

**16th May
2022**



REA Green Gas Forum meeting

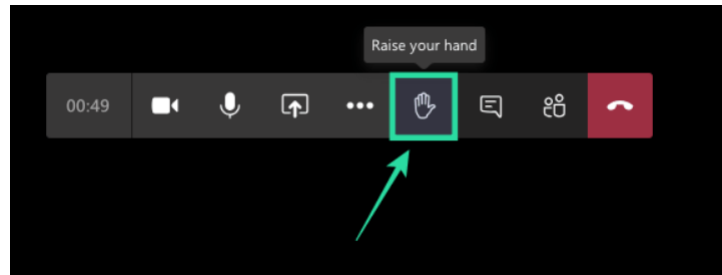


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Decarbonising the economy

Meeting Housekeeping

- All please join as *muted & without video*
- Please note where the *chat box* should you have any questions or wish to comment, or use the *raise your hand* button



- We will have Q&A and discussion sessions during the meeting.

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

- 11:00 – 11:05 Welcome and introductions (REA Green Gas Chair William Mezzullo, Centrica)
- 11:05 – 11:20 Green Gas Support Scheme (GGSS) updates: mid-scheme review and post-GGSS (George Lowe, Senior Policy Advisor, Biomethane, Clean Heat Directorate, BEIS), including Q&A
- 11:20 – 11:30 Ofgem updates on the GGSS (Alice Mitchell, Ofgem)
- 11:30 – 11:35 European study on the monetisation of positive externalities of biogas (Philipp Lukas, Future Biogas)
- 11:35 – 11:50 The case for adding CHP conversions to the GGSS – findings from EIC funded study (Lucy Hopwood, NNFCC), including Q&A
- 11:50 – 12:30 Policy updates from REA policy team:
 - External affairs (Jack Abbott, REA)
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British Energy Security Strategy – REA View

- The REA welcomes commitments regarding solar, hydrogen and offshore wind, *but* the Energy Security Strategy locks the country into more expensive, longer to build, non-renewable power sources.
- The Government needed to turbocharge support for technologies which could tackle the cost of living crisis, and not just focus solely on developments which won't come to fruition for another 5, 10, 15 years.
- Refusal to expand Energy Company Obligation scheme will condemn people to continued financial hardship for the foreseeable future.
- *No mention of biogas / green gas*



Queen speech

On 10th May Prince Charles read out the UK Government's legislative plan for the next Parliamentary term (known as the 'Queen's Speech'). This included several pieces of draft legislation related to energy and Net Zero more broadly.

- A new '**Energy Security Bill**' to enact the 'British Energy Security Strategy' published last month - the creation of the Future System Operator (FSO), annual CfD auctions, the review of electricity markets (REMA). CCUS support etc
- Confirmation of the **UK Infrastructure Bank Bill** and establishment of this new public body - Net Zero investments will be within its remit;
- Confirmed changes to **Pension fund investment rules** - called for by REA and others and listed in our Strategy for the sector;
- A **Leveling Up Bill** that may include favourable changes to planning, while giving local people more say in the planning process (details TBC).



REA media campaigns (Q1 2022)

- Since the turn of the year, the REA media campaigns have largely centred around energy security and the cost of living;
- The REA's '6-point plan', culminating in an industry-wide letter, received wide-spread coverage, including in the Times;
- Media coverage was also secured in the Guardian, the i and the Daily Mail, in addition to a variety of trade publications;
- Further appearances on radio and podcasts, including Ed Miliband and Geoff Lloyd's 'Reasons to be Cheerful'.

The Guardian logo, featuring the word "The" in a smaller font above "Guardian" in a larger, bold, white serif font, all set against a dark blue rectangular background.

Green opportunities missed in UK levelling up strategy, say experts

The Times logo, featuring the words "THE" and "TIMES" in a bold, black serif font, separated by a royal coat of arms crest.

Add levy to tax, not bills, says green energy industry



Growing REA's social media presence (Q1 2022)

- Twitter and LinkedIn continue to play an important and growing role in the REA's communications strategies, with around 19k and 17k followers respectively;
- REA's Twitter channel had over 90k impressions over Q1, with the respective LinkedIn site receiving nearly 50k. Followers have also continued to increase – just under 100 have been added on Twitter and nearly 300 on LinkedIn;

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.@alanwhiteheadmp has always been a dedicated MP who has brought real knowledge and passion to his role shadowing the energy brief.

