

# Green Gas Support Scheme (GGSS)

## Annual Report

Scheme Year 4 (1 April 2024 – 31 March 2025)



Making a positive difference  
for energy consumers



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## Foreword

Heating accounts for a significant share of the UK's energy use, yet more than 99%<sup>1</sup> of the gas in the grid still comes from fossil fuels. The Green Gas Support Scheme (GGSS) is helping change that—by turning organic waste into lower carbon biomethane and injecting it into the grid. Designed to stimulate investment in 'green gas' production, the GGSS plays a key role in the UK's transition to a more sustainable energy system by supporting the growth of biomethane infrastructure.

The GGSS is a low-volume, high-impact scheme. I'm particularly pleased to report that the number of registered biomethane producers has grown from just one at the end of the previous scheme year (April 2023 to March 2024) to 7 this year (April 2024 to March 2025). This year alone, almost 29 million m<sup>3</sup> of 'green gas' was injected (enough to heat nearly 28,000 homes), showing how a small number of producers can deliver outsized impact. In addition to helping decarbonise, the GGSS also supports a circular economy by using domestic and industrial organic waste for production of 'green gas'.

Ofgem administers the GGSS as part of a wider portfolio of schemes on behalf of the UK government and the devolved administrations. Set to exceed a combined value of £12 billion in the year 2024 to 2025, our schemes work to advance decarbonisation and support vulnerable consumers. GGSS policy is set by the Department for Energy Security and Net Zero (DESNZ), who maintain overall responsibility for the scheme. Ofgem is the scheme administrator and key to our role is the assessment of GGSS applications, issuing payments and ensuring that registered participants and licensed gas suppliers comply with their responsibilities under the scheme.

With 13 additional projects nearing the end of the GGSS registration process we anticipate a continued increase in 'green gas' injection volumes, accelerating progress toward the scheme's long-term carbon savings and energy security goals. According to estimates from DESNZ, during peak years of production, the biomethane supported by the scheme could heat around 250,000 homes annually. Over the full lifetime of the scheme, this could result in up to 10.7 million tonnes of carbon savings through the displacement of natural gas.

The GGSS is funded through the Green Gas Levy (GGL)—a quarterly charge on licensed gas suppliers. Recognising the critical role suppliers play in the scheme's success we maintained a strong focus on supplier compliance through the year. While most suppliers met their

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<sup>1</sup> This figure is calculated based on the total UK gas demand for 2024 to 2025, taken from DESNZ's Energy Trends: UK gas (June 2025), and the volume of biomethane produced over the same period under the GGSS and Non-Domestic Renewable Heat Incentive scheme.



obligations, it is disappointing to see that we recorded 42 non-compliance incidents, including missed deadlines for scheme levy payments. We engaged directly with these suppliers to support improvements and continue working closely with all suppliers to ensure the scheme remains robust and achieves its policy objectives.

Looking ahead, we welcome the work DESNZ are doing to develop future biomethane policy, informed by the feedback received from their call for evidence. As the GGSS matures, I am committed to sharing our insights and experience to help shape the next generation of 'green gas' support. I am also grateful to all scheme participants, energy suppliers, and other stakeholders for their continued collaboration and engagement. Together, we are building a greener, more secure energy system for Great Britain.

We welcome comments from readers on the content of this report, so if you want to get in touch, please contact us at [SchemesReportingFeedback@ofgem.gov.uk](mailto:SchemesReportingFeedback@ofgem.gov.uk).

**Neil Lawrence**

Executive Director, Delivery & Schemes

# Net Zero

The GGSS scheme is helping to decarbonise Great Britain's gas supplies by increasing the proportion of 'green gas' in the grid.

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**321.7**  
**GWh**  
**Green Gas injected**

Since the start of the scheme 321.7 GWh of green gas has been injected. This is sufficient to heat 27,977 typical UK homes for a year or heat 117.9 million hot baths.

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**15**  
**Years**

15 years of tariff payments are provided to eligible biomethane producers.

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**250**  
**Thousand Homes**

According to estimates from the Department for Energy Security & Net Zero (DESNZ)<sup>2</sup>, during peak years of production, the biomethane produced under the scheme is estimated to be enough to heat around 250,000 homes.

