

Guidance

Green Gas Support Scheme Guidance v1.2

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This guidance sets out Ofgem's procedures for administering the Green Gas Support Scheme (GGSS) under the Green Gas Support Scheme Regulations 2021. The GGSS is designed to support the deployment of new anaerobic digestion (AD) biomethane plants to increase the proportion of green gas in the gas grid. Support is provided to registered biomethane producers based on the volume of eligible biomethane, produced from AD, that they inject into the gas grid.

This guidance provides information on how to apply to the scheme, the tariff rates that will apply, ongoing obligations on participants, and how to submit periodic data and receive payments. It also sets out the scheme's audit regime and compliance processes, along with other aspects of Ofgem's administration.

This guidance is for biomethane producers wishing to apply to the scheme, and for participants who are already registered on scheme. Ofgem's administration of the associated Green Gas Levy (GGL) is covered in a separate guidance document¹.

¹ <https://www.ofgem.gov.uk/publications/green-gas-levy-guidance>

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Contents

1. Introduction	8
GGSS overview	8
GGSS Guidance.....	9
Ofgem’s role	10
Personal Data	10
Related publications and useful links	11
Queries and further information	11
2. Key concepts in the GGSS.....	12
‘Equipment used to produce biomethane’	12
Pre-used Equipment	14
Commissioning.....	15
Tariff tiers and tariff limit	16
Tariff Guarantees	17
Scheme participant.....	17
Periodic support payments	18
3. How to apply to the GGSS	20
Overview.....	20
Before applying to the GGSS.....	23
Registering on the GGSS Portal	24
Registering an organisation	24
Authorised signatory	25
Letter of authorisation	26
Additional users	27
4. Applying for a tariff guarantee	28
Stage 1: Initial Application	28
Connection Agreements	29
Location of Equipment	29
Remote injection points	30
Planning Permission	31
‘Properly made’ applications	32
Provisional Tariff Guarantee Notice (PTGN).....	32
Tariff start date and the initial tariff.....	33
Budget availability.....	35
Stage 2: Financial close	37
Tariff guarantee deadlines.....	42

Revocation of tariff guarantees	42
5. Applying for registration	44
Stage 3: Registration	44
Applicant/organisation details	45
Feedstock information	45
Permits and permissions	46
Digestate	46
Details of the equipment used to produce biomethane	47
Grants from Public Funds	48
Repayment mechanism	49
Cost information	51
Demonstrating Commissioning	52
Fuel Measurement and Sampling (FMS).....	56
Introduction to FMS.....	56
The Fuel Measurement Sampling (FMS) Questionnaire	57
Reporting by consignment.....	58
Metering	58
Assessing applications for registration.....	58
6. Applying for Additional Capacity	61
Overview.....	61
Eligibility	61
Tariffs for additional capacity	62
How to apply	62
7. Injection data and submission process	64
Overview.....	64
What data is required	64
C – biomethane injected	65
D – propane	65
E – any heat delivered to the anaerobic digester	66
F – any heat delivered to the biomethane production process	66
G – proportion of biomass contained in feedstock(s).....	67
Adjusting for the notified proportion of biomethane	67
When to submit data	67
How to submit periodic data	69
Errors in data.....	69
Late data.....	70

Use of estimates	71
8. Periodic Support Payments and Tariff Rates	73
Overview	73
Tariff Tiers.....	73
The Initial Tariff Rate and Tariff Start Date	74
The Subsequent Tariff Rate	76
How periodic support payments are calculated	76
Payment periods and when payments begin	79
How we will manage a shortfall in the scheme budget.....	79
Worked example	80
9. Ongoing obligations	82
Summary of ongoing obligations	82
General ongoing obligations	82
Notifying us of a change	83
Account changes.....	85
Submitting Injection Data	86
Ongoing obligations in relation to metering	86
Ongoing obligations in relation to feedstocks	86
Sustainability.....	87
Planning permission and environmental permits.....	87
Digestate	88
Declarations	88
Quarterly Declarations	89
Interaction with the Renewable Transport Fuel Obligation (RTFO)	90
Annual Declarations	90
10. Feedstock requirements and classifications	91
Feedstock classifications.....	91
Definition of 'waste'	91
Definition of 'residues'	92
Considering fuel classification	93
Overview of feedstock requirements	94
Waste threshold.....	95
Recovering payments	98
The Biogas Apportioning Tool	98
11. Consignment and Mass Balance	100
Determining a consignment	101

Overview of mass balance	103
The operation of a mass balance system	107
Level at which the mass balance should take place.....	107
Timeframe within which the mass balance should be conducted	107
Passing information through the supply chain	108
Demonstrating compliance and record keeping	109
12. Sustainability requirements	112
Sustainability requirements	112
Greenhouse Gas (GHG) Criteria.....	113
Calculating GHG values.....	114
Land Criteria.....	114
Solid biomass which is wood or wholly derived from wood.....	115
Providing evidence	116
Evidence scenarios.....	117
Other solid biomass, including energy crops	117
Land Categories.....	118
Energy crops	122
Energy Crops Scheme (or equivalent).....	122
Annual sustainability audit report	123
13. Interaction with the Renewable Transport Fuel Obligation (RTFO) ..	125
Overview.....	125
Quarterly declaration	126
Annual Sustainability Audit Report.....	126
Auditor's details	129
Scope of work and methodology.....	129
Conclusions and qualifications.....	129
Evidence summary	130
14. Change of Producer	134
Overview.....	134
Existing scheme participant	134
New producer	135
Information required.....	135
Ongoing compliance	136
15. Audit and compliance	137
Overview.....	137
Fraud, scheme abuse.....	137

Participant Compliance Powers	138
Temporarily withholding periodic support payments to investigate suspected non-compliance.....	139
Withholding periodic support payments.....	142
Permanently withholding or reducing periodic support payments.....	144
Revocation of registration	145
Recovering overpaid periodic support payments.....	147
Revocation of sanctions	149
Inspection and audit powers	149
Provision of access for site inspections.....	151
Fraud and whistleblowing	152
16. Enquiries, complaints and right of reivew	154
Overview	154
General queries and complaints	154
Right of Review.....	155
17. Public reporting.....	158
Overview	158
Quarterly and annual public reports.....	158
Tariff guarantee and budget reporting	159
Appendices.....	160
Appendix 1 – Declaration: GGSS and RTFO Interaction	161
Appendix 2 – Common fuel classifications	162

1. Introduction

GGSS overview

- 1.1. The Green Gas Support Scheme (GGSS) is designed to support the deployment of new anaerobic digestion (AD) biomethane plants to increase the proportion of green gas in the gas grid. Support is provided to registered biomethane producers based on the volume of eligible biomethane, produced from AD, that they inject into the gas grid. The GGSS Regulations currently allow applications to be made until 30 November 2025.
- 1.2. The GGSS is funded through the Green Gas Levy (GGL), which places an obligation on all licensed fossil fuel gas suppliers in Great Britain, excluding those who supply at least 95% certified green gas, to pay a levy quarterly based on the number of meter points they serve.
- 1.3. In March 2021, the Department for Business, Energy and Industrial Strategy (BEIS) published their “Future Support for Low Carbon Heat & The Green Gas Levy: Government response to consultations” document setting out policy decisions for the GGSS and associated GGL.
- 1.4. Ofgem (on behalf of the Gas and Electricity Markets Authority) is the administrator of the GGSS and the GGL. We administer the GGSS in line with the Green Gas Support Scheme Regulations 2021², which came into force on 30 November 2021.
- 1.5. Prospective scheme participants are required to follow a three-stage application process which will first involve securing a ‘tariff guarantee’ before their equipment is commissioned. Once commissioned, tariff guarantee holders may apply for full registration on the scheme. Once registered, scheme participants who meet the eligibility criteria and continue to comply with the scheme requirements may receive periodic support payments on eligible gas injected into the grid for up to 15 years.

² [The Green Gas Support Scheme Regulations 2021](#)

GGSS Guidance

- 1.6. This guidance is for biomethane producers wishing to apply to the scheme, tariff guarantee holders, and scheme participants. Associated industries and organisations, consumer groups and the public sector may also be interested in this document.
- 1.7. Regulation 63 of the GGSS Regulations 2021³ (hereafter referred to as 'the GGSS Regulations') places a duty on Ofgem to publish guidance in connection with the administration of the Scheme. A version of this guidance was published for comment in November 2021, followed by an updated complete version in February 2022 (version 1.0). Version 1.1 of the guidance provides some clarifications in sections 4 and 8, and some minor updates and formatting corrections – see the separate summary document published alongside this for further details of the amendments.
- 1.8. This guidance does not anticipate every scenario that may arise. If a scenario arises that is not addressed in this guidance, we will adopt an approach that is consistent with the relevant legislation.
- 1.9. It is the responsibility of each participant to understand the requirements of the GGSS Regulations and how these apply. This guidance may be used by biomethane producers, the owner(s) of the installation or a person acting on their behalf, but it is not intended to be a definitive guide or to provide legal advice. Participants are responsible for ensuring that they comply with the applicable requirements.
- 1.10. This guidance represents our approach to matters concerning the general administration of the scheme in accordance with the GGSS Regulations. Where there are future changes to the GGSS Regulations we will reconsider and revise our administrative arrangements accordingly.

³ The GGSS Regulations, Regulation 63(1)

Ofgem's role

1.11. The Green Gas Support Scheme Regulations 2021⁴ ('the GGSS Regulations') describe Ofgem's powers and functions for the GGSS and associated GGL. Those functions include but are not limited to:

- Publishing reports in relation to the tariff guarantee process (for example, the number of applications for a tariff guarantee and the number of the tariff guarantees granted).
- Publishing annual and quarterly reports in relation to the GGSS, such as the number of scheme participants, periodic support payments and volume of biomethane produced.
- Publishing procedural guidance to prospective participants and scheme participants.
- Validating and calculating, quarterly, participants' periodic data and support payments.
- Monitoring and administering compliance with the requirements of the GGSS Regulations.

Personal Data

1.12. Ofgem will process all personal data collected in accordance with the retained EU law version of the General Data Protection Regulation 2016/679 (UK GDPR) and the Data Protection Act 2018. Ofgem uses the personal data collected to perform its statutory functions, and may share this information with other organisations in line with Ofgem's scheme administration functions. For more information on how we process personal data on the GGSS and GGL please refer to our [privacy policy](https://www.ofgem.gov.uk/ofgem-privacy-policy)⁵.

⁴ [The Green Gas Support Scheme Regulations 2021](#)

⁵ <https://www.ofgem.gov.uk/ofgem-privacy-policy>

Related publications and useful links

- [Consultation response on Ofgem's administration of the Green Gas Support Scheme](#) (Ofgem, November 2021)
- [The Green Gas Support Scheme \(Amendment\) Regulations 2022](#) (legislation.gov.uk) (Government, May 2022)
- [Green Gas Support Scheme Regulations 2021](#) (Government, November 2021)
- [Final Stage Impact Assessment: Green Gas Support Scheme and Green Gas Levy](#) (BEIS, September 2021)
- [Consultation on Ofgem's Administration of the Green Gas Support Scheme](#) (Ofgem, July 2021)
- [Future Support for Low Carbon Heat and the Green Gas Levy: Government response to consultations](#) (BEIS, March 2021)
- [Consultation on a Green Gas Levy - BEIS consultation](#) (BEIS, September 2020)
- [Future support for low carbon heat - BEIS consultation](#) (BEIS, April 2020)
- [Green Gas Support Scheme – Budget Management](#) (BEIS, July 2021)

Queries and further information

- 1.13. For further information on Ofgem's administration of the GGSS please visit our webpage on Ofgem's website: <https://www.ofgem.gov.uk/environmental-and-social-schemes/green-gas-support-scheme-and-green-gas-levy>
- 1.14. Any questions on the GGSS guidance, or on Ofgem's administration of the GGSS, should be directed to the Future Heat Policy team on GGSS.enquiries@ofgem.gov.uk

2. Key concepts in the GGSS

- 2.1. This section explains some important concepts on the GGSS that may impact on eligibility, including restrictions on pre-used equipment. It also explains the tariff structure and tariff guarantees, and how we treat grants from public funds.

‘Equipment used to produce biomethane’

- 2.2. A key concept in the GGSS Regulations is that of ‘equipment used to produce biomethane’. Participants apply to, and are registered on, the GGSS in relation to specified sets of equipment used to produce biomethane, and it is this equipment that is subject to the eligibility requirements and ongoing obligations of the scheme. It is therefore important to understand which equipment comes under the definition of equipment used to produce biomethane.

- 2.3. ‘Equipment used to produce biomethane’ is defined in the GGSS Regulations as:

“equipment used to produce biomethane” means the equipment integral to the production of biomethane for injection, including any anaerobic digester⁶

- 2.4. Our interpretation of which equipment comes under this definition is based on our understanding of equipment that is ‘integral to the production of biomethane for injection’. This has been informed by responses to our public consultation on our administration of the GGSS⁷ and our experience administering other schemes.
- 2.5. Table 1, below, sets out the equipment that we usually consider ‘integral’, and therefore is included in the definition of ‘equipment used to produce biomethane’, and the equipment that we do not generally consider ‘integral’.

⁶ The GGSS Regulations, Regulation 2(1)

⁷ <https://www.ofgem.gov.uk/publications/consultation-ofgems-administration-green-gas-support-scheme-and-associated-green-gas-levy>

Table 1 - Equipment we consider to be included in the definition of 'equipment used to produce biomethane'

<p>Integral equipment usually included in the definition of 'equipment used to produce biomethane'</p>	<ul style="list-style-type: none"> • Equipment required to convert untreated biogas into biomethane suitable for injection, including biogas conditioning and CO₂ and oxygen removal equipment • Pressurisation equipment • Propanation equipment • Odorant equipment • The anaerobic digester(s)
<p>Equipment not generally included in the definition of 'equipment used to produce biomethane' (non-exhaustive)</p>	<ul style="list-style-type: none"> • Equipment required to measure the energy content and volume of gas entering the network • Flaring equipment • Biomethane storage equipment (eg gas bags or gas holders) • External heat source to anaerobic digestion process (eg fossil fuel, CHP or renewable heating system) • Feedstock treatment and pre-processing equipment (e.g. pasteurisation equipment, materials separation equipment, silage clamps, storage buildings, and slurry tanks) • Digestate treatment (e.g. post-digestion pasteurisation equipment and materials separation equipment) • Feedstock and digestate storage

2.6. Please note, in particular, that the list of 'equipment not included in the definition of equipment used to produce biomethane' is not exhaustive. We expect that each producer will use a unique and bespoke array of equipment, meaning we are unable to provide an exhaustive list of all possible equipment which falls outside of the definition of 'equipment used to produce biomethane'. If an applicant is looking for

further guidance on a specific item of equipment, we would advise them to seek their own legal and technical advice on the matter.

Pre-used Equipment

- 2.7. The GGSS is designed to support the deployment of newly commissioned AD plants producing biomethane for injection, rather than providing support to existing AD plants or to conversions from existing AD installations or combined heat and power (CHP) plants.
- 2.8. Regulation 4⁸ 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 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

⁸ The GGSS Regulations, regulation 4(2)

- 2.9. Ofgem will normally refuse to register an applicant where the relevant equipment used to produce biomethane has been used for the purposes of registration of any other participant or former participant⁹.
- 2.10. All the individual items of equipment used to produce biomethane that are used for the purposes of applying to the GGSS must meet the eligibility requirements set out above, meaning that it is not possible to use equipment that has previously been used by a different producer, even where that producer has subsequently gone out of business.
- 2.11. Equipment that does not come under the definition of equipment used to produce biomethane is not subject to the same restrictions. Such equipment may therefore have been used on a different site or be shared with an existing installation. For example, feedstock pre-treatment and pre-processing equipment may be shared with an adjacent installation that is registered on the NDRHI scheme. Similarly, installations may utilise heat from an existing CHP unit at another installation to provide heat to the anaerobic digester. Note that in this case, the heat used will still have to be metered and reported under the GGSS.

Commissioning

- 2.12. An application to be fully registered on the scheme, and therefore to receive periodic support payments for any eligible biomethane injected, may not be made until all the equipment used to produce biomethane is fully commissioned¹⁰.
- 2.13. Regulation 2 of the GGSS Regulations define “commissioned” as:
- (a) 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

⁹ The GGSS Regulations, regulation 6(7)(d)

¹⁰ The GGSS Regulations, Regulation 6(5)(b)

of equipment in order to demonstrate that it is capable of producing biomethane for injection, and

(b) every anaerobic digester which is part of that equipment has produced biogas which has been upgraded to biomethane and injected.¹¹

2.14. An application to be registered on the scheme must include information and evidence that allows us to be satisfied that the equipment used to produce biomethane has been fully commissioned in line with the definition above. Guidance on the evidence we require, and the forms that evidence should be provided in, is provided in chapter 5, 'Applying for Registration'.

Tariff tiers and tariff limit

2.15. The GGSS operates a tiered tariff system whereby different tariff rates apply for different levels of production. For each registration, there is an upper limit on how much biomethane is eligible for support.

2.16. There are three tariff tiers:

- a) Tier 1 applies to eligible biomethane injected, in a relevant period, up to 60,000MWh
- b) Tier 2 applies to the next 40,000MWh of eligible biomethane
- c) Tier 3 applies to the remaining eligible biomethane up to a maximum of 250GWh

2.17. Only the first 250GWh will be eligible to receive payments. Where more than 250GWh of biomethane is injected in any relevant period, payments will not be made for production beyond the first 250GWh¹².

2.18. For more detail on the tariff tiers please see chapter 8.

¹¹ The GGSS Regulations, regulation 2(1)

¹² The GGSS Regulations, Regulation 26(3)

Tariff Guarantees

- 2.19. Tariff guarantees are a compulsory part of applying to the GGSS¹³. They are designed to provide increased certainty to developers and investors, by allowing prospective participants to secure a tariff rate before their installation is commissioned and fully registered on the scheme.
- 2.20. There are two stages to applying for a tariff guarantee. At the first stage, applicants must provide certain details about the organisation making the application and the proposed biomethane installation, including expected timelines for commissioning. At stage 2, applicants must demonstrate that funds are available to cover the complete construction of the proposed project. If a tariff guarantee is issued the holder will have a limited period in which to fully commission their installation and register on the scheme.
- 2.21. Chapters 4 and 5 provide a detailed explanation of the application process for tariff guarantees and full registration.

Scheme participant

- 2.22. If registered, it is the person/organisation who made the application who will become the scheme 'participant', as defined in the GGSS Regulations¹⁴. The participant is responsible for complying with all the ongoing responsibilities for the scheme. The participant will also receive all periodic support payments.
- 2.23. Where multiple owners of an installation wish to apply for registration in respect of a single installation, there can only be one participant for the purposes of the scheme.
- 2.24. Where more than one person is the owner, one person should have authority to act on behalf of all the other owners. Shared ownership of different parts of an

¹³ The GGSS Regulations, Regulation 5(1)

¹⁴ The GGSS Regulations, Regulation 2(1)

installation is permitted, provided that only one representative owner applies to the scheme.

- 2.25. In instances of shared ownership, a legal agreement should exist between the different owners of the installation pertaining to their rights and liabilities in respect of the installation, and we will require the applicant to provide details of the ownership structure.
- 2.26. Ofgem will not involve itself in disputes between the participant and the other owners of the installation. If there is any failure to comply with the ongoing obligations for the registered installation, even by the other owners, we may apply sanctions, including revoking registration.
- 2.27. The owner(s) of the installation will be required to nominate an 'authorised signatory' via the GGSS Portal. The authorised signatory will make the application and carry out the administration of their application to, and registration on, the scheme. This would include submitting applications, signing declarations and submitting periodic data. See paragraph headed "Authorised signatory" in Chapter 3 for more information on the role of the authorised signatory.

Periodic support payments

- 2.28. Once registered on the scheme, participants may receive GGSS support in the form of 'periodic support payments'. Payments may be made to participants each scheme quarter, and the value of payments is based on their tariff and the volume of eligible biomethane injected, subject to any adjustments.
- 2.29. The tariff structure and the formulae to determine payments are set out in the GGSS Regulations, and we are responsible for making payments to GGSS participants

based on the payment calculations set out there¹⁵. Please see chapter 8 for further information on tariffs and how periodic support payments are calculated.

- 2.30. In order for us to calculate the value of periodic support payments due, participants must make periodic data submissions each scheme quarter. Chapter 7 provides details of the data that must be submitted, and how it should be provided to us.

¹⁵ The GGSS Regulations, Regulations 17, 21 - 27

3. How to apply to the GGSS

Overview

- 3.1. There are three stages to applying to be registered on the GGSS (Figure 1). The first two stages involve applying for a tariff guarantee under regulation 4 of the GGSS Regulations. Once the relevant equipment is commissioned, tariff guarantee holders may apply for full registration on the scheme under regulation 5 of the GGSS Regulations¹⁶.
- 3.2. Tariff guarantees are a compulsory stage of applying to the GGSS, and are designed to provide increased certainty to investors. They also serve as a budget control mechanism. Tariff guarantees allow prospective participants to secure a tariff rate before their installation is commissioned and fully registered onto the scheme.
- 3.3. The three stages of the application process are:
- **Stage 1:** Stage 1 is the initial application for a tariff guarantee. This should be made by prospective scheme participants who have undertaken the necessary preparations for their project to the extent that they are able to provide the information required during this stage. On receipt of a Stage 1 application we will confirm whether there is budget available for the project. If the Stage 1 application is successful and there is sufficient budget, we will issue a provisional tariff guarantee which will provide confirmation of the tariff rate should the subsequent stages of the tariff guarantee process, and full registration, be completed successfully. Please see chapter 4 for an explanation of available budget and how applications will be queued where insufficient budget is available. On approval of full registration (Stage 3) the tariff rate for future payments will be the rate on the date the original Stage 1 submission was 'properly made'.
 - **Stage 2:** At Stage 2, applicants must provide evidence of 'financial close'. This should demonstrate that funds are available to cover the complete construction

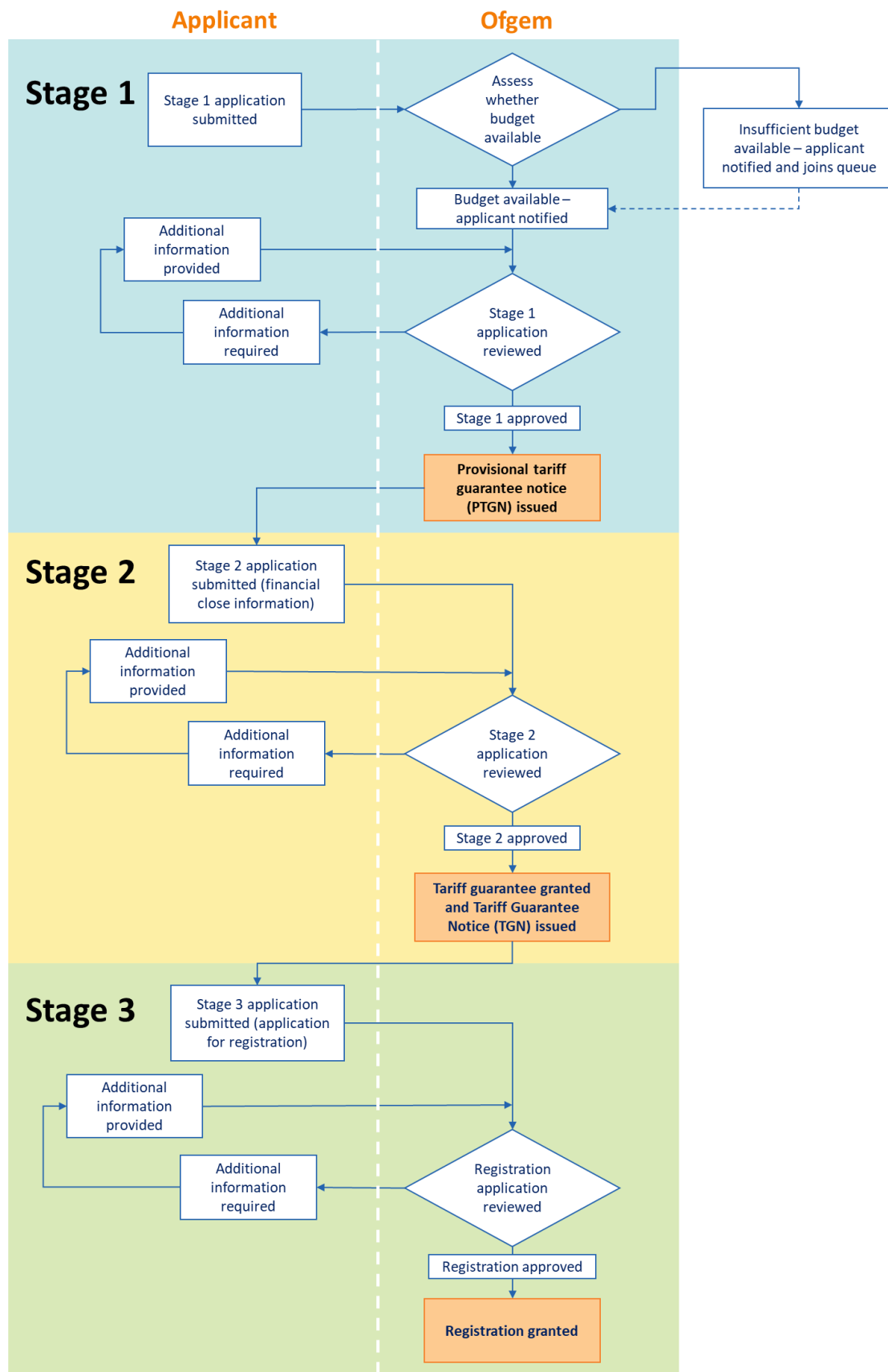
¹⁶ The GGSS Regulations, Regulation 5

and commissioning of the proposed project, and that these funds are formally committed to the project. This must be submitted within three weeks of the provisional tariff guarantee being issued. If the Stage 2 application is successful we will issue a tariff guarantee, which will confirm the date injection of biomethane is expected to commence. The tariff guarantee holder will have until that date (plus a 182-day grace period, or until 30 November 2025, whichever is earlier) to commission their plant and register on the scheme.

- **Stage 3:** This is the final stage, where applicants who have secured a tariff guarantee may apply for full registration on the scheme. In order to be fully registered, the equipment used to produce biomethane must be fully commissioned.

