

Green Gas Support Scheme

Quarterly Report – Issue 10

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This is Issue 10 of the Green Gas Support Scheme (GGSS) quarterly report, which provides updates to key statistics for the GGSS and the associated Green Gas Levy (GGL). This report covers the fourth quarter of Scheme Year 3, from 1 January to 31 March 2024.

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Introduction

This quarterly report summarises key GGSS and GGL statistics from the fourth quarter of Scheme Year 3 (SY3), from 1 January to 31 March 2024. Under Regulation 65 of the Green Gas Support Scheme Regulations 2021¹, Ofgem is obligated to publish a quarterly report containing information relating to the scheme within one month of the end of each quarter.

About the Scheme

The Green Gas Support Scheme (GGSS) is a government scheme designed to increase the proportion of 'green gas' in the gas grid by providing financial incentives for new anaerobic digestion (AD) biomethane plants. The scheme is currently open to applications from eligible plants in England, Scotland, and Wales until 30 November 2025, and it is planned to extend this further to 31 March 2028.²

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 biomethane)³ to pay a quarterly levy based on the number of meter points they serve.

The GGSS opened to applications on 30 November 2021 when our application portal ("the GGSS Portal")⁴ went live.

Further Information and Guidance

Prospective applicants, obligated suppliers, or those interested in finding out more about the scheme, can find more information on our website⁵. This includes information on eligibility requirements, the tariffs that are available, the application process and supplier obligations.

¹ [Green Gas Support Scheme Regulations 2021](https://www.legislation.gov.uk/uksi/2021/1335/contents/made) (as amended)
<<https://www.legislation.gov.uk/uksi/2021/1335/contents/made>>

² [GGSS mid-scheme review: extending the scheme](https://www.gov.uk/government/publications/green-gas-support-scheme-ggss/ggss-mid-scheme-review-extending-the-scheme-update-21-october-2023)
<<https://www.gov.uk/government/publications/green-gas-support-scheme-ggss/ggss-mid-scheme-review-extending-the-scheme-update-21-october-2023>>

³ [DESNZ approved biomethane certification schemes for the purposes of GGL exemption](https://www.gov.uk/government/publications/green-gas-levy-ggl-rates-and-exemptions/exemptions-from-the-green-gas-levy-ggl-approved-biomethane-certification-schemes)
<<https://www.gov.uk/government/publications/green-gas-levy-ggl-rates-and-exemptions/exemptions-from-the-green-gas-levy-ggl-approved-biomethane-certification-schemes>>

⁴ [The GGSS Portal](https://ggss.ofgem.gov.uk) <<https://ggss.ofgem.gov.uk>>

⁵ [About the scheme: GGSS and GGL](https://www.ofgem.gov.uk/environmental-and-social-schemes/green-gas-support-scheme-and-green-gas-levy) <<https://www.ofgem.gov.uk/environmental-and-social-schemes/green-gas-support-scheme-and-green-gas-levy>>

We have also published dedicated GGSS⁶ and GGL⁷ guidance documents which further explain Ofgem’s administration of the scheme.

Contacts

If you can’t find the information you need on our website, our customer service team will be happy to help. You can contact us by email at GGSS.enquiry@ofgem.gov.uk or by telephone at **0300 303 5997**.

For press enquiries please contact Ofgem’s press office on **0207 901 7179**.

⁶ [GGSS Guidance](https://www.ofgem.gov.uk/publications/green-gas-support-scheme-guidance) <<https://www.ofgem.gov.uk/publications/green-gas-support-scheme-guidance>>

⁷ [GGL Guidance](https://www.ofgem.gov.uk/publications/green-gas-levy-guidance) <<https://www.ofgem.gov.uk/publications/green-gas-levy-guidance>>

Registered Scheme Participants

Information on the number of registered scheme participants, the biomethane produced, and the periodic support payments are shown below in **Figure 1**. GGSS support is provided to registered biomethane producers based on the eligible biomethane (in kWh) that they inject into the gas grid. Due to delays receiving data submissions from participants, information is currently only available up to quarter two of Scheme Year 3. As such, N/A is shown where the figures are currently unavailable.

