

Green Gas Support Scheme Launch Event: Questions and Answers

Question: What is the earliest date allowed for injection?

Answer: Equipment used to produce biomethane that has been used for producing biogas or biomethane prior to 30 November is not eligible for the Green Gas Support Scheme. When an application for a tariff guarantee is made, the applicant will be required to provide an expected date of injection. Should injection occur before the date provided, the tariff will not apply until that date.

Question: For plant expansion, can you only claim GGSS on the additional biomethane generated not the total volume of biomethane? (i.e., cannot claim on the biomethane generated from the unexpanded plant)

Answer: Plant expansions are not permitted on the GGSS.

Question: What would be the best way to highlight and discuss a very unique eligibility situation? It would be difficult to discuss on email, so either in person or over the phone would be best if at all possible?

Answer: If you have a query regarding a specific scenario, we'd first advise that you read the relevant sections of the <u>GGSS Guidance</u>. If you still have questions, contact our enquiries team at <u>GGSS.enquiry@ofgem.gov.uk</u> providing a brief explanation of your situation so we can direct the query to the appropriate person.

As administrators of the GGSS scheme, we are obliged to assess and, where appropriate register, applications that have been made to us. We assess applications on a case-by-case basis, based on the supporting evidence submitted with the application and the circumstances specific to the installation in question. However, we cannot provide legal or technical advice or any formal comfort prior to a full application being made. We encourage stakeholders to seek such advice independently and to put proposals forward in an application.

Question: Is imported certified Biomethane allowed to claim Green Gas Support



Answer: In order to be registered on the GGSS, a producer must specify the equipment used to produce biomethane in respect of which they intend to be registered. This includes specifying an anaerobic digester and injection point, which must be located in Great Britain.

Question: Does this scheme allow the CO_2 resulting from upgrading biogas to biomethane to be vented to atmosphere?

Answer: The GGSS Regulations do not specifically refer to CO₂ venting. However, the regulations do require participants to comply with all local and national laws, including those relating to the protection of the environment. The Regulations also require participants to demonstrate that all relevant planning and environmental permits have been received.

Question: Given the current level of funding and your experience on how many projects do you think will be on offer?

Answer: BEIS have published forecasts of deployment on their GGSS Budget Management page (found here: https://www.gov.uk/government/publications/green-gas-support-scheme-budget-management), but it is not possible to predict how many registrations will be completed during the lifetime of the scheme. This is highly dependent on the size of the projects that apply and become registered.

Question: It's likely that a plant wanting to transition [from the RHI scheme] has made biogas but has not injected into grid. Biogas production can start much earlier than first gas to grid. Please clarify rules for transitioning.

Answer: Regulation 49 of the GGSS Regulations specifies that an application may not be made to the GGSS in respect of equipment used to produce biomethane:

- where a person is, or has been, registered on the NDRHI scheme as a 'registered producer' in respect of production of biomethane using that equipment
- where a person has made an application for registration on the NDRHI scheme in respect of the production of biomethane using that equipment, and the application has not yet been determined



- where a person has made an application for a tariff guarantee on the NDRHI scheme in respect of the production of biomethane using that equipment, and the application was withdrawn after 30 November 2021
- which has been used to produce biomethane that has been used to produce biogas or biomethane, or both, prior to 30 November 2021
- which has been used to produce biomethane for injection by a GGSS participant who has withdrawn from the scheme

A definition of 'equipment used to produce biomethane' is given in Chapter 2 of the GGSS Guidance. Where any of this equipment has previously been used for the purposes above, an application for registration may not be made in respect of this equipment.

Question: We are looking at a situation where we have split injection plan. Locally at the AD plant gas grid capacity is limited and changes throughout the seasons of the year so we intend to utilise the maximum available at site and then transport the remaining gas to a second injection point. Both points are new for the scheme. is this allowed?

Answer: As administrators of the GGSS scheme, we are obliged to assess and, where appropriate register, applications that have been made to us. We assess applications on a case-by-case basis, based on the supporting evidence submitted with the application and the circumstances specific to the installation in question. The information provided in your question is only a part of what we would consider when assessing an application. Our remit as administrators of the scheme does not extend to providing legal or technical advice to stakeholders or advice on how to fit their individual circumstances to the provisions of the GGSS. We would encourage you to seek such advice independently and make a case to us as to how you believe your proposals may meet the requirements of the legislation.

Question: Why not have a public database like the ROC register, to provide full transparency on an installation basis.