3.4. Having a tariff guarantee does not guarantee that full registration will be granted, and there are circumstances in which we may revoke a tariff guarantee (see chapter 15).

Figure 1 - Application stages



Before applying to the GGSS

3.5. We recommend that applicants follow the advice below to improve the likelihood of a smooth passage through the application process:

- **Read the relevant sections of this guidance** - it provides detailed information on our approach to administering the scheme, eligibility requirements and further clarification on various areas.
- **Prepare the application** - gather the relevant information that must be provided, in the format required. This guidance provides further information on the types of information we will need applicants to provide.
- **Submit a high-quality 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.
- Ensure you will be able to comply with the relevant ongoing obligations once you are fully registered on the scheme.

Registering on the GGSS Portal

- 3.6. Applications to the scheme may be made online using our online application service, the Green Gas Support Scheme Portal (the 'GGSS Portal')¹⁷.
- 3.7. The first step in the application process is to create a user account on the GGSS Portal, which will require a valid email address and telephone number.
- 3.8. If the GGSS Portal is unavailable due to technical issues, there is a downloadable stage one application form on our website¹⁸. This can be completed offline and returned via email to GGSS.app@ofgem.gov.uk. We will only accept offline applications where there is an issue with the Portal that prevents applications being made. Further guidance on submitting this form is available on the website.
- 3.9. If you have any questions about the offline application form, or would like to discuss accessibility requirements, please email us at GGSS.Enquiry@Ofgem.gov.uk.

Registering an organisation

- 3.10. If the application is being made on behalf of an organisation, we will require applicants to register that organisation, once the person making the application has set up their own user account. The applicant must be a legal or natural person. We will need to be provided with details of an 'authorised signatory' (see paragraph 'Authorised signatory' below) and a letter of authorisation (LOA) from the company that is making the application (see paragraph 'Letter of authorisation' below).
- 3.11. If the organisation is registered at Companies House, we will require a Company Registration Number (CRN) to be provided.

¹⁷ <https://www.ofgem.gov.uk/environmental-and-social-schemes/green-gas-support-scheme-and-green-gas-levy/apply-or-log>

¹⁸ <https://www.ofgem.gov.uk/environmental-and-social-schemes/green-gas-support-scheme-and-green-gas-levy/applicants>

Authorised signatory

3.12. The authorised signatory is a person who has been given legal authority to act on behalf of an applicant for the purposes of the GGSS. Where an application is being made by an organisation, the authorised signatory should be an employee or director of the organisation that owns the installation. A consultant acting on behalf of the applicant cannot be the authorised signatory, but may be added as an additional user on the account. The applicant and the authorised signatory may be the same person where the application is being made by an individual rather than an organisation.

3.13. The authorised signatory will be able to carry out the following on the GGSS Portal:

- set up and manage the account
- submit applications for tariff guarantees and for full registration
- submit periodic data
- sign declarations
- submit evidence of compliance with ongoing obligations.

3.14. In order to verify their identity the authorised signatory will need to provide us with information including:

- their full name
- their email address
- their home address
- their phone number

3.15. In order to verify the identity of the authorised signatory, we will also need to be provided with scans of:

- Photographic identification such as a driving licence, identity card or passport

- a utility bill or similar, as proof of home address, dated within the past three months
- a letter of authorisation, to prove they have the authority to act on behalf of the organisation (see below).

3.16. While the authorised signatory may carry out the day-to-day administration for the registered installation, it is ultimately the “participant”, as defined in the GGSS Regulations, who is responsible for the ongoing obligations.

Letter of authorisation

3.17. A letter of authorisation (LOA) is a document which confirms who the authorised signatory for an organisation is and that they have the authority to act on that organisation’s behalf. When registering an organisation on the GGSS Portal, applicants must upload a copy of an LOA. The details of the authorised signatory given on the LOA will be cross-checked against the personal details the authorised signatory has provided.

3.18. The LOA must be completed by the owner of the organisation making the application or a person of significant control in the organisation. Where the person who will be acting as the authorised signatory is either the owner or a person of significant control, they must still complete an LOA confirming that they will be acting as the authorised signatory.

3.19. An LOA template is available on our website¹⁹. Part 1 of the template should be completed where the owner of the organisation making the application, or a person of significant control in the organisation, is nominating themselves as the authorised signatory. Parts 2 and 3 must be completed where an authorised signatory is being nominated by a director or person of significant control.

3.20. If the authorised signatory changes, we will need to be notified and provided with a new LOA.

¹⁹ <https://www.ofgem.gov.uk/publications/green-gas-support-scheme-letter-authorisation>

Additional users

- 3.21. The authorised signatory is able to create additional users of the GGSS account via the GGSS Portal dashboard.
- 3.22. Additional users will have access to the GGSS dashboard and will be able to enter information into the application and make changes, but will not be able to submit applications.
- 3.23. Additional users will also have permission to discuss the GGSS application with us. The information submitted as part of the application must be accurate. If we subsequently find that any information submitted was incorrect, we may take compliance action.
- 3.24. Receiving financial gain through knowingly submitting false information constitutes fraud. Where we suspect this has happened, we will investigate and, where appropriate, pass the information on to the relevant external body such as Action Fraud and/or the relevant police authority.

4. Applying for a tariff guarantee

Stage 1: Initial Application

- 4.1. Stage 1 of the tariff guarantee application should be made by prospective scheme participants who have undertaken the necessary preparations for their project to the extent that they are able to provide the information required during this stage. They should also be in a position to be able to provide evidence of financial close (see 'Stage 2', below) within three weeks of the provisional tariff guarantee having been issued²⁰.
- 4.2. The information required for a tariff guarantee application is specified in Regulation 4²¹.
- 4.3. The information listed below must be provided at Stage 1.
- the applicant's name, email address and registered office or principal place of activity
 - the date on which the injection of biomethane commenced or is expected to commence
 - the expected maximum initial capacity (in m³)
 - the name, address and, where relevant, the postcode of the installation and the country it is located in
 - the latitude and longitude of the anaerobic digester(s) and the injection point (in decimal degrees format)
 - evidence of a signed connection agreement

²⁰ The GGSS Regulations, Regulation 4(5)(c)

²¹ The GGSS Regulations, Regulation 4

- a description of the equipment used to produce biomethane
- the expected volume (in m³) of eligible biomethane to be injected each year
- a statement as to whether planning permission is necessary for the processes by which the biogas used to produce biomethane is produced and upgraded, and the biomethane is injected. Where planning permission is required, evidence must be provided that it has been granted by the relevant planning authority

In addition, we may also request any further information we require.

Connection Agreements

- 4.4. We recognise that network operators take different approaches. We may therefore accept alternative evidence in lieu of a signed connection agreement. In practice, what we will ask for is evidence of signed, legally binding agreements between the biomethane producer and the network operator for the design and construction of connections to inject biomethane and pipeline systems. This can include copies of contracts between producers and operators, in addition to letters from operators confirming agreements and payment schedules and/or terms are in place.

Location of Equipment

- 4.5. As well as the address of the installation, the GGSS Regulations²² require applicants to provide the specific location of both the anaerobic digester or digesters where the biogas will be produced and the injection point where biomethane will be injected. This will provide us with both an overall installation address and more detailed information on the specific locations of the key equipment. The main purpose of this is to ensure that the planning permission granted covers the specific equipment being used to apply for the scheme.

²² The GGSS Regulations, regulation 4(4)(c)

- 4.6. Locations must be provided as latitude/longitude (in decimal degrees format). If a postcode is available for the two locations these should also be provided.

Remote injection points

- 4.7. As indicated above, applicants must provide the location of both the equipment that will be used to produce biomethane and the injection site that will be used when applying for the GGSS. The regulations do not require these to be located on the same site.
- 4.8. Therefore, in some instances, producers who plan on using remote injection points may be eligible for to apply for the GGSS. By 'remote injection points', we mean sites where biogas or biomethane is transported from the production site to a separate injection site by road.
- 4.9. Applicants proposing to use a remote injection point must have adequate checks and controls in place to demonstrate how they plan on ensuring that payments are only received for the biomethane produced by the equipment used to register for the GGSS. The controls must be robust, appropriate to the applicant's specific site setup and demonstrable to our satisfaction. As a guide, these checks and controls must be comparable to those in place for sites which do not use a remote injection point. These applicants should submit their proposal as part of their stage 3 application for registration.
- 4.10. The methodology for calculating the GHG values associated with the biomethane injected²³ requires participants to account for the emissions associated with biomethane transportation. Applicants who choose to use a remote injection point must ensure they have processes in place to accurately track and calculate this, factoring it into their GHG calculations. For more information on this process, please see chapter 12.

²³ [Methods of calculating greenhouse gas emissions: "actual value method" and "default value method" \(publishing.service.gov.uk\)](#)

- 4.11. Please note, regulation 27²⁴ specifies that GGSS periodic support payments must be made to the producer of biomethane. We will not make payment directly to an independent injection site operator.
- 4.12. If an applicant is considering injecting biomethane using a remote injection site, they must ensure that the equipment used at the remote injection site is eligible under the regulations. All equipment which falls under the definition of 'equipment used to produce biomethane' is subject to the restrictions on prior use given in paragraphs 2.7 – 2.10. This places restrictions on remote injection sites intended for use by more than one producer (injection hubs). Table 1 (found in chapter 2 of this document) sets out the specific equipment to which these restrictions apply. .
- 4.13. For example, if an injection point incorporates equipment included in the definition of equipment used to produce biomethane, given in chapter 2, and has been or is being used by a registered NDRHI or GGSS producer, another producer could not apply for GGSS registration using that same equipment.

Planning Permission

- 4.14. Applicants must either have planning permission in place for the equipment required for the processes of production and upgrading of the biogas and for the injection of the biomethane or they must provide a declaration demonstrating that it is not necessary²⁵.
- 4.15. Evidence of planning permission must be provided in the form of a letter, email and/or any other documents which demonstrate that planning permission has been granted issued by the relevant planning authority. Typically, we will ask that participants provide electronic copies of these documents. Where planning permission is not required, the applicant must provide evidence from the planning authority to support this.
- 4.16. If there are changes to planning permission during the application process it will be the responsibility of the applicant to demonstrate the changes do not change the

²⁴ The GGSS Regulations, regulation 27

²⁵ The GGSS Regulations, Regulation 4(4)(h)

installation applied for as part of Stage 1. We recognise that changes to planning permission may be required during the course of development. However, where changes are made, however minor, applicants must provide us with details of the change(s) made. Changes to the installation, and associated planning permission, will not necessarily impact on the tariff guarantee but we still need to ensure that at the time of registering an applicant, the planning documentation provided is up-to-date and accurate.

- 4.17. Planning permission documentation will also be required to be submitted at the registration stage (Stage 3). This will allow us to verify that the planning permission continues to cover the completed project and that any changes have been reflected in the planning permission.
- 4.18. Note that it is an ongoing obligation of the scheme that all relevant permissions (including planning permission) continue to be complied with²⁶. Any breach of these requirements could result in compliance action being taken²⁷.

‘Properly made’ applications

- 4.19. Where a tariff guarantee application is successful, the tariff that will apply once full registration is granted is the tariff rate that applies on the day the Stage 1 application was ‘properly made’.
- 4.20. A ‘properly made’ application is one that includes all the information we require as part of the Stage 1 application (set out in paragraph 4.3)²⁸ to a suitable standard to enable us to make a decision on the application.

Provisional Tariff Guarantee Notice (PTGN)

²⁶ The GGSS Regulations, Regulation 10(1)(j)

²⁷ The GGSS Regulations, Regulation 30(2)

²⁸ The GGSS Regulations, Regulation 2(1)

4.21. If the Stage 1 application is approved we will issue a Provisional Tariff Guarantee Notice (PTGN), as set out in the GGSS Regulations²⁹.

4.22. The PTGN will state:

- the date on which the properly made Stage 1 application was received by us
- the expected injection date provided as part of the Stage 1 application
- the commissioning deadline
- the tariff guarantee the applicant will secure if they become fully registered on the scheme. This will usually be the applicable initial tariff rate on the date the Stage 1 application was properly made
- that a tariff guarantee will be issued if we are satisfied that Stage 2 (financial close) has been reached
- the deadline for providing evidence of financial close, which will be three weeks after the date the PTGN is issued

4.23. The PTGN will also provide details of the information and evidence that must be provided as part of the Stage 2 application. If we require additional information specific to an individual case that is not indicated above but is required to satisfy us that financial close has been reached, this will also be communicated in or alongside the PTGN.

Tariff start date and the initial tariff

4.24. The tariff that a participant will receive is based on when their application for stage 1 is properly made and is known as the 'initial tariff rate'³⁰. The current initial tariff

²⁹ The GGSS Regulations, regulation 4(5)

³⁰ The GGSS Regulations, Regulation 22

rate is published on our website³¹ and changes periodically (see chapter 8). This is why tariff guarantees provide additional certainty to developers and investors, as they have assurance on the tariff rate that will apply when the project is commissioned and payments can be claimed. The 'initial tariff' that will apply to a given registration is the published initial tariff that was in effect on the 'tariff start date' for that registration.

- 4.25. Where the applicant has a tariff guarantee (which will be the case in every instance except where the application is for additional capacity), the initial tariff is determined as if the 'tariff start date' was the date upon which the properly made application for Stage 1 was received ³². This date is included in the PTGN referred to in paragraph 4.14, and will hereafter be referred to as the stage 1 properly made date.
- 4.26. On 1 April each year, starting in April 2023, the initial tariff is adjusted by the percentage increase or decrease in the Consumer Prices Index (CPI) for the calendar year ending with the previous 31 December. This is done to account for the effects of inflation.
- 4.27. Where the date of registration of an application occurs in a different financial year to the stage 1 properly made date, an applicant's guaranteed tariff will also be adjusted by the relevant CPI adjustments made to the initial tariff each 1 April. This measure is in place to ensure that applicants with guaranteed tariffs are not disadvantaged in the event of an increase in the initial tariff due to inflation.
- 4.28. For example, if an application had a stage 1 properly made date of 1 March 2023 and a date of registration of 1 May 2025, the guaranteed tariff would be adjusted by

³¹ Green Gas Support Scheme web page where tariff is published:

<https://www.ofgem.gov.uk/environmental-and-social-schemes/green-gas-support-scheme-and-green-gas-levy/applicants>

³² The GGSS Regulations, Regulation 4(9) and Regulation 3 (transitional provisions) of [The Green Gas Support Scheme \(Amendment\) Regulations 2022 \(legislation.gov.uk\)](#).

the percentage increase or decrease in CPI applied to the initial tariff on 1 April 2023 and 1 April 2024.

Budget availability

- 4.29. As well as providing additional certainty for investors, tariff guarantees serve as a budget control mechanism. BEIS operates an Application Budget (AB) 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 production³³.
- 4.30. If the AB cap is hit and there is insufficient budget available to approve an application, it will be placed into a queue. Should additional budget become available, either through other applications withdrawing or being rejected or through an increase in budget by the Secretary of State each financial year, the queued applications will be processed in the order they applied. Later applications with a smaller capacity may be processed should there be sufficient budget available for that application.
- 4.31. The Stage 1 process therefore requires us to determine whether there is sufficient budget available to proceed with the application³⁴. We will use the information provided as part of the Stage 1 application to determine how much budget the proposed application will require should it be fully registered on the scheme.

³³ Green Gas Support Scheme – Budget Management (BEIS)
<https://www.gov.uk/government/publications/green-gas-support-scheme-budget-management/green-gas-support-scheme-budget-management>

³⁴ The GGSS Regulations, Regulation 4(15)

- 4.32. To assess the contribution towards the budget allocations in the relevant financial years, we will use the formulae below:

For the first year: $E \times T \times \frac{D}{Y}$

For subsequent years: $E \times T \times I$

Where:

'E' is the estimated eligible biomethane (see formula below)

'T' is the tariff that would apply if the installation were to be registered

'D' is the number of days in the year starting from the expected commissioning date/date of injection

'Y' is the number of days in the first relevant financial year

'I' is the estimate of inflation for that year published by BEIS

- 4.33. 'E' is calculated using the formula $V \times F \times P$

Where:

'V' is the maximum volume in cubic metres of eligible biomethane which the applicant can inject each year, based on data from the relevant connection agreement submitted as part of the Stage 1 application

'F' is 9.1 (this is a factor to account for the calorific value per cubic metre of biomethane (10 kWh/m³) and proportion of eligible biomethane per unit of biomethane injected (0.91))

'P' is the average of the quarterly biomethane production factors, published by BEIS

- 4.34. If there is available budget, we will proceed with a review of the Stage 1 application.

- 4.35. Once an application is submitted, we will review all the information before making a decision as to whether we can issue a Provisional Tariff Guarantee Notice. In some cases, we may need to contact applicants for further information to enable us to verify eligibility³⁵. When requesting further information, we will apply a deadline, usually five working days. If the information is not provided within the deadline specified, we will reject the application and the budget will be reallocated. Should that applicant wish to re-apply to the scheme, they would need to submit a new stage 1 application, and would join the back of any budget allocation queue. For this reason, we recommend that applicants respond to any requests for further information within the deadlines set, and that the submitted information or evidence matches what has been requested.

Stage 2: Financial close

- 4.36. The second stage of the tariff guarantee application process requires applicants to demonstrate that 'financial close' has occurred. This must be submitted within three weeks of the PTGN being issued³⁶. If this is not provided by that deadline the application will be rejected.
- 4.37. 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. Evidence to demonstrate that this has occurred may come from a number of sources, but we would usually expect these to be in the form of investment agreements, loan agreements, third party funding agreements, share agreements, accounts and/or other legal or contract documentation.
- 4.38. Evidence of financial close must be verified and supported by a report from an independent auditor who is not a 'connected person'³⁷ confirming:
- The auditor's relevant qualifications

³⁵ The GGSS Regulations, Regulation 4(4)(i)

³⁶ The GGSS Regulations, regulation 4(5)(c)

³⁷ "Connected person", in relation to an applicant, a participant, or a licensed gas supplier, means any person connected to them within the meaning of section 1122 of the Corporation Tax Act 2010

- The validity of the financial close evidence provided
- That funds are available to cover the complete construction of the proposed project, including the auditor's reasoning and verification of those funds
- That those funds are committed to the proposed project
- Any caveats with regard to the above points

4.39. We recommend that these reports are prepared in line with the requirements of the International Standard on Assurance Engagements (ISAE) 3000 (revised)³⁸. We will also require any relevant supporting evidence and information to be submitted, including any evidence relied on in the report to support the auditor's conclusions.

4.40. When reviewing this report, we will consider the information carefully to determine whether financial close has been sufficiently evidenced.

4.41. Applications are assessed on a case-by-case basis, and projects can vary greatly. As such, in addition to the report described above, we may also need to request additional evidence unique to the project, in order to help us determine whether the criteria for Stage 2 have been met.

4.42. We may ask to see additional evidence of estimated project costs and evidence that funds are available to cover the estimated cost. This would usually include loan facility offers, loan agreements, capital investment documentation, hire purchase agreements, and investment documentation. We may also request information regarding any project sponsors, including evidence of any agreements entered into with these sponsors with regards to the project and any evidence of the sponsors experience in dealing with projects of this nature.

4.43. We may also require additional evidence of project activities, including evidence that engineering, procurement and construction (EPC) contracts, operation and maintenance contracts and fuel supply agreements have been entered into with

³⁸ <https://www.iaasb.org/publications/international-standard-assurance-engagements-isa-3000-revised-assurance-engagements-other-audits-or-0>

regards to the project. We may also need to see evidence that demonstrates land ownership, or that land lease is in place, and that all relevant planning and environmental permits have been received.

- 4.44. The evidence that may be requested by us during our assessment of a Stage 2 application is summarised in Table 2, below. The specific evidence will vary depending on the specifics of the application in question. Applicants are encouraged to provide this information as part of their Stage 2 submission or by emailing GGSS.app@ofgem.gov.uk. This will avoid delays to the assessment period.
- 4.45. Where contracts and/or agreements have not been entered into, drafts should be provided. Or where that is not possible, a statement must be provided which informs Ofgem of when the contracts are expected to be in place.

Table 2 - evidence that may be requested during our assessment of a Stage 2 application

Evidence category	Evidence type may include, but is not limited to
Estimated project costs	<ul style="list-style-type: none"> Capital expenditure (CAPEX) for the project Quotations or contracts that support the CAPEX (Costs should show whether VAT is included)
Funds available and committed to project	<ul style="list-style-type: none"> Bank statement which shows that funds are available to cover the cost of the project Loan agreement Hire purchase agreement Statement from funder confirming that funds have been committed to the project
Contracts	<ul style="list-style-type: none"> Engineering, procurement and construction contract ("EPC") Civil construction contract Operation and Maintenance contract
Land ownership or lease agreements	<ul style="list-style-type: none"> Title deeds Land lease agreement
Deadline agreements	<ul style="list-style-type: none"> Agreement or mechanism in place to ensure the project is on track to be completed within 182 days from the expected injection date or by 30 November 2025; whichever is earlier
Feedstock and fuel supply agreements	<ul style="list-style-type: none"> Feedstock and fuel supply agreements Detail on the feedstock that will be used
(continued on next page)	

Evidence category	Evidence type may include, but is not limited to
Sale or transfer of project	<ul style="list-style-type: none"> Statement which confirms the circumstances under which a project transfer or sale is permitted to another sponsor or third party, and whether the transfer is permitted pre and/ or post completion
Environmental permits	Any relevant permits relating to the environment
Heat use and energy offtake agreements	Any power purchase or heat agreements with third parties

4.46. Once evidence of financial close has been approved, a tariff guarantee may be awarded. This means that when full registration is granted (Stage 3) the tariff rate for future payments will be the rate on the date the original Stage 1 submission was 'properly made'. At this point a Tariff Guarantee Notice (TGN) will be issued³⁹. The TGN will state:

- the guaranteed tariff which will be applied when the plant is registered, unless we have reason to revoke the tariff guarantee
- the date by which injection of biomethane must commence
- a description of the equipment which will be used to produce biomethane to which the tariff guarantee applies
- any information which the applicant must supply to us during the period of the tariff guarantee

³⁹ The GGSS Regulations, regulation 4(6)

- any conditions attached to the tariff guarantee

4.47. We aim to process applications as quickly as possible, but it is important that we carry out robust checks to determine whether financial close has been reached. Once granted a tariff guarantee takes up budget that can no longer be used by other projects, so it is important that we have certainty that tariff guarantees are only awarded to projects that are likely to complete.

Tariff guarantee deadlines

4.48. The tariff guarantee will only be valid until the date on which the applicant stated they expect the injection of biomethane to commence (as provided in the Stage 1 application) plus a 182-day grace period. After this period has expired we will be required to revoke the tariff guarantee⁴⁰.

4.49. Additionally, the scheme is only open to applications for registration until 30 November 2025. This means that any tariff guarantees in place after that date will be revoked. In other words, holders of tariff guarantees must be successfully registered on the scheme before this date⁴¹.

Revocation of tariff guarantees

4.50. A tariff guarantee may be revoked under certain circumstances. We may revoke a tariff guarantee⁴² where:

- There has been a material change in circumstances such that had the application for the tariff guarantee been made after the change, it would have been refused
- The applicant fails to comply with any of the conditions or requirements set out in the tariff guarantee notice

⁴⁰ The GGSS Regulations, Regulation 4(7)(b)

⁴¹ The GGSS Regulations, Regulation 4(7)(b)

⁴² The GGSS Regulations, Regulation 4(7)(a)

- We believe that the information provided to secure a tariff guarantee was incorrect in a material particular
- We believe that the processes of biomethane production and injection are materially different from those proposed in the original Stage 1 application. This includes, but is not limited to changes in:
 - the location of the injection point where the biomethane is injected
 - the maximum initial capacity (see below)
 - the source of energy and technology and/or design of the plant

4.51. For the purposes of the above, the maximum initial capacity of biomethane will be considered 'materially different' where it is 10% greater or smaller than the maximum initial capacity proposed in the original Stage 1 application⁴³.

4.52. Where we decide to revoke a tariff guarantee, we will issue a notice specifying the reason(s) for the revocation and explaining the applicant's right of review.

⁴³ The GGSS Regulations, Regulation 4(8)(b)

5. Applying for registration

Stage 3: Registration

- 5.1. Applicants may apply to be fully registered on the GGSS in accordance with regulation 5 of the GGSS Regulations only once a tariff guarantee has been issued and the equipment used to produce biomethane has been fully commissioned⁴⁴.
- 5.2. The information that applicants must provide as part of their application for registration on the GGSS is given in regulation 5 and Schedule 1⁴⁵ of the GGSS Regulations.
- 5.3. Being fully registered on the scheme means the applicant becomes registered as a producer of biomethane using the equipment used to produce biomethane that they specify in their application. They will be eligible to receive periodic support payments in accordance with information provided to us and will be subject to all the ongoing obligations and eligibility requirements set out in the GGSS Regulations and in guidance.
- 5.4. At this stage, applicants will be required to provide us with a range of information, evidence and declarations. As far as possible we have sought to minimise any duplication of information that is already provided during stages 1 and 2, but in some cases we will need to see updated information.
- 5.5. Key to Stage 3 is demonstrating that the equipment used to produce biomethane has been fully commissioned and that injection has commenced. For us to determine whether this has occurred, applicants will need to provide a range of information and evidence. Since all installations are different, the information and evidence required may vary, and we will assess this on a case-by-case basis. We have set out, as far as possible, the information and evidence we usually require under the heading 'Demonstrating commissioning', below.

⁴⁴ The GGSS Regulations, Regulation 6

⁴⁵ GGSS Regulations, Regulation 5, Schedule 1

Applicant/organisation details

5.6. To apply for registration, an applicant must provide us with the information listed below⁴⁶:

- the applicant's name and telephone number
- any company registration number (where applicable)
- any trading or other name by which the applicant is commonly known
- details of a bank account in the applicant's name which accepts pound sterling deposits in the United Kingdom
- any information we may request to confirm the applicant's identity
- where an individual is making an application on behalf of an organisation, evidence that the authorised signatory who is applying on behalf of an organisation has authority from the organisation to make the application on its behalf (see paragraph 3.12 for an explanation of "authorised signatory")
- details of the size and annual turnover of the organisation (where applicable)

Feedstock information

5.7. Applicants will also be required to provide details of the feedstock(s) that will be used to produce the biogas. We will need assurance at the registration stage that the biogas is derived from biomass. This may include, for example, a description of where the feedstocks came from and what processes they have gone through.