There is currently one registered participant on the GGSS scheme who has received five periodic support payments totalling £1,089,060.50 based on 18,847,157 kWh of green gas injected into the grid.

Figure 1: Registered scheme participants, biomethane production and payments

	Number of Scheme Participants ⁸	Biomethane Produced (m ³) ⁹	Eligible biomethane produced (kWh) ¹⁰	Number of payments made	Total value of payments made ¹¹
Q3 SY1 (Nov to Dec) to Q1 SY2 (Apr to Jun)	0	0	0	0	£0
Q2 SY2 (Jul to Sep)	1	246,292	1,903,101	1	£104,860.84
Q3 SY2 (Oct to Dec)	1	586,840	4,145,455	1	£228,414.58
Q4 SY2 (Jan to Mar)	1	583,870	4,077,539	1	£224,672.39
Q1 SY3 (Apr to Jun)	1	462,000	4,235,146	1	£257,920.37
Q2 SY3 (Jul to Sep)	1	556,220	4,485,917	1	£273,192.32
Q3 SY3 (Oct to Dec)	1	N/A	N/A	0	N/A
Q4 SY3 (Jan to Mar)	1	N/A	N/A	0	N/A
Total	1	2,435,222	18,847,157	5	£1,089,060.50

⁸ Participants are shown as Registered from the period within which they were eligible to claim for support, irrespective of when the application was processed.

⁹ The volume of gas injected into the grid in cubic meters (m³) – the volume of the 'C' term on page 65 of the GGSS Guidance and regulation 27(2).

¹⁰ kWh (kilowatt hours of heat). Eligible biomethane produced refers to the 'A' term defined in regulation 27(1) and is used for calculating the payment amount.

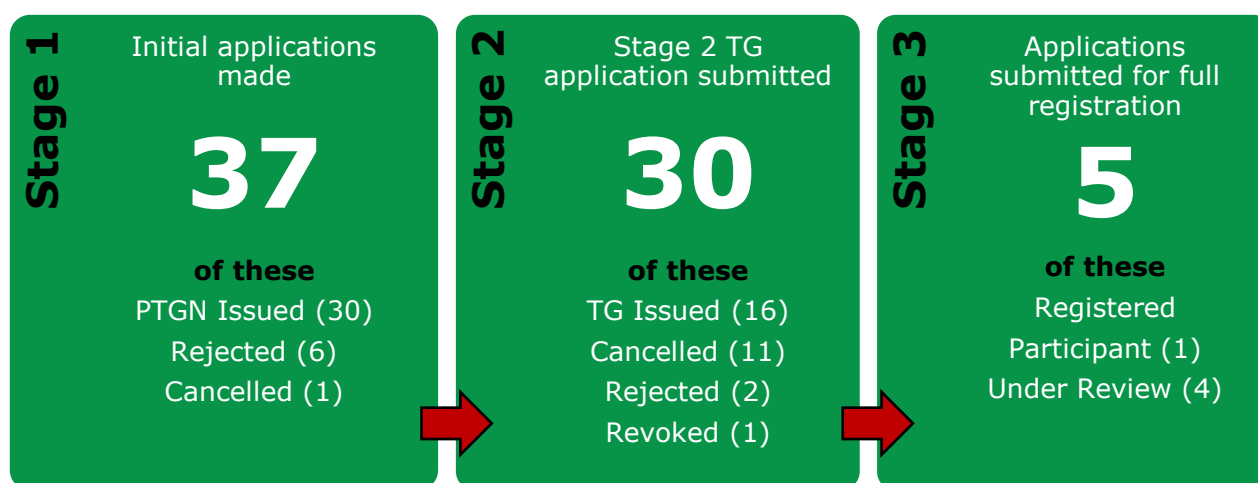
¹¹ Payments are based on the eligible biomethane (in kWh) participants inject into the gas grid and are reported against the period in which the biomethane was injected. The period the payment was made by Ofgem to the participant may differ to this.

Tariff Guarantee Applications

Tariff Guarantees (TGs) are a compulsory stage of applying to the GGSS. Tariff guarantees allow prospective scheme participants to secure a tariff rate before their installation is commissioned and registered on the scheme.

