the Biomass Feedstocks Innovation Programme competition, how to apply and timelines can be found at:
<https://www.gov.uk/government/publications/apply-for-the-biomass-feedstocks-innovation-programme>



Further updates on RHI

- Ofgem draft [guidance](#) on ND RHI Closure out for consultation **until 5th March.**
- REA will respond. Please send [me](#) your comments by today.
- Key sections for biogas / biomethane:
 - Section 2: additional capacity / additional biomethane
 - Section 4: change of producer of biomethane for injection
 - Section 5: NDRHI and the RTFO Scheme
 - Section 6: Fossil Fuel use in anaerobic digestion (AD)
- Our member briefing [here](#).



Transport updates

- **Paul Thompson**, Head of Renewable Transport Fuels & Landfill Gas, REA



REA's Event



REA's event '**Getting support from the RTFO for Biomethane**'

21st April, 10 am – 12:30 pm

Register [HERE](#).

- The rules for the RHI will change on 1 April, to make it easier for biomethane producers to access RTFO support. Previously, producers could only get support as a transport fuel by giving up an entire quarter of RHI. The new rules give flexibility to producers to choose what proportion of their injection over a quarter they wish to claim RHI on.
- The event will help producers and suppliers understand how the new system will work in practice. Speakers:
 - ✓ Tom Reid – Department for Transport
 - ✓ Name tbc – Ofgem
 - ✓ Jesse Scharf – Green Gas Certification Scheme
 - ✓ David Hurren – Air Liquide



Guarantees of Origin for Biomethane – March 2021 Update

Jesse Scharf
Green Gas Certification Scheme
jscharf@greengas.org.uk

GGCS - Quick Intro

- Established in 2011
- One of two registries in the UK
- Issuing GoO for approx. 80% of UK biomethane production
- Operated on not-for-profit basis by a REA subsidiary (Renewable Energy Assurance Limited/REAL)
- No competent authority/issuing body for gas GoO in UK
- Certificates, Certs, CoO, GoO, RGGOs –I’m going to call them GoO (even though we are not an appointed issuing body)

Prices

- www.greengas.org.uk/certificates/market-information
- We don't know the prices but there are two sources
 - Greenfact
 - Cornwall Insights

Scheme and Market information

- You can access our annual reports and quarterly market updates [here](#)
- You can access our guidance notes [here](#) inc.
 - EU ETS
 - Greenhouse Gas Protocol
 - Interaction of GGCS, ISCC and the RTFO
 - Brexit and RED II

