

Response template for consultation on the Administration of the Green Gas Support Scheme

This template contains all the questions posed within the Administration of the Green Gas Support Scheme (GGSS) consultation document. Through this template we're aiming to collect your feedback on our proposals on how we will administer the Green Gas Support Scheme. We welcome your views and encourage you to respond to the questions that are of most interest. Please provide your contact details in the fields below. To respond, please provide your views in the space below the relevant question.

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Organisational Type:	SME Gas Shipping & Supplier, with a focus on Biomethane
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Consultation Questions

1. Is there any additional information that you think should be included in Provisional Tariff Guarantee Notices (PTGNs)?
<p>No, unless the scheme is adjusted such that biomethane delivered through an intermediate mechanism (for example gas gathering systems) allowing an AD not having to inject directly to a recognised offtake point, in which case the intermediate stages would have to be evident.</p> <p>The requirement to have a signed entry agreement precludes other biomethane projects that should be supported under the scheme. Examples include local gas gathering networks and injection into non-standard pipelines.</p>
2. Do you agree or disagree with our proposed approach to the administration of tariff guarantees? If you disagree, please provide alternative suggestions, including any evidence, to support your response.

<p>There is a risk with the scheme that it will allocate headroom for projects that then divert gas to the RTFO and thus there will be unused funding that could have been allocated to good new cost-effective projects that would otherwise go ahead.</p> <p>Agree - the provision of forms removes the ambiguity in applications. There should be regular provision of forms within the preliminary stage to provide new biomethane producers easy guidance on securing a tariff that will materialise into a biomethane sites tariff. Ofgem should be in a position to engage with plant developers at earlier stages than the Provisional Tariff Guarantee Notices (Stage 1) and available headroom (as currently published under the RHI) should be made available for analysis of new AD projects.</p>
<p>3. Do you agree or disagree with the proposed evidence requirements for demonstrating that a plant has commissioned? If you disagree, please provide alternative suggestions, including any evidence, to support your response.</p>
<p>Not in a position to comment, but Ofgem should avoid micromanaging projects at early stages which could prevent potential biomethane projects. Specifically, given that feedstock is likely to change frequently during the life of a project, the system needs to take account of that flexibility so that what is submitted at this point can change in the future.</p>
<p>4. In relation to providing evidence of commissioning, are there other standards, practices, procedures or tests that should be considered? Please provide evidence to support your response.</p>
<p>Not in a position to comment, there should not be additional work over what is considered standard industry practice for developing a biomethane site.</p>
<p>5. Do you agree or disagree with the equipment we have suggested is included in our interpretation of 'equipment used to produce biomethane' and therefore must not have been previously used to produce biomethane? Please provide evidence to support your response.</p>
<p>Disagree, odorant and propanation equipment should not be considered integral and if it can be recycled from other gas installations, biomethane or other, then this should not be prohibited. We agree that there should not be tariff cherry-picking between the GGSS and the RHI. Equipment to produce renewable gas, and achieve subsidy from the GGSS, should be restricted to new equipment to prevent sites and their equipment key to biomethane specific production, being switched from the RHI for more favourable economics rather. However, when it can be proven that previous equipment owners have gone out of business (and withdrawn from the RHI) due to reasons aside from unit failure, it is wasteful to remove well-functioning equipment from circulation. This must be accommodated for in the administration of new entrants onto the GGSS scheme.</p>