As seen in **Figure 2**, we had received 37 applications for tariff guarantees¹² as of 31 March 2024. Of the 37 initial applications made at stage one, 30 went on to be granted with Provisional Tariff Guarantee Notices (PTGN), six were rejected and one cancelled. From the 30 PTGNs granted, 30 went on to submit a stage 2 TG application. Of these, 16 went on to be issued with a TG, 11 were cancelled, two were rejected and one was revoked. Of the 16 applicants that have been granted tariff guarantees, five have been submitted for full registration. Of the five applications submitted for full registration, one application has successfully been registered as a participant on the scheme and the other four applications are currently under review.¹³

Figure 2: Tariff guarantee application progress



¹² Further information on the tariff guarantee application process can be found in our GGSS guidance.

¹³ In cases where an application has been unsuccessful the applicant may submit a new Tariff Guarantee application. Any resubmission of a previously unsuccessful application will be treated as a new application and subject to budget availability at the time of submission.

Additional Capacity Applications

Scheme participants may also apply to register additional capacity on top of the maximum initial capacity (MIC) applicable to their initial registration. As additional capacity registered on the scheme will also utilise scheme budget, applications for additional capacity must also be checked against the Application Budget cap.

As of 31 March 2024, we had received no applications for additional capacity. Applications for additional capacity may only be made by registered participants who increase or intend to increase (MIC).

Figure 3: Additional capacity applications

Number of applications to register additional capacity received	0
Number of participants registered in respect of additional biomethane	0

Budget Allocation

The GGSS includes an annual Application Budget cap, set by the Department for Energy Security and Net Zero (DESNZ). This is the total estimated spend that can be allocated to applicants each financial year. All applications for a Tariff Guarantee (TG) or for additional capacity will be checked against the Application Budget cap to ensure that there is available budget for them to register and receive payments under the scheme based on their estimated production.

Please see our scheme guidance and DESNZ document, 'GGSS – Budget Management'¹⁴ for further details of the Application budget cap.

Figure 4 shows budget allocation figures up to Scheme Year 7, which are correct as of 31 March 2024.¹⁵ Publishing these figures is intended to allow prospective applications to check that there are sufficient funds remaining in the financial year they intend to commence injection, and in subsequent years. Based on Tariff Guarantee applications received, the allocated budget shows a sharp rise between Scheme Year 2 and Scheme Year 4 as most applicants to date are expected to commission over this period.

¹⁴ [GGSS: budget management guidance](https://www.gov.uk/government/publications/green-gas-support-scheme-budget-management/green-gas-support-scheme-budget-management) <<https://www.gov.uk/government/publications/green-gas-support-scheme-budget-management/green-gas-support-scheme-budget-management>>

¹⁵ The GGSS regulations require that to join the scheme, participants must commence biomethane injection into the gas grid no later than 30 November 2025.

Figure 4: Budget allocation as of 31 March 2024

	Annual Application Budget Cap¹⁶	Budget allocated (TG applications received)¹⁷	Budget committed (TGs granted)	Remaining budget available
SY1 (2021 to 22)	£37,000,000	£233,938	£233,938	£36,766,062
SY2 (2022 to 23)	£37,000,000	£2,598,348	£2,598,348	£34,401,652
SY3 (2023 to 24)	£32,900,000	£13,832,946	£13,823,099	£19,067,054
SY4 (2024 to 25)*	£88,200,00*	£48,771,010	£43,977,483	£39,428,990
SY5 (2025 to 26)*	£132,200,000*	£67,040,606	£61,278,336	£65,159,394
SY6 (2026 to 27)*	£160,700,000*	£73,743,326	£67,613,208	£86,956,674
SY7 (2027 to 28)*	£172,300,000*	£77,199,009	£70,731,642	£95,100,991

*DESNZ may revise budget caps on a quarterly basis. In December 2023, the application budget caps for SY4 and subsequent scheme years were revised, effective from 1 April 2024. The revised Application Budget cap for Scheme Year 4 effective from 1 April 2024 is £51,700,000. The revised budget cap information is published on the DESNZ website¹⁸. Check the Application Budget Cap section of our website for updated information on remaining budget available for each scheme year¹⁹.