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**10.7**  
**Million**  
**Tonnes CO<sub>2</sub>e**

DESNZ also estimate that 10.7 million tons of CO<sub>2</sub> equivalent in carbon savings could be achieved over the scheme's lifetime through the displacement of natural gas in the gas grid.

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<sup>2</sup> [DESNZ statistics viewed 16 April 2025](https://www.gov.uk/government/publications/green-gas-support-scheme-ggss): <<https://www.gov.uk/government/publications/green-gas-support-scheme-ggss>>

## Executive summary

Ofgem runs a range of low-carbon energy and social schemes on behalf of government and for the devolved administrations. Together, these are currently worth around £12 billion each year. Our schemes fall into 3 main categories: renewable electricity schemes, low-carbon heat schemes, and energy efficiency and social schemes.

To meet ambitious government targets to reach net zero carbon emissions, we need to transition to use clean energy to heat British homes and businesses. To help achieve this the Green Gas Support Scheme (GGSS) opened to applicants in England, Scotland and Wales on 30 November 2021. The GGSS provides financial support to eligible new anaerobic digestion biomethane plants for the injection of lower carbon 'green gas'<sup>3</sup> into the gas grid. In addition to decarbonisation, the GGSS also helps promote a circular economy by making use of organic wastes, such as our domestic and industrial food waste, to heat British homes and businesses. 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).

As scheme administrator, Ofgem works to ensure the scheme is operated efficiently, including the processing and registration of applications for the GGSS, and the calculation of levy payments due by gas suppliers to fund the scheme. As part of our duties under the Green Gas Support Scheme Regulations 2021 (as amended) (the 'Regulations'),<sup>4</sup> we have produced this report to provide an update on scheme activity between 1 April 2024 and 31 March 2025 (Scheme Year 4).

## The Green Gas Support Scheme

### Applications for registration (page 13)

From the start of the scheme to the end of March 2025, we received 55 initial applications for registration. Of these, 20 have been issued with a tariff guarantee and 7 have successfully completed the registration process. Securing a tariff guarantee is a compulsory stage of applying to the GGSS. Tariff guarantees are designed to provide increased certainty to developers and investors, by allowing a tariff rate to be secured before an installation is commissioned and fully registered on the scheme.

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<sup>3</sup> Green gases are renewable and low carbon gases that can be used in place of fossil fuels, reducing associated carbon emissions in the heat sector. For the purpose of the GGSS, green gas is biomethane produced by anaerobic digestion of organic matter in an oxygen-free environment.

<sup>4</sup> Regulations 65(3)(b) and 65(4). [The GGSS Regulations:](https://www.legislation.gov.uk/uksi/2021/1335/contents/made)  
<<https://www.legislation.gov.uk/uksi/2021/1335/contents/made>>

## Registered scheme participants (page 18)

Support payments of £20.1 million have been made to registered participants, based on 321.7 GWh of eligible green gas injected into the grid between start of the scheme and March 2025. This quantity of green gas is sufficient to heat approximately 28 thousand typical UK homes for a year<sup>5</sup> or 117.9 million hot baths<sup>6</sup>.

## The Green Gas Levy (page 19)

The first levy payments were made by suppliers in May 2022 and a total of £9.98 million was collected during Scheme Year 4. It should be noted that if there are unused funds, they are carried over and considered alongside other variables resulting in adjustments to the levy rate in subsequent years.<sup>7</sup>

At the end of Scheme Year 4 there were a total of 76 scheme suppliers<sup>8</sup>. However, not all scheme suppliers are required to make levy payments each quarter. One supplier was determined to be provisionally exempt for the year as they declared that they would supply at least 95% green gas to their customers. Following amendments to the scheme Regulations in December 2023<sup>9</sup>, a de minimis threshold was introduced for the first time in this financial year. This applied to both total credit cover requirements and levy payments due in quarter one.<sup>10</sup> Additionally, obligated suppliers that did not serve gas meter points during a quarter are not required to make levy payments. As such the number of suppliers required to make levy payments (obligated suppliers<sup>11</sup>) stood at 44 by the end of March 2025.

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<sup>5</sup> The energy required to heat typical UK homes is calculated using [Ofgem's Typical Domestic Consumption Values](#) for Gas in a medium use household (11,500 kWh per annum):

<<https://www.ofgem.gov.uk/decision/decision-typical-domestic-consumption-values-2023>>

<sup>6</sup> The energy required to heat hot baths is calculated using the following formula (Energy required (kWh) =  $(4.2 \times \text{Litres of water (L)} \times \text{Temperature change (T) in } ^\circ\text{C}) \div 3600$  where L=90 and T=26°C.