⁴⁶ The GGSS Regulations, Schedule 1

- 5.8. Full details of the feedstocks that will be used will be provided to us via the fuel measurement and sampling (FMS) questionnaire. For further information see the 'Fuel measurement and sampling questionnaire' section, below.

Permits and permissions

- 5.9. We will need to see evidence that any necessary environmental permits or waste management licences relating to the processes by which the biogas is produced and upgraded to biomethane, or by which the biomethane is injected, have been granted⁴⁷.
- 5.10. Where the relevant body has issued a regulatory position statement, or other formal statement, which affects applications for environmental permits or waste management licences, we will accept evidence that the relevant permits and licences have been applied for. However, we will need to see evidence that these have been granted as soon as that has occurred.
- 5.11. Applicants will be also required to provide a declaration that all equipment and processes used in the production of biomethane will comply, and continue to comply, with all local and national laws, including those relating to the protection of the environment.

Digestate

- 5.12. The GGSS Regulations include a number of provisions designed to minimise the impact of the use of digestate as a fertiliser. As part of their ongoing obligations, participants must comply with the requirements set out in the Regulations⁴⁸ on the spreading of digestate generated from their anaerobic digester(s). For a description of those requirements see chapter 9.
- 5.13. As part of the Stage 3 application, applicants are required to provide a declaration that they will comply with the digestate requirements. Applicants should therefore

⁴⁷ The GGSS Regulations, Regulation 6(5)(d)

⁴⁸ The GGSS Regulations, regulation 9(13)

be familiar with those requirements at this stage and ensure that they will be able to meet them.

Details of the equipment used to produce biomethane

- 5.14. At this stage we will require further details of the specific equipment used to produce biomethane that is to be used for the purposes of registration. Applicants should provide schematic diagrams showing the process of biomethane production from the anaerobic digester(s) to the point of entry on to the network, and to provide details of the process used to produce biomethane for injection. Depending on the nature of this we may need to ask for further information about the equipment used to generate biomethane.
- 5.15. We will need to see copies of the network entry agreement (NEA) between the producer and the relevant network showing the maximum initial capacity. Where relevant, the applicant should also provide us with copies of contracts with relevant third parties relating to the agreement to convey the gas on to the pipeline network.
- 5.16. Applicants must declare the volume of biomethane (in m³) that they expect to produce for injection in a typical year (following any initial ramp-up period)⁴⁹. This estimate must be for total biomethane injected into the grid in a typical year, inclusive of any additives such as propane. We recognise that during the first year of production the volume produced for injection is likely to be lower than following years. It is therefore important that the estimate provided reflects the typical expected injection per year, rather than for injection during the first year of production.
- 5.17. We expect that as part of the agreement(s) with the relevant gas network, participants must have already demonstrated that the relevant HSE requirements on gas safety and consumer protection have been met. We therefore do not require specific evidence on this. However, applicants and participants should retain any documentation pertaining to this for inspection in the event that they are subject to an audit.

⁴⁹ The GGSS Regulations, regulation 5(2)(c)

5.18. There is an existing regulatory framework relating to the injection of biomethane into the gas network. For example, the Health and Safety Executive regulates the health and safety aspects of the entry of gas on to the network. We also have a role as the network regulator. All of these regulatory requirements should be adhered to irrespective of any application for registration under the GGSS. Registration under the GGSS should not be regarded as verifying compliance with any other piece of legislation.

Grants from Public Funds

5.19. The GGSS Regulations⁵⁰ state that, with certain exceptions set out below, an applicant may not be registered on the scheme if a grant from public funds has been paid or will be paid in respect of any of the costs of purchasing or installing the equipment used to produce biomethane, and such grant has not been paid back to the grant making body or person.

5.20. Applicants will be required to confirm as part of their Stage 3 application (for full registration) that either:

- no grant from public funds has been paid or will be paid in respect of any of the costs of purchasing or installing any of the equipment used to produce the biomethane for which the applicant is intending to claim periodic support payments
- such a grant was paid, and it has been repaid to the person or authority who made it⁵¹.

5.21. Note that the above is limited to 'equipment used to produce biomethane', so only applies to the equipment considered integral to the production of biomethane, as set out in the explanation of the definition of 'equipment used to produce biomethane' in chapter 2.

⁵⁰ The GGSS Regulations, regulation 7

⁵¹ The GGSS Regulations, regulation 7(1)

- 5.22. A grant from public funds means a grant made by a public authority or by any person distributing funds on behalf of a public authority⁵².
- 5.23. Where the applicant wishes to repay a grant that has already been received for the purchase or installation costs of an installation, they will need to provide evidence to us that the grant has been repaid in full.
- 5.24. Participants have an ongoing obligation to notify us if any of the information provided in support of their application for registration was incorrect. If we become aware at a later date that the information provided at registration in relation to grants was incorrect, we will consider taking enforcement action. Where we find that incorrect information was provided intentionally with the purpose of defrauding the scheme, we will investigate and, where appropriate, may pass the information on to the relevant external body such as Action Fraud and/or the relevant police force.

Repayment mechanism

- 5.25. As set out in the GGSS Regulations⁵³, there are certain exceptions to this whereby applicants who have received grants from public funds may still be registered on the scheme. This means that there are certain circumstances where, even though a grant has been paid in respect of any of the costs of purchasing or installing the equipment used to produce biomethane, we may still decide to register a producer and allow the grant to be repaid through deductions to Periodic support payments.
- 5.26. The circumstances in which we can make this decision are where the grant awarding body:
- has refused to accept repayment of the grant
 - has ceased to exist
- 5.27. We may also make the decision to allow the above where the grant(s) originated from funds raised by the National Lottery and on or after 30 November 2021, but

⁵² The GGSS Regulations, regulation 7(7)

⁵³ The GGSS Regulations, regulation 7(2)

not later than 30 November 2025, installation of the equipment used to produce biomethane was completed and injection of biomethane commenced⁵⁴.

5.28. If any of the circumstances in paragraphs 5.26 and 5.27 apply, applicants must provide clear evidence in support so that we can decide whether to allow repayment of the grant through Periodic support payments.

5.29. Where we decide that a grant can be repaid through periodic support payments, we will:

- determine the total value of any grant which has been paid for some or all of the purchase or installation costs of the eligible installation or equipment used to produce biomethane
- apply an adjustment each year to the total value of the grant in accordance with the consumer price index
- divide the total value by 60 following registration and after each adjustment to determine the deduction for each quarterly period (60 being the number of quarterly periodic support payments within the 15-year tariff lifetime of the registration)

5.30. The grant deduction will be deducted from each quarterly periodic support payment. Where the periodic support payment is less than the amount of the grant deduction, we will deduct only that part of the grant deduction that can be paid. Any shortfall in that grant deduction will be carried forward and deducted from the next quarterly periodic support payment in addition to the grant deduction determined for that quarterly periodic support payment.

⁵⁴ The GGSS Regulations, Regulation 7(3)

Cost information

- 5.31. In order to facilitate tariff setting and annual tariff reviews, applicants must provide, as part of their application for registration, information relating to the costs of purchasing and installing the equipment used to produce biomethane and the costs of the connection whereby biomethane is injected into the gas grid.
- 5.32. Applicants will be required to upload to the GGSS Portal documents setting out the costs associated with each of the above. We do not generally require applicants to provide evidence of the costs being provided, so it is not necessary to upload any financial documentation or invoices. However, we do request that as far as possible these are broken down further into the constituent items set out below. This should be provided in an appropriate format such as an Excel spreadsheet or pdf. We request that the following individual items should be included in the breakdown of costs:

Pre-development costs

- Civils
- Development costs
- Costs relating to obtaining permissions/permits
- Professional fees

Construction costs relating to:

- feedstock reception, storage and pre-treatment equipment, where relevant
- digester tank(s)
- digestate storage
- boiler(s)
- any dedicated CHP unit(s)

- biogas upgrading unit
- grid entry unit
- propane tanks
- labour

Gas grid connection costs relating to

- gas pipeline(s)
- gas grid connection(s)
- electricity grid connection(s)

5.33. It is a requirement of registration that cost information is provided, and that it is accurate to the best of the applicant's knowledge and belief. However, we recognise that not all the items listed above are relevant to every development. We do request that applicants clearly indicate where particular items are not relevant.

Demonstrating Commissioning

5.34. The GGSS Regulations specify that at the time of making an application for registration, all equipment used to produce biomethane must be fully commissioned⁵⁵. The GGSS Regulations define "commissioned" as:

- a) 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

⁵⁵ The GGSS Regulations, regulation 6(5)(b)

- b) every anaerobic digester which is part of that equipment has produced biogas which has been upgraded to biomethane and injected⁵⁶.

5.35. The definition of “equipment used to produce biomethane” is explained in chapter 2, including an indicative list of integral equipment included under this definition. All equipment included under this definition must be fully commissioned prior to the submission of an application for registration.

5.36. In the following paragraphs we set out the evidence that should be provided to us to demonstrate that the equipment used to produce biomethane has been fully commissioned.

5.37. Gas flow data: We will require input and output data of gas relating to the biogas production plant, upgrading equipment and grid entry unit. For the biogas production plant, this would include information about the feedstock used and the gas produced via anaerobic digestion. For the upgrading equipment, this will include gas inputs and resultant biomethane and for the grid entry unit, this will include the quality and quantity of the biomethane that is being injected into the grid.

5.38. Site equipment photographs: Photographs taken on site showing in-situ equipment including nameplates, and all meters showing their opening readings. Photographs should be clear, and date stamped.

5.39. With regards to the anaerobic digester and upgrade equipment, we will require:

- a) Complete site acceptance testing (SAT) package: Signed document that demonstrates (i) all functionality and testing has been successfully completed and (ii) all alarms have been tested successfully on all equipment used to produce biomethane, irrespective of whether the biogas production and upgrading/injection equipment are located on separate sites. This document should also provide details of other person(s) who installed and tested the programmable logic control (PLC) and/or supervisory control and data acquisition (SCADA) monitoring systems.

⁵⁶ The GGSS Regulations, regulation 2(1)

- b) Pressure and hydrostatic testing: documentation showing all pipework has been pressure tested to the appropriate pressure rating in accordance with the pipework used and grid entry unit and has been signed off.
Documentation may include a certificate which confirms the system is air-tight for gas lines.
- c) Appropriate certification for site wide electrical circuits: A document demonstrating electrical testing has been carried out on all equipment used to produce biomethane (including the biogas production plant) and the plant has been electrically tested and is ready for commissioning.

- 5.40. In addition, we will require a Network Entry Agreement with the local Gas Network Operator. This agreement will confirm the biomethane and control system is adequate for injection into the gas grid for distribution, that all necessary certification and testing has been completed, and that the relevant equipment is commissioned and safe for use. This must be signed by all relevant parties.
- 5.41. Participants should retain the full suite of commissioning documentation, including any additional tests and certification provided to the Gas Network Operator to obtain their NEA, for inspection in the event of an audit. More information on our audit regime can be found in chapter 15.
- 5.42. In addition to the above essential commissioning evidence, there are additional pieces of supporting information which we may request if there are discrepancies or queries as to the information already provided. These include, but are not limited to:

Table 3 - Secondary evidence we may request to demonstrate that the equipment used to produce biomethane has been fully commissioned

Secondary evidence	Description
Commissioning and operating procedures	A clear and complete written plan and set of procedures for the commissioning and operation of all parts of the biomethane plant, including the biogas production plant. The document would also outline any maintenance that would need to be carried out on the live plant.
Designers Risk Assessment (DRA)	The DRA must be completed in accordance with the Construction (Design and Management) Regulations 2015 ⁵⁷ . The DRA will include assessments for specific hazards and state what is required to address them. Such risks may include work at height; control of substances hazardous to health (COSHH); manual handling; noise; vibration and lead.
Construction Phase Plan (CPP)	The CPP must be completed in accordance with the Construction (Design and Management) Regulations 2015 by the person(s) / contractor(s) responsible for the project.
Complete set of drawings and specifications, confirmed as built and operation and maintenance documents	These are hand over documents that demonstrate each component of the plant meets the applicant's specification and have been installed as specified by the owner.
Mechanical construction completion certification	Certificates that mechanical work and electrical work has been completed tested and signed off, prior to commissioning. We would expect to see separate sets of documents for the production plant, upgrade unit and injection point.
Cable testing or evidence of approval of electrical grid connection	Certification of cabling pressure test (X volts for Y Time), or certification confirming installation has connected to the electrical grid.
Network communication certification	Evidence that communication signals from gas to grid have been tested and are working correctly. Such communications include those between the gas plant and telemetry systems and the SCADA/PLC control systems.

⁵⁷ <https://www.legislation.gov.uk/ukxi/2015/51/contents>

Secondary evidence	Description
Telemetry system	Documentation showing installation and full end-to-end testing of the telemetry system, installed and commissioned for the biomethane plant.
System purge	Certification demonstrating the entire system has been purged, including all the equipment used to produce biomethane.
Sampling and testing off site	In cases where the data relating to the gas to grid supply is not locally monitored, Ofgem would need to verify that the readings taken at the biomethane plant and the monitoring site are identical.

5.43. We may ask for these documents during our review of your application for registration, so we would recommend having these available at submission. This will minimise any unnecessary delays in the application review process.

5.44. It is also good practice to retain these documents through your registration on the GGSS.

Fuel Measurement and Sampling (FMS)

Introduction to FMS

5.45. 'Fuel measurement and sampling (FMS) regime' is the general term that we use to describe the agreement between applicants to the GGSS and Ofgem for the establishment of suitable procedures for the measurement and sampling of their feedstocks.

5.46. This is required in order to determine:

- the quantity of feedstocks used in a quarter
- consignment classification of the feedstock(s) used in a quarter for the purposes of
- sustainability and feedstock requirements

- the management of mixed consignments, weighting methodologies, and sampling regimes
- the energy content of the feedstock(s) used in a quarter
- the energy content of any fossil fuel contamination present in the feedstock(s) used
- the energy content and volume of biomethane injected
- the energy content of the ingredients added as part of the biomethane production process
- any relevant heat supplied to the biogas/biomethane production process

5.47. Periodic support payments can only be made on the renewable content of feedstock used to produce the biogas. As such, any contamination of feedstock used to produce the biogas will also need to be accounted for through FMS procedures.

5.48. The agreement of FMS procedures is conducted as part of the registration application review process, and FMS procedures must be agreed before registration can be granted.

The Fuel Measurement Sampling (FMS) Questionnaire

5.49. FMS procedures are required to ensure that applicants have established appropriate procedures to report against their sustainability requirements. These will be provided to us via the completion of a 'Fuel Measurement and Sampling Questionnaire' (FMSQ). The template for the FMSQ is published on our website⁵⁸.

5.50. We recognise that there is a great deal of variation between different installations. We will therefore agree FMS procedures on a case-by-case basis, according to the

⁵⁸ Fuel Measurement and Sampling Questionnaire on our website:
<https://www.ofgem.gov.uk/publications/green-gas-support-scheme-fuel-measurement-and-sampling-questionnaire>

setup and conditions at each installation. Before agreeing FMS procedures, we must be satisfied that the approach proposed is capable of adequately demonstrating ongoing compliance with the requirements set out in the Regulations.

Reporting by consignment

5.51. Please see chapter 11 for details of how consignments should be determined and reported.

Metering

5.52. Applicants will need to provide details of the volume meters used at the injection point to measure the volume of gas entering the network. This information will include how many are being used at the injection point and the type of meters installed. Applicants will also need to provide the opening metering readings for the day the application for registration is made.

5.53. Once registered, participants should use the volume meters that are used for the balancing and settlement and other industry transaction purposes for measurement of volume in the GGSS. These are detailed in the Uniform Network Code⁵⁹.

Assessing applications for registration

5.54. Once the Stage 3 application has been submitted we will review all the information before making a decision as to whether the applicant can be registered. If necessary, we will contact the applicant to request further information.

5.55. During assessment of the Stage 3 application, we may also arrange a site inspection so that we can be assured that the equipment is eligible and should be registered⁶⁰.

⁵⁹ <http://www.gasgovernance.co.uk/UNC>

⁶⁰ The GGSS Regulations, regulation 5(3)

- 5.56. If we need to contact the applicant for further information in order to be able to determine the application we may specify a period of no less than four weeks, within which time we expect the further information to have been provided to us. Whilst we would normally expect to specify a four-week period, if we are satisfied that it would be reasonable to extend the time specified then we may do so⁶¹.
- 5.57. If applicants fail to provide us with the information we require within the specified period, the application may be rejected.
- 5.58. If we believe that the application has been properly made, and that all of the relevant eligibility criteria have been met and that applicant is able to comply with the ongoing obligations of the scheme, we will register the applicant.
- 5.59. Once we register the applicant, we will confirm via email that the application for registration was successful.
- 5.60. The notification⁶² will also include:
- any conditions attached to the registration
 - the maximum initial capacity specified.
- 5.61. We will also provide a statement of registration which will include:
- the date of registration
 - the tariff which will apply
 - the process and timing for providing meter readings
 - details of the frequency and timetable for periodic support payments

⁶¹ The GGSS Regulations, regulation 5(5)

⁶² The GGSS Regulations, regulation 6(4)

- the tariff lifetime and tariff end date
- the ongoing participant obligations

5.62. If the application is not successful, we will notify the applicant of the reason(s) their application was rejected⁶³. Applicants will be entitled to ask for a review of this decision.

⁶³ The GGSS Regulations, regulation 6(8)

6. Applying for Additional Capacity

Overview

- 6.1. When producers are first registered as participants on the scheme, we will notify them of the maximum initial capacity (MIC) applicable to their registration, based on the MIC stated on their Network Entry Agreement (NEA). Should a producer subsequently increase, or intend to increase, their capacity and inject additional biomethane, they may make an application to be registered for 'additional capacity' in respect of that additional biomethane⁶⁴.
- 6.2. Additional biomethane capacity refers only to any additional capacity which exceeds the MIC.

Eligibility

- 6.3. Applications for additional capacity must demonstrate that the additional capacity complies with the eligibility requirements that apply to initial biomethane production, as set out in the GGSS Regulations⁶⁵ and in chapter 5 of this guidance.
- 6.4. Additional capacity must be supplied for injection at the same injection point as the biomethane for which the original registration was first granted.
- 6.5. Applications for additional capacity may be made where the injection of that additional biomethane is expected to commence no later than 30 November 2025⁶⁶. Applications for additional capacity may not be made following the closure of the scheme to applications. Capacity may be added to existing registrations after this date, but the additional capacity will not be eligible to receive periodic support payments.

⁶⁴ The GGSS Regulations, regulation 8

⁶⁵ The GGSS Regulations, regulations 5 and 6

⁶⁶ The GGSS Regulations, regulation 8(1)(b)

- 6.6. We may request access to carry out inspections of any equipment which is being used to produce the additional biomethane for which the participant is intending to claim periodic support payments, and any injection equipment.

Tariffs for additional capacity

- 6.7. The tariff lifetime for any registered additional biomethane capacity will be the same as the remaining tariff lifetime of the biomethane for which the producer was originally registered. For example, if a participant has been registered on the scheme for three years and then successfully registers in respect of additional capacity, both the originally registered capacity and the additional capacity will have a maximum of 12 years of GGSS support remaining.
- 6.8. As the tariff guarantee process is not applicable to additional capacity, the tariff for the registered additional biomethane capacity will be that applicable on the date of registration of the additional biomethane capacity.
- 6.9. The tariff for the original registration will remain the same.

How to apply

- 6.10. Applications for additional capacity may be made through the GGSS portal.
- 6.11. An application for registration in respect of additional capacity does not require a tariff guarantee to be secured. However, as with applications for tariff guarantees, applications for additional capacity will be checked against the Application Budget Cap. If the Application Budget cap is hit and there is insufficient budget available to approve an application, it will be placed into a queue. For the purposes of the queue, applications for additional capacity will be treated the same as applications for tariff guarantees, and will be processed in the order in which they applied. Please see chapter 4 for further information on the Application Budget Cap.

- 6.12. If the application for registration in respect of additional capacity is not successful, we will notify the applicant of the reason(s) their application was rejected⁶⁷. Applicants will be entitled to ask for a review of this decision.

⁶⁷ The GGSS Regulations, regulation 8(8)

7. Injection data and submission process

Overview

- 7.1. GGSS support is payable to participants in the form of quarterly periodic support payments⁶⁸. These are calculated using the applicable tariff and the volume of 'eligible biomethane' injected. Once registered, scheme participants may receive periodic support payments each quarter, based on the volume of eligible biomethane they inject into the gas grid, subject to any adjustments. Further guidance on payments and tariff rates is given in chapter 8.
- 7.2. As set out in paragraph 8.21, eligible biomethane is determined using a range of information provided by the participant. In order to receive periodic support payments, participants must therefore submit the necessary information to allow us to calculate the payment they are eligible to receive each quarter. This section explains the information and meter readings that must be provided to us, the format it must be provided in, and when it must be submitted.

What data is required

- 7.3. To determine the volume of eligible biomethane injected, the formula set out in the GGSS Regulations⁶⁹ is used:

$$(C - (D + E + F)) \times G$$

- 7.4. The values for C, D, E, F and G are provided by the participants as part of their periodic data submission, and these will be used to calculate the volume of eligible biomethane and in turn to calculate the payment(s) due.
- 7.5. Where values are meter readings, these must be taken within plus or minus three days of the end of each quarter.

⁶⁸ The GGSS Regulations, Part 5

⁶⁹ The GGSS Regulations, Regulation 27(2)

C – biomethane injected

- 7.6. C is the amount of biomethane injected. This will be the amount (in kWh) of all biomethane, or the amount of biomethane injected that the participant wishes to claim periodic support payments on⁷⁰. This may be less than the full amount injected where, for example, the participant wishes to claim RTFO certificates on a proportion of the total biomethane injected.
- 7.7. The volume reported may not be greater than the amount the participant is entitled to inject for that quarterly period under the relevant network entry agreement (NEA) (see chapter 5).
- 7.8. Furthermore, the sum of values reported for 'C' during a given scheme year may not be greater than the maximum initial capacity that the participant is registered on the scheme and any additional capacity they have registered⁷¹.
- 7.9. Participants must provide the figure of biomethane injected in kWh, which is determined from the volume and gross calorific value (GCV). Participants should provide a figure in kWh, but also the supporting meter readings and the calculations from which the figure in kWh is derived (i.e. the volume and GCV of the biomethane injected).
- 7.10. This should be supported by an extract from the system used by the participant to access Xoserve data, for example the Gemini system. The extracts must show the relevant data.

D – propane

- 7.11. Biomethane may require the addition of propane to bring it to the required calorific value to inject into the gas network, and participants must provide a figure for the

⁷⁰ The GGSS Regulations, Regulation 27(2)(a)

⁷¹ The GGSS Regulations, Regulation 27(2)(a)

amount of propane contained in C (the biomethane injected). This should be provided in kWh (based on the GCV and volume/mass)⁷².

- 7.12. Submission of the amount of propane must be supported by a photograph of the relevant on-site propane meter reading.

E – any heat delivered to the anaerobic digester

- 7.13. Any heat supplied to the biogas production plant from an external source must also be deducted. 'External source' means any source other than heat generated from the combustion of the biogas produced in the anaerobic digester that produced the biogas from which the biomethane is made. This should be provided in kWh_{th}⁷³.
- 7.14. This data must be supported by a photograph of the relevant on-site heat meter reading.
- 7.15. Participants may not be using all the biogas generated for producing biomethane for injection, so it is possible to only deduct heat use that was used for this purpose. Where a proportion of the biogas generated was for another purpose, participants may agree with us to only receive a deduction for the proportion of heat use in line with the proportion of biogas that was used to produce biomethane⁷⁴.

F – any heat delivered to the biomethane production process

- 7.16. As well as heat delivered to the biogas production plant, any heat used during the biomethane production process must be reported. This must be provided in kWh_{th} and must be supported by a photograph of the relevant on-site heat or electricity meter reading⁷⁵.

⁷² The GGSS Regulations, Regulation 27(2)(b)

⁷³ The GGSS Regulations, Regulation 27(2)(c)

⁷⁴ The GGSS Regulations, Regulation 27(2)(c)

⁷⁵ The GGSS Regulations, Regulation 27(2)(d)

- 7.17. As with the 'E' term, above, participants who are not using all the biogas generated for producing biomethane for injection can agree with us a proportional deduction to this heat use figure.

G – proportion of biomass contained in feedstock(s)

- 7.18. Additionally, the eligible biomethane calculation takes into account the proportion of biomass contained in the feedstock used in that quarter to produce that biogas⁷⁶. This is subject to the restrictions on feedstocks partly derived from fossil fuel or which may contain bonded fossil fuel. Please see chapter 10 for further information on the feedstock requirements.

Adjusting for the notified proportion of biomethane

- 7.19. Where a participant chooses to only notify us of a proportion of biomethane, the notified proportion will be taken into account when carrying out the payment calculations⁷⁷. So where a participant only wishes to claim Periodic support payments for a certain portion of the total biomethane, the values for D to F will be adjusted proportionately. Participants must still provide the total figures for D to F, and we will adjust the calculation accordingly.
- 7.20. To allow for this calculation to take place, and for the values to be verified, we will therefore require participants to provide us with a figure for the total biomethane injected (in kWh) during that quarter⁷⁸, as well as the amount they wish to claim periodic support payments on (C).

When to submit data

- 7.21. Participants must provide us with injection data and meter readings for their date of registration and then at the end of each scheme quarter that they remain registered

⁷⁶ The GGSS Regulations, Regulation 27(2)(e)

⁷⁷ The GGSS Regulations, Regulation 27

⁷⁸ The GGSS Regulations, Regulation 27(5)

on the scheme. Scheme quarters are fixed in line with fiscal quarters, so Q1 of the scheme is 1 April – 30 June, Q2 is 1 July – 30 September, Q3 is 1 October – 31 December and Q4 is 1 January – 31 March.