¹⁶ The Annual Application Budget cap is a cap on the estimated spend that can be allocated for biomethane production within each scheme year.

¹⁷ Figures are based on live TG applications, meaning any application that has been rejected and its 28 day right of review period has elapsed are not included.

¹⁸ [GGSS Budget Caps for 2024-2025](https://www.gov.uk/government/publications/green-gas-support-scheme-budget-management/ggss-budget-caps-production-factors-and-inflation-forecasts-for-2024-2025) <<https://www.gov.uk/government/publications/green-gas-support-scheme-budget-management/ggss-budget-caps-production-factors-and-inflation-forecasts-for-2024-2025>>

¹⁹ [Applicants: GGSS and GGL](https://www.ofgem.gov.uk/environmental-and-social-schemes/green-gas-support-scheme-and-green-gas-levy/applicants) <<https://www.ofgem.gov.uk/environmental-and-social-schemes/green-gas-support-scheme-and-green-gas-levy/applicants>>

Levy Payments

The GGSS is funded by a levy placed on all licensed fossil fuel gas suppliers in Great Britain, known as the Green Gas Levy (GGL). The levy rate is set annually by DESNZ in December and used to calculate suppliers' payment obligations in the following scheme year. The obligation period runs for the full duration of the scheme year (1 April to 31 March) with payments collected each quarter in arrears.

At the start of each quarter, all licensed suppliers are required to submit meter point data. For each gas supply licence held, suppliers must provide the cumulative sum of gas supply meter points served each day of the previous quarter.²⁰ This data is used by Ofgem to calculate each supplier's levy obligation for that quarter, as well as the following quarter's credit cover requirement.

It is the supplier's responsibility to confirm accurate meter point data for each licence within the timeframes set out in the published scheme schedule, which is available on the Ofgem website.²¹

Prior to a levy payment being due, obligated suppliers are required to have a sufficient level of credit cover²² lodged. This helps ensure levy payments are collected in a timely manner and reduces the likelihood of a mutualisation²³ event being required. Where a supplier fails to make a levy payment or mutualisation payment in full by the due date, Ofgem will draw down funds from a supplier's lodged credit cover.

Suppliers of at least 95% green gas can be exempted from paying the levy. Before each scheme year, suppliers may submit evidence to Ofgem demonstrating that they expect to provide at least 95% green gas in that scheme year. Ofgem will then determine whether that supplier should be 'provisionally exempt'. Provisionally exempt suppliers will not have to pay the levy or provide credit cover during the scheme year.

At the end of the relevant scheme year, provisionally exempt suppliers must demonstrate that they have supplied at least 95% certified green gas during that year. The green gas must have been injected into the gas grid during that year and be certified by a DESNZ

²⁰ Regulation 48 of the Green Gas Support Scheme Regulations 2021.

²¹ [GGL scheme schedule Apr 2023 to Mar 2024](https://www.ofgem.gov.uk/publications/green-gas-levy-annual-scheme-schedule-april-2023-march-2024) <<https://www.ofgem.gov.uk/publications/green-gas-levy-annual-scheme-schedule-april-2023-march-2024>>

²² Credit cover can be in the form of a cash payment made to Ofgem, a suitable letter of credit or a combination of these. Further details in our GGL Guidance.

²³ For further information on mutualisation please refer to chapter 6 of our GGL guidance.

approved biomethane certification scheme²⁴. If they cannot demonstrate this, they will no longer be exempt from the levy and will be required to make backdated levy payments. Suppliers who were not provisionally exempt but supplied at least 95% certified green gas during the year may submit evidence of this. If we determine they are exempt for that year, they will receive a refund of levy payments made for the year.

Scheme Suppliers and Levy Payments

Figure 5 shows the number of obligated suppliers under the scheme. The number of obligated suppliers can vary quarter to quarter depending on licence revocation and/or approval of gas supply licenses. The sum of quarterly levy payments paid by scheme suppliers fell significantly for quarter two of Scheme Year 3 in comparison to previous quarters. This is due to a reduction in the levy rate from quarter two onwards in Scheme Year 3²⁵. One supplier has been determined to be provisionally exempt for Scheme Year 3. Scheme suppliers were invoiced for the levy payment for the eighth time in February 2024, in accordance with the Annual Scheme Schedule. The sum of the quarterly levy payments collected in quarter four of Scheme Year 3 was £2,813,594.32.