Answer: We will publish details of the number of registrations in our quarterly and annual reports, including the volume of biomethane produced for injection by registered participants and the value of periodic support payments made. We recognise that there is potential public



interest in publishing more detailed installation-level information, and we will continue to review the information we publish as the scheme progresses.

Question: What would you expect to be the earliest injection date after the scheme opens tomorrow?

Answer: We won't have any information on expected injection dates until we have received and processed applications. We will publish limited details of individual registrations in our quarterly and annual reports.

Question: Is it possible to tell us how many people (viewers) are present for this webinar today?

Answer: There were 160 attendees at our stakeholder event.

Question: Are there any specific rules relating to tanker biomethane injection sites which are remote from the biomethane production site which would hold the GGSS registration?

Answer: In order to be registered on the GGSS, a producer must specify the equipment used to produce biomethane in respect of which they intend to be registered. This includes specifying both the anaerobic digester and injection point, which must be located in Great Britain. We're not able to list each specific requirement which may apply to a given applicant. We recommend reading the <u>GGSS Guidance</u> if you have any specific queries.

Question: Will the new scheme support biogas production for local, off-grid use? I.e. small-scale waste-to-energy solutions that will produce biogas for the local on the farm use and off-the-grid?

Answer: The GGSS supports anaerobic digestion biomethane plants that inject eligible biomethane into the gas grid.



Question: is this scheme to drive supply for residential and industrial off take? or just residential?

Answer: The GGSS will support biomethane injection to the gas grid, from which gas is used for both residential and commercial purposes.

Question: Will the portal as demonstrated be available tomorrow, and at what time?

Answer: The GGSS Portal went live at 09:00 on 30 November, as planned.

Question: In the guidance section 4.32 and 4.33 there is a list of evidence that "may" be required for financial close. Is it not possible to determine what evidence is required and what isn't? It is not fair to request some projects have certain evidence and other projects do not have to supply this? For example - having construction contracts signed.

Answer: Since projects differ greatly in terms of financing, financial close evidence is assessed on a case-by-case basis. It is therefore not possible to provide a completely definitive list of requirements that will apply in all cases. In response to comments we received on our consultation, we have attempted to provide as much information as possible in our scheme guidance. We would be interested to hear any comments you may have on this guidance, and we would welcome suggestions on how we could make the requirements clearer.

Question: Excluding the scheme end date being a hard stop. Is there any maximum duration (days) from application submission to completion of commissioning?

Answer: As part of the application for a tariff guarantee, applicants must provide the date on which they expect the injection of biomethane to commence. Tariff guarantee holders will have until this date, plus 182 days, in which to fully commission and inject biomethane.

Question: What information will be made publicly available about successful applicants? Will overall GGSS costs be published on a regular basis?



Answer: We will publish quarterly and annual reports which will include information on the number of scheme participants, the volume of biomethane produced for injection by those participants and the number and value of periodic support payments made. We will also publish information on the number of tariff guarantee applications made, the number of tariff guarantees granted and the maximum initial capacity of the plants in respect of which tariff guarantees have been granted.

Question: How long do you get from the acceptance of stage 1 to PTGN and thus providing evidence of financial close? Projects being supported by external funders take considerably longer than 3 weeks to reach financial close!? seems highly unreasonable?

Answer: If the Stage 1 application is approved we will issue a Provisional Tariff Guarantee Notice (PTGN). From this point the applicant will have three weeks in which to submit evidence of financial close, as set out in the GGSS Regulations. Applicants submitting a stage one application should bear this deadline in mind when making the stage 1 application and should be in a position to provide evidence of financial close within three weeks.

Question: Where biomethane is injected into pipeline away from the biomethane site, is planning required for the biomethane site only, or biomethane and associated pipeline?

Answer: We will need to see evidence of planning permission for both the biomethane production/upgrade plant, and the injection point. Unless the local authority has determined that planning permission is not required, then we would need to see evidence that planning is not required.

Question: How many projects do you expect to support through the GGSS?

Answer: It is difficult to forecast how many projects will be supported through the GGSS, as it is dependent on budget availability and the capacity of new and additional capacity registrations.



Question: What is the limit in the number of projects, size or budget of the GGSS per year?

Answer: The Department for Business, Energy and Industrial Strategy (BEIS) operates a tariff guarantee budget cap against which applications to the scheme are checked to ensure that there is available budget for them to register and receive payments under the scheme based on their estimated production.

