



Department for
Business, Energy
& Industrial Strategy

Lord Callanan
Minister for Business, Energy and Corporate
Responsibility

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Dr. Nina Skorupska, Terence McCracken & Mark Lebus
The Association For Renewable Energy and Clean
Technology

By Email

15th June 2022

Dear Dr. Skorupska, Mr. McCracken & Mr Lebus,

Thank you for your letter dated 14 April 2022. Please accept my apologies for the delay in responding.

I am pleased that both the REA, the Wood Heat Forum and the UK Pellet Council support the introduction of the new fuel quality requirements on the RHI scheme. The new rules were legislated for in January 2021 following a period of consultation in 2020. The consultation responses indicated that a vast majority of the industry supported the policy. The requirement will ensure that biomass boilers on the scheme will be more efficient and will improve air quality emissions.

Thank you for making me aware of the difficulties the industry has faced due to the introduction of these new requirements. Please be assured that no supplier has been removed from the Biomass Suppliers List (BSL) due to the lack of compliance with the new fuel quality requirements. If any supplier was removed from the List at this time, it may be due to other non-compliance requirements of the scheme. Please ask your members to provide the details of the issues they have encountered to my officials who will follow up with relevant parties.

Despite the new rules being legislated for in 2021 and communication to suppliers in the quarterly BSL newsletters, there was concern about the number of suppliers not yet compliant with the new rules ahead of the commencement date (1 April 2022), threatening a shortage in compliant woodfuel for RHI participants to use. BSL's communication, including notional "suspension" was intended to encourage suppliers to engage and indeed significant numbers responded accordingly.

There is very regular engagement between my officials, Ofgem and the BSL administrator to monitor compliance and promote the scheme. There is also targeted communication to suppliers who are yet to engage making them aware of the new deadline.

Whilst this approach has been successful, there are always lessons to be learned, I therefore welcome your proposal to meet to discuss these issues in person.

Thank you again for bringing this to my attention.

A handwritten signature in blue ink, reading "Martin Callanan". The signature is fluid and cursive, with the first name "Martin" and the last name "Callanan" clearly distinguishable.

Lord Callanan