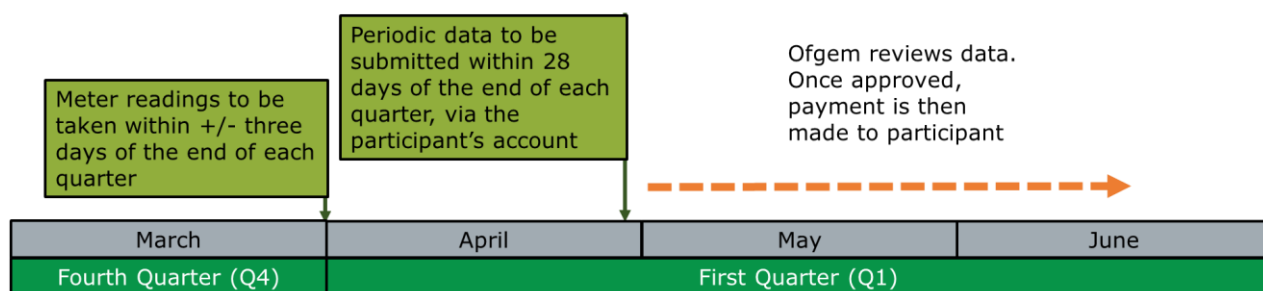
- 7.22. As stated in paragraph 7.5, where data values are meter readings, these must be taken within plus or minus three days of the end of each quarter.
- 7.23. Periodic data must be submitted via the participant's account within 28 days of the end of each quarter. If a participant does not record and submit their periodic data within the specified time window, they should refer to the 'Late data' section, below, for information on how this late data should be submitted. We may also take non-compliance action if this ongoing obligation is not met⁷⁹. Please see chapter 15 for more information.
- 7.24. A graphic representation of the periodic data submission and payment timeline is given in figure 2.

Figure 2: periodic data submission and payment timeline

Quarterly periods:

- 1 April - 30 June (Q1)
- 1 July - 30 September (Q2)
- 1 October - 31 December (Q3)
- 1 January - 31 March (Q4)

- Ofgem action
- Participant action



⁷⁹ The GGSS Regulations, Regulation 29

- 7.25. If a participant is waiting for their application for registration to be approved by us, they should still submit periodic data from the point at which commissioning occurs and at the end of each quarterly period.
- 7.26. We only consider a periodic data submission fully made when we have received all the evidence required by the legislation and guidance, and when we are satisfied that it is correct.

How to submit periodic data

- 7.27. Meter readings and other periodic data (including sustainability information) should be submitted via the participant's account on the GGSS Portal⁸⁰. Participants should log onto their account and follow the directions given to submit their data.
- 7.28. It is the participants responsibility to ensure we receive the information on time. Participants should contact us as soon as possible if they encounter any issues collecting or submitting data.

Errors in data

- 7.29. Where we consider it appropriate we may accept revised meter readings or other periodic data if:
- the participant subsequently realises that the information originally submitted is erroneous, or
 - we become aware through other routes, such as an audit, that this is the case.
- 7.30. We will consider each request to revise periodic data submission on a case-by-case basis. Given that deliberately or carelessly submitting inaccurate data would generally constitute a failure to comply with ongoing obligations, we may take further steps as detailed in chapter 15 to determine the facts and decide what

⁸⁰ <https://ggss.ofgem.gov.uk/>

action, if any, may be appropriate to deal with the matter. In doing so, we will take a number of factors into consideration, including how the error was notified to us.

- 7.31. In addition to any action which we may take about a particular error in data submitted as described above, where errors in periodic data are material or repeated, we may decide to take further compliance action. 'Materiality' for these purposes will be determined on the basis of all relevant circumstances. This may include the period over which the error occurred, the amount by which the payments were affected, the means by which the error was discovered (e.g. by audit or inspection or by notification from the participant), the extent to which the participant should have been aware of the error and the degree of cooperation demonstrated by the participant in rectifying the error.

Late data

- 7.32. The GGSS Regulations allow us to accept late periodic data at our discretion. For these purposes, we regard late periodic data as data which is taken or submitted outside of the timescales stipulated in paragraph 7.22.
- 7.33. If a participant is submitting late periodic data, but has a complete record of all measurements and meter readings for all relevant submission window(s), they do not need to contact us in advance of submitting their data. Instead, participants should log onto the GGSS Portal and submit each quarter of data, from oldest to newest.
- 7.34. If a participant cannot submit their periodic data because they do not have a complete record of all measurements and meter readings for the relevant submission window(s), they must make a late data request. This request should contain as much of the information specified in paragraph 7.37 as possible, and be sent to ggss.enquiry@ofgem.gov.uk.
- 7.35. We will consider each case of late data on a case-by-case basis. Where we suspect that participants may be failing to comply with ongoing obligations, we will take further steps to determine the facts, as detailed in chapter 15, and decide what action may be appropriate.

- 7.36. Before the participant makes a late data request, they should check if their meters are capable of storing historical readings; if this is the case, they may be able to submit accurate data retrospectively for quarterly periodic submission windows. If historical data would need to be submitted, we may still determine that there has been a failure to comply with ongoing obligations.

Use of estimates

- 7.37. Where necessary, we have the discretion to accept estimated values for certain measurements⁸¹. Participants may, with agreement from us, estimate the following measurements:
- The volume and GCV of biomethane injected
 - The volume and GCV of any propane contained in the biomethane
 - The kWh of biomethane injected
 - The kWh of heat supplied to the anaerobic digesters (other than heat contained in the feedstocks)
 - Any heat supplied to the biomethane production process.
- 7.38. If a participant wishes to make a request to use estimates for any quarter(s) of data, they must contact us, providing details pertaining to the request, including:
- The time period the estimate relates to
 - The measurement(s) or meter(s) which require estimation
 - Any measurement(s) or meter reading(s) which do not require estimation

⁸¹ The GGSS Regulations, Regulation 9(11)

- The reason an estimate is required
- The method by which you propose to estimate your readings, including supporting calculations
- Date stamped photographs of all relevant meters, showing a current reading
- Any additional supporting information or documentation which may be relevant to your request for estimated data.

7.39. Once we have received a request for estimated data, we will carry out a full review. We will contact the participant to let them know the outcome of their request, or to ask for further information if necessary.

7.40. In order to accept these measurements as estimates, we must have agreed in writing to the estimate(s) being provided, and the way in which they are to be calculated. Estimated data may be used where a participant satisfies us that it would not be possible for them to provide accurate meter readings for a quarterly period, for example if there was a temporary failure of metering equipment that meant that an accurate reading was not possible.

7.41. The method for estimating meter readings will need to be agreed in advance with us, and the onus will be on the participant to contact us as soon as the need for estimation arises.

7.42. We expect that any estimated data proposed by participants be based on conservative estimates.

7.43. If we approve a participant's method and estimated data, we will send detailed instructions on how this data must be input into the participant's periodic data submissions on the GGSS Portal.

7.44. Participants can use estimated data for up to a total of six quarterly submission periods. We will not make payments on further estimates after this limit of six quarterly submission periods has been reached, or where it would mean revising previously made payments.

8. Periodic Support Payments and Tariff Rates

Overview

- 8.1. Once registered, scheme participants may receive GGSS support in the form of quarterly periodic support payments, calculated using injection data. Payments are based on the volume of eligible biomethane they inject into the gas grid, subject to any adjustments (see later in this chapter). Periodic support payments are payable to participants who meet the eligibility criteria and continue to comply with the scheme requirements for up to 15 years from the tariff start date⁸².
- 8.2. The tariff structure and the formulae to determine payments are set out in the GGSS Regulations⁸³. We are responsible for making payments to GGSS participants based on the payment calculations set out in those regulations.
- 8.3. In this chapter we explain tariff rates and how periodic support payments will be calculated, including how certain key dates will determine the tariff that will apply.

Tariff Tiers

- 8.4. The GGSS operates a tiered tariff whereby different tariff rates apply for different levels of production, up to a maximum of 250GWh.
- 8.5. There are three tariff tiers⁸⁴ as follows:
 - a) tier 1 is for 'initial biomethane', which is the amount of eligible biomethane injected in a relevant period, up to 60,000MWh
 - b) tier 2 is for 'secondary biomethane' which is the next 40,000MWh of eligible biomethane injected

⁸² The GGSS Regulations, Regulation 21

⁸³ The GGSS Regulations, Part 5

⁸⁴ The GGSS Regulations, Regulation 26

- c) tier 3 is for 'tertiary biomethane' which is eligible biomethane injected in excess of secondary biomethane, up to a maximum of 250GWh.

- 8.6. As indicated in c) above, there is a limit to the amount of eligible biomethane for which periodic support payments can be claimed. Where more than 250GWh of biomethane is injected in any relevant period, the tariff will only apply to the first 250GWh injected⁸⁵.
- 8.7. It is also important to note that the tariff tiers are based on the volume of 'eligible biomethane'⁸⁶ that is injected, rather than the total biomethane injected. Please see paragraph 8.21 for an explanation of how 'eligible biomethane' is determined. In particular, the amount of biomass contained in the feedstocks used can potentially have a significant impact on the volume of 'eligible biomethane'⁸⁷, which in turn affects the tariff that applies. Participants should be aware of this when estimating their periodic support payments.

The Initial Tariff Rate and Tariff Start Date

- 8.8. For each registration there are two tariffs that are used for the purposes of calculating periodic support payments, the 'initial tariff'⁸⁸ and the 'subsequent tariff'⁸⁹.
- 8.9. The tariff rate at which a participant will receive payments when they are first registered on the scheme is known as the 'initial tariff rate'. This is the tariff rate that they will receive (subject to any adjustments) from the day on which they are first registered on the scheme.
- 8.10. The 'initial tariff' that will apply to a given registration is the published initial tariff that was in effect on the 'tariff start date' for that registration. The 'tariff start date' is the date at which full Stage 3 registration is granted. However, where the applicant has tariff guarantee (which will be the case in every instance except where the application is for additional capacity), the initial tariff is determined as if the

⁸⁵ The GGSS Regulations, Regulation 26(3)

⁸⁶ The GGSS Regulations, Regulation 26(2)

⁸⁷ The GGSS Regulations, Regulation 27(2)(e)

⁸⁸ The GGSS Regulations, Regulation 22

⁸⁹ The GGSS Regulations, Regulation 25

'tariff start date' was the date upon which the properly made application for Stage 1 was received. This date is included in the PTGN referred to in paragraph 4.21.

- 8.11. Where the date of registration of an application occurs in a different financial year to the stage 1 properly made date, an applicant's guaranteed tariff will be adjusted by the relevant CPI adjustments made to the initial tariff each 1 April. For more information please see paragraphs 4.17 – 4.21.
- 8.12. The initial tariff will be used for the purposes of calculating periodic support payments for the period beginning with the tariff start date and ending with the end of the financial year within which that tariff start date falls. For each subsequent financial year, the 'subsequent tariff' will be used. Please see paragraph 8.16 for an explanation of the subsequent tariff.
- 8.13. The initial tariff⁹⁰ that will apply where the tariff start date is on or before 30 June 2022 will be:
- a) For tier 1: 5.51 pence per kWh
 - b) For tier 2: 3.53 pence per kWh
 - c) For tier 3: 1.56 pence per kWh
- 8.14. Where the tariff start date is on or after 1 July 2022, the initial tariff will be calculated by us using the formula set out in the GGSS Regulations⁹¹.
- 8.15. Each year, by 15 March, 15 June, 15 September and 15 December, we will publish the initial tariff rate that will apply where a tariff start date falls within the following quarter.

⁹⁰ The GGSS Regulations, Regulation 22(1)

⁹¹ The GGSS Regulations, Regulation 22(2)

The Subsequent Tariff Rate

- 8.16. Following the end of the financial year in which the tariff start date falls, periodic support payments will be calculated using the 'subsequent tariff'⁹². The subsequent tariff is the tariff applicable to the biomethane produced by the participant on the last day of the previous financial year, adjusted by the percentage increase or decrease in the consumer price index for the calendar year ending with 31st December immediately preceding the commencement of the new financial year. The resulting figure may be rounded.
- 8.17. We are required to publish the subsequent tariff applicable for the period beginning with 1 April of that year and ending with 31 March of the following year, on or before 1st April in each scheme year.

Tariff lifetime in the circumstance of a change in registration

- 8.18. Please note that where a registration is transferred to a new participant, the new participant can only receive payments for the remaining period of the original tariff lifetime.

How periodic support payments are calculated

- 8.19. Quarterly payments will be based on the amount of 'eligible biomethane' produced for injection in the period and the applicable tariff.
- 8.20. To calculate the periodic support payment due, the applicable tariff is multiplied by the volume of eligible biomethane injected in the relevant period, determined from data submitted to us by the participant.
- 8.21. 'Eligible biomethane' is calculated using the formula set out in the GGSS Regulations⁹³:

⁹² The GGSS Regulations, Regulation 25

⁹³ The GGSS Regulations, Regulation 27(2)

$$(C - (D + E + F)) \times G$$

where

C is the lower of:

- The amount, in kWh, of all biomethane injected (or the notified proportion injected) in that quarter
- the amount, in kWh, of biomethane the participant is entitled to supply for injection in that quarter under the NEA

provided that the sum of values for C in respect of a scheme year may not exceed the sum of the maximum initial capacity that the participant is registered in respect of and any maximum additional capacity (MAC)

D is the amount of propane, in kWh, contained in C

E is

- the heat (in kWh thermal – “kWh_{th}”) delivered in the relevant quarter to the anaerobic digester(s) which produced the biogas from which the biomethane is made, except any heat contained in feedstock used to produce that biogas, or derived from the combustion of that biogas, or
- such proportion (as may be chosen by the participant and agreed by us) of that heat provided that the proportion is no less than

$$\frac{X}{Y}$$

where:

- X is the energy content of the biogas contained in the biomethane, and
- Y is the energy content of all the biogas produced by that anaerobic digester

- F is the amount of heat (in kWh_{th}) supplied to the biomethane production process in that quarter from any heat source, other than heat generated from the combustion of biogas produced in the anaerobic digester(s) that produced the biogas from which the biomethane is made, and
- G is the proportion of biomass contained in the feedstock used to produce biogas, subject to the restrictions on feedstocks partly derived from fossil fuel (see chapter 10)

8.22. There are therefore a number of items of information that we must be provided with in order to calculate the periodic support payment due. See chapter 9 for further details of what this information is and how and when it must be provided to us.

8.23. We will not make a periodic support payment to a participant for any proportion of biomethane for which a certificate under the Renewable Transport Fuel Obligation (RTFO) scheme has been, or will be, issued. As explained in chapter 13, participants may claim under both schemes, but not for the same gas. Therefore, where participants do intend to claim certificates under the RTFO they must only notify us – term C in the formula above – of the proportion on which they do not intend to claim RTFO certificates.

8.24. Additionally, no payments will be made on any biomethane injection in excess of the maximum initial capacity agreed in a participant's registration (or any subsequent maximum additional capacity agreed)⁹⁴. This means that if there is any agreement between the participant and their network for their injection capacity to be increased, in order for it to become eligible for payments under the GGSS, they will need to apply for and register it under the scheme through the additional capacity mechanism (guidance on applying to register additional capacity will be included in Phase 2 of the guidance).

8.25. We will calculate the support payment due once all the required periodic data has been submitted by the participant and reviewed by us, taking into account any additional debits, credits or deductions applicable to the payment (for example, due

⁹⁴ The GGSS Regulations, Regulation 27(2)

to previous overpayments or as a result of any compliance actions which may have been imposed – see chapter 15).

Payment periods and when payments begin

8.26. The scheme operates on fixed quarterly periods running:

- 1 April to 30 June
- 1 July to 30 September and
- 1 October to 31 December
- 1 January to 31 March

8.27. For example, if a producer was registered on 27 January 2023, their first payment period would run from 27 January 2023 – 31 March 2023, subject to submission of the required periodic data. Subsequent payments would be payable for a full quarterly period, until the participant's last payment which would only be payable up to the last day they are eligible for the scheme.

How we will manage a shortfall in the scheme budget

8.28. The GGSS is funded through a levy on all licensed fossil fuel gas suppliers in Great Britain. The levy is collected in the beginning of each quarter, and the funds collected will be used to make periodic support payments to GGSS participants for the following quarter.

8.29. There are a number of mechanisms in place to mitigate the risk that insufficient funds are collected through the levy to cover all periodic support payments, including a requirement for suppliers to lodge credit cover, a mutualisation mechanism and the inclusion of 'headroom' in the levy. Please see our guidance on the Green Gas Levy for further details⁹⁵. Nonetheless, we are aware that certainty

⁹⁵ See https://www.ofgem.gov.uk/environmental-and-social-schemes/green-gas-support-scheme-and-green-gas-levy/guidance-resources?sort=publication_date

around payments is extremely important to scheme participants, and in this section we set out the approach we will take to minimise the impact on payments in the unlikely event there is a shortfall in scheme funds.

- 8.30. If we become aware that there are insufficient funds available to make periodic support payments due to a shortfall in the levy collection, we will work closely with BEIS to resolve the shortfall as quickly as possible so that payments can be made in full. The exact approach taken will depend on the circumstances that led to the shortfall, but we will endeavour to minimise disruption to participants as far as possible.
- 8.31. We will also inform all participants that a shortfall has occurred and explain how we intend to address it and how payments may be affected. Rather than withholding payments until additional funds are secured, we propose to use the available funds to make payments to all participants within the usual timeframes, but where necessary these will be reduced by the percentage of the overall shortfall (which may be rounded up to the nearest whole number percentage) while remaining funds are located.
- 8.32. All payments will be reduced by the same amount. For example, if there is a shortfall of 2%, we would reduce the periodic support payments due to each registered producer by 2%.
- 8.33. As soon as additional funds are made available to make up the shortfall, we may make an additional payment to all participants to bring the payment up to the original amount they were eligible for.

Worked example

- 8.34. At the end of Q1 2023 it becomes clear to Ofgem that there is a shortfall in scheme funding due to a combination of factors including several suppliers exiting the market.
- 8.35. The overall shortfall in the levy is £1.5 million, which translates to a 4.5% shortfall in the scheme budget available for making periodic support payments.
- 8.36. Installation A has submitted meter readings and periodic data for Q1 2023 and is eligible for a periodic support payment of £650,000 for that quarter.

8.37. Ofgem contacts all scheme participants to inform them that there is a shortfall of 4.5% in the scheme budget due to exits from the market, meaning that all periodic support payments will be reduced by that amount.

8.38. For installation A, this means that their periodic support payment for Q1 will be reduced by 4.5%

$$£650,000 \times 0.955 = £620,750$$

8.39. Installation A receive a payment of £620,750, which was the original amount they were eligible for, reduced by 4.5%.

8.40. All other installations will have their payments reduced by the same percentage (4.5%).

8.41. Once we have secured additional funding to make up the shortfall, we will make an additional payment to each participant for the amount that their original payment was reduced by (rather than adding to the following payment).

8.42. Installation A will therefore receive an additional payment of £29,250.

9. Ongoing obligations

Summary of ongoing obligations

- 9.1. Once registered on the scheme, participants must comply with a number of ongoing obligations in order to remain registered on the scheme and to continue receiving support payments. In this section we set out the ongoing obligations and how to remain compliant with them. Failure to comply with any of the ongoing obligations of the scheme will be treated as a non-compliance with the scheme requirements.

General ongoing obligations

- 9.2. Once registered on the scheme, participants must ensure that the equipment used to produce biomethane continues to meet all the eligibility criteria for the scheme. Participants must also ensure that the equipment continues to comply with any additional conditions specified at the point of registration⁹⁶.
- 9.3. Participants must notify us if any of the information provided as part of the application to the scheme was/is incorrect⁹⁷. If we become aware at a later date that the information provided at registration was incorrect we may take compliance action. Where we find that incorrect information was provided intentionally with the purpose of defrauding the scheme, we will investigate and, where appropriate, may pass the information on to the relevant external body such as Action Fraud and/or the relevant police force.
- 9.4. Participants must notify us within 28 days if they have ceased to comply with an ongoing obligation, realise they will soon be unable to comply or if it comes to their attention that any circumstances affecting periodic support payments or eligibility have changed⁹⁸. We will provide contact details via which you can notify us of any change, and shortly after scheme launch it will be possible to notify us through the GGSS Portal.

⁹⁶ The GGSS Regulations, regulation 10(1)(e)

⁹⁷ The GGSS Regulations, regulation 10(1)(d)

⁹⁸ The GGSS Regulations, regulation 10(1)(g)

- 9.5. Participants must maintain the equipment used to produce biomethane to our satisfaction. We strongly advise participants to maintain the equipment to a high quality in line with the manufacturer's instructions. Participants should also keep a record of service and maintenance documents for the duration of registration on the scheme.
- 9.6. You must allow reasonable access to Ofgem or our authorised agent, for example if your site is selected for audit.

Notifying us of a change

- 9.7. It is a condition of registration that participants must notify us within 28 days of any change in circumstances which may affect their eligibility to receive periodic support payments⁹⁹.
- 9.8. In practice, this means that participants should advise us of any change to their installation which affects, or may reasonably be expected to affect, their eligibility, metering requirements or payments. Examples of amendments include (but are not limited to):
- Adding additional equipment
 - Removing equipment
 - Replacing equipment
 - Making major changes to how equipment is configured
 - Any other significant change to the installation
- 9.9. If a participant has made a change to their installation, they should send a brief summary of the changes to GGSS.app@ofgem.gov.uk, within 28 days after making the change. If we deem the changes to be material we will contact the participant with instructions on any steps required to update their records. To ensure this

⁹⁹ The GGSS Regulations, Regulation 10(1)(g)

process is efficient, we ask that participants provide all relevant information about the change in the first instance.

9.10. If relevant, participants should also provide any supporting documentation.

Examples of additional documentation include (but are not limited to):

- Commissioning certificates of new equipment
- An updated schematic diagram
- Date-stamped photographs of any new equipment in-situ
- Date-stamped photographs of any new meters, showing the make/model, serial number and opening meter reading
- Any other additional documentation which may be relevant to the specific change.

9.11. GGSS payments will be suspended whilst the amendment is in progress¹⁰⁰.

Participants should continue to record all relevant meter readings and measurements required for each submission of periodic data during this time.

9.12. If a participant is unsure if they should inform Ofgem of a change they have made,, they should contact us by following the above steps and we will advise whether or not action is required.

9.13. If participants wish to make a change to their installation, but are unsure of the possible effect on their registration, they should consult the section of this guidance document or the GGSS Regulations relevant to the specific change they have made, and seek their own legal and technical advice prior to making the change. Please note, we are unable to provide specific advice on whether changes made will affect a participant's registration.

¹⁰⁰ The GGSS Regulations, Regulation 14(3)

9.14. If a participant fails to advise us of relevant matters of which we should be notified within 28 days¹⁰¹, this will be a breach of their ongoing obligations as a participant. In these instances, this may result in compliance action being taken against the participant. In deciding whether such action is appropriate, we will consider all the circumstances of the case, including for example, any reasons given for the delay in notification, the impact of the unreported change on eligibility or expected levels of tariff payments, any previous delays in the participant's required notifications. For further information, please see chapter 15.

Account changes

9.15. Participants must ensure that the account details we hold are kept up to date. This includes:

- authorised signatory details
- contact email address
- bank account details
- organisation name and address
- organisation address

9.16. If a participant wishes to notify us of an account change, they should contact us in writing at GGSS.app@ofgem.gov.uk within 28 days. In their email, the participant should include their GGSS account number, and specify which account details have changed and both the old and new details. We will then update the relevant details on the GGSS Portal.

9.17. Please note, any notifications of account changes must come from the Authorised Signatory.

¹⁰¹ The GGSS Regulations, Regulation 10(1)(g)

- 9.18. For guidance on the change of ownership of a biomethane installation, please see chapter 14.

Submitting Injection Data

- 9.19. Participants will be required to submit information each quarter in order for us to calculate the support payment(s) they are eligible for. Periodic support payments will be based on the data provided, and we will not be able to issue payments without this information. Please see chapter 7 for further details of periodic data and how to submit it to us.

Ongoing obligations in relation to metering

- 9.20. You must ensure that your meters are in continuous operation, are properly maintained and periodically checked for errors. All your payments are based on these meter readings so these need to be accurate.
- 9.21. Participants must also ensure their meters are re-calibrated every 10 years, or within such period of time as may be specified in accordance with manufacturers' instructions where available, whichever is the sooner.
- 9.22. You must also notify us within 28 days if there has been a change of location of any meters used for calculating periodic payments.

Ongoing obligations in relation to feedstocks

- 9.23. All biomethane producers will be subject to feedstock requirements. Please see chapter 10 for details of the feedstock requirements and how compliance with these requirements must be reported.
- 9.24. Participants will also be required to report annually on the proportion of biogas derived from consignments of feedstock that are not classified as wastes or residues¹⁰² (feedstock classification will be agreed as part of the review of

¹⁰² The GGSS Regulations, regulation 10(1)(k)

participants' Fuel Measurement and Sampling (FMS) procedures). Please see chapter 11 for details of the annual reporting requirements.

- 9.25. Participants must ensure that they keep, for the duration of their registration on the GGSS, copies or details of agreements with third parties with whom they contract to carry out any of the processes to turn biogas into biomethane and to arrange for its injection¹⁰³.
- 9.26. Additionally, participants must keep, for the duration of their registration on the GGSS, written evidence such as invoices, receipts and contracts in relation to feedstock used in the production of the biogas used to produce biomethane¹⁰⁴.

Sustainability

- 9.27. Scheme participants must only produce biomethane that meets the sustainability requirements set out in the GGSS Regulations. An explanation of the sustainability requirements and information on what participants must do in order to remain compliant with them, can be found in chapter 12.
- 9.28. Each scheme year participants must submit a sustainability audit report, prepared in accordance with the requirements set out in the GGSS Regulations, which must report on each consignment of biomethane produced during the preceding 12-month period¹⁰⁵. Please see chapter 12 for further details on sustainability audit reports.

Planning permission and environmental permits

- 9.29. Participants must ensure that the equipment and processes for producing biogas, upgrading to biomethane and injecting biomethane continues to comply with the relevant planning permission, environmental permits and waste management licences¹⁰⁶.