The current available budget will be found on the Applicants page of our GGSS website.

See BEIS' 'Green Gas Support Scheme – Budget Management' document for more information.

Question: Can there be some clarification on the EPC contract details required? With the timeframes noted for financial close it does not seem practical to get these signed (i.e. need to have financial close first before signing the EPC contract)

Answer: Financial close evidence will need to prove that two main criteria have been met; firstly, that funds are available to cover the complete construction of the proposed project; and secondly that these funds are formally committed to the project. Since projects differ greatly in terms of financing, financial close evidence is assessed on a case-by-case basis. It is therefore not possible to provide a completely definitive list of requirements that will apply in all cases. Completed and signed Engineering Procuring and Construction (EPC) contracts are a good indicator that funds have been committed to the project and, where relevant, we may ask for them to demonstrate that financial close has been reached.

Question: How much is the initial pot and how quickly do you expect take up of the facility? and do you expect follow on funding support of the scheme if well received? also, shall we expect payment delays akin to RHI post commissioning i.e. 6-12 months?

Answer: The Department for Business, Energy and Industrial Strategy (BEIS) operates a tariff guarantee budget cap against which applications to the scheme are checked to ensure that there is available budget for them to register and receive payments under the scheme based on their estimated production.



The current available budget will be published on the <u>Applicants</u> page of our GGSS website. See BEIS' 'Green Gas Support Scheme – <u>Budget Management</u>' document for more information.

Regarding payment timescales, we will seek to avoid delays and will ensure there is adequate resource to process payments correctly and promptly. We will also provide a timetable in version two of our guidance which will provide the key dates for data submissions and payments to help participants manage their registration.

Question: Will Ofgem consider moving away from using addresses to locate injection points and AD sites. Greenfield sites, which this scheme is aimed at, and pipeline injection connections generally lack postal addresses.

Answer: We recognise that an address or postcode is not necessarily appropriate for an anaerobic digester or injection point. We will ask participants to provide geographical locations for both in the form of a lat/long location. Addresses and postcodes may also be provided where they are available.

Question: How much new capacity is the GGSS hoping to support?

Answer: The Department for Business, Energy and Industrial Strategy (BEIS) operates a tariff guarantee budget cap against which applications to the scheme are checked to ensure that there is available budget for them to register and receive payments under the scheme based on their estimated production.

The current available budget will be published on the 'Applicants' page of our GGSS website (link).

Please also refer to the BEIS publication, 'Green Gas Support Scheme – Budget Management' (<u>link</u>) for more information on capacity forecasting.

Question: Would a digester count as existing plant used to produce biomethane?



Answer: Anaerobic digesters do come under the definition of equipment used to produce biomethane. For more information on pre-used equipment, please see paragraphs 2.7 – 2.10 of the <u>GGSS Guidance</u>. A definition of 'equipment used to produce biomethane' is also given in Table 1 of that document.

Question: On the application form is it possible to see exactly what fields will require completing in future?

Answer: Once registered on the GGSS Portal, you can see a summary of the information required at each stage of the application process. There is also guidance given on the documents required.

Question: Can you apply for stage 2 at the same time as stage 1?

Answer: Currently no, you will need to wait for Stage 1 to be approved before submitting your application for Stage 2.

Question: Expected response timescale from stage 1 acceptance to stage 2?

Answer: Application timescales will vary depending on the application. It is highly recommended that applicants endeavour to provide clear, concise, and complete information and to ensure electronic documents are high quality (e.g. easy to navigate, any scans are legible). Failure to do so, for example providing documentation which is unclear or illegible, may result in delays in processing the application, which may in turn affect the registration date and when payments can commence.

Question: What date is the scheme due to be released? How will the application process be managed initially? Will this be based on a queue system with the quickest to make their application being entered in the queue first?

Answer: The scheme launches on 30t November. The online application system will go live at 9am on 30 November, at which point you may sign up to the system and commence an application for a tariff guarantee. Applications will be processed by us in the order they are received.



Question: What is the position on changing from the RHI to the GGSS if the plant hasn't delivered any gas into the network?