<sup>7</sup> Regulation 39 sets out the calculation for the levy rate

<sup>8</sup> A scheme supplier is a licensed gas supplier who is a fossil fuel supplier. The number shown includes all suppliers licensed at any point during the quarter, the number licenced at the end of the quarter could be different (Note, for the most recent quarter the number quoted excludes any exempt suppliers and new gas supply licence holders who have not yet started to supply. We aim to update the number of scheme suppliers prior to the most recent quarter, in line with this methodology, in due course).

<sup>9</sup> GGSS regulation amendment made in 2023: [Legislation.gov.uk](#)

<<https://www.legislation.gov.uk/primary+secondary?title=green%20gas%20support%20scheme>>

<sup>10</sup> The de minimis threshold for 2024 to 2025 was £50: [Green Gas Levy \(GGL\): rates, underlying variables, mutualisation threshold and de minimis for 2024-2025](#)

<<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>>

<sup>11</sup> Obligated 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 (page 22)**

As part of our role administering the GGL we actively monitor suppliers to ensure they comply with their obligations. Where non-compliance occurs, we take it extremely seriously and engage with suppliers to understand their improvement plans and determine whether further action is warranted. In cases of more serious or repeated non-compliance we will take appropriate compliance or enforcement action<sup>12</sup> to uphold the integrity of the scheme. All instances of non-compliance are reported in our Supplier Performance Report (SPR)<sup>13</sup>, and specific breaches — such as missed payment deadlines — are also recorded in the GGL Default Register<sup>14</sup>

We expect suppliers to be proactive in their engagement with the scheme. They should use the guidance available to co-ordinate their activities and ensure that they comply in full with their obligations, including meeting scheme deadlines. We expect suppliers to do this without need for proactive prompting from us and we will have a low tolerance for those that fail to do this.

There were 30 incidents of statutory non-compliance<sup>15</sup> and 12 incidents of administrative non-compliance<sup>16</sup> recorded in Scheme Year 4. Four of the statutory incidents involved suppliers missing a levy payment deadline. Three of these payments (including interest) were subsequently made shortly after the deadline, and in one case there was a draw down from credit cover. This meant that there was no shortfall in collection of the levy fund during Scheme Year 4.

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<sup>12</sup> The enforcement action we can take is set out in part 10 of the Regulations

<sup>13</sup> [Supplier Performance Report](https://www.ofgem.gov.uk/supplier-performance-report-spr): <<https://www.ofgem.gov.uk/supplier-performance-report-spr>>

<sup>14</sup> [GGL default register](https://www.ofgem.gov.uk/publications/green-gas-levy-default-register): <<https://www.ofgem.gov.uk/publications/green-gas-levy-default-register>>

<sup>15</sup> Statutory non-compliance refers to an incident where a supplier has failed to comply with a requirement in scheme legislation.

<sup>16</sup> Administrative non-compliance refers to an incident where a supplier has failed to comply with a requirement set by Ofgem.

## 1. About the scheme

This chapter provides an overview of the Green Gas Support Scheme (GGSS) and the Green Gas Levy (GGL), including the legislative background and Ofgem's administrative duties.

- 1.1 The GGSS is a government scheme designed to increase the proportion of 'green gas'<sup>17</sup> in the gas grid, by supporting the deployment of new anaerobic digestion (AD) biomethane plants. The scheme is open to applications from eligible plants in England, Scotland and Wales until 31 March 2028.<sup>18</sup>
- 1.2 Support under the GGSS is provided to registered biomethane producers based on the volume of eligible biomethane (produced from AD) that they inject into the gas grid. Prospective scheme participants are required to follow a 3-stage application process, the first 2 stages of which are required to secure a 'tariff guarantee' before their equipment is commissioned. Once the plant is commissioned, tariff guarantee holders may apply for full registration on the scheme.
- 1.3 Once registered, scheme participants who meet the eligibility criteria and continue to comply with the scheme requirements may receive quarterly periodic support payments for the eligible biomethane they inject, for up to 15 years.
- 1.4 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)<sup>19</sup> to pay a quarterly levy based on the number of meter points they serve.
- 1.5 Ofgem (on behalf of the Gas and Electricity Markets Authority) is the administrator of the GGSS and associated GGL. We administer the GGSS in line with the Regulations and the range of functions that we deliver, as outlined below, is directed by these regulations.