¹⁰³ The GGSS Regulations, regulation 9(12)(a)

¹⁰⁴ The GGSS Regulations, regulation 9(12)(b)

¹⁰⁵ The GGSS Regulations, regulation 13

¹⁰⁶ The GGSS Regulations, regulation 10(1)(j)

Digestate

- 9.30. Digestate is a nutrient rich by-product from AD that can be used as a fertiliser. Digestate releases ammonia when stored or spread on land and can also lead to water pollution if it is over-applied or used incorrectly. There are ongoing requirements on participants around the use of digestate generated from the anaerobic digester that is used to generate biogas.
- 9.31. Participants must ensure that they comply with the following requirements in relation to any digestate generated from their anaerobic digester(s):
- where spreading the digestate themselves, they must use low emission spreading methods as defined in the Code of Good Agricultural Practice (COGAP) for Reducing Ammonia Emissions¹⁰⁷
 - where the participant contracts with another person to spread the digestate, that person complies with the relevant National Association of Agricultural Contractors standards
- 9.32. Participants must keep copies or details of arrangements made to spread digestate, and we may ask to see copies of these.
- 9.33. Participants must also provide an annual declaration stating that they have complied with the digestate obligations set out above. This must be provided within three months of the anniversary of the registration date¹⁰⁸.

Declarations

- 9.34. Once registered, participants must provide a number of regular declarations during their registration on the GGSS. Failure to provide these declarations will be considered a non-compliance with ongoing obligations.

¹⁰⁷ <https://www.gov.uk/government/publications/code-of-good-agricultural-practice-for-reducing-ammonia-emissions>

¹⁰⁸ The GGSS Regulations, regulation 9(15)(b)

9.35. In each case, these must be submitted by the authorised signatory associated with the registration (see chapter 3).

Quarterly Declarations

9.36. Alongside the quarterly periodic data submissions made to Ofgem, participants will be required to provide a declaration¹⁰⁹ stating whether the biomethane produced meets the sustainability requirements set out in the GGSS Regulations (see chapter 12 for guidance on the sustainability requirements). This should provide the following information on the biomethane produced during the quarter:

- Whether any solid biomass used to produce the biomethane was waste or wholly derived from waste
- Whether the biomethane produced was made from feedstock which was waste
- Whether the biomethane produced met the greenhouse gas criteria set out in the GGSS Regulations
- Whether the biomethane produced was made from feedstock which was solid biomass which met the land criteria set out in the GGSS Regulations.

9.37. Where the declaration states that the biomethane met the greenhouse gas criteria, the declaration must also specify the lifecycle greenhouse gas emissions for that biomethane (see chapter 12 for further details on calculating lifecycle greenhouse gas emissions).

9.38. The quarterly sustainability declaration must be submitted within 28 days of the end of each quarter¹¹⁰, and this can be submitted via your account on the GGSS Portal.

¹⁰⁹ The GGSS Regulations, regulation 12

¹¹⁰ The GGSS Regulations, regulation 12(5)

Interaction with the Renewable Transport Fuel Obligation (RTFO)

- 9.39. All participants will be required to provide a quarterly declaration alongside their periodic data submissions setting out their engagement with the Renewable Transport Fuel Obligation (RTFO) scheme. This is to allow us to be satisfied that Periodic support payments and Renewable Transport Fuel certificates (RTFCs) will not be claimed for the same biomethane. We have provided templates for the declarations in appendix 1. All participants should select, sign and submit the declaration that is relevant to their circumstances, whether they are claiming RTFCs or not.
- 9.40. Please see chapter 13 for a detailed explanation of the interaction between the GGSS and the RTFO scheme and your responsibilities as a producer.

Annual Declarations

- 9.41. Scheme participants are required to submit an annual declaration stating that they are continuing to comply with the relevant ongoing obligations under the scheme. Through the annual declaration, participants will confirm that they met, and continue to meet, their ongoing obligations.
- 9.42. If a participant fails to sign their annual declaration, this will be treated as a failure to comply with an ongoing obligation of the scheme, and we will not make further payments until the declaration is received. We will normally recommence payments if the declaration is subsequently submitted within a reasonable period, but long-term failure to submit a declaration may result in further compliance action. For further details, please see chapter 15.
- 9.43. The Authorised Signatory is responsible for signing the annual declaration. Responsibility cannot be delegated to other parties.

10. Feedstock requirements and classifications

Feedstock classifications

- 10.1. It is important that participants understand the classification of their feedstocks as it can affect both the GHG and land criteria reporting requirements. Please also refer to the explanation of 'reporting by consignment' in chapter 11.
- 10.2. The term 'fuel classification' refers to the process that determines whether a feedstock is a product, co-product, waste or type of residue.
- 10.3. If the participant believes the fuel being used should be classed as a waste or a type of residue, there are different requirements regarding the sustainability criteria. Participants will need to gather evidence to demonstrate the classification of their fuel to Ofgem if requested and, where applicable, to their independent auditor as part of their annual sustainability audit.
- 10.4. The sections below aim to give guidance that is as clear and consistent as possible in this area. This information should not be treated as legal guidance. Where necessary, participants should seek their own legal or technical advice.

Definition of 'waste'

- 10.5. The GGSS Regulations define 'waste' as having "the meaning given in section 75(2) of the Environmental Protection Act 1990". This in turn defines waste as "anything that is waste within the meaning of Article 3(1) of the Waste Framework Directive"¹¹¹
- 10.6. Article 3(1) of the Waste Framework Directive provides the meaning of waste as "any substance or object that the holder discards or intends or is required to discard".

¹¹¹ Directive 2008/98/EC of the European Parliament and of the Council on waste and includes excreta produced by animals

- 10.7. Additional guidance on the definition of waste has been published by the Department for Environment, Food and Rural Affairs (DEFRA), the Welsh Government, the Environment Agency, and Natural Resources Wales entitled 'Legal definition of waste guidance'¹¹².
- 10.8. All feedstock that may be classified as waste should be considered carefully by operators to ensure the waste hierarchy¹¹³ has been applied and alternative markets have been considered before using them in anaerobic digestion.
- 10.9. The manipulation or modification, including contamination, of the state or condition of a substance or object in an attempt to make it fit the definition of a waste will not be considered a waste for the purposes of the GGSS.

Definition of 'residues'

- 10.10. Residues are not defined in the GGSS Regulations, but we interpret a residue to be a substance that is not the end product or products that a production process directly seeks to produce; it is not a primary aim of the production process and the process has not been deliberately modified to produce it.
- 10.11. We interpret agricultural, aquaculture, fisheries and forestry residues as residues that are directly generated by agriculture, aquaculture, fisheries and forestry and that do not include residues from related industries or processing.
- 10.12. This includes such residues generated in the process of harvesting the material being sought. Once the product is removed from the point of harvest and processed elsewhere, any residues generated from this are considered processing residues.
- 10.13. Co-products will not be considered residues in cases where they have been deliberately diverted from viable alternative uses.

¹¹² <https://www.gov.uk/government/publications/legal-definition-of-waste-guidance>

¹¹³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69403/pb13530-waste-hierarchy-guidance.pdf

10.14. Residues from arboriculture are not defined in the GGSS Regulations. However, in line with the DECC consultation response in August 2014¹¹⁴, arboriculture residues are considered to be material from woody plants and trees planted for landscape or amenity value that are removed as part of tree surgery usually in gardens, parks or other populated settings, and utility arboriculture such as the verges of roads and railways. Residues from arboriculture should not include forestry residues.

10.15. Registered biomethane producers should seek additional guidance from Ofgem if liquids which are not classified as waste are to be used in their installation, as such feedstocks are ineligible under the GGSS Regulations.

Considering fuel classification

10.16. Appendix 2 of this document sets out an indicative list of common classifications for materials. It is not intended to be an exhaustive list and therefore if a material is not on the list, it does not mean the substance is not a waste or a type of residue.

10.17. Ofgem may periodically review and update this list, if sufficient evidence emerges to indicate that a substance should be treated differently. Where further information comes to light we will liaise with other relevant parties such as the Renewable Transport Fuels Obligation (RTFO) administrator with the potential to re-assess if we deem necessary.

10.18. When considering the classification of a feedstock, it is recommended that applicants refer in the first instance to the common classification tables in Appendix 2 of this document. Should the feedstock be listed in the common classification tables, fitting the description provided, the applicant will need to gather evidence to support the identified classification. This evidence will be required to be presented to the auditor as part of the annual sustainability audit report where applicable, or to Ofgem on request.

10.19. Should the applicant consider their biomass to be a waste or type of residue that is not covered in the common classification lists, as either the material is not listed or

¹¹⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/343005/Response_to_Biomass_Consultation.pdf

the way the material was produced does not correspond with the common classification, they should provide their proposed classification as part of their FMS, and include evidence and reasoning for this classification, for review by Ofgem.

10.20. Any discussions in respect of fuel classification should occur during the registration process, following the submission of the application (which includes the FMS questionnaire). This will need to be agreed by Ofgem as part of the registration decision.

10.21. Furthermore, while we endeavour to be as consistent as possible with other government departments, there may be occasions where our role and responsibilities under the GGSS Regulations lead us to a different approach on the same material.

Overview of feedstock requirements

10.22. Biomethane is only eligible under the scheme if it is produced from solid biomass, solid waste or liquid waste¹¹⁵. The use of feedstocks is further restricted as follows:

- Where waste is used as feedstock, the proportion of solid biomass contained in the waste must be a minimum of 10%¹¹⁶.
- Where solid biomass is used as feedstock, the participant may use solid biomass contaminated with fossil fuel only where the proportion of fossil fuel contamination does not exceed 10%. Furthermore, such contaminated biomass may only be used if the fossil fuel is present because:
 - the solid biomass has been subject to a process, the undertaking of which has caused the fossil fuel to be present in, on, or with the biomass even though that was not the object of the process, or

¹¹⁵ The GGSS Regulations, regulation 9(1)

¹¹⁶ The GGSS Regulations, regulation 9(2)

- the fossil fuel is waste and was not added to the solid biomass with a view to its being used as a fuel¹¹⁷
- The proportion of fossil fuel contamination referred to in the above bullet is determined based on the contribution to the energy content of the biogas created from that feedstock. In other words, the contribution of fossil fuel derived contamination to the energy content of the biogas must not exceed 10%.
- Where, in any payment year, less than 50% of the total biogas yield is derived from waste or residue, payments will be reduced accordingly¹¹⁸.

10.23. Participants will be responsible for providing us with evidence that the feedstocks they use meet the requirements listed above. To demonstrate ongoing compliance, applicants will be required to report quarterly on the feedstocks they have used. This will need to be further supported, each year, by information provided as part of the annual sustainability audit report, to be prepared by an independent auditor (see chapter 12 for further details on the annual sustainability audit report).

Waste threshold

10.24. The feedstock requirements place an annual limit on the periodic support payments issued for biomethane produced where more than 50% of the total biogas yield (by energy content) is derived from consignments of fuel which are not classified as wastes or residues¹¹⁹.

10.25. The limitation of payments for a payment year will be calculated by reference to the biogas yield (by energy content) that is derived from consignments of fuel which are not classified as wastes or residues.

10.26. The way in which feedstock requirements will work in practice is set out below:

¹¹⁷ The GGSS Regulations, regulation 9(4)

¹¹⁸ The GGSS Regulations, regulation 28

¹¹⁹ The GGSS Regulations, regulation 28

- We are required to calculate the value to which periodic support payments for a payment year must be reduced in instances where, during that year, less than 50% of the total biogas yield is derived from waste or residue. The following calculation will be used by us:

Reconciliation of periodic support payment = **A** x (1.5 – **B**)

Where

A is the total periodic support payment for biomethane for that payment year (prior to any deduction being calculated)

B is the proportion of the total biogas yield for that payment year which is not derived from waste or residue, expressed as a decimal and rounded to four decimal places

1.5 is the constant used to calculate the value >50%, which is then applied to determine the overpayment value

10.27. To illustrate how this works in practice we have provided a worked example:

- In a given payment year, a registered installation generates a certain volume of biogas via anaerobic digestion. All of this biogas was used to produce biomethane which was injected. The installation received £10,000 of periodic support payment for that reporting year.
- 70% of this biogas (by energy content) was derived from consignments of fuel which are not classified as wastes or residues. The remaining 30% was derived from consignments of fuel which are classified as wastes and/or residues.
- Therefore, with reference to the formula outlined above, the value of 'A' is 100,000 and 'B' is 0.7000

- Using these values, the amount to which periodic support payments for a payment year must be reduced to are as follows:

$$= 10000 \times (1.5 - 0.7)$$

$$= 10000 \times 0.8$$

$$= £8,000$$

- In this example, £2,000 of periodic support payments would need to be recovered by us.
- If the installation had generated all or more than 50% of its biogas (by energy content) from consignments of fuel which are classified as wastes or residues, it would have been entitled to 100% of that year's payments, subject to compliance with all other ongoing obligations of the scheme. In that scenario, no reconciliation calculations of periodic support payments would have been required, and hence the formula $A * (1.5 - B)$ would not have been used.

10.28. Participants will be required to report on the proportion of biogas (by energy content) derived from consignments of fuel that are not classified as wastes or residues on an annual basis¹²⁰.

10.29. The classification of consignments will be agreed as part of the review of participants' Fuel Measurement and Sampling (FMS) procedures during the registration stage (see chapter 5).

10.30. Participants will be required to report their proportions on an annual basis, no later than three months after the anniversary of their date of registration. These annual submissions must cover the period between the date of registration and the anniversary of the date of registration.

¹²⁰ The GGSS Regulations, regulation 10(1)(k)

Recovering payments

- 10.31. If the use of consignments of fuel which are not classified as wastes or residues exceeds 50% of the total biogas yield (by energy content) in a payment year, periodic support payments due to be returned to Ofgem for that payment year will be offset against future periodic support payments from the first quarter of the following payment year, until such point that payments have been fully recovered¹²¹.
- 10.32. Where the payment year in which periodic support payments due to Ofgem is the participant's final payment year, the participant will be required to repay the amount by which the Periodic support payments for that payment year have been reduced.

The Biogas Apportioning Tool

- 10.33. It is up to participants to determine which tool they will use to calculate their feedstock requirement information (e.g. proportions), and the GGSS Regulations do not provide instruction to support participants in calculating the proportion of biogas (by energy content) derived from consignments of fuel which are not classified as wastes or residues.
- 10.34. Ofgem's Biogas Apportioning Tool is available to download from the Ofgem website¹²² This tool is designed to facilitate the calculation of the proportion of biogas (by energy content) derived from consignments of fuel which are not classified as wastes or residues.
- 10.35. The Biogas Apportioning Tool calculates the theoretical contribution of methane from each consignment of fuel by per cent and uses this percentage contribution to determine the energy contribution from each consignment of fuel.
- 10.36. Other IT-based tools are available which a participant can seek to use to calculate their proportions of biogas (by energy content) derived from consignments of

¹²¹ The GGSS Regulations, regulation 28(3)

¹²² Website link to Biogas Apportioning Tool:
https://www.ofgem.gov.uk/sites/default/files/docs/2017/05/non-domestic_rhi_and_fit_biogas_and_biomethane_apportioning_tool_0.xlsx

feedstock that are not classified as wastes or residues. Alternatively, participants can create their own tool.

11. Consignment and Mass Balance

- 11.1. The GGSS Regulations require participants to report against the sustainability criteria (see chapter 12) per consignment of biomethane produced¹²³. Consignments of biomethane may be comprised of one or more consignments of biomass. To report accurately against the sustainability criteria for each consignment of biomethane, and for the information to be verifiable. Also, the sustainability information must be able to be traced through the supply chain. This concept of traceability from raw material to end product is known as the 'chain of custody'.
- 11.2. For ease of reporting, the most straightforward chain of custody system is 'physical segregation'. This is where the consignment of biomass is not mixed with any other consignment and therefore the biomass, and its associated sustainability characteristics, can be easily traced through the supply chain from start to end.
- 11.3. Where consignments are mixed, we recommend that participants use a mass balance system in order to report against the sustainability requirements. This accounts for their biomass fuel on an 'input equals output' basis but does not require physical separation of different consignments.
- 11.4. To identify whether a mass balance chain of custody system is required, the participant must first determine the number of consignments they are using and whether these are being mixed at the biomethane production site or elsewhere in the supply chain. We recognise that the participant may not necessarily be aware of every detail of the supply chain. However, they should ensure that they are seeking the relevant information from their supplier to understand whether they are receiving biomass that is a single consignment or a mix of consignments.

¹²³ The GGSS Regulations, Regulation 12(2)(a)

Determining a consignment

- 11.5. The GGSS Regulations do not define 'consignment'. However, the term 'consignment' in relation to biomethane is interpreted to mean the quantity of biomethane attributable to the consignment of feedstock from which that biomethane was made.
- 11.6. We also interpret this as needing to be based on the main characteristics that could influence whether a fuel is considered as sustainable. This interpretation is in line with the policy intent and has the same meaning as that used for sustainability reporting of biomass electricity under the Renewables Obligation and RHI schemes¹²⁴. We refer to these as the 'sustainability characteristics' of the fuel. For practical purposes, we consider the following sustainability characteristics should be taken into account:
- Feedstock type¹²⁵
 - Biomass form (solid biomass only)
 - Country of origin¹²⁶
 - Classification of the fuel (waste, residue, product etc)
 - Compliance with the land criteria
- 11.7. This list is not intended as a legal guide.
- 11.8. The GHG characteristics will be determined as having been applied by considering the portion of the material with the largest emissions and whether this meets the

¹²⁴ As stated in the Government Response to 'Providing Certainty, improving performance' July 2012 consultation:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/128679/Gov_response_to_non_domestic_July_2012_consultation_-_26_02_2013.pdf

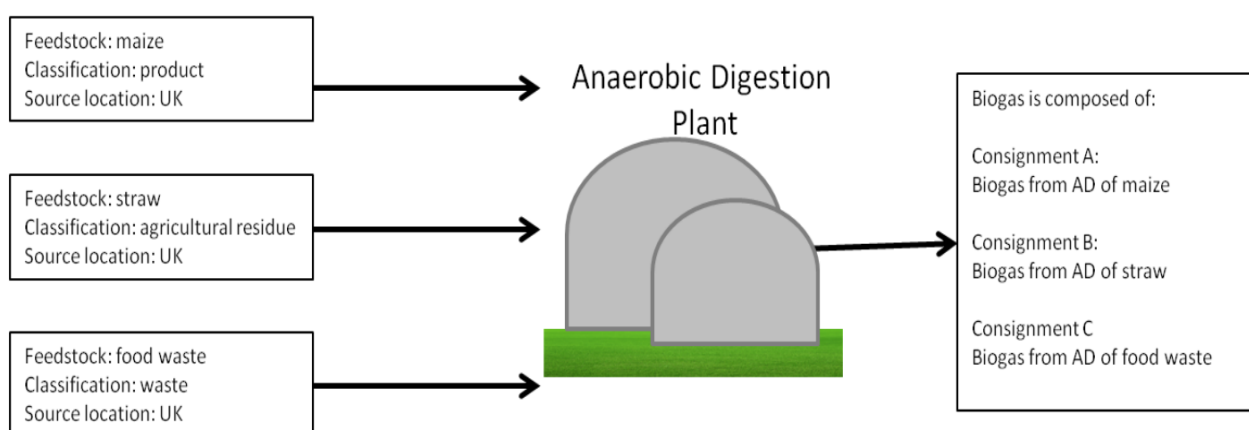
¹²⁵ This is to ensure that different biomass fuels are not grouped together, e.g. wood cannot be considered the same as sunflower pellets

¹²⁶ UK can be considered as a single country of origin

relevant GHG emission threshold. If it does not, even if all other characteristics are the same, it cannot be considered the same consignment.

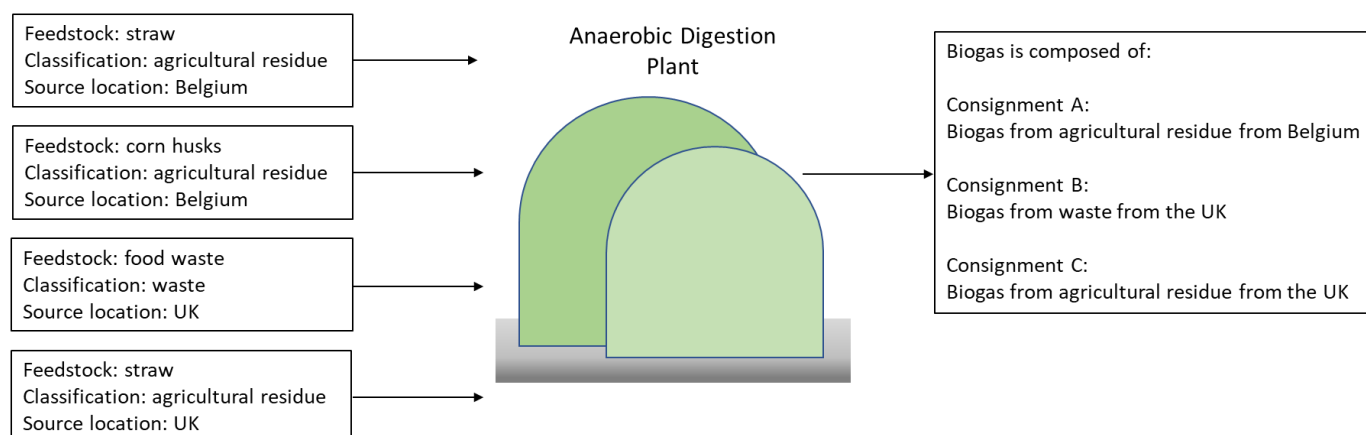
- 11.9. There is no 'timeframe' considered to be applicable to a consignment. By this we mean a participant can report against a particular consignment for as long or as little a time as it remains correct. Consignments do not "expire" after a set period of time, providing the characteristics of the biomethane remain the same, as determined above. It is for the participant to determine what consignments of biomass should be reported to us each quarter based on what is considered to have been used over the quarter.
- 11.10. Provided materials have identical sustainability characteristics (as listed above), these can be considered as a single consignment for the purposes of data collection and reporting under the GGSS.
- 11.11. To assist participants, Figures 3 – 6 provide examples of determining consignments following the bullets set out in paragraph 11.5.

Figure 3 - Example of determining a consignment for biogas from AD



- 11.12. The example shown in Figure 3 is of a UK-based AD plant. In this example, all feedstock inputs are from the same country of origin and none are certified by a voluntary scheme. The main determining factors here as to the number of consignments within the biogas is based on the fact that the feedstocks and their fuel classifications differ.

Figure 4 - Example of determining a consignment where the country of origin varies



11.13. The example shown in Figure 4 outlines an AD plant which is taking in different materials from different locations in Europe. The supply chain has voluntary scheme certification. The main determining factors here as to the number of consignments is based on the feedstocks and country of origin.

11.14. Once the number of consignments has been determined the participant will need to establish whether the consignments are mixed at the biomethane production site or elsewhere in the supply chain. At the point consignments are mixed, a mass balance system will need to be used to trace the biomass and its associated sustainability characteristics.

11.15. Where the participant and parties in the supply chain are making use of a relevant voluntary scheme, they should follow the scheme rules for the purpose of tracking sustainability information associated with each consignment of biomass.

11.16. In the event that a mass balance system is required, and the participant and parties in the supply chain are not making use of a voluntary scheme recognised in this respect, this chapter provides further guidance on the types of mass balance and good practice for setting up a system.

Overview of mass balance

11.17. A mass balance system is a system in which sets of sustainability characteristics remain assigned to consignments. The sum of all consignments withdrawn from the mixture is described as having the same sustainability characteristics, in the same quantities, as the sum of all consignments added to the mixture.

11.18. Mass balance systems should be used where a mixing of consignments takes place, either at the participant's site or down the supply chain. This is to ensure that the biomass and its associated sustainability data are verifiable. The onus is on the participant to implement the appropriate process and procedures.

11.19. Although consignments with different sustainability information can be physically mixed, sustainability information cannot be mixed between different consignments of biomass. For example, if a participant has two types of biomass in a single storage container, the information could not be swapped between the consignments.

11.20. There are typically two ways of reporting claims through mass balance systems.

- When using **proportional mass balance**, any quantity of fuel removed from a mixture containing different consignments must be assigned the sustainability characteristics in the same proportions as the original mixture. For example, if a solid biomass mixture is 400 tonnes of 'A' and 600 tonnes of 'B' when you extract an amount of biomass from the mixture you apply these proportions to the extracted amount (i.e. 40% is 'A' and 60% is 'B'). See Figure 5.
- When using **non-proportional mass balance**, any quantity of fuel removed from a mixture containing different consignments does not require the sustainability characteristics to be assigned based on the proportions of the mixture. Instead it allows the sustainability characteristics to be assigned freely, as long as what is being assigned is not in greater amount than in the original mixture. For example, if a solid biomass mixture is 400 tonnes of 'A' and 600 tonnes of 'B' when you extract a volume of biomass you are free to set out whether it composes all of 'A', 'B' or a combination of both. However, you should not declare that you have more volume of either 'A' or 'B' than the mixture in the first instance. See Figure 6.