Answer: Regulation 49 of the GGSS Regulations specifies that an application may not be made to the GGSS in respect of equipment used to produce biomethane:

- where a person is, or has been, registered on the NDRHI scheme as a 'registered producer' in respect of production of biomethane using that equipment
- where a person has made an application for registration on the NDRHI scheme in respect of the production of biomethane using that equipment, and the application has not yet been determined
- where a person has made an application for a tariff guarantee on the NDRHI scheme in respect of the production of biomethane using that equipment, and the application was withdrawn after 30 November 2021
- which has been used to produce biomethane that has been used to produce biogas or biomethane, or both, prior to 30 November 2021
- which has been used to produce biomethane for injection by a GGSS participant who has withdrawn from the scheme

A definition of 'equipment used to produce biomethane' is given in Chapter 2 of the GGSS Guidance. Where any of this equipment has previously been used for the purposes above, an application for registration may not be made in respect of this equipment.

Question: Will hydrogen produced by electrolysis be classed as green hydrogen?

Answer: The GGSS supports the deployment of AD biomethane plants to increase the proportion of green gas in the gas grid. We are not able to comment on other support that may be available for other technologies.

Question: Will the GGSS apply to plant expansions in the future or just new builds? Question: Can existing AD plants be eligible for GGSS if they are looking to expand? If not, what constitutes a 'new' AD plant?



Answer: The GGSS is intended to support new AD biomethane installations. There are a number of restrictions in the GGSS regulations on 'pre-used' equipment used to produce biomethane. We explain these restrictions in chapter 2 of our guidance document, and recommend that prospective applicants familiarise themselves with them.

Question: Interested to see the requirements for evidencing "Financial Close" for the purposes of the Tariff Guarantee process.

Answer: The requirements for providing evidence of financial close are set out in chapter 4 of our guidance document.

Question: What is the projected outlay for the next 5/10 years?

Answer: BEIS have provided details of expected deployment and details of scheme budget in their publication, <u>GGSS Budget Management</u>.

Question: At what stage in the application can operators start commissioning their plants (especially further towards the 2025 deadline) without it impacting their "new" plant status.

Answer: There are a number of restrictions on 'pre-used' equipment used to produce biomethane. These include restrictions on equipment used to produce biomethane that has been used for registration on the NDRHI scheme. Equipment used to produce biomethane which has been used to produce biogas or biomethane, or both, prior to 30 November 2021 is also ineligible for the scheme. We recommend that prospective applicants carefully check the restrictions that are set out in the GGSS regulations and in our guidance.

In terms of when commissioning can take place, an application for a tariff guarantee must include an expected date of injection to be provided. This is the date from which the tariff will apply, should registration be successful. If injection occurs before that date, the tariff will not apply until that date.



Question: What is the likelihood of expansion of existing Biomethane & transfer from CHP at existing AD plants will be included in the scheme? Opportunity given the expiry of ROCs from next year.

Answer: There are restrictions on existing plants applying to the GGSS which we have explained in chapter 2 of our guidance document. This includes a restriction on installations that have been used for the purposes of registration on the NDRHI and on installations that have produced biogas or biomethane prior to 30 November 2021.

Question: The Biogas Facility (Gas to Grid) we are constructing is registered under the Non-domestic RHI scheme. There is a high risk we will miss the RHI deadline for the injection of gas on the 31 March 2022. Can we withdraw from the RHI scheme and apply for GGSS?

Answer: You cannot register, nor have ever been registered for, support from the Non-Domestic RHI, and then apply for GGSS registration using the same 'equipment used to produce biomethane'.

However, holders of NDRHI tariff guarantees who do not meet the deadline for injection, and therefore have their tariff guarantee revoked, are not prevented from applying to the GGSS. This is subject to meeting the remaining eligibility requirements.

For more information on pre-used equipment, please see paragraphs 2.7 – 2.10 of the <u>GGSS</u> <u>Guidance</u>. A definition of 'equipment used to produce biomethane' is also given in Table 1 of that document.

Question: What are the interactions between the GGSS and existing FIT, RHI CHP and RHI Injection digesters?

Answer: The regulations state that the equipment used to produce biomethane must not be, or have been, used for the purposes of a NDRHI registration at any time; be used for an application for a tariff guarantee on the NDRHI scheme and not withdrawn prior to the GGSS Regulations coming into force; and must not have been used to produce biomethane or biogas prior to the GGSS regulations coming into force.



For more information on pre-used equipment, please see paragraphs 2.7 – 2.10 of the <u>GGSS</u> <u>Guidance</u>. A definition of 'equipment used to produce biomethane' is also given in Table 1 of that document.

Question: Can the GHG calculation methodology and reporting be explained please?