Further consideration needs to be given to the treatment of equipment on projects which are expanding an existing plant to avoid uneconomic design decisions
6. In addition to any points made in relation to questions above relating to specific aspects of registration (questions 3-5), do you agree or disagree with our proposed approach to registration? Please provide alternative suggestions, including any evidence to support your response.
Agree, an additional point is to make the registration process as light touch as possible.
7. Do you agree or disagree with the proposed approach to making payments? If you disagree, please provide alternative suggestions, including any evidence, to support your response.
Disagree, we accept the delays built into payment are too long for this type of project and accept there are problems with the initial payments, since the levy scheme is not collecting funds initially. The scheme needs to look to more automation and faster processes, potentially monthly payments as allowable under RTFO.
8. Do you have any comments on the proposed process for submitting injection data?
<p>We believe that the data requirements should be adjusted to the minimum needed to approve the quantity injected unless the data collection becomes more automated. For example, if just kWh of energy injected can be used for payments, then that data is available through Gemini and can be supplied digitally with automated feeds. If more information than is available to shippers/producers is required, then efforts should be made to create links to data portals, such as Gemini. This type of link between administrator and grid system operator is already in place in other European countries.</p> <p>In addition, automated processes through Gemini can be audited by independent verification schemes such as ISCC and could reduce the administrative burden on Ofgem. In turn this would promote more development of biomethane plants.</p>
9. Do you agree or disagree with the proposed fuel measurement and sampling (FMS) process? Do you have any suggestions on how it could be improved?
There should be accommodation of changing feedstock supplies to the proposed fuel measurement and sampling process, but it is not clear in the consultation if this is possible.
10. We propose that the FMS questionnaire for the GGSS will be a similar format to the existing FMS questionnaire on the NDRHI scheme. Do you have any comments on the NDRHI FMS questionnaire and/or any suggestions on how it could be improved?

No comment.
11. Do you have any comments on the overall arrangements for reporting on the waste and fossil fuel content of feedstocks?
No comment provided there is no ambiguity over allowable feedstocks and alignment with the RTFO would be helpful.
12. Do you agree or disagree with the proposed approach to the greenhouse gas criteria? If you disagree, please provide alternative suggestions, including any evidence, to support your response.
Agree
13. Do you agree or disagree with the proposed approach to the land criteria? If you disagree, please provide alternative suggestions, including any evidence, to support your response.
Agree on land criteria approach, each biomethane plant will have undergone planning and environmental validations and Ofgem should recognise these. Additionally, information should be shared on best practice so it can be replicated in future.
14. Do you agree or disagree with the proposals for preparing and submitting annual sustainability audit reports? If you disagree, please provide alternative suggestions, including any evidence, to support your response.
Agree, it is important to ensure that the claims for sustainability are regularly audited to secure consumer confidence in green gas claims. It is advantageous to avoid changes between the RHI and the GGSS audit reports because it retains the Green Gas Certification Scheme's alignment with current processes and potentially other reporting systems.
15. Do you agree or disagree with our proposal to require annual, independently assured audit information as further validation of GGSS/RTFO interaction by biomethane producers? Please give your reasons and any appropriate evidence to support your response.
<p>As a general point, we would expect all administration to be light touch, to make full use of the information used from intermediaries such as gas shippers and to be consistent with the RTFO requirements.</p> <p>Ceres agree with the requirement to produce independently assured audits and the onus should not be solely on the biomethane producer as they do not have access to the information for injection into the grid or offtake without a shipper's involvement. This could be light touch when quantities delivered to road transport under the RTFO are done so through an ISCC accredited shipper. ISCC accredited shippers are verified</p>

