

Green Gas Support Scheme

Quarterly Report – Issue 13

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This is Issue 13 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 third quarter of Scheme Year 4, from 1 October to 31 December 2024.

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Introduction

This quarterly report summarises key GGSS and GGL statistics from the third quarter of Scheme Year 4 (SY4), from 1 October to 31 December 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 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 open to applications from eligible plants in England, Scotland, and Wales until 31 March 2028.²

The GGSS is funded through the 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 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/ukxi/2021/1335/contents/made) (as amended)
<<https://www.legislation.gov.uk/ukxi/2021/1335/contents/made>>

² The date the scheme closes to applications was extended from 30 November 2025 to 31 March 2028 as part of the GGSS mid-scheme review. This change came into effect on 4 June 2024:
[Green Gas Support Scheme: mid-scheme review](https://www.gov.uk/government/consultations/green-gas-support-scheme-mid-scheme-review)
<<https://www.gov.uk/government/consultations/green-gas-support-scheme-mid-scheme-review>>

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. These figures only account for injection that occurred up to the end of quarter two in Scheme Year 3 (September 2023). Data for the injection that occurred during the rest of Scheme Year 3, and the first three quarters of Scheme Year 4, is yet to be approved and paid. 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
Q1 SY4 (Apr to Jun)	1	N/A	N/A	0	N/A
Q2 SY4 (Jul to Sep)	1	N/A	N/A	0	N/A
Q3 SY4 (Oct to Dec)	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 73 of the GGSS Guidance and regulation 27(2).

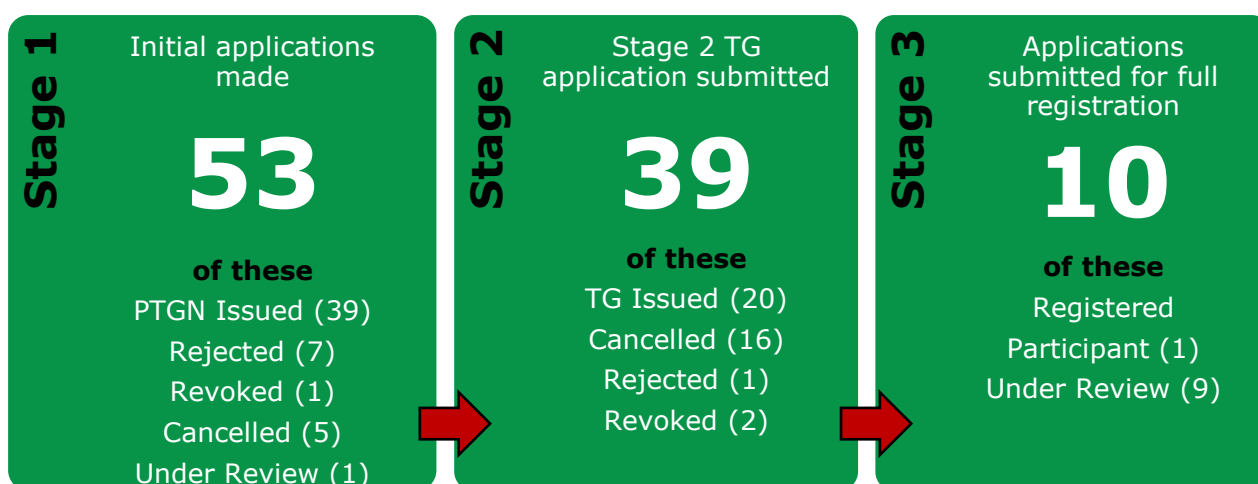
¹⁰ kWh (kilowatt hours of heat). Eligible biomethane produced refers to the 'A' term defined in regulation 27(1) and is used for calculating the payment amount.