²⁴ [DESNZ approved biomethane certification schemes for the purposes of GGL exemption](https://www.gov.uk/government/publications/green-gas-levy-ggl-rates-and-exemptions/exemptions-from-the-green-gas-levy-ggl-approved-biomethane-certification-schemes) <<https://www.gov.uk/government/publications/green-gas-levy-ggl-rates-and-exemptions/exemptions-from-the-green-gas-levy-ggl-approved-biomethane-certification-schemes>>

²⁵ [Green Gas Levy \(GGL\) levy rates](https://www.gov.uk/government/publications/green-gas-levy-ggl-rates-and-exemptions/green-gas-levy-ggl-rates-underlying-variables-mutualisation-threshold-for-the-2023-2024-financial-year) <<https://www.gov.uk/government/publications/green-gas-levy-ggl-rates-and-exemptions/green-gas-levy-ggl-rates-underlying-variables-mutualisation-threshold-for-the-2023-2024-financial-year>>

Figure 5: Scheme suppliers and levy payments made

	Number of scheme suppliers ²⁶	Number of provisionally exempt scheme suppliers	Number of active scheme suppliers ²⁷	Sum of the quarterly levy payments paid by scheme suppliers
Q3 SY1 (Oct to Dec)	85	N/A	N/A	N/A
Q4 SY1 (Jan to Mar)	98	1	N/A	N/A
Q1 SY2 (Apr to Jun)	94	1	94	£14,582,036.61
Q2 SY2 (Jul to Sep)	91	1	74	£13,011,589.23
Q3 SY2 (Oct to Dec)	90	1	73	£13,170,270.55
Q4 SY2 (Jan to Mar)	88	1	72	£13,189,985.89
Q1 SY3 (Apr to Jun)	87	1	71	£12,923,645.02
Q2 SY3 (Jul to Sep)	87	1	69	£2,772,493.66
Q3 SY3 (Oct to Dec)	86	1	68	£2,807,610.56
Q4 SY3 (Jan to Mar)	78	1	67	£2,813,594.32

Supplier Compliance

We monitor suppliers' compliance with their obligations under the GGL scheme and include details of any non-compliance in this section of the report. This can include missed or late levy payments, credit cover payments or mutualisation payments.

Depending on the nature of the non-compliance, we may deem it appropriate to add details to the Supplier Performance Report (SPR)²⁸. The SPR documents incidents where energy suppliers have not complied with their obligations. We publish this data to

²⁶ A scheme supplier is a licensed gas supplier. The number shown includes all suppliers licensed at any point during the quarter. Therefore, the number licenced at the end of the quarter could be different.

²⁷ Active suppliers are those suppliers obligated to pay the levy in a given quarter. For more information on when scheme suppliers are not required to make levy payments, please refer to our GGL guidance.

²⁸ [Supplier Performance Report \(SPR\)](https://www.ofgem.gov.uk/supplier-performance-report-spr) <<https://www.ofgem.gov.uk/supplier-performance-report-spr>>

provide transparency and to hold suppliers to account for non-compliance which can impact the effectiveness of schemes and increase costs passed on to consumers.

For the current quarter, Ofgem requested the quarter four levy payment from obligated suppliers on 29 January 2024; the deadline to provide this was 11.59pm on 13 February 2024. There were no instances of failure to provide levy payments in this quarter.

Ten suppliers failed to confirm their Meter Point Data submission²⁹ this quarter. The suppliers who did not meet this obligation were:

1. Economy Gas Ltd
2. Flogas Enterprise Solutions Ltd
3. Ovo (S) Gas Ltd
4. Ovo Gas Ltd
5. Shell Energy Retail Ltd
6. Square 1 Energy Ltd
7. United Gas & Power Ltd
8. Utilita Energy
9. Valda Energy Ltd
10. Yu Energy

²⁹ Meter point data is used to calculate the levy payments due and credit cover requirements for upcoming quarters. It is a legal requirement that suppliers confirm that their meter point data is accurate. Failure to confirm this with us is therefore considered a non-compliance.