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<sup>17</sup> Green gases are renewable and low carbon gases that can be used in place of fossil fuels, reducing associated carbon emissions in the heat sector. For the purpose of the GGSS, green gas is biomethane produced by anaerobic digestion of organic matter in an oxygen-free environment.

<sup>18</sup> The GGSS was originally due to close to new applicants on 30 November 2025. A [regulation amendment](https://www.legislation.gov.uk/uksi/2024/642/contents/made) came into force in June 2024 extending the scheme, now open to applications until 31 March 2028: <<https://www.legislation.gov.uk/uksi/2024/642/contents/made>>

<sup>19</sup> [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>>

## **GGSS**

- Publishing guidance for biomethane producers and prospective producers
- Processing and making decisions on GGSS registration applications
- Process amendment applications for participants of the scheme
- Validating participants' periodic data
- Calculating and issuing participants support payments
- Monitoring and enforcing compliance with the Regulations
- Publishing reports in relation to the GGSS including information on tariff guarantees, the number of scheme participants, periodic support payments and the volume of biomethane produced.

## **GGL**

- Publishing guidance for scheme suppliers and an annual administrative timetable
- Validating and calculating supplier meter point data, credit cover requirements and levy payments due
- Monitoring and enforcing compliance with the Regulations, including publication of a default register which reports certain instances of non-compliance.

- 1.6 The Department of Energy Security & Net Zero (DESNZ) is responsible for the GGSS and GGL policy, scheme regulations, scheme budget and any promotion of the scheme.
- 1.7 The GGSS opened to applications on 30 November 2021 when our application portal (the 'GGSS Portal')<sup>20</sup> went live.
- 1.8 Our dedicated GGSS and GGL web pages<sup>21</sup> provide further information for prospective applicants, obligated suppliers or those interested in finding out more about the scheme. This includes information on the eligibility requirements, the tariffs that are available, how to apply and information on supplier obligations.

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<sup>20</sup> [The GGSS portal](https://ggss.ofgem.gov.uk/) <<https://ggss.ofgem.gov.uk/>>

<sup>21</sup> [Green Gas Support Scheme and Green Gas Levy webpages](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>>

- 1.9 We have also published dedicated GGSS<sup>22</sup> and GGL<sup>23</sup> guidance documents, which further explain Ofgem’s administration of the scheme, including guidance on:

**GGSS**

- How to apply for a tariff guarantee
- How to register as a scheme participant once commissioned
- Tariffs, tariff tiers and tariff start dates
- Ongoing obligations on participants
- How to submit periodic data and receive payments
- Our approach to monitoring and enforcing participant compliance.

**GGL**

- How to submit meter point data
- The provision of credit cover
- Making levy payments
- Our approach to compliance and enforcement
- Levy exemptions.

- 1.10 This report is produced to meet our obligation to publish a report on scheme activity annually by 31 July. This fourth annual report covers Scheme Year 4 (SY4) from 1 April 2024 to 31 March 2025.<sup>24</sup>

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<sup>22</sup> [GGSS Guidance](https://www.ofgem.gov.uk/publications/green-gas-support-scheme-guidance) <<https://www.ofgem.gov.uk/publications/green-gas-support-scheme-guidance>>

<sup>23</sup> [GGL Guidance](https://www.ofgem.gov.uk/publications/green-gas-levy-guidance) <<https://www.ofgem.gov.uk/publications/green-gas-levy-guidance>>

<sup>24</sup> Regulations 65(3)(b) and 65(4).

## 2. Applications for registration

This chapter provides information on the process for registration on the GGSS, and a summary of applications made. An overview of the scheme budget position at the end of Scheme Year 4 is also provided.