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 53 applications for tariff guarantees¹² as of 31 December 2024. Of the 53 initial applications made at stage 1, 39 went on to be granted with Provisional Tariff Guarantee Notices (PTGN), seven were rejected, one was revoked, five were cancelled, and one is under review. Of the 39 PTGNs granted, 39 went on to submit a stage 2 TG application. Of these, 20 went on to be issued with a TG, 16 were cancelled, one was rejected and two were revoked. Of the 19 applicants that have been granted tariff guarantees, ten have submitted their stage 3 applications for full registration. Of the ten applications submitted for full registration, one application has successfully been registered as a participant on the scheme and the other nine 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 December 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 9, which are correct as of 31 December 2024. Publishing these figures is intended to allow prospective applicants 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 have provided a commissioning date or expect to commission over this period.¹⁵

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 Please note that some applications submitted in Scheme Year 2 and Scheme Year 3 remain under review. If approved, payments will be backdated to the date the applications were properly made (this is the date that we have received all of the required information to a suitable standard in order to be able to make a decision on the application). The relevant budget has been allocated and is reserved for this purpose.

Figure 4: Budget allocation as of 31 December 2024

	Annual Application Budget Cap¹⁶	Budget allocated (TG applications received)¹⁷	Budget committed (TGs granted)	Remaining budget
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)	£51,700,000	£45,931,957.16	£45,585,592.23	£5,768,042.84
SY5 (2025 to 26)	£80,300,000	£68,503,685.23	£65,553,392.62	£11,796,314.77
SY6 (2026 to 27)	£124,900,000	£90,764,727.29	£87,340,790.73	£34,135,272.71
SY7 (2027 to 28)	£174,200,000	£104,434,812.33	£100,676,678.72	£69,765,187.67
SY8 (2028 to 29)	£203,800,000	£109,620,769.25	£105,702,441.67	£94,179,230.75
SY9 (2029 to 30)	£214,300,000	£113,054,880.38	£108,787,729.59	£101,245,119.62

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.

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.¹⁸ 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.¹⁹

Prior to a levy payment being due, obligated suppliers are required to have a sufficient level of credit cover²⁰ lodged. This helps ensure levy payments are collected in a timely manner and reduces the likelihood of a mutualisation²¹ 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.

Following GGSS regulation amendments made in December 2023²² a de minimis threshold applied for the first time to total credit cover requirements for quarter one, and levy payments due in quarter one. A de minimis is a threshold, where if a payment is equal to or below the value of the de minimis, it need not be paid. The de minimis threshold is set annually by DESNZ.²³

¹⁸ Regulation 48 of the Green Gas Support Scheme Regulations 2021.

¹⁹ [Green Gas Levy Annual Scheme Schedule for April 2024 to March 2025 | Ofgem](https://www.ofgem.gov.uk/publications/green-gas-levy-annual-scheme-schedule-april-2024-march-2025)
<<https://www.ofgem.gov.uk/publications/green-gas-levy-annual-scheme-schedule-april-2024-march-2025>>

²⁰ 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.

²¹ For further information on mutualisation please refer to chapter 6 of our GGL guidance.

²² GGSS regulation amendment made in 2023: [Legislation.gov.uk](https://www.legislation.gov.uk)
<<https://www.legislation.gov.uk/primary+secondary?title=green%20gas%20support%20scheme>>

²³ The de minimis threshold for 2024/2025 is £50: [Green Gas Levy \(GGL\): rates, underlying variables, mutualisation threshold and de minimis for the 2024-2025 financial year](https://www.gov.uk/government/publications/green-gas-levy-ggl-rates-and-exemptions/green-gas-levy-ggl-rates-underlying-variables-mutualisation-threshold-and-de-minimis-for-the-2024-2025-financial-year#de-minimis)
<<https://www.gov.uk/government/publications/green-gas-levy-ggl-rates-and-exemptions/green-gas-levy-ggl-rates-underlying-variables-mutualisation-threshold-and-de-minimis-for-the-2024-2025-financial-year#de-minimis>>

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 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, which can also cause fluctuations in the sum of quarterly levy payments collected. One supplier has been determined to be provisionally exempt for Scheme Year 4.

Notably, the sum of quarterly levy payments paid by scheme suppliers fell significantly in quarter two of Scheme Year 3 in comparison to previous quarters. This was due to a reduction in the levy rate from quarter two onwards in Scheme Year 3²⁵.