Figure 5 - Example of proportional mass balance

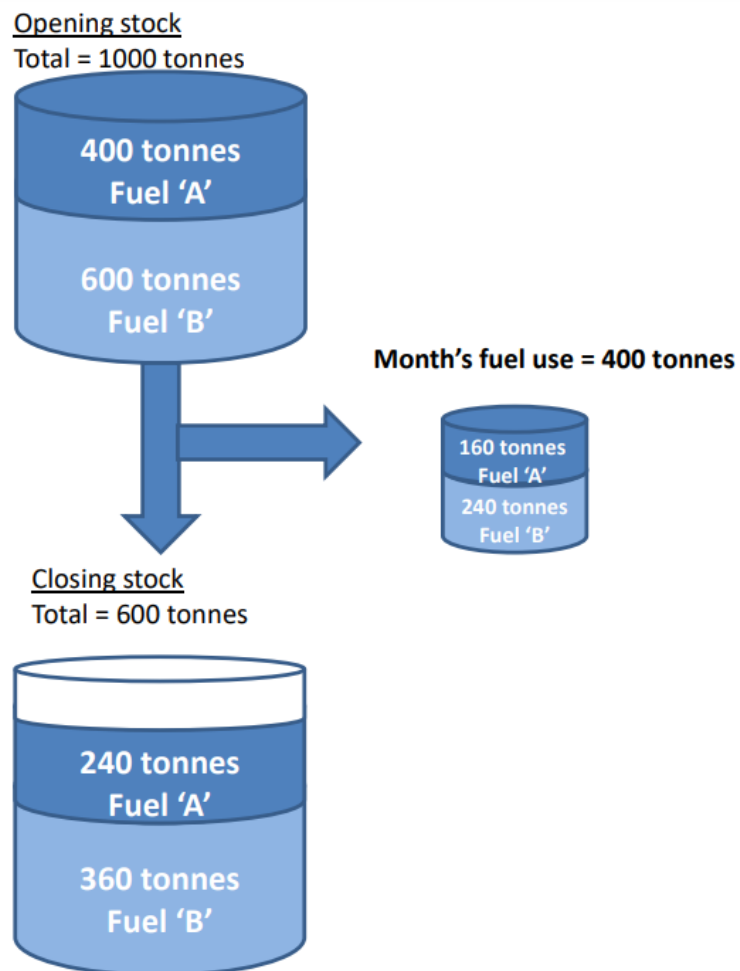
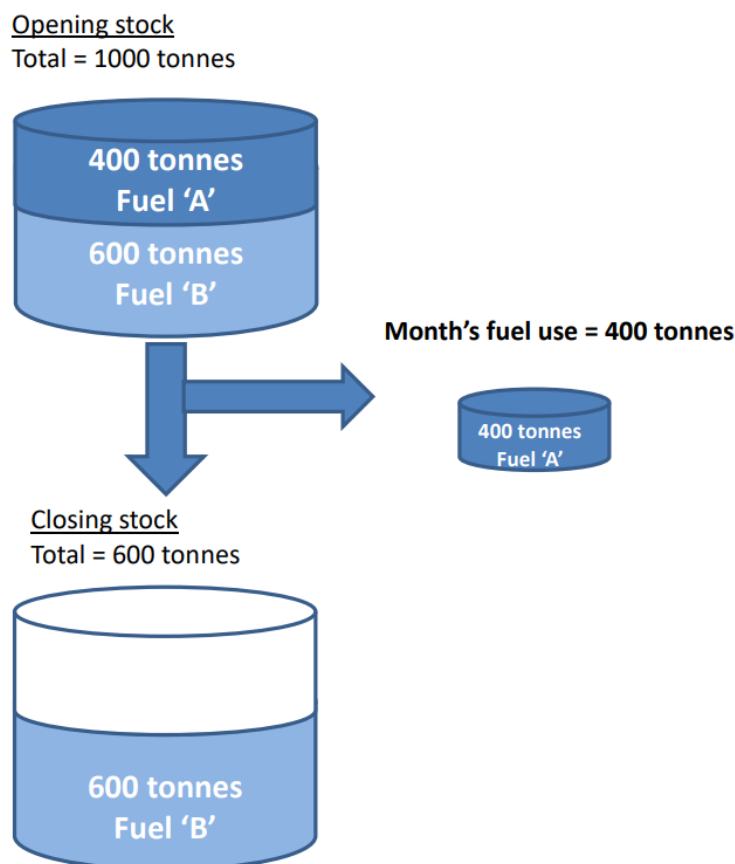


Figure 6 - Example of non-proportional mass balance



11.21. Generally, we are content for the participant to determine which mass balancing system to use within their supply chain. However, we note the following constraints that the participant, and parties within their supply chain, should follow:

- Consignments containing fossil fuel contamination will need to be subject to proportionate mass balancing.
- When making use of the non-proportionate method, we recommend that data assigned to a quantity of biomass should be done on a 'first in first out' (FIFO) basis, i.e. the consignment that was first added to the mix should be the first to be reported being used. This reduces the risk that there is an amount of unsustainable biomass within the mix which is never assigned to an extracted quantity of biomass. If a party does not follow a FIFO approach the independent auditor may wish to consider this risk as part of the annual verification process.

11.22. There may be other examples of where the use of one particular method should be followed, such as the use of the proportionate method where there are technical

reasons for a quantity to be a specific blend. The onus is on the participant to select an appropriate methodology for their specific set of circumstances. This methodology will be assessed during the review of the FMS.

11.23. In general, the feedstock reported by parties should be representative of the feedstock mixture; and parties should have a consistent and transparent reporting process. Again, this will be assessed during the review of the FMS.

The operation of a mass balance system

11.24. Each party in the supply chain, which is at any point the legal owner of the product, will need to put in place the administration necessary to maintain the mass balance chain of custody.

Level at which the mass balance should take place

11.25. The mass balance should be operated at the level of a 'site' that a company owns/operates. For the purposes of mass balance sustainability requirements, we consider a 'site' to be a geographical location with precise boundaries within which products can be mixed. A site can include multiple silos or tanks, as long as they are at the same physical site.

11.26. Should a party wish, the data may be managed at a higher level of granularity. For example, a company could operate mass balance at the level of individual storage containers within a site. The mass balance is not recommended to be operated over multiple physical sites that a company owns.

Timeframe within which the mass balance should be conducted

11.27. It is recommended that parties in the supply chain undertake a periodic review of site-level sustainability data at least on a monthly basis.

11.28. It is acknowledged that, due to the way the supply chain currently operates, it may be challenging for some parties in the supply chain to conduct a monthly mass balance review, particularly at the agricultural end of the supply chain. Therefore the

maximum period over which the mass balance has to be achieved, can be longer than one month but must not exceed one year¹²⁷.

11.29. Parties using a certified voluntary scheme must use the mass balance timeframe of that scheme.

Passing information through the supply chain

11.30. The use of a mass balance chain of custody system promotes information regarding a particular consignment of biomass to be passed down the supply chain. While the physical evidence does not need to move through the supply chain with the biomass, we recommend that the participant ensures they retain sufficient information to give them confidence in the information they report to Ofgem against the sustainability criteria on a quarterly basis. Any information or evidence should be kept and made available if required for verification purposes.

11.31. It is good practice for participants to inform parties earlier in the supply chain of what is required to demonstrate compliance with the sustainability criteria. This will ensure that relevant information moves along the supply chain.

11.32. Records of commercial transactions should enable parties in the supply chain (including auditors), to trace back through the supply chain to verify any sustainability data claims made. A company that sells biomass should specify certain information on the invoice or documentation they share with the buyer.

11.33. Participants may wish to seek additional information from their biomass supplier in order to be confident that the biomass they are buying meets the GGSS sustainability criteria.

¹²⁷ Participants should note that lengthy balancing timeframes may add a layer of complexity and thus hinder the ability of verifiers to confirm whether the sustainability criteria have been met

Demonstrating compliance and record keeping

- 11.34. Where a participant is not mixing consignments, they do not need to use a mass balance approach. They must, however, be able to demonstrate to an auditor's satisfaction that the biomass is traceable through the supply chain.
- 11.35. Where consignments are being mixed, a participant should demonstrate they have a suitable mass balance in place to allow for traceability of the biomass and its associated sustainability characteristics.
- 11.36. Where the participant is making use of a voluntary scheme to demonstrate compliance with mass balance, they should ensure they have the appropriate certification documentation to demonstrate this to their auditor.
- 11.37. Where a participant is using a mass balance chain of custody which is not covered by a voluntary scheme, they should collect information to demonstrate they have a suitable mass balance approach in place.
- 11.38. This will require not just the participant, but also parties within the supply chain to maintain suitable evidence. Clear, detailed and transparent records are vital to support sustainability reporting under the GGSS and to facilitate the annual sustainability audit process where relevant.
- 11.39. Each party in the supply chain should keep records that concur with the information on the invoices, to enable sustainability data claims to be traced back through the supply chain. This will be required for audits. Table 4 sets out the recommended records to maintain.

Table 4 - Recommended records and associated information for mass balance

Record type	Information to record
Input and output records of biomass data and sustainability information Input records refer to the biomass and sustainability related information for products purchased	<ul style="list-style-type: none"> • An invoice reference(s) • Description of the physical product to which the biomass data refer • Volume of physical input/output to which the biomass data refer • Supplying/receiving company • Transaction date

Record type	Information to record
<p>from a supplier. Output records refer to the biomass and sustainability related information for products sold to a buyer.</p>	<ul style="list-style-type: none"> Any biomass and sustainability information.
<p>Conversion factor records</p> <p>These records refer to the conversion factor of inputs to outputs and associated actual input data. Each party in the supply chain can maintain records of its own conversion factors. A party may have more than one conversion factor. If no records are kept for the conversion factor a standard input value must be used.</p>	<ul style="list-style-type: none"> To which input product it refers To which output product it refers The units in which the conversion factor is expressed The value of the actual conversion factor When the specific conversion factor was valid The calculation and supporting documentation that determines the conversion factor.
<p>Periodic inventory of biomass data</p> <p>These records provide an insight into the balance of biomass and sustainability information. Besides helping companies to manage their input-output balance, these records also assist in the verification of a party's mass balance records. Periodic inventories are recommended to be conducted on a monthly basis.</p>	<ul style="list-style-type: none"> Inventory of biomass and sustainability information at the beginning of the respective period. It must be clearly specified whether this is expressed in input-equivalents (before conversion factor) or output-equivalents (after conversion factor) Volumes of inputs with identical biomass and sustainability information in the respective period. These volumes must coincide with the input records described above; Volume of outputs with identical biomass and sustainability information in the respective period. These volumes must coincide with the output records described above Conversion factor(s) used in the respective period Inventory of biomass and sustainability information at the end of the respective

Record type	Information to record
	<p>period (including the carbon intensity of the stock). It must be clearly specified whether this is expressed in input-equivalents (before conversion factor) or output equivalents (after conversion factor)</p> <ul style="list-style-type: none"> • Purchase and sales invoices should be retained.

12. Sustainability requirements

Sustainability requirements

12.1. The GGSS Regulations also place an ongoing obligation on participants to comply with the sustainability requirements. Regulation 12 states that participants “must only produce for injection sustainable biomethane”¹²⁸. Therefore, all biomethane produced and injected must be sustainable, as per the requirements set out within the GGSS Regulations. This chapter sets out these rules and how participants can ensure they remain compliant.

12.2. The sustainability requirements are:

- **The Greenhouse Gas (GHG) Criteria:**

Biomethane produced from biogas meets the greenhouse gas criteria if the lifecycle greenhouse gas emissions associated with that biomethane are less than or equal to 24g CO₂(eq) per megajoule of biomethane injected¹²⁹.

Participants must provide a GHG value for the biomethane produced, even where it is produced wholly from waste. See paragraph 12.4 onwards for details of how the GHG values should be calculated and reported.

- **The Land Criteria:**

The land criteria apply to feedstocks which are solid biomass, and considers factors associated with the land from which the biomass was sourced. For biomass which is wood, or wholly derived from wood, the criteria include the protection of ecosystems and the environment from which the biomass is sourced, compliance with sustainable forestry management practices. For other types of biomass such as energy crops, the criteria include a requirement that feedstocks must not come from land which is categorised as a “*protected source*” in the GGSS Regulations¹³⁰. See paragraph 12.10 for details of how the land criteria should be reported against.

¹²⁸ The GGSS Regulations, regulation 12(1)

¹²⁹ The GGSS Regulations, regulation 12(10)(a)

¹³⁰ The GGSS Regulations, Schedule 3

12.3. There are specific reporting requirements associated with the sustainability requirements, and these must be complied with as part of the ongoing obligations of the scheme. This includes a quarterly declaration in relation to each consignment of biomethane produced¹³¹ (see chapter 9), and an annual sustainability audit report which reports on each consignment of biomethane produced during the 12-month period preceding the anniversary of first registration¹³² (see paragraph 12.38). The following section explains how participants can demonstrate compliance with the sustainability requirements.

Greenhouse Gas (GHG) Criteria

12.4. The GGSS Regulations specify that the biomethane produced from biogas must have lifecycle greenhouse gas emissions less than or equal to 24g of CO₂(eq) per megajoule of biomethane injected¹³³. They also specify that participants must declare that their biomethane produced meets the GHG criteria as part of their quarterly declarations¹³⁴.

12.5. This means that an overall GHG figure must be provided for the biomethane produced. Participants will therefore need to calculate lifecycle GHG emissions for all their feedstocks, which will then be averaged to provide the overall lifecycle GHG emissions for their biomethane.

12.6. Each quarter, we will require participants to provide both the averaged, overall figure for the biomethane, as well as a breakdown of the calculations showing the individual values that have contributed to the average. This means that, unlike on the NDRHI scheme, participants must also calculate a lifecycle GHG emissions figure for wastes, as these will need to be factored into the overall GHG figure for the biomethane produced. Even where 100% wastes are used, it is necessary to provide GHG values for the biomethane and the individual feedstocks.

12.7. There is no ceiling for the GHG values associated with individual feedstocks.

¹³¹ The GGSS Regulations, regulation 12(3)

¹³² The GGSS Regulations, regulation 13

¹³³ The GGSS Regulations, regulation 12(10)(a)

¹³⁴ The GGSS Regulations, regulation 12(3)

Calculating GHG values

12.8. The methodology for calculating the GHG values associated with biomethane and individual feedstocks is set out in the document, 'Methods of calculating greenhouse gas emissions: "actual value method" and "default value method"' ¹³⁵, published by BEIS. This methodology is in line with the methodology set out in Annex V of RED II, including changes introduced by RED II such as the ability to average consignments and the 'bonus' associated with raw manures.

12.9. Participants should choose between the default value method and actual value method, selecting the most appropriate method for that particular feedstock. They may use different methods for different feedstocks. Please note the following:

- The actual value method can be time-consuming and may require a large amount of verification. However, employing this method may allow the participant to understand more about their supply chain and where carbon savings can be made.
- The default value method provides a much less burdensome route than the actual value method to calculate the GHG values for a feedstock. The default carbon intensities set out are conservative, i.e. they are expected to be higher than the emissions calculated using the actual value method. Only certain feedstocks are covered so if your feedstock is not listed, you should use the actual value method instead.

Land Criteria

12.10. This section outlines the land criteria for the different types of feedstock and, where the criteria apply, how participants must demonstrate compliance.

¹³⁵ <https://www.gov.uk/government/publications/methods-of-calculating-greenhouse-gas-emissions>

12.11. The land criteria refer specifically to the production of the raw material, i.e. at the farm, forest or plantation. They do not apply to any other steps further down the supply chain.

12.12. As part of the annual sustainability audit report, the evidence of compliance collated by participants will be reviewed by the appointed auditor to ensure they are satisfied there is sufficient evidence to show the land criteria have been met.

Feedstocks classified as waste

12.13. The following are considered to meet the land criteria:

- Solid biomass which is waste, or is wholly derived from waste
- Biogas or biomethane which is made wholly from feedstock which is waste

12.14. In the above cases, participants will need to collect information to justify the applied fuel classification. For these participants, the remainder of the chapter will not be relevant unless non-waste fuels are also used.

Solid biomass which is wood or wholly derived from wood

12.15. Where the biomass used was wood or derived from wood, the participant is required to meet the requirements of Part 2 of Schedule 3 of the GGSS Regulations.

12.16. BEIS have published a document entitled Woodfuel Guidance¹³⁶ which provides accessible advice and guidance on the requirements and how to demonstrate compliance against them. While this document does not specifically refer to the GGSS, the requirements for complying with the land criteria for solid biomass which is wood or wholly derived from wood are the same as those on the NDRHI scheme. It is recommended that applicants/participants refer to this document to become more familiar with the requirements.

¹³⁶ <https://www.gov.uk/government/publications/woodfuel-guidance-version-2>

12.17. There is a '70:30 threshold' which applies in demonstrating that woodfuel meets the land criteria:

- at least 70% of each consignment must meet the sustainability requirements outlined in the Woodfuel Guidance; or
- at least 70% of all the woodfuel used in a quarterly period must meet the sustainability requirements outlined in the Woodfuel Guidance
- the fuel used is certified by an environmental quality assurance scheme which ensures that at least 70% of the solid biomass certified by the scheme meets the sustainability requirements outlined in the Woodfuel Guidance

Providing evidence

12.18. Evidence to demonstrate compliance with the land criteria should include evidence that traces the biomass from the source to the end user. There are two routes to demonstrate compliance outlined in the Woodfuel Guidance, which reflect what Ofgem would expect to be used:

- Category A evidence: through the use of Forest Stewardship Council (FSC) certificate scheme or the Programme for the Endorsement of Forest Certification (PEFC) certification scheme.
- Category B evidence: through the collection of bespoke evidence that demonstrates compliance with the criteria. The 'risk-based regional approach' can be used with this method.

12.19. Both routes of demonstrating compliance are described in more detail in the Woodfuel Guidance¹³⁷.

12.20. It is recognised that it may be challenging to meet the criteria via the use of Category B evidence and therefore we have benchmarked a number of voluntary schemes against the ROO 2015 legislation. These can also be used to demonstrate

¹³⁷ <https://www.gov.uk/government/publications/woodfuel-guidance-version-2>

compliance with the GGSS requirements. More information can be found in appendix 2 of the Renewables Obligation: Sustainability Criteria¹³⁸.

Evidence scenarios

12.21. There are two scenarios in which woodfuel can be 'deemed sustainable' against the woodfuel land criteria:

- The woodfuel was residue from arboriculture. In line with the then Department of Energy and Climate Change (DECC) consultation response in August 2014¹³⁹, arboricultural residues are considered to be material from woody plants and trees planted for landscape or amenity value that are removed as part of tree surgery usually in gardens, parks or other populated settings, and utility arboriculture such as the verges of roads and railways.
- The woodfuel was removed for the purpose of restoring or maintaining the ecosystem of an area which was not a forest.

12.22. 'Deemed sustainable' woodfuel can count towards the 70% sustainable proportion in mass balance calculations. More information on these calculations is given in BEIS' woodfuel guidance¹⁴⁰

12.23. For consignments of solid biomass which is wood or wholly derived from wood, participants must provide either category A or B evidence given in paragraph 12.18, which demonstrates either or both of the scenarios given in paragraph 12.21.

Other solid biomass, including energy crops

12.24. To demonstrate compliance with the land criteria, the participant can use relevant voluntary schemes and/or collect evidence to support the land use from where the biomass was sourced.

¹³⁸ [Renewables Obligation: Sustainability Criteria | Ofgem](#)

¹³⁹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/343005/Response_to_Biomass_Consultation.pdf

¹⁴⁰ <https://www.gov.uk/government/publications/woodfuel-guidance-version-2>

12.25. A participant can also provide direct evidence of the land use of the farm/plantation. This evidence will need to show how the land on that site was used in January 2008 (and after this date, where applicable).

12.26. The following types of evidence could be useful in demonstrating compliance:

- aerial photographs
- satellite images
- maps
- land register entries/databases
- site surveys.

12.27. The evidence collected can be direct or indirect with regard to the format of the information supplied. For example, compliance with the criterion regarding primary forest could be shown by:

- An aerial photograph of the land, showing it to be planted with short rotation forestry (direct)
- A map of all the primary forests in the region, showing the land to fall outside of them (indirect).

Land Categories

12.28. To establish whether the land from which the biomass is obtained is compliant, participants must consider the type of land from which the biomass is sourced, i.e. the land category. Table 5 sets out some common land categories and indicates which land categories may comply with the land criteria.

12.29. The categories "cropland", "grassland" and "forestland" specifically refer to the land cover. The categories "peatland" and "wetland" refer to other characteristics of the land, such as soil properties, that are not mutually exclusive with cropland, grassland or forest. For example, a forest may be located on peatland, and grassland may be located on a wetland. "Peatland", "wetland" and their variations

should always be considered as taking precedence over the land types "cropland", "grassland" and "forestland" and their variations. For example, if a plantation is located on peatland this should always be considered as peatland, irrespective of whether it had forest or grassland on it.

Table 5 - Categories of land and whether they may comply with the land criteria

Land Category	Description	Land Criteria
Cropland – non-protected	The Cropland is not in a nature protected area as defined in Schedule 3 of the GGSS regulations. This category includes cropped land, (including rice fields and set-aside ¹⁴¹), and agro-forestry systems where the vegetation structure falls below the thresholds used for the forest land categories. ¹⁴²	Complies.
Cropland – protected	Same as above, but the Cropland is in a nature protection area as defined in Schedule 3 of the GGSS regulations.	Complies if evidence is provided that shows the production of the fuel did not interfere with the nature protection purposes of the land. The appropriate evidence will depend on the specific nature protection purposes; however this might be expected to include evidence of actions taken to avoid damage to or actively maintain the nature protection purposes. Evidence could also be provided through reporting a voluntary

¹⁴¹ 'Set-aside' is a term related to the EU's Common Agricultural Policy (CAP). It refers to land taken out of production to reduce the risk of food surpluses, while increasing the opportunity for environmental benefits. From 2007 set-aside land has been abolished under the CAP.

¹⁴² EC Communication 2010/C 160/02 considers that perennial crop plantations, including oil palm plantations, are classified as cropland.

Land Category	Description	Land Criteria
		scheme that meets the requirements of the GGSS regulations.
Primary forest	This is namely forest and other wooded land of native species, where there is no clearly visible indication of human activity and the ecological processes are not significantly disturbed.	Complies only if the solid biomass was obtained previous to January 2008. If the solid biomass was obtained during or after 2008, this does not comply.
Continuously forested are (forest >30%)	Continuously forested areas, namely land spanning more than one hectare with trees higher than five metres and a canopy cover of more than 30%, or trees able to reach those thresholds in situ. ¹⁴³	Complies only if the status of the land has not changed. Evidence of the nature and extent of the forest will need to be provided for the time the raw material was harvested.
Highly biodiverse grassland	This can be either: Highly biodiverse grassland that is natural, namely grassland that would remain grassland in the absence of human intervention and which maintains the natural species composition and ecological characteristics and processes; or Highly biodiverse grassland that is non-natural, namely grassland that would cease to be grassland in the absence of human intervention and which is species-rich and not degraded, unless evidence is provided that the harvesting of the	This does not comply unless the harvesting is necessary to preserve the grassland status.

¹⁴³ Article 17, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:140:0016:0062:EN:PDF>

Land Category	Description	Land Criteria
	raw material is necessary to preserve its grassland status.	
Wetland	Namely land that is covered with or saturated by water permanently or for a significant part of the year.	Complies only if the status of the land has not changed. Evidence of the nature of the land will need to be provided for the time the raw material was harvested. Complies only if the status of the land has not changed. Evidence of the nature and extent of the wetland will need to be provided for January 2008 and the date when the raw material was harvested.
Peatland	Land consisting largely of peat.	Complies only if the land was not peatland in January 2008, unless evidence is provided that the cultivation and harvesting of that raw material did not involve drainage of previously undrained soil.
Settlement	All developed land, including transportation infrastructure and human settlements of any size, unless they are already included under other categories. Examples of settlements include land along streets, in residential (rural and urban) and commercial lawns, in public and private gardens, in golf courses and athletic fields, and in parks, provided such land is functionally or administratively associated with particular cities, villages or other settlement types	Complies

Land Category	Description	Land Criteria
	and is not accounted for in another land use category. ¹⁴⁴	

12.30. In some cases the actual land cover may not be the same as the land category designated in a country's land registry. Participants who find themselves in this situation should consider the actual land cover rather than that stated in the registry. For example, it is feasible that the land is or was designated for future agricultural purposes in a land registry, but the actual land cover (if you visit the site) is forestland. In this example, the land should be considered as forestland.

Energy crops

12.31. 'Energy crop' is defined in Regulation 12, so participants must be able to demonstrate that their fuel meets this definition¹⁴⁵.

Energy Crops Scheme (or equivalent)

12.32. An energy crop will be considered to meet the land criteria where financial assistance has been paid under the Energy Crops Scheme for that energy crop, or under an equivalent financial assistance scheme.

12.33. The Energy Crops Scheme is managed by Natural England and offers grants to farmers in England for establishing miscanthus and short rotation coppice for their own energy use or to supply power stations. The scheme closed to new applications on 31 August 2013.

12.34. In addition, suitable evidence will also need to be available to demonstrate that the energy crop has been assessed as meeting the requirements of the Energy Crop Scheme, or equivalent, and to show that financial assistance has been paid. As with any of the evidential requirements, the participant may need to provide a suite of

¹⁴⁴ Definition from IPCC Guidelines for National Greenhouse Gas Inventories, volume 4, 2006

¹⁴⁵ The GGSS Regulations, regulation 12(10)(b)

evidence rather than relying on a single document for audit purposes. Examples of evidence include:

- a copy of the offer letter signed by the energy crop grower
- confirmation of the payment of the grant; and/or
- additional confirmation that the requirements set for the grower have not been breached, requiring the repayment of the grant.

12.35. If a participant is making use of an energy crop which is supported under a scheme which is thought to be equivalent to the Energy Crops Scheme, they will need to set out the case clearly making a comparison to the requirements of the scheme against the Energy Crops Scheme for consideration.

Non-woody residues

12.36. Solid biomass which is not wood-based but can be classified as a residue, other than a residue directly arising from agriculture, aquaculture, fisheries or forestry, will be considered to have met the land criteria.

12.37. In such cases the participant will need to be able to demonstrate that their fuel has been correctly classified as a residue, and the type of residue.

Annual sustainability audit report

12.38. All participants must provide an annual sustainability audit report each year¹⁴⁶. This report must consider, and report on, each consignment of biomethane produced in the 12-month period prior to the anniversary of the date on which they were first registered on the scheme¹⁴⁷.

¹⁴⁶ The GGSS Regulations, regulation 13

¹⁴⁷ The GGSS Regulations, regulation 13(5)

- 12.39. The sustainability audit report must be submitted within three months of the anniversary of the date on which the participant was first registered on the scheme¹⁴⁸.
- 12.40. The purpose of the audit report is to provide independent assurance on the quarterly declarations and on the information provided by scheme participants. This will ensure that there is evidence and information to support claims that the feedstocks used are sustainable and to verify the feedstock classifications. If the findings of the audit report show that one or more consignments used in the previous year did not have adequate supporting information, we may take any of the compliance actions available under the GGSS Regulations, including reducing or withholding Periodic support payments.
- 12.41. The sustainability audit report must be prepared by a person who is not the participant, and is not a connected person, and must be prepared in accordance with the International Standard on Assurance Engagements (UK) 3000 (July 2020) or an equivalent standard¹⁴⁹.
- 12.42. The sustainability audit report must also include a section on the participant's interaction with the Department for Transport's (DfT's) Renewable Transport Fuel Obligation (RTFO) scheme. More information on this is provided in Chapter 13.