### Tariff guarantee applications

- 2.1 Tariff guarantees are a compulsory stage of applying to the GGSS<sup>25</sup>. They are designed to provide increased certainty to developers and investors, by allowing a tariff rate to be secured before an installation is commissioned and fully registered on the scheme.
- 2.2 As seen in **Figure 2.1**, we received 55 applications for tariff guarantees from scheme launch to 31 March 2025. Of the 55 initial applications made at stage 1, 40 have been granted provisional tariff guarantee notices, 8 were rejected<sup>26</sup>, 5 were cancelled, one was revoked, and one is still under review.
- 2.3 From the 40 provisional tariff guarantee notices granted, 20 were issued with a tariff guarantee, one was rejected, 17 cancelled and 2 were revoked. Of the 20 applicants that were granted tariff guarantees, 12 applications for full registration have been received, of which 7 have now been successfully registered on the scheme and the remaining applications are under review.
- 2.4 Where we have rejected applications at stage 1, this has mainly been due to a failure by the applicant to provide evidence of planning permission or a connection agreement. Rejections and revocations at stage 2 have occurred due to a failure to provide satisfactory evidence of 'financial close'<sup>27</sup>.
- 2.5 Where applications have been cancelled by an applicant, they have in most cases reported that this was due to supply chain and/or network issues affecting their ability to achieve the original injection deadline. All applications impacted by supply chain

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<sup>25</sup> Further information on the tariff guarantee application process can be found in our GGSS guidance.

<sup>26</sup> 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.

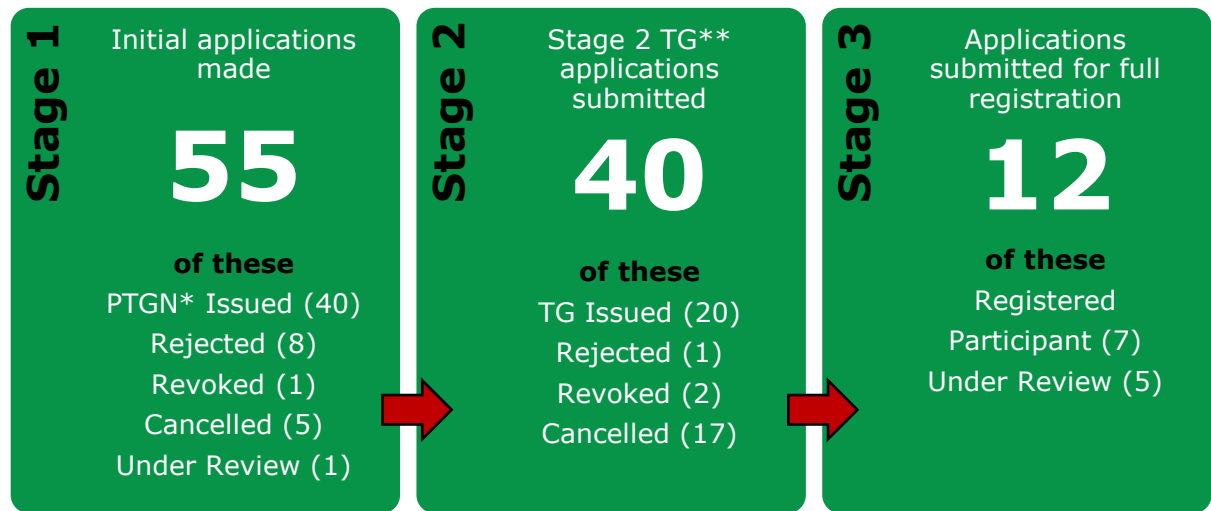
<sup>27</sup> To evidence 'financial close' applicants must demonstrate: i) that funds are available to cover the complete construction of the proposed project; and ii) that these funds are formally committed to the project.



and/or network issues have subsequently submitted new applications with amended injection dates to account for any delays.

- 2.6 It should be noted that for applicants that become participants of the scheme, they are entitled to payment from the date their applications were ‘properly made’<sup>28</sup>. The budget for any retrospective payments is ringfenced, to be used should these applicants achieve registration.

**Figure 2.1: Tariff guarantee application progress**



\* Provisional tariff guarantee notice

\*\* Tariff guarantee

- 2.7 The tariff guarantees issued are split between Scotland, England and Wales with 11 in England, 8 in Scotland and one in Wales.