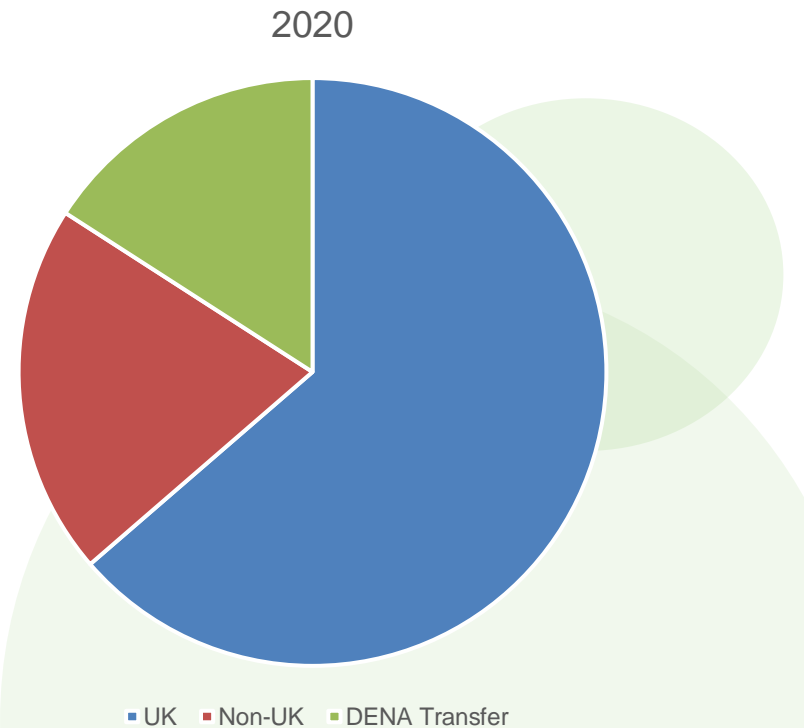
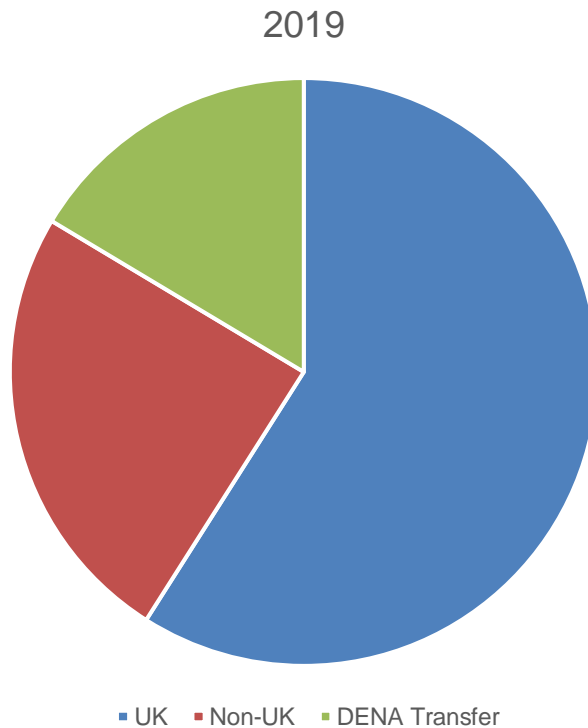
Reporting Rules

- Greenhouse Gas Protocol(GHGP) is the most important reporting framework for large consumers
- GHGP removed guidance on reporting green gas. Process to introduce new guidance is 12 months behind schedule
- Can now expect draft guidance in Summer/Autumn 2021
- UKGBC are publishing guidelines on use of green gas withing their net zero buildings standard

Update on Import and Exports

- Biomethane **imported** from Germany, Sweden, Austria, etc for RTFC claims
 - unsubsidised at point of production
 - must be mass balanced and sustainability criteria met
 - see RTFO stats [here](#)
- Biomethane **exported** to all over EU
 - subsidised at point of production (RHI)
 - allocated to EU consumer via GoO from a GGCS account
 - or GoO transferred to DENA Biogasregister in Germany

GoO Retirement by Consumer Location



Strong demand from non-UK consumers

- Only a few countries have significant domestic GoO markets
 - France, Netherland and Denmark
- All others either have no/insignificant biomethane production or all production is tied up with transport/other subsidies so no freely tradable GoO is created
- Large pool of customers looking for GoO to be able to lower emissions reported from gas, use as well as suppliers wanting to off green tariffs to households
 - Italy, Germany, Spain, Switzerland, Belgium, Austria

What about Brexit?

- Full guidance note from March 2020 is still valid – can be accessed [here](#).
- From June 2021 GoO for gas are a “EU activity” as they are in the scope of RED II
- We are now a “third country”
- In order for GGCS to be fully integrated into EU GoO system post June 2021
 - We must be appointed as a competent body by UK gov to issue GoO
 - We must conform to the EN 16325 standard
 - UK must sign a mutual recognition agreement with EU on GoO

More about Brexit

- BEIS said again in Jan 2021 that they had no intention of implementing RED II and appointing a issuing body for gas GoO.
- Scenario for 2021:
 - UK gov does not appoint anyone to issue RGGOs
 - No mutual recognition agreement is signed
 - GGCS will seek to conform to EN 16325 regardless
- For non-UK consumers buying direct from the GGCS - they should still be willing to buy UK GoO, but it won't help market confidence
- For transfer to other registries – seems likely that they will be restricted – maybe not on June 1st 2021, but over time. We are discussing with current partners e.g. DENA in Germany and they are discussing internally.