<p>for the mass balancing of quantities from entry to exit, so Ofgem would only need to validate information from the ISCC shipper and not directly from the systems the shipper uses such as Gemini. Furthermore, for any road transport delivery the shipper has visibility on the quantities injected and delivered to an offtake meter point. Once delivered to the offtake site (for biomethane a CNG station) it is either used or set aside for later use in road transport that makes the quantity eligible for RTFCs; providing a quantity that can be validated that cannot be double claimed under the GGSS.</p>
<p>16. Do you agree or disagree with the proposal to require independently assured audit information on GGSS/RTFO interaction as an additional section to an Annual Sustainability Audit rather than as a separate stand-alone report instead? Please provide reasons and any appropriate evidence to support your answer.</p>
<p>Disagree, the skill sets for sustainability auditing and mass balancing of deliveries to road transport for the RTFO are different so there are only disadvantages of putting the two requirements to one auditor. Refer to the previous answer in relation to the role of ISCC shippers in the RTFO portion of the GGSS/RTFO interaction.</p>
<p>17. Are you aware of any reason why an auditor could not assess the proposed additional requirements, and do you think both the current sustainability reporting requirement and the proposed RTFO interaction section could be provided by the same auditor? Please provide reasons for your answer/s.</p>
<p>The verification of RTFO deliveries through the grid is entirely linked to the shipping function through the Gemini system which covers gas entry and exit. So, auditors will need to be skilled in this area or a direct input from an ISCC shipper should be accepted removing any advantage of a combined report.</p>
<p>18. What documentation and/or evidence would you be able to provide to an independent auditor to demonstrate that dual claiming for the same biomethane is not taking place?</p>
<p>The information for deliveries to road transport is shown through Gemini. ISCC accredited shippers track the chain of custody from input to offtake and provide screenshot evidence from Gemini to substantiate the road transport claim submitted to the DfT. The remaining quantities can then confidently be claimed under the GGSS as a single counted subsidy. ISCC accredited shippers are audited annually to ensure there are appropriate management systems in place to track gas from entry to road transport. The information could be provided to the independent auditor and/or Ofgem.</p>
<p>19. Can you suggest any different approaches that could be taken to evidence GGSS/RTFO interaction by biomethane producers? Please provide reasons for your answer/s and supporting evidence.</p>

A new approach for a single certification scheme for all renewable gas at point of production independent of subsidy and usage needs to be developed and implemented. Such a scheme would eliminate all possibility of double counting and substantially reduce the risk of fraud. Verification of the renewable gas would be generated at the source by one certification body, and then the verification relinquished in support of claims for subsidy and RGGO's and/or for proof of sustainability for road transport. The scheme has to be run by an independent body authorised by Ofgem and recognised by the DfT and other government and regulatory bodies. The current ad-hoc voluntary system of generating "proof of sustainability" certificates for road transport is unstructured and unregulated.

20. Do you have any additional comments on our proposed administration of GGSS/RTFO interaction?

None further than the responses in questions 15 to 19.

21. Do you have any feedback on our proposal that all registered producers will be subject to a site audit during the first year of operation? Please provide evidence and examples to support your response.

No, generally we support the light touch approach and ensuring systems are in place early on gives confidence that it will be continued. Any sites that have gone through the ISCC accreditation process should be deemed to have satisfied the Ofgem audit.

22. Do you have any comments on the process for addressing overpayment?

No

23. Do you agree or disagree with our proposed administration of the right of review? If you disagree, please provide alternative suggestions, including any evidence, to support your response.

Agree that there should be a right of review. The process should allow recourse to an independent review making it stronger than the current proposal.

24. Do you agree or disagree with the proposal that new producers should be able to meet outstanding obligations on behalf of the previous registered producer? If you disagree, please provide alternative suggestions, including any evidence, to support your response.

Agree; transfer of a site should not remove the obligations of the site – and due diligence should be on the transacting parties to ensure that all documentation is in order before a new registered producer is declared.

25. Do you have any additional comments on how we will administer the change of registration process?
No
26. Do you have any comments on the process for withdrawing from the scheme?
In particular we agree with the intention that any obligation from the period before withdrawal are fully satisfied including site visits which verify the information of claims already made.
27. Do you have any suggestions for additional information that could be included in quarterly and annual reports, or on the format of the reports?
<p>Information on the feedstocks used to produce the subsidised renewable gas. With waste being classified into individual feedstocks including the source (for example and to support consumer choice, subdivide the animal slurry category into free-range and battery farming; organic and non-organic etc).</p> <p>It is essential that Ofgem also report on their own operational performance such as the number of sites that are under review and how much delay is added to operations as a result of Ofgem review, the elapsed time between claim and payment, how long the registration process is taking and what percentage of gas produced is achieving a subsidy.</p>
28. Do you agree or disagree with the proposed approach to managing a shortfall in scheme funding? If you disagree, please provide alternative suggestions, including any evidence, to support your response.
We advocated strongly for the scheme to be funded by a levy on fossil fuel production rather than on end users to avoid mixed messages and to make collection of funds easier. We continue to hold this view.