¹⁴⁸ The GGSS Regulations, regulation 13(4)

¹⁴⁹ The GGSS Regulations, regulation 13(2)(a)-(b)

13. Interaction with the Renewable Transport Fuel Obligation (RTFO)

Overview

- 13.1. Registered biomethane producers are able to claim periodic support payments for all of the eligible biomethane or a proportion of eligible biomethane they inject in a quarterly period. This is intended to provide flexibility to those who wish to participate in both the GGSS and the Department for Transport's (DfT's) Renewable Transport Fuel Obligation (RTFO)¹⁵⁰. Biomethane producers will be able to claim periodic support payments for a proportion of the eligible biomethane they inject in a given quarter. The remaining portion of the biomethane may, subject to DfT's criteria, be eligible under the RTFO scheme.
- 13.2. Whilst dual participation on the RTFO scheme and GGSS is supported under the GGSS Regulations, Ofgem may not make a periodic support payment in respect to any proportion of biomethane injected in a quarterly period where a Renewable Transport Fuel Certificate (RTFC) has been issued under the Renewable Transport Fuel Obligations Order 2007 for that proportion of biomethane¹⁵¹.
- 13.3. The Renewable Transport Fuel Obligations Order 2007 ("The RTFO Order") also states that fuel claimed under its scheme cannot be counted towards another renewable energy obligation or support scheme¹⁵².
- 13.4. If a producer receives a payment via the GGSS for biomethane that has already received RTFO support, the relevant amount must be recovered or offset against future payments by Ofgem. If any subsequent non-compliance with GGSS obligations is found, Ofgem may also take enforcement action.
- 13.5. In order to provide assurance that that they are not claiming payments for the same biomethane under both schemes, participants are required to submit a quarterly declaration. Participants will also be required to provide a section on RTFO

¹⁵⁰ The Renewable Transport Fuel Obligations Order 2007

¹⁵¹ The GGSS Regulations, regulation 27(6)

¹⁵² The RTFO Order 2007, regulation 16(2)

integration in the Annual Sustainability Audit Report confirming that regulatory obligations are being met (see chapter 13).

Quarterly declaration

- 13.6. All participants will be required to provide a quarterly declaration so that we can be satisfied that we can be satisfied that GGSS and RTFO will not be claimed for the same biomethane. We have created two declarations (see appendix 1). All participants should select, sign and submit the declaration that is relevant to their circumstances. Please note, where a final submission to the GGSS for a quarterly period is submitted and once payment for the submission has been made, it cannot be withdrawn or amended in future to revise the amount of gas claimed on the GGSS.
- 13.7. In order to make a partial claim for the biomethane injected in a given quarter, participants will be required to provide the following information to Ofgem, as part of their usual quarterly periodic data submissions via the GGSS Portal:
- A figure for the total amount of biomethane injected in that quarterly period, and
 - A figure for the proportion of that biomethane for which they wish to claim GGSS support
- 13.8. The above figures will be taken into account when determining the amount of eligible biomethane for that quarterly period. In the event that further information is required by Ofgem in order to process your claim, we will be in contact with you to request this.

Annual Sustainability Audit Report

- 13.9. Biomethane producers must have their GGSS feedstock information validated by an independent auditor via an Annual Sustainability Audit Report. It is the responsibility of the auditor to perform the assurance engagement and complete a written report. More information on this process is given in chapter 12.
- 13.10. As an additional section to this report, producers must also have their interaction with the RTFO validated by an independent auditor. The objective of the further

validation requirement is for claimants to demonstrate, that they are complying with their legislative and regulatory obligations to prevent dual claims for their biomethane.

13.11. This evidence (see 'evidence summary', below) should be submitted as a separate section of the Annual Sustainability Audit Report and the auditor should provide assurance as to the accuracy, reliability, and robustness of GGSS/RTFO interaction by producers. This is necessary for effective scheme administration; it is an administrative requirement falling within Regulation 10(1)(i) of the GGSS Regulations¹⁵³.

13.12. The reporting year for the annual RTFO audit must, as with the Annual Sustainability Audit it will be submitted with, correspond with the annual cycle that a participant has been on with the scheme (i.e. not the financial year).

13.13. The onus is on the producer to comply with the relevant regulatory requirements and scheme obligations concerning GGSS/RTFO interaction and the additional audit information will give Ofgem assurance that the supplier is both carrying out the necessary activities and has suitably robust processes in place.

13.14. The producer must retain the evidence referred to in the audit for the duration of their registration to the GGSS.

13.15. As with the Annual Sustainability Audit Report, biomethane producers should have the additional information prepared by an independent auditor in accordance with the requirements of limited assurance engagements prescribed in ISAE 3000 (revised) or equivalent¹⁵⁴

13.16. The producer will be responsible for appointing an auditor and agreeing an appropriate scope of work. Producers need to engage fully with their auditors and

¹⁵³ GGSS Regulations, Regulation 10(1)(i)

¹⁵⁴ At the time of writing Ofgem is not aware of any equivalent standards. Should the operator and their auditor wish to make use of one, they should contact Ofgem in advance for confirmation of its acceptability.

have a robust process in place to provide the additional validation of GGSS/RTFO interaction required to be supplied with the Annual Sustainability Audit Report.

13.17. The Annual Sustainability Audit Report, complete with this additional information, should then be submitted to Ofgem by the producer, with the relevant supporting evidence.

13.18. Ofgem reserves the right to request further evidence relating to the additional information on GGSS/RTFO interaction that is provided.

13.19. The GGSS/RTFO audit section should include the following:

- GGSS/RTFO audit section title
- Auditor's details and qualifications (if different from the Sustainability Audit Report)
- Scope of work and methodology
- Assurance rating
- Evidence summary
- Supporting evidence / documents
- Details of fraud or error prevention measures

13.20. This section should be submitted with the Annual Sustainability Audit Report within three months after each anniversary of the date on which the participant was first registered with the GGSS as a producer of biomethane.

13.21. The assurance provided in the GGSS/RTFO section by the independent auditor should adequately demonstrate to Ofgem that the producer has taken all reasonable steps to ensure that:

- dual claims for the same biomethane are not taking place on the GGSS
- the claims can be validated

Auditor's details

13.22. Details should be provided about who has performed the GGSS/RTFO interaction auditing process, including the assurance standard to which the agreed upon procedures were performed to.

13.23. It is a producer's preference as to whether they use the same, or different, auditors for the Sustainability Audit and the RTFO audit.

Scope of work and methodology

13.24. The report should include a review of the systems and controls the producer has in place in order for all reasonable steps to be taken to ensure all the biomethane they claim for against the GGSS does not go on to be claimed against the RTFO.

13.25. It should also give an overview of how likely it is that the information they produce is accurate and reliable.

13.26. The auditor should describe what methodologies were used to select sample sizes and what standards these methodologies conform to.

Conclusions and qualifications

13.27. This includes the auditor's opinion and any qualifications to that opinion. The opinion should be expressed to a 'limited' level as defined by ISAE 3000 (revised).

13.28. In a limited assurance engagement, the opinion should be expressed in the negative form, for example for an unqualified opinion:

13.29. "Based on the work described in this report, nothing has come to our attention that causes us to believe that GGSS periodic data claims during the period of DD/MM/YYYY to DD/MM/YYYY is not accurate, in all material respects, based on XYZ criteria."

13.30. There are times that it may be appropriate for the verifier to express a qualified opinion. This will be the case if the verification has brought issues to light. These issues may not be material enough to affect the verification outcome, but are nonetheless still relevant to how the audit report is prepared. A qualified opinion will

be stated the same way as an unqualified opinion with the addition of “with the exception of X, Y and Z”.

13.31. Reports given with qualified opinions will be carefully assessed by Ofgem, particularly if a comment recurs year after year.

Evidence summary

13.32. Producers are required to hold evidence both about the biomethane claimed for under the GGSS, and/or gas supplied to shippers, traders or suppliers. This should be provided to the auditor for their report and show the annual amount claimed for against GGSS and, if applicable, the amount claimed against – or that could go on to be claimed against – the RTFO via RTFCs during the same period.

13.33. Ofgem expects that biomethane which has been claimed for against the GGSS would be sold with appropriate documentation provided to the buyer which confirms this. This could be one, or a combination of, documents taken together to provide detailed information regarding provenance, feedstocks and proportions claimed against GGSS, to be retained through the chain of custody of the biomethane, from production to end use. This is in line with the information required by the DfT for participation on the RTFO.

13.34. An auditor should be able to access evidence and/or documentation demonstrating whether a biomethane producer has:

- claimed GGSS support for their gas
- had gas not claimed for on GGSS and that has been sold on - allowing an RTFO claim by another party
- split a claim for support between the GGSS and RTFO, and by what proportion.

13.35. We recognise some producers may never claim RTFO support, making it relatively simple for an auditor to evidence this through injection data.

13.36. We also recognise that producers who sell on gas to another party may not be able to retain or present evidence about the whole contractual chain relating to that gas, or the activity of any other parties within that chain.

13.37. For this reason, auditors will need to check the sale documentation between the first two parties in the contractual chain: the biomethane producer and the first trading counterparty. This contractual documentation must provide the auditor with assurance that a producer is taking reasonable steps to prevent double claiming. Specifically the auditor should check the biomethane producer's standard contracts (or the relevant clauses therein) and/or warranties to ensure they contain the necessary clauses relating to any GGSS claim and sustainability information in respect of the consignment being sold. The scheme obligations clearly state that Ofgem may not make payment if an RTFC has been issued for the same gas¹⁵⁵. This documentation should therefore provide assurance to an auditor that a producer is taking all reasonable steps against dual claims on their gas.

13.38. The auditor must also supply and verify the accuracy, reliability and robustness of any supporting evidence submitted as proof of a 'contractual supply chain' for injected biomethane purchased from a producer by suppliers, traders or shippers.

13.39. Documentation could include, but is not limited to, any combination of the following:

- Commercial contracts which demonstrate transactions between the producer and suppliers/traders/shippers
- Additional transactional agreements between the producer and suppliers / traders / shippers
- Supporting documentation to suppliers / traders / shippers by the producer with the sale – including documentation demonstrating the sustainable characteristics of the biomethane
- Documentation from voluntary schemes and industry-led green gas registries which demonstrates the proportions claimed against each scheme

¹⁵⁵ Interaction with the Renewable Transport Fuel Obligation', regulation 32A.-(2) [The Renewable Heat Incentive Scheme Regulations 2018 \(legislation.gov.uk\)](#)

- Documentation or correspondence from the Department for Transport (DfT) pertaining directly to the RTFO scheme
- Screenshots from the RTFO online system
- GEMINI data

13.40. Please note: The accreditation of a producer with a voluntary certification scheme is not sufficient in itself – it is the information within the certificate that may be of use for an auditor’s assurance purposes.

13.41. We recognise that different market structures and potential trading arrangements apply. As such, we are not currently able to comprehensively list all the specific types of acceptable documentary evidence. However, proof of a clear contractual chain linking the biomethane producer with all the relevant parties, be they shippers, traders or suppliers, will be required in any case.

13.42. The auditor must check that specific evidence exists to demonstrate this. Contracts that show intent to supply are not sufficient. Contracts and invoices that evidence specific transactions after the fact are examples of acceptable evidence.

13.43. The contractual chain should provide details of the specific biomethane transactions made and should include clear evidence of quantities of gas having been traded from the point of production.

Fraud or error prevention measures

13.44. The auditor should confirm that fraud prevention measures have been considered by the biomethane producer and summarise what the company does to prevent fraud.

13.45. The auditor should check the producer has suitably robust controls in place to reduce or prevent errors in their processes.

Ofgem validation

13.46. Once the GGSS/RTFO interaction audit section is submitted to Ofgem as part of the Annual Sustainability Audit Report, if there are any queries at this stage, either

regarding validation against dual claiming or otherwise, we will email the producer asking for further information.

13.47. Once our review of the section is complete, we will then communicate with the biomethane producer within the usual timeframe.

13.48. Once the GGSS/RTFO interaction audit section is submitted to Ofgem as part of the Annual Sustainability Audit Report, if there are any queries at this stage, either regarding validation against dual claiming or otherwise, we will email the producer asking for further information.

13.49. Where a producer who is required to repay a specified sum fails to make payment in full by the date specified, Ofgem may recover any outstanding sum by offsetting it against future payments to be made to the producer¹⁵⁶, accepting a repayment from the producer, or recovering the amount as a civil debt. Repeated non-compliance may result in further enforcement action being taken.

13.50. However, if an overpayment to a producer has resulted from an error by Ofgem, we will seek to agree with the producer an appropriate schedule for repayment of the sum due, which may include the ability to repay the amount by instalments or through offsetting against future payments over a more extended period.

13.51. Where a producer considers that repayment of a previous overpayment is likely to result in significant hardship, they should contact Ofgem to discuss the position as soon as possible after receiving a notice to repay.

¹⁵⁶ The GGSS Regulations, regulation 34

14. Change of Producer

Overview

- 14.1. The GGSS includes a mechanism to allow for the transfer of registration of biomethane production plants between parties under certain circumstances¹⁵⁷. Where a person (the “new producer”) begins, or intends to begin, using equipment used to produce biomethane that is registered by an existing participant (the “original producer”), the new producer may be registered in respect of that equipment used to produce biomethane, subject to the eligibility requirements set out in this chapter and the GGSS Regulations¹⁵⁸.
- 14.2. New producers will be subject to the same checks as if they were applying for registration in respect of a new biomethane production plant, and will be required to demonstrate their compliance with the scheme eligibility and sustainability requirements and their ability to comply with the ongoing obligations. For more information on these requirements, please see all earlier chapters of this guidance document.
- 14.3. Where a change of producer is proposed, both the original and new producers are responsible for notifying Ofgem of the change in order for the new producer to be registered to receive periodic support payments.
- 14.4. The sections below summarise what the original and new scheme participants will need to do, and what will happen to payments¹⁵⁹.

Existing scheme participant

- 14.5. Where a change of producer occurs we may first be informed by the new producer, but it is also a requirement of the GGSS regulations that the current scheme participant (the original producer) must inform us within 28 days of the change occurring¹⁶⁰.

¹⁵⁷ The GGSS Regulations, regulation 15

¹⁵⁸ The GGSS Regulations, regulation 15

¹⁵⁹ The GGSS Regulations, regulation 15(2)

¹⁶⁰ The GGSS Regulations, regulation 10(I)

- 14.6. The original producer must inform us of the change by emailing GGSS.app@ofgem.gov.uk.
- 14.7. Where we are first informed of the change by the original producer, we will request that contact details for the new producer are provided. This will allow us to make contact with them if they have not already informed us of the change of ownership.
- 14.8. It is not until the new owner confirms the change of ownership, either by replying to us or by informing us of the change independently (see below) that we consider notification of a change of producer having been given. This is important as it is the notification date that is the earliest date that any payments to the new owner may be backdated to.

New producer

- 14.9. While it is a requirement for the original producer to inform us of the change, the new producer may also inform us by emailing GGSS.app@ofgem.gov.uk or by telephone. In this case, we will treat the date on which we were contacted by the new producer as the formal date of notification (subject to confirmation with the original producer).
- 14.10. The new producer must also register their organisation on the GGSS Portal and nominate an authorised signatory. Please see chapter 3 for details of how to do this. Without completing this step it will not be possible to transfer the registration to the new producer.

Information required

- 14.11. Once we have received notification of the change of producer, we will contact both the original owner and new owner and ask them to confirm the following information via email:
- The date on which the change of producer took place
 - Whether any changes have been made to the installation that have not already been notified to Ofgem

- Evidence that the original producer is no longer party to the Network Entry Agreement (NEA)
- Injection data from the day on which the change of producer took place

14.12. The new producer will be required to provide evidence that they can meet all the ongoing obligations of the scheme in order to be registered. We may need to request additional evidence in order to be able to approve a change of registration.

Ongoing compliance

14.13. We will retain the right to carry out compliance action, including revocation of registration, even where a non-compliance occurred while the previous owner was registered. If a non-compliance is discovered that can be rectified, we will look to work with the new owner to rectify this, and any overpayments due will be apportioned according to who the original recipient was. However, where a non-compliance requires changes to be made in order to bring the installation into compliance it will be the responsibility of the new owner to implement these changes.

14.14. Where a change of producer occurs, the new producer should independently seek their own assurance as to the ongoing eligibility of that registration. The fact that the installation is registered on the scheme does not necessarily provide assurance that the installation is eligible and remains compliant with the requirements of the scheme. We are not able to provide specific guidance to new producers on what checks they need to carry out or how to carry out due diligence that satisfies them, and their investors.

15. Audit and compliance

Overview

- 15.1. The GGSS Regulations set out the eligibility criteria and ongoing participant obligations that must be adhered to in order to remain registered on the scheme and continue receiving payments. We have a range of powers set out in the GGSS Regulations that allow us to take certain actions where non-compliance is suspected or discovered¹⁶¹.
- 15.2. In this section we set out these powers, explain the circumstances in which they may be used and how participants will be kept informed.
- 15.3. We also run an ongoing programme of audits under which we, or our authorised agents, may carry out inspections on registered installations. We may also carry out inspections during the application stage to verify whether registration should be granted. We explain this process in the latter part of this chapter.
- 15.4. When identified, we have a range of powers to address non-compliance including the power to make changes to periodic support payments (e.g. withholding, suspending, or reducing payments) and revoking registration.

Fraud, scheme abuse

- 15.5. We take a zero-tolerance approach to **fraud, scheme abuse and misuse**. We have a dedicated Fraud Prevention Strategy aimed at preventing, detecting and deterring fraudulent activity on the scheme.
- 15.6. In the context of the GGSS, we deem fraudulent activity to be any dishonesty or misrepresentation in relation to the scheme rules and regulations. Where evidence of fraudulent activity is found, the investigations team will refer the matter to the appropriate external bodies, for example Action Fraud and/or the relevant police

¹⁶¹ The GGSS Regulations, Part 6

force. We will also have the power to suspend payments, revoke registration, seek recovery of payments and reject future applications by the participant.

15.7. Please see paragraphs 15.61 to 15.67 for information on whistleblowing.

Participant Compliance Powers

15.8. If we have reasonable grounds to suspect, or are satisfied that, a participant has failed, or is failing, to comply with the eligibility requirements or ongoing obligations, or where we discover that the information provided at the application stage was incorrect, we will be able to take action to investigate potential non-compliance¹⁶². We may apply certain sanctions either while we investigate suspected non-compliance or should we identify that non-compliance has occurred¹⁶³.

15.9. Where we suspect that participants may be failing to comply with ongoing obligations or have provided incorrect information during the application stage, we will take steps to determine the facts. In the first instance, we will normally contact a participant to request further information, clarification or relevant evidence. This should be sufficient in the majority of cases to establish whether a participant is compliant. However, if we are not satisfied with the outcomes of our initial enquiries, we may carry out a site inspection or, if we have reasonable grounds to suspect that a participant has failed or is failing to comply with their ongoing participant obligations under the scheme, instigate a formal investigation. Additionally, we may receive information from an audit that there is potential non-compliance, and this too may result in a formal compliance investigation.

15.10. Once we are satisfied that we are in possession of the relevant facts of a case, we will decide what further action, if any, may be appropriate to deal with the matter. Our approach may include confirming that a participant is in compliance, contacting the participant informally to advise them of any non-compliance and advising them

¹⁶² The GGSS Regulations, Part 6

¹⁶³ The GGSS Regulations, regulations 29 - 30

of what they should do to rectify the situation, or exercising one or more of the compliance actions that are available to us under the GGSS Regulations.

15.11. In deciding whether to take compliance action, we will take into consideration all the circumstances surrounding the non-compliance, which may include, for example:

- seriousness of the non-compliance and the duration
- whether the participant voluntarily reported the non-compliance
- reasons why the non-compliance happened and any mitigating circumstances
- whether there is a history of non-compliance by the participant
- whether the participant has gained financially through the non-compliance
- the conduct of the participant after the non-compliance has been discovered.

15.12. The range of actions that we may carry out under the GGSS Regulations, and examples of how these might be applied, are described in the rest of this chapter.

Temporarily withholding periodic support payments to investigate suspected non-compliance

15.13. If we have reasonable grounds to suspect that a participant has failed, or is failing to comply, with their ongoing obligations, or that they have been registered as a result of information which is incorrect, we may conduct an investigation. In such cases, we have the power to temporarily withhold all or part of a participant's periodic support payments until the investigation concludes¹⁶⁴.

15.14. Where we take the decision to temporarily withhold payments, periodic support payments will continue to accrue but will not be paid to the participant while the

¹⁶⁴ The GGSS Regulations, regulation 29

investigation is ongoing. However, it is dependent on the outcome of the investigation whether or not these payments will be paid following the investigation. For example, the result of the investigation may be that the registration should be revoked or that payments should be permanently withheld.

15.15. If we do temporarily withhold periodic support payments, we will notify the participant within 21 days of our decision¹⁶⁵, explaining:

- the reason we suspect they are failing or have failed to comply with ongoing participant obligations, or details of the information we suspect to be incorrect, on which registration was based.
- the date from which payments will be withheld
- the next steps in the investigation process
- details of the right to request a review of our decision

15.16. We may ask the participant for any reasonable information which may assist us in carrying out our investigation, while it is ongoing¹⁶⁶.

15.17. We will provide an update on the progress of the investigation to the participant every 30 days after the date of notification¹⁶⁷, including whether or not we will continue to temporarily withhold their payments.

15.18. We will aim to carry out investigations in a timely manner and will not temporarily withhold a participant's periodic support payments for longer than six months¹⁶⁸. However, if a participant takes longer than two weeks to provide information that we request during our investigation starting from the date on which we requested it, the period of such delay will not count towards the six-month time limit. In such circumstances, therefore, the suspension could be longer than six months.

¹⁶⁵ The GGSS Regulations, regulation 29(2)

¹⁶⁶ The GGSS Regulations, regulation 20(4)

¹⁶⁷ The GGSS Regulations, regulation 29(5)

¹⁶⁸ The GGSS Regulations, regulation 29(4)(b)

15.19. Upon conclusion of an investigation, or after six months, whichever is the earlier, we will notify the participant of the outcome of the investigation or, if the investigation is not concluded, inform them of this¹⁶⁹.

15.20. Upon conclusion of an investigation we will pay those periodic support payments which have been temporarily withheld, less any proportion of such payments which we decide to permanently withhold or reduce to the extent that this is attributable to the participant's material or repeated failure to comply with their ongoing participant obligations, or their provision of information which is incorrect¹⁷⁰.

15.21. Where the investigation has not been concluded within six months (noting that delays in provision of information do not count towards this limit, see paragraph 15.18), we may resume the participant's periodic support payments in accordance with the participant's existing payment schedule until the investigation is concluded. When the investigation is finished and we consider that the participant was in, or has resumed, compliance with their ongoing obligations under the scheme, the matter will be closed.

15.22. Where we are satisfied that the participant has failed to comply with an ongoing obligation, there has been a material or repeated failure by them to comply with an ongoing obligation or that registration was granted as a result of information which is incorrect in a material particular, we may take further enforcement action¹⁷¹.

15.23. We may also seek to recover payments previously made to the participant which relate to periods during which the participant was non-compliant under regulation 34(1). Recovery of payments may be achieved by offsetting the amounts against any future periodic support payments or by requiring repayment of the sum due from the participant (see section 'Recovering overpaid periodic support payments', below).

¹⁶⁹ The GGSS Regulations, regulation 29(7)

¹⁷⁰ The GGSS Regulations, regulation 29(10)

¹⁷¹ The GGSS Regulations, regulation 29(10)

Withholding periodic support payments

15.24. Where we are satisfied that a participant is failing, or has failed, to comply with an ongoing participant obligation under the scheme, or that registration was granted as a result of information which was incorrect in a material particular, we may either temporarily or permanently withhold all or part of that participant's payments¹⁷².

15.25. We will permanently withhold payments when we suspect that participants have not complied with the scheme rules, but have been unable to conclude our investigation within six months because the participant has not provided the requested information in a timely manner¹⁷³. In such instances, where the participant has failed to respond to our requests, we may take further compliance action such as revocation.

15.26. If we are notified that a participant has not complied with the scheme rules by a court, tribunal or other enforcement body, we will also permanently withhold payments¹⁷⁴.

15.27. Generally, we will temporarily withhold payments where we suspect that the participant is failing to comply with an ongoing participant obligation but is capable of rectifying this non-compliance. However, whether payments are resumed or repaid will depend on the nature of the non-compliance. Examples of this could include (but are not limited to) breaches of fuel eligibility requirements, use of temporary fossil fuel plant to provide heat to the AD plant/upgrade processes, a failure to submit periodic data within the specified timeframe or failure to provide mandatory information, including the annual declaration.

15.28. We may also temporarily withhold payments if a participant notifies us that they will be unable to comply with the scheme rules for a particular period (e.g. due to a temporary inability to source eligible fuel), but still wish to remain as a participant on the scheme.

¹⁷² The GGSS Regulations, regulation 30(1)

¹⁷³ The GGSS Regulations, regulation 30(1)(a)

¹⁷⁴ The GGSS Regulations, regulation 30(2)

15.29. When we withhold payments, within 21 days of that decision we will send the participant a notice¹⁷⁵ specifying:

- where there is a failure to comply with an ongoing participant obligation, the respect in which the participant is failing, or has failed, to comply
- where the participant was registered as a result of the provision of incorrect information, details of the respect in which the information was incorrect
- where information was not provided in a timely manner, details of the information requested and the deadlines which were not met
- the amount of periodic support payments we intend to withhold in each quarterly period and the date from which these payments will be withheld
- where applicable, the steps that the participant must take to satisfy us that they are complying with the ongoing participant obligation,
- where applicable, the steps the participant must take to satisfy us that, notwithstanding the provision of incorrect information, the participant should continue to be registered
- any further information the participant needs to provide to us
- the consequences of the participant failing to take the steps to satisfy Ofgem.
- the date by which the steps referred to above must be completed and details of the participant's right to review.

¹⁷⁵ The GGSS Regulations, regulation 30(3)

15.30. Where we are satisfied that the participant is compliant, within 28 days of making this decision, we will take the necessary steps needed for the participant to be paid periodic support payments (but only those falling after the date of our decision).

15.31. A participant is not entitled to later receive payments which have been withheld during a period of non-compliance.

15.32. However where a participant has rectified any non-compliance within 6 months of a notice being issued, we may exercise discretion in making payments that have been temporarily withheld.