Organics / circular bioresources updates

- Jenny Grant, Head of Organics and Natural Capital, REA



MANAGING THE BURDEN OF BUSINESS RATES

Chris Handel MRICS, IRRV , Managing Director of Handel Rating Consultants



Handel Rating Consultants
HIGH QUALITY ADVICE FOR THE LOW CARBON SECTOR

BUSINESS RATES

AGENDA

- Burden on Sector
- Rating revaluations and likely impact
- Handel Rating Consultancy lead test cases
- Key takeaway
- Questions ?

RATES BURDEN ON AD SECTOR

How significant is the tax?

- Annual charges risen substantially over the last few years, now typically £30,000 - £75,000 per MW capacity.
- VOA just concluded review of crop fed plants – reductions possible at electrical and food waste, but Biomethane seeing large increases

VOA review crop fed plants

- Arisen following receipt information from ratepayers last autumn, to inform now postponed 2021 rates revaluation.
- VOA review now concluded, presents opportunity for operators to seek reductions in electrical plants assessments but many biomethane likely to see large increases.
- Where you have not participated VOA review, your likely to be contacted by VOA in coming weeks and asked to provide details of your plant. You will be given 3 weeks to reply. The VOA will then recast your rates valuation and amended bills could follow.
- Ratepayers facing increases are unlikely to have these backdated, ratepayers with reductions should be able to backdate to April 2017.
- Whether the VOA review, is a risk or opportunity depends on accuracy of your current assessment. Therefore, we would recommend ratepayers seek professional advice.

RATING REVALUATIONS

Rates revaluations

- Adjust the rateable values of business properties to reflect changes in the property market.
- All properties are given a new rateable value and Uniform Business Rates multipliers revised.
 - England and Wales next revaluation is planned April 2023, with valuation date few weeks time.
 - Scotland April 2022,
 - Northern Ireland April 2020,
 - Ireland rolling valuations by area.
- After this, regular revaluations – England and Scotland every 3 years, Wales undecided.

Fundamental Review

- Terms of reference include “ how to minimise the impact of business rates on investment and growth, including treatment of plant and machinery”
- Now scheduled to report Government in Autumn.

REVALUATIONS - LIKELY IMPACTS AND APPEALS

Currently scheduled for 2023 in England and 2022 in Scotland.

Likely Impact

- Could see significant changes in rateable values – winners and losers !
- Newer plants on lower tariffs could see falls and older plants on higher tariffs increases
- Food waste plants may be valued differently to align with crop fed, by reference to receipts and expenditure.

Ratepayers rights of appeal

- In England and Wales at any time before next revaluation, in Scotland and Ireland strict time limits apply
- Establish clear grounds of appeal and relevant evidence to assist case
- COVID 19 appeals
- There is a risk of increase in values on appeal, so professional help essential.

HANDEL RATING CONSULTANCY - LEAD CASE APPEALS

Grounds of appeal for food waste plants

- Digester, storage tanks and bio domes over valued.
- Site addition over valued at RV £50,000 per MW
- Successful challenge could reduce liabilities by circa 20% backdated to April 2017.

Grounds of appeal for crop fed plants electrical and Biomethane

- Feedstock cost under estimated and digestate management a cost
- We are arguing for “operators risk premium” to reflect the risks involved in operating these plants
- Successful challenge should reduce assessments for the life of the plant

SUMMARY OF KEY TAKEAWAYS

- Don't assume your plant or elements of it will be exempt from rates !
- Seek professional advice regarding budgets, both for RV and for rates liability
- Once in operation review as to merits of serving formal appeal
- Budget for possible future years rates increases following revaluation
- Be aware of external factors that could affect values and consider whether these might justify an appeal

BUSINESS RATES

Any questions?

VAT RHI issue

- **Sam Tickle**, Policy Analyst, REA



Thank you

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