Alan has been a great friend to the REA and we are sorry to see him go, but we wish him the very best in his retirement.



dailyecho.co.uk

Leaders pay tribute to 'loyal, hardworking' Southampton MP who is due to step...
COMMUNITY leaders have paid tribute to an outgoing MP who is due to step down after more than two decades.

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As our CEO, @NinaSkorupska, says in @pollytoynbee's @guardian column, the UK's renewable and clean tech sector could construct more than the terawatt-hours imported from Russia within 18 months if the obstacles were unblocked.



theguardian.com

The Tories railed against 'green crap'. Why trust them to solve the energy crisis ...
Since David Cameron's 2013 U-turn, wind and solar power have been sidelined.
Do you believe Boris Johnson will do better, asks Guardian columnist Polly ...

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Ahead of the #SpringStatement, @REAssociation, @ECALive and over 20 other industry organisations have written to the Chancellor, urging him to take action on the energy bill crisis.



thetimes.co.uk

Add levy to tax, not bills, says green energy industry
A coalition of green energy organisations and suppliers is calling on the chancellor to move environmental levies off household bills and into general ...



Engagement with Government (Q1 2022)

- Meetings secured with Kwasi Kwarteng, Greg Hands and Trudy Harrison;
- REA communicating directly with Ministers on a number of issues, including deep geothermal, red diesel, contactless payments for EV charging, and Biomass Fuel Quality Standards, green gases.
- REA's red diesel campaign also saw engagement with MPs across the country, with James Sunderland and Jerome Mayhew meeting with REA members;
- REA preparing for Party Conferences and the 2022 Budget.
- Meeting with SoS Kwasi Kwarteng on 16th May – to discuss gaps in the BESS including bioenergy (incl biogases)



Business Rates

Autumn Statement 2021

"From 2023, the government will introduce exemptions for eligible plant and machinery used in onsite renewable energy generation and storage, and a new 100% relief for eligible heat networks, to support the decarbonisation of building."

Spring Statement 2022 – Government announced they would bring this measure forward to be implemented as of April 2022.

- Legislation has been [laid to bring this into effect](#).
- Largest benefit will be seen by those who are using generation onsite, who previously saw high rateable values.
- Note that measure does not mean that Business Rates will be nil, just that rating bill will be reduced.
- Measure intended to stay in place until 31st March 2035
- We are still awaiting further guidance from the Valuation Office Authority (VOA) on the application of this measure.



(b) after paragraph (d) insert—

"(e) "excepted renewables plant and machinery" means plant and machinery used or intended to be used for the generation, storage, transformation or transmission of power where the sources of energy or technologies relied upon are mainly or exclusively—

- (i) biomass;
- (ii) biofuels;
- (iii) biogas;
- (iv) fuel cells;
- (v) photovoltaics;
- (vi) water (including waves and tides);
- (vii) wind;
- (viii) solar power;
- (ix) geothermal;
- (x) heat from air, water or the ground;

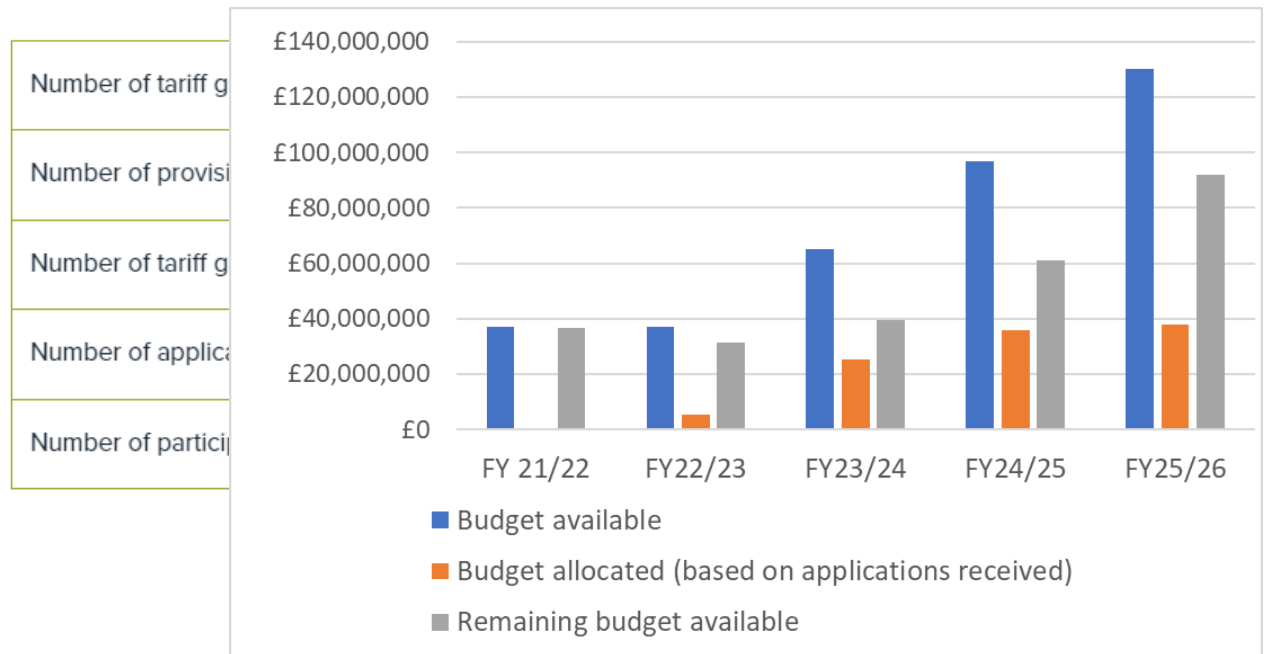
(f) "excepted EVCP plant and machinery" means plant and machinery which is —