Answer: The methodology for calculating GHG values has been published by BEIS and can be found here:

https://www.gov.uk/government/publications/methods-of-calculating-greenhouse-gasemissions

We have provided guidance on how GHG values should be reported in our guidance document. As on the NDRHI scheme, there will be quarterly reporting requirements and a requirement to provide an annual sustainability audit report, prepared by an independent auditor. There will be more detailed guidance on how to make submissions provided in version 2 of our guidance.

Question: Projects will be given a hard deadline to achieve commissioned status, so there will be much focus on construction programmes. Can Ofgem please lay out the criteria that Ofgem will use to determine whether a plant has been commissioned? Project developers and investors will then be able to reflect Ofgem's criteria in project agreements and make sure that they are achievable.

Answer: Regulation 2 of the GGSS Regulations defines "commissioned" as:

- the completion of such procedures and tests as constitute, at the time they are undertaken, the usual industry standards and practices for commissioning that type of equipment in order to demonstrate that it is capable of producing biomethane for injection, and
- every anaerobic digester which is part of that equipment has produced biogas which has been upgraded to biomethane and injected.

A definition of 'equipment used to produce biomethane' is given in Chapter 2 of the <u>GGSS</u> <u>Guidance</u>. This equipment must be fully commissioned at the time of making a Stage 3



application for registration. The process for providing evidence that commissioning has occurred is set out in chapter 2 of the <u>our Guidance</u>.

Question: Likely opening pot value and expectations around when this will be utilised? And likely timescales from submission to being accepted into the scheme?

Answer: The tariff guarantee budget cap has been published by BEIS and can be found here: https://www.gov.uk/government/publications/green-gas-support-scheme-budget-management/green-gas-support-scheme-budget-management
We are not able to provide estimates of the timescales from submission to registration as projects vary greatly.

Question: Should a business entity accredited for RHI fail before development has taken place, can the property owners develop a business to then enter GGSS?

Answer: You cannot apply to the GGSS using equipment used to produce biomethane which has been used for the purposes of being registered on the Non-Domestic RHI (NDRHI) scheme.

However, holders of NDRHI *tariff guarantees* who do not meet the deadline for injection, and therefore have their tariff guarantee revoked, are not prevented from applying to the GGSS. This is subject to meeting the remaining eligibility requirements.

For more information on pre-used equipment, please see paragraphs 2.7 – 2.10 of the <u>GGSS Guidance</u>. A definition of 'equipment used to produce biomethane' is also given in Table 1 of that document.

Question: Are there any plans for future incentive schemes to support projects aimed at on-site use of biogas in place of carbon intensive fossil fuels - particularly for large energy consumers that are remote/off-grid?

Answer: We are unable to comment on any future schemes. Please visit the <u>BEIS website</u> or contact BEIS via <u>greengassupport@beis.gov.uk</u>



Question: Will this scheme support local production and use of biogas, where the users do not pump it into the grid? If not this scheme, what support is available?

Answer: The GGSS provides support based on eligible biomethane injected into the gas grid. We are not able to comment on other support that may be available.

Question: Do you have a chart that lists the methane potential for different types of agricultural feedstock at different levels of dry matter?

We provide detailed guidance on classifying feedstocks and the GGSS sustainability criteria in chapters 9 and 10 of the GGSS Guidance. BEIS have also published guidance on the methodology for calculating greenhouse gas values (https://www.gov.uk/government/publications/methods-of-calculating-greenhouse-gas-emissions). We don't provide an extensive list of biogas yields for agricultural residues, however some are given in the RHI Biogas & Biomethane apportioning tool.

If you require further guidance on the methane potential of a specific feedstock, we advise that you seek your own independent technical advice.

Question: Why does the GGSS penalise heat use in the biogas production process but does not penalise electricity use even though the electricity is most likely being produced with fossil fuels?

Answer: The GGSS regulations specify the payment formula by which GGSS quarterly payments are calculated, and this formula requires the heat delivered to the digesters and the biomethane production process to be deducted, except where that heat is derived from the combustion of the biogas created by the plant.

If a participant chose to use electricity to heat their digester (for example through an electrical heating element), this would be classed as 'heat delivered to the digester' and would need to be deducted.

Questions regarding the regulations and the policy intent should be directed to BEIS.



Question: What will be the minimum power generation unit which can apply under the scheme?

Answer: There is no minimum capacity of installation which can apply to the GGSS. There is no maximum capacity of installation which can apply for the GGSS, but a producer can only claim up to a maximum of 250GWh biomethane injected each year.