15.33. When deciding how we exercise this discretion we will take into account the circumstances of the case. Where we do use our discretion to make a payment which we had previously withheld, we will make the payments to the participant within 28 days of being satisfied that the participant has resumed compliance with their ongoing obligations. It should be noted that if non-compliance continues for a period of six months or more from the date of withholding, we no longer have discretion to repay any payments which have been withheld.

15.34. If a participant is unable to resume compliance within the specified period we may take further compliance action.

Permanently withholding or reducing periodic support payments

15.35. Where we are satisfied that there has been a material or repeated failure by a participant to comply with an ongoing participant obligation during any quarterly period, (and the periodic support payment for that quarterly period has not been paid), we may:

- permanently withhold a proportion of the periodic support payment corresponding to the proportion of the quarterly period during which the non-compliance occurred; or

- reduce by up to 10% either the periodic support payment for the quarterly period during which the breach occurred, or the periodic support payment for the next quarterly period¹⁷⁶.

15.36. This would mean that the participant could receive either no periodic support payment or a reduced periodic support payment for the quarterly period they failed to comply within, or the participant could have their next quarterly periodic support payment reduced.

15.37. Any level of reduction will be determined within 21 days of the decision to permanently withhold or reduce periodic support payments, we will send a notice to the participant. The notice¹⁷⁷ will specify:

- how they have failed to comply with the rules of the scheme
- the period that the reduction or withholding of payments is for
- the level of any reduction
- details of their right of review of our decision

Revocation of registration

15.38. We have the power to revoke registration on the scheme, making a participant ineligible for any further payments under the scheme¹⁷⁸. This may occur where we are satisfied that there has been a material and/or repeated failure by a participant to comply with an ongoing participant obligation, where registration was granted as a result of information which was materially incorrect, or where there has been a repeated failure to comply with a notice issued by us.

¹⁷⁶ The GGSS Regulations, regulation 31(1)

¹⁷⁷ The GGSS Regulations, regulation 31(2)

¹⁷⁸ The GGSS Regulations, regulation 32

15.39. Before revoking a registration, we will send a notice to the participant. The notice¹⁷⁹ will inform the participant of:

- the reason for the intended revocation including the details of the participant's non-compliance (or the information which is materially incorrect)
- an explanation of the effect of the revocation on the participant (i.e. that they will be removed from the scheme and will not be eligible for future payments at any time)
- details of their right to request a review of our decision.

15.40. In addition, where we have revoked registration from a participant, we may also refuse in the future to register that former participant¹⁸⁰. Where a participant is registered on the scheme in respect of multiple installations, we may also revoke all their registrations¹⁸¹.

15.41. Where we suspect that a participant has deliberately falsified information provided to us in order to defraud the scheme we may refer such cases to the relevant authorities for further action. We will investigate and may also refer such cases to the relevant external authority, for example Action Fraud and the relevant police force. This may lead to a criminal prosecution, as well as to the suspension of payment and/or removal from GGSS.

¹⁷⁹ The GGSS Regulations, regulation 32(3)

¹⁸⁰ The GGSS Regulations, regulation 32(4)

¹⁸¹ The GGSS Regulations, regulation 32(2)

Recovering overpaid periodic support payments

15.42. Where we are satisfied that a participant or a former participant has received a payment which exceeds their entitlement, or has received a payment whilst failing to comply with an ongoing participant obligation (or following such a failure), were paid as a result of providing information which was materially incorrect we may:

- require the participant or former participant to repay some or all of the overpaid amount
- recoup some or all of the overpaid amount by offsetting it against any future periodic support payments¹⁸².

15.43. In cases where the participant remains on the scheme, we will usually offset the amount due to us against future payments to which the participant is entitled. But there may be instances, for example where a participant is no longer registered on the scheme, where the amount to be repaid exceeds any future entitlement to quarterly payments (or where the overpayment is significant) where we may require a participant to repay the overpaid amount directly.

15.44. As the GGSS Regulations place an ongoing obligation on participants to repay any overpayment of which they are notified¹⁸³, we may take enforcement action in cases where a participant who remains registered on the scheme fails to comply with a notice to repay. Where appropriate, we may also take action to recover the overpayment from a participant or a former participant as a civil debt owed to us¹⁸⁴, and we may involve third-party debt collection agencies.

¹⁸² The GGSS Regulations, regulation 34(2)

¹⁸³ The GGSS Regulations, regulation 10(1)(h)

¹⁸⁴ The GGSS Regulations, regulation 34(4)

15.45. Before taking action for repayment or to offset an amount owed to us against future payments, we will send a notice to the participant. The notice¹⁸⁵ will specify:

- the sum we are seeking to recover
- the basis on which that sum is calculated
- whether the specified sum must be repaid or offset
- where applicable, the date by which the sum must be repaid
- where applicable, the amount which will be offset in each quarterly period and the time it will take for the sum to be recovered
- details of the participant's or former participant's right to request a review of our decision

15.46. We will usually seek to recover an overpayment either by offsetting it against the full amount of the participant's next payment and all subsequent payments until the amount has been repaid, or by requesting payment in full within 28 days of the issue of a notice to repay. However if an overpayment to a participant has resulted from an error by us, we will seek to agree with the participant an appropriate schedule for repayment of the sum due, which may include the ability to repay the amount by instalment or through offsetting the amount against future payments over a longer period.

15.47. Where a participant considers that repayment of a previous overpayment is likely to result in significant hardship, they should contact us to discuss as soon as possible after receiving a notice to repay.

¹⁸⁵ The GGSS Regulations, regulation 34(3)

Revocation of sanctions

15.48. We may revoke a sanction which we have previously imposed on a participant¹⁸⁶. We may do so where there was an error involved when the sanction was originally imposed, or where it is otherwise just and equitable to do so. We may also revoke a sanction as a result of a current or former participant's successful request for review.

15.49. Within 21 days of the decision to revoke a sanction, we will send a notice to the participant. The notice¹⁸⁷ will specify:

- the sanction which has been revoked
- the reason for the revocation
- what actions we propose to take relating to any loss of periodic support payments incurred by the participant due to the sanction (e.g. where we had suspended, withheld or reduced payments), including timescales for doing so
- details of whom they may speak to if they are not satisfied with how we propose to deal with any loss of payment

Inspection and audit powers

15.50. We (or agents authorised on our behalf), will carry out a programme of audits of registered installations and associated infrastructure on an ongoing basis. It is our intention that all equipment used to produce biomethane will be subject to a site audit during the first year after commissioning. This will allow us to verify information provided during the application process at an early stage and to identify and rectify any possible issues as quickly as possible. Further audits may be carried out at any point during registration on the scheme¹⁸⁸.

¹⁸⁶ The GGSS Regulations, regulation 35

¹⁸⁷ The GGSS Regulations, regulation 35(2)

¹⁸⁸ The GGSS Regulations, regulation 36(1)

15.51. We also have the right to inspect any equipment that is being used for the purposes of an application to the scheme before a decision is made whether to grant registration.

15.52. We also operate an ongoing audit programme under which installations may be audited at any time. Audits may be selected on the basis of:

- specific concerns which may have arisen e.g. as a result of data submitted, concerns raised by our staff or following a report made by a third party
- risk-based factors determined by us which may include, for example, the magnitude of payments claimed, results of any previous audits; and
- random sampling across all participants.

15.53. We may request entry in order to undertake one or more activities. During a site inspection, the inspector will gather information that will enable us to check that information provided by a participant during the application process was accurate and that the installation has been correctly registered. This will include evidence to enable us to assess compliance with a participant's ongoing obligations. The inspector may also verify meter readings and that periodic data provided to us is accurate so that we are able to ensure that the correct payments have been and are being made to the participant. As part of the inspection, the inspector may take samples for analysis away from the premises and may also take photographs, measurements, video or audio recordings.

15.54. For desk-based audits, we may ask participants to send in particular documentation for verification. Participants will be required to respond within the timescales specified in the request.

15.55. Participants must keep appropriate records to enable an inspector to verify all of the periodic data which the participant has provided to us, and all documentation about the production and injection of biomethane. Participants must also keep all documentation supporting their application for registration as this may also be verified during an inspection visit or desk-based audit.

15.56. In addition, in order to encourage compliance with the scheme, we may periodically require participants to provide an independent, third-party verification of their

biomethane production, to confirm that the information provided to us is correct and that the biomethane has come from renewable sources.

Provision of access for site inspections

15.57. Participants have an ongoing obligation to provide reasonable access to us or our authorised agent for the purposes of inspection in accordance with the GGSS Regulations¹⁸⁹.

15.58. We will conduct inspection visits at a reasonable hour (this will generally be between 9am – 5pm, Monday – Friday). In order to simplify access and ensure availability of key personnel and data, we will normally give prior notice of site inspections. However, there may be occasions when we feel it is appropriate to conduct unannounced site inspections, for which we reserve the right to do so.

15.59. Where a participant unreasonably refuses an inspector access to the equipment used to produce biomethane and its associated infrastructure, this may constitute a breach of the participant's ongoing obligations¹⁹⁰. As a result, we may take the decision to either launch a formal investigation (which may involve temporary withholding of a participant's payments), or to take other compliance action. It should be noted that where we are assessing the appropriateness of any enforcement action, cooperation during inspections and any related investigations is one of the factors which we may take into account.

15.60. If a participant unreasonably refuses our inspector access, we will send the participant a notice within 21 days¹⁹¹. The notice will inform the participant of the reason why we consider the refusal to be unreasonable and the consequences of this (including potential sanctions). We will also inform them of their right to request a review of our decision.

¹⁸⁹ The GGSS Regulations, regulation 10(1)(f)

¹⁹⁰ The GGSS Regulations, regulation 10(1)(f)

¹⁹¹ The GGSS Regulations, regulation 36(2)

Fraud and whistleblowing

15.61. Ofgem takes a zero-tolerance approach to fraud. We will investigate, prevent and deter fraudulent activity on the environmental schemes that we deliver.

15.62. Irrespective of any action we may take in relation to non-compliance, there may be instances where we uncover evidence of possible criminal conduct such as fraud. In such case, based on the nature of the information we hold, we may refer the case to the relevant authorities for investigation. This may lead to a criminal prosecution, as well as the suspension of payments or removal of a scheme registration.

15.63. If anyone has concerns about suspected fraud within the GGSS, they will be able to report it to us by:

- emailing us at counterfraud@ofgem.gov.uk or
- calling us on 0207 901 7373 where they will be invited to leave a voice message. If we require further information in order to consider the concern, we will call them back.

15.64. We will be unable to take action unless the concern relates to the environmental or social programmes we administer.

15.65. Should someone contact us, we will need as much information as possible including the following:

- A description of the fraud that is taking place, including any individuals or companies involved
- Any addresses/postcodes/geographical areas that may be affected by this type of fraud
- The reporting individual's contact details (if they are happy to be contacted by us)
- Whether this case has reported this to anyone else (e.g. Trading Standards)

- Any other relevant information

15.66. If anyone has concerns about wrongdoing within where they work, or they work within the energy sector or are involved in the delivery of one of our environmental or social programmes, they can contact our whistleblowing desk by emailing us at whistle@ofgem.gov.uk or calling us on 0207 901 7121.

15.67. We do not investigate individual consumer disputes or complaints against energy companies. For these matters consumers should refer to our Consumer Affairs website page¹⁹² which has a step-by-step guide on how to make a complaint to their supplier. For further help and support consumers can contact the Citizens Advice Bureau either by calling them on 03454 040506 or by visiting their website: www.citizensadvice.org.uk

¹⁹² <https://www.ofgem.gov.uk/about-us/contact-us>

16. Enquiries, complaints and right of review

Overview

- 16.1. This chapter outlines how participants and applicants can make general enquiries regarding our administration of the GGSS scheme.
- 16.2. It also explains how to raise a complaint if an applicant or participant is dissatisfied with the service we offer, the way they have been treated or how we administer the scheme.
- 16.3. Lastly, it will set out applicants' and participants' right to review decisions we make. If you believe we have made an incorrect decision during our application of the GGSS regulations, you have the right to request that we carry out a statutory review of that decision. This chapter will include guidance on the process and key timelines.

General queries and complaints

- 16.4. Any general enquiries relating to the scheme operation, applicant eligibility or participant-related queries should be emailed to GGSS.enquiry@ofgem.gov.uk with the nature of the query clearly marked. If you are an existing participant, please provide us with a note in the query that you are a participant, along with your GGSS registration number. For telephone enquiries, the team can be contacted on 0300 3035997. Please check the Ofgem website¹⁹³ for the opening hours of the phone line. We aim to respond to all email enquiries within 10 working days.
- 16.5. If you are not satisfied with how you have been dealt with please let us know as soon as possible. Complaints may be about how we have performed, how we operate or the way in which we have reached a decision. If you would like to lodge a complaint with us, please send an email to feedback@ofgem.gov.uk providing us with as much information as possible. For further information, you can refer to the Ofgem complaints webpage¹⁹⁴.

¹⁹³ <https://www.ofgem.gov.uk/about-us/contact-us/environmental-and-social-scheme-contacts>

¹⁹⁴ <https://www.ofgem.gov.uk/about-us/contact-us/complaining-about-ofgem>

16.6. We do not investigate disputes or complaints against third parties. Any dispute between a GGSS participant and a third party, must be resolved between the parties themselves. This includes network companies and operators, and any parties with which participants have financial agreements. Ofgem does not investigate any such disputes, nor does it have a role in the complaint process.

Right of Review

16.7. The right of review entitles an applicant, participant or former participant (an “affected person”) to request a statutory review of a decision made by us in carrying out our functions under the regulations.

16.8. Examples of such decisions include (but are not limited to):

- Rejection of an application
- Applying a condition to a registration
- Non-compliance action, including revocation of a registration and withholding or recouping payments

16.9. Before requesting a statutory review, the affected person should consider that the decision of the statutory review officer is final and will not be subject to further internal review.

16.10. Requests for a statutory review should be made in writing **within 28 days** of the date of the notice of the decision which is requested for review.

16.11. In the request for a statutory review, the affected person should include:

- Their name
- The decision they wish to be reviewed
- The grounds on which they are requesting a review
- Their GGSS reference number

16.12. Requests should be signposted as GGSS STATUTORY REVIEW and emailed to GGSS.Enquiry@ofgem.gov.uk.

16.13. The request must be signed by or on behalf of the authorised signatory or owner(s) of the installation.

16.14. We recommend that those requesting a statutory review consider any information or evidence that could support their request and provide this from the outset. This will reduce the need for us to request additional information later in the process. The statutory review will be based on all the evidence, information and representations submitted by the affected person to the original decision maker. We may ask for further information and that must be provided to us.

16.15. We will send an acknowledgement email to the affected person within 2 working days of us receiving the request for statutory review.

16.16. The statutory review will be undertaken by a statutory review officer who will be of equal or greater seniority to the original decision maker. They will not have been involved in the original decision making.

16.17. It is in the interest of both parties to strive for quick resolution of disputes, and we recognise there can be time-sensitive project or business reasons to have a resolution.

16.18. To this end, the statutory review officer will aim to reach a decision within 20 working days. If it is not possible to do so in that time, we will provide the affected person with an update within this time. The update will give a timescale (normally 20 working days) for when we will next be in contact about the review request. Within **21** days of the statutory review officer reaching a decision, we will write to inform the affected person, as well as any other person who may be affected, about the outcome of the review and the reasons behind our decision.

16.19. For statutory reviews of decisions which we undertake, the statutory review officer can make the following decisions:

- revoke or vary the decision
- confirm the decision

- vary any sanction or condition that it has imposed, or
- replace any sanction or condition it has imposed with one or more alternative sanctions or conditions

16.20. Affected persons should note that the statutory review decision is final, and no further Ofgem review process is available. Should the affected person be dissatisfied with our response, they may take their complaint to the Parliamentary and Health Service Ombudsman who carries out independent investigations into complaints about public bodies. Details of how to make a complaint to the Parliamentary and Health Service Ombudsman can be found on their website at <https://www.ombudsman.org.uk/>.

16.21. All affected persons should note that they will be responsible for meeting their own costs when requesting a review from us or taking a case to the Parliamentary Ombudsman.

17. Public reporting

Overview

17.1. As part of our administration of the GGSS, we publish regular public reports which provide details of the scheme and key figures such as registration numbers and the total value of payments made. We also publish figures on the number of tariff guarantees issued and the current budget allocation (see 'budget availability' in chapter 4).

Quarterly and annual public reports

17.2. Our quarterly and annual reports are published on our website¹⁹⁵.

17.3. The reports will include the following information, at the minimum:

- The number of registered participants
- The volume of biomethane produced for injection by those registered producers
- The number of participants registered in respect of additional biomethane (additional capacity)
- The total number, and value, of periodic support payments made

17.4. Quarterly reports will be published by the end of the month following each scheme quarter, while annual reports will be published before 31 July following the end of each scheme year¹⁹⁶.

¹⁹⁵ <https://www.ofgem.gov.uk/environmental-and-social-schemes/green-gas-support-scheme-and-green-gas-levy/green-gas-support-scheme-and-green-gas-levy-guidance-resources>

¹⁹⁶ The GGSS Regulations, regulation 65(3)

Tariff guarantee and budget reporting

17.5. In order to give prospective participants an indication as to whether there are sufficient funds in the application budget cap to accommodate their project (see 'budget availability' in chapter 4), we publish figures on application volumes and remaining application budget. Our quarterly reports therefore include the following information:

- The number of tariff guarantee applications made
- The number of provisional tariff guarantee notices issued
- The number of tariff guarantees granted
- The number of applications for additional capacity
- The maximum initial capacity of the plants for which tariff guarantees have been granted
- The estimated total budget commitment for each of the relevant financial years

17.6. This information will also be published on the 'Applicants' page of our website¹⁹⁷ and will be updated at least once every four weeks.

¹⁹⁷ <https://www.ofgem.gov.uk/environmental-and-social-schemes/green-gas-support-scheme-and-green-gas-levy/green-gas-support-scheme-and-green-gas-levy-applicants>

Appendices

Index

Appendix	Name of Appendix	Page No.
1	RTFO declaration template	161
2	Common fuel classifications	154

Appendix 1 – Declaration: GGSS and RTFO Interaction

The following declarations are designed for biomethane producers registered on the GGSS. The relevant declaration must be submitted at the same time as the periodic data each quarter. This will then be used by Ofgem as appropriate, alongside other evidence and supporting information, to determine whether payments can be made.

Declaration 1 should be completed by biomethane producers who are not claiming under the RTFO.

I, the authorised signatory for [insert installation name] confirm that for [quarterly period] I have not and will not make a claim under the Renewable Transport Fuel Obligation.

Declaration 2 should be completed by biomethane producers who intend to claim under both GGSS and RTFO in any given quarter:

I, the authorised signatory for [insert registered installation name] am claiming [insert amount]kWh of injected biomethane for the period [insert dates from/ to] under the GGSS scheme.

The remaining [insert amount]kWh will be claimed under the Renewable Transport Fuel Obligation Scheme (RTFO) by [insert name].

I have attached the following documents to support the data submission:

- Biogas/Biomethane apportioning tool, or equivalent, to be utilised to ascertain the feedstock percentage of make-up of GGSS and RTFO gas
- Biomethane injection data and applicable supplementary heat - for the validation of GGSS payments

I understand and accept this represents my final submission to the GGSS for this quarterly period and that once payment for this submission has been made it cannot be withdrawn or amended in the future to revise the amount of gas claimed on the GGSS

I confirm that I understand and accept that I will not be eligible to claim under both the GGSS scheme and the RTFO for the same unit of biomethane and that to the best of my knowledge and belief the information supplied in this declaration form and the supporting documentation is accurate.

[signed]
Authorised Signatory

Appendix 2 – Common fuel classifications

1.1. These tables provide guidance on when substances should be considered products, residues or wastes for the purposes of the GGSS sustainability criteria.

1.2. It is not possible to set out definitive or absolute rules for when particular materials will be considered waste, residues or products. A number of factors must be considered when determining the classification of a substance, taking into account the circumstances of each case, and applying the legislation, case law principles and other relevant indicators.

1.3. This is an indicative and not exhaustive list. There may be further wastes or residues that are not on the list that still qualify as wastes or residues. As described in chapter 10, we may periodically review and update this list on our website, if sufficient evidence emerges to indicate that a substance should be treated differently.

1.4. For more information on feedstock classification, including definitions and reporting requirements please see chapters 10 and 11.

Table 6 - Products

Material	Description
Short rotation coppice (SRC)	Short rotation coppice is grown specifically for use as a fuel and, as such, it is a product.
Short rotation forestry (SRF)	Short rotation forestry grown specifically for use as a fuel is a product.
Virgin wood	Virgin wood is timber from whole trees and the woody parts of trees including branches and bark derived from forestry works, woodland management, tree surgery and other similar operations. It does not include clippings or trimmings that consist primarily of foliage (though these may be forestry residues).
Miscanthus	This is commonly grown as a fuel crop and in these circumstances will be a product. If it is put to another use first, e.g. as animal bedding, before being used as fuel then it will be a waste.
Acid ester	Esters are produced intentionally and are therefore a product.
Meal from virgin oil production	These materials are to be treated as products.
Sugar beet sludge	This is the pulp left over following sugar extraction. To be treated as a product.
Corn or wheat dried distillers grain (DDGS)	To be treated as a product.
Palm Stearin	Palm stearin is produced alongside palm olein from the fractionation of crude palm oil. After the fractionation process, the mixture is filtered to separate stearin (solid form) and olein (liquid).
Tallow – Animal by-product Category 3	Tallow, also called rendered animal fat, is the hard fat obtained from the whole or part of any dead animal through the process of rendering. It is then used as feedstock for the production of biodiesel or bioliquid as fuels. Tallow from category 3 animal by-products ¹⁹⁸ can be classified as a product.

¹⁹⁸ See [Animal by-product categories, site approval, hygiene and disposal - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/animal-by-product-categories-site-approval-hygiene-and-disposal)

Table 7 - Residues from agriculture, aquaculture, forestry and fisheries

Material	Description
Forestry residues	<p>BEIS' Methods of calculating greenhouse gas emissions¹⁹⁹ document (the "BEIS GHG Methodology") suggests that forestry residues are considered residues.</p> <p>Following statements from the Environment Agency, we consider forestry residues to be derived from "virgin wood" and to include all raw materials collected directly from the forest, whether or not as a result of thinning or logging activities.</p> <p>This may include (but is not limited to) materials such as treetops, branches, brash, clippings, trimmings, leaves, bark, shavings, woodchips and saw dust from felling.</p> <p>Forestry residues do not include any residues from related industries, or residues associated with processing the virgin wood/raw material (for example sawdust from sawmills). These may be classed as processing residues (see below).</p>
Arboricultural residues	Residues from arboriculture can be considered to be biomaterial such as that which is removed as part of tree surgery, management of municipal parks and verges of roads and railways. Residues from arboriculture should not include forestry residues.
Straw	<p>The BEIS GHG methodology suggests that straw should be considered a crop residue.</p> <p>As an agricultural residue, it must meet the land criteria. Straw is deemed to have zero GHG emissions prior to the process of collection.</p>
Bagasse	<p>Bagasse results from crushing sugarcane or sorghum. The BEIS GHG methodology suggests bagasse should be treated as a residue.</p> <p>As an agricultural residue, it must meet the land criteria. Bagasse is deemed to have zero GHG emissions prior to the process of collection.</p>
Nut shells	<p>The BEIS GHG methodology suggests that nut shells should be considered an agricultural residue.</p> <p>As an agricultural residue, it must meet the land criteria. Nutshells are deemed to have zero GHG emissions prior to the process of collection.</p>
Husks	The BEIS GHG methodology suggests that husks are a residue.

¹⁹⁹ See [Methods of calculating greenhouse gas emissions: "actual value method" and "default value method" \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

Material	Description
	As agricultural residues, they must meet the land criteria. Husks are deemed to have zero GHG emissions up to the point of collection.
Cobs	The BEIS GHG methodology suggests that cobs are a residue. Cobs are an agricultural residue, so must meet the land criteria. Cobs are deemed to have zero GHG emissions up to the point of collection.

Table 8 - Processing Residues

Material	Description
Palm processing residues: empty palm bunches fibre and shell from palm oil production palm oil mill effluent (POME)	These are to be treated as residues.
Saw dust from sawmills	This is a processing residue. Note that any deliberate change to the production process to increase the volume of sawdust resulting from processing would make the resulting material a product rather than a residue.

Table 9 - Wastes

Material	Description
Waste wood	<p>Any waste wood, including “non-virgin” wood, will be considered a waste.</p> <p>Following statements from the Environment Agency, waste wood may include non-virgin timber off-cuts, shavings, chippings and sawdust from the processing of non-virgin timbers (whether clean or treated).</p> <p>The phrase “non-virgin” wood refers to materials such as post-consumer waste and construction and demolition waste.</p>
Brown grease (ex USA)	Brown grease is the grease that is removed from wastewater sent down a restaurant's sink drain. This is a waste.
Manure	This is a waste
Tallow – Animal By-Product Category 1	Tallow, also called rendered animal fat, is the hard fat obtained from the whole or part of any dead animal through the process of rendering. It is then used as feedstock for the production of biodiesel or bioliquid as fuels. Tallow from category 1 animal by-products ²⁰⁰ can be classified as a waste.
Municipal Solid Waste	This is a waste.
Construction and demolition wastes	For the purposes of generation, this category will be mainly waste wood.
Meat/bone meal	This is a waste.
Food waste	Whether from manufacturers, retailers or consumers, this will be a waste. (Upon FMS questionnaire revision, participant may be asked to split the consignments of food waste)
Waste pressings from production of vegetable oils	When a vegetable material such as olives is pressed to produce vegetable oil, the pressed material consisting of pips, skins, flesh etc. remains. This may be used as a fuel. The purpose of the process is to produce oil; the pressings are therefore wastes.
Olive pomace	As above.
Soapstocks	From oil de-acidification; again an output from vegetable oil refining that will be waste.

²⁰⁰ See website link <https://www.gov.uk/guidance/animal-by-product-categories-site-approval-hygiene-and-disposal>

Material	Description
Distillation residues	Distillation residues are what are left over following the distillation of products such as biodiesel, oil or petrochemicals, so will be wastes.
Food crops affected by fungi during storage	These are wastes.
Food crops that have been chemically contaminated	These are wastes.