- (i) used or intended to be used mainly or exclusively for storage, transformation or transmission of power for an electric vehicle charging point (within the meaning of section 45EA(5) of the Capital Allowances Act 2001(2)); and
- (ii) within head (d) or (e) of Table 1 below".



Key GGSS documents and reports

- [GGSS Portal](#)
- Informative Ofgem webpages [here](#) and [here](#)
- Ofgem GGSS [Guidance](#), revised version published on 16th February 2022
- Ofgem GGSS [quarterly report](#) n.1, issued on 31st January 2022
- Ofgem [monthly updates](#), last one as of 11th May 2022.
- Ofgem GGSS Forum met on 11th May.



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And what about degression?

- GGSS degression has not been active for the GGSS's first 6 months.
- The first possible degression will be on 1 July 2022, following BEIS' publication of the [Quarterly Expenditure Forecast Statement](#) on 1 June 2022. Max 10%.
- Similarly to the NDRHI, degression will apply if the forecast spend based on the number of applications that passed stage 2 as of 30th April 2022 hit the degression threshold (**£ 81.24 million**).
- We know from Ofgem's monthly report that only 7 applications have passed this stage as of 11th May (assuming ~ £3m per site, this is roughly £33million), *making degression unlikely to apply on 1st July 2022.*

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[Expenditure forecast methodology](#)



Clarity
provided by
Defra on
'Food-grade'
CO₂

- Over the last few months the REA, along with other stakeholders, had discussions with different Government departments on the security of supply of CO₂, the role of bio-CO₂ and barriers.
- During discussions with the relevant sectors across the CO₂ supply chain, Defra have [clarified](#) that:
 - ✓ Government supports the safe use of CO₂ in the food industry.
 - ✓ Any CO₂ that meets the classification of 'food-grade', as defined by the FSA via reference to the *food additive specification in the Commission Regulation (EU) 231/2012*, **is suitable for use in the food sector, regardless of the source**. Alternative specifications: ISBT and EIGA.
 - ✓ **No regulatory or legislative concerns on CO₂ from waste or sewage management as long as it meets above specs.**

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Clarity provided by EA on End of Waste State of CO₂

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EA have also [clarified](#) that:

- CO₂ recovered from biogas that meets the FSA food-grade specifications **would also in principle meet 'end of waste status'** and would no longer be defined as waste.
- Companies can make this decision themselves, but if they want to be fully protected from the very low legal risks, they can:
 - ✓ At a *site-by-site* basis make use of the EA's EoW service which will review whether this position is correct
 - ✓ At an industry scale, put in place a Resource Framework (ie *Quality Protocol*) to confirm the process will always meet end of waste requirements:
 - Review the existing Quality Protocol for biomethane – easiest route;
 - Create a new dedicated Protocol.



Clarity provided by EA on regulatory regime for CO₂ capture and storage

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On 27th April, EA published a [regulatory position statement \(RPS\)](#) setting the EA's enforcement position on CO₂ from AD that meets food and beverage or industrial grade standards.

When this activity is not covered in the permit or if they don't have a permit for a waste operation:

"The EA will not normally take enforcement action against you if you are:

- *capturing CO₂ at your AD plant to produce CO₂ that meets food and beverage or industrial grade standards;*
- *treating, storing and using CO₂ at your AD plant or elsewhere to produce CO₂ that meets food and beverage or industrial grade standards."*

on the provision you meet all the conditions set out in the RPS.