In quarter three of Scheme Year 4, the sum of quarterly levy payments collected was £2,362,805.12. This is a slight decrease on the £2,399,193.48 collected in the previous quarter.

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 \(GGL\): rates, underlying variables, mutualisation threshold and de minimis for the 2024-2025 financial year](https://www.gov.uk/government/publications/green-gas-levy-ggl-rates-and-exemptions/green-gas-levy-ggl-rates-underlying-variables-mutualisation-threshold-and-de-minimis-for-the-2024-2025-financial-year) <<https://www.gov.uk/government/publications/green-gas-levy-ggl-rates-and-exemptions/green-gas-levy-ggl-rates-underlying-variables-mutualisation-threshold-and-de-minimis-for-the-2024-2025-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
Q1 SY4 (Apr to Jun)	77	1	64	£2,784,213.05
Q2 SY4 (Jul to Sep)	74	1	61	£2,399,193.48
Q3 SY4 (Oct to Dec)	77	1	69	£2,362,805.12

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.

Supplier Compliance

We monitor suppliers' compliance with their obligations under the GGL 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. For this quarter we identified eight instances of supplier non-compliance in the following areas:

Failure to confirm Meter Point Data by the statutory deadline (Legislative)

- **Equinor UK Limited** and **Flow Energy Limited** did not confirm their meter point data to us before the relevant deadline.
- **AXPO UK Limited** and **Marble Power Limited** both provided Meter Point Data that was different to that provided by Xoserve to a degree outside of Ofgem's tolerance. They were asked to provide evidence to support their data submission which they failed to do before the deadline. In these instances, Xoserve data was used for the calculation of Credit Cover and levy payment obligations.

Failure to make a Levy payment by the statutory deadline (Legislative)

- **Utilita Energy Limited** failed to make their levy payment by the deadline. Their credit cover was drawn down and late payment interest added. The payment was made and subsequently returned to Utilita as the credit cover draw down process had already been incepted by the time the payment was received. This instance of non-compliance was also added to the GGL Default Register.

Failure to respond to our request to provide the scheme with Key Contact details within the deadline set (Administrative)

- Having key contact details is vital to the scheme's success, and without these we are unaware of who to contact to inform suppliers of their obligations. **Utilita Gas Limited** failed to provide us with this information by the deadline.

Failure to respond to our request to provide root cause analysis and preventative measures to prevent non-compliances identified and reported on the SPR within the deadline set (Administrative)

- When a supplier is added to the SPR we ask them to assess why this occurred and what action they can take to prevent this occurring again. **Utilita Gas Limited** and **Utilita Energy Limited** have both failed to respond to this request and have therefore missed the deadline.

Ofgem are required by the GGSS Regulations to publish certain information about such defaults on the Green Gas Levy default register.²⁸ Depending on the nature of the non-compliance, we may deem it appropriate to add details to the Supplier Performance Report (SPR).²⁹ The SPR documents incidents where energy suppliers have not complied with their obligations. We publish this data to 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.

All of the above incidents have been added to the SPR, and as discussed one of these incidents has also been added to the default register.

Taking Action

In November 2024, we took a proactive step by reviewing the compliances noted above in addition to historic identified non-compliance events. Notably, this included reaching out to all gas suppliers to remind them of their obligations and the potential consequences of non-compliance. This initiative sparked positive engagement, with many suppliers updating their key contact information. We now have a clearer picture of whom to contact regarding a supplier's obligations, which we anticipate will facilitate smoother communication going forward and therefore a reduction in non-compliance instances.

²⁸ [Green Gas Levy default register](https://www.ofgem.gov.uk/publications/green-gas-levy-default-register) <https://www.ofgem.gov.uk/publications/green-gas-levy-default-register>

²⁹ [Supplier Performance Report \(SPR\)](https://www.ofgem.gov.uk/supplier-performance-report-spr) <https://www.ofgem.gov.uk/supplier-performance-report-spr>