This RPS will be reviewed by 1 September 2023

Health & Safety: companies must ensure they comply with relevant H&S legislation (storage of compressed gas)



16th May
2022



Green Gas Forum

Organics update

Jenny Grant



Environment Act

- Household waste
 - Recyclable household waste must be collected for recycling or composting – includes food and garden waste
 - Food waste must be collected at least once a week.
 - Food and garden waste may be collected together where—
 - (a) it is not technically or economically practicable to collect recyclable household waste in those recyclable waste streams separately or
 - (b) collecting recyclable household waste in those recyclable waste streams separately has no significant environmental benefit
- Business waste (non-domestic, industrial and commercial)
 - Requirement for food waste collections



QP revisions



Quality Protocol

Anaerobic digestate

End of waste criteria for the production and use of quality outputs from anaerobic digestion of source-segregated biodegradable waste





Northern Ireland
Environment
Agency



Cyfoeth
Naturol
Cymru
Natural
Resources
Wales



Working together for
a world without waste



Quality Protocol

Compost

End of waste criteria for the production and use of quality compost from source-segregated biodegradable waste





Northern Ireland
Environment
Agency



Consultations

- Consultation on Environmental Targets
 - Reduce nitrogen, phosphorus and sediment pollution from agriculture to the water environment by at least 40% by 2037 against a 2018 baseline
 - Reduce residual waste (excluding major mineral wastes) kg per capita by 50% by 2042 from 2019 levels.
 - Deadline extended to 27th June
- Expected:
 - Clean air strategy
 - Fertiliser regulation



Organic Fertilisers

- Defra project looking at organic fertilisers
- Defra further guidance on applying FRfW
- WRAP projects on
 - Plastic in composts and digestates
 - Digestate impact mitigation / digestate valorisation



Others

- Environment Agency resources
 - Letter to minister calling for:
 - Improve organisational structure and more technical resource
 - Accountability for poor service levels, and that the EA are appropriately resourced to operate within the terms of their Customer Charter
 - More consistency in regulation
 - Regulatory review
- Compostables
 - Standards



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REA Events 2022

REA EVENT:



BRITISH RENEWABLE ENERGY AWARDS

17 years of celebrating industry excellence

#BritRE Awards



ENTER NOW

AT: Botanical Gardens, Birmingham, B15 3TR

ON: Thursday, 9th June 2022 | 6:00pm - 12:00am

BOOK NOW

REA EVENT:



Trucks, Trains, Boats & Planes A Roadmap Towards Transport Decarbonisation

Featuring REA's report -
'Decarbonising Transport: Enabling local energy solutions'
sponsored by Hitachi Energy



AT: America Square, City of London

ON: Thursday, 14th July 2022 | 9:30am - 4:45pm

BOOK NOW

REA EVENT:



UK Green Gas Day 2022

The 10th edition of the largest industry gathering in
the UK focused on green gases, including hydrogen



cng services ltd

AT: National Motorcycle Museum, Birmingham

ON: Thursday, 29th September 2022 | 9:30am - 5:00pm

BOOK NOW



Green Gas Day 2022



 **UK Green Gas Day 2022**
10TH EDITION OF THE UK'S LARGEST INDUSTRY EVENT

GREEN GAS, INC HYDROGEN, FOCUSED CONFERENCE
OPEN FOR BOOKINGS

REA CONFERENCE & EXHIBITION

AT: National Motorcycle Museum, Birmingham

ON: Thursday, 29th September 2022 | 9:30am - 5:00pm

cng services ltd

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WWW.R-E-A.NET

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Register [HERE](#).



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“Developing the UK Emissions Trading Scheme (UK ETS)”

UK Emission Trading Scheme (UK ETS) Authority are seeking input on a large number of proposals to further develop the UK ETS. **Deadline: 17th June.**

Follows commitments in the Net Zero Strategy to consider expansion of the Emission Trading Scheme and alignment with Net Zero ambitions.

Since 1st January 2021 the UK ETS was established to replace UK Participation in EU ETS.

“Our goal is to make the UK ETS the world’s first net zero consistent cap and trade market, and ensure it plays a crucial role towards achieving the UK’s ambitious climate targets, including net zero greenhouse gas emissions by 2050.”

UK Withdrawal Agreement also committed both parties to exploring the options of linking the UK and EU ETS.



Thank you

Email us:

kiara@r-e-a.net

pthompson@r-e-a.net

jenny@r-e-a.net

jabbott@r-e-a.net