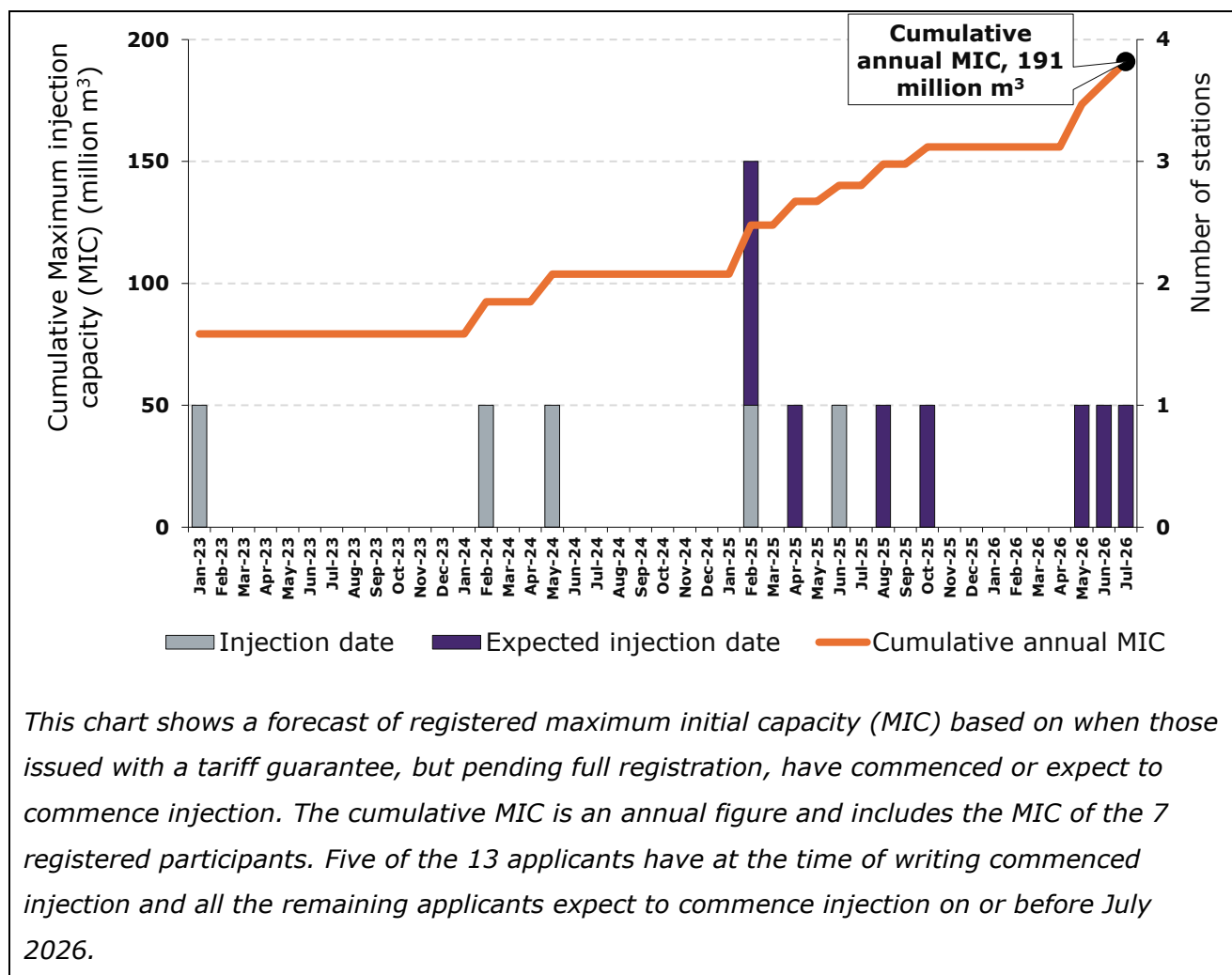
### Expected Injection Dates

- 2.8 **Figure 2.2** shows when the applicants granted tariff guarantees have commenced or expect to commence injection. Please note that applicants have until 182 days after their expected injection date or 31 March 2028 (whichever is earlier), to commence injection and submit their ‘properly made’ stage 3 application for registration. Therefore, the expected injection dates illustrated below may vary from their actual first injection dates. At the time of writing the applications with expected injection dates between November 2024 and May 2025 are within their 182-day grace period.

<sup>28</sup> The date an applicant is entitled to receive payment from is the date their stage 3 registration application is ‘properly made’. ‘Properly made’ means that we have received all the information from the applicant required to assess their stage 3 registration application.

- 2.9 The expected maximum initial capacity (MIC)<sup>29</sup> of biomethane in relation to the 13 remaining tariff guarantees that have been issued is 120,888,000 m<sup>3</sup>. When combined with the 7 registered participants this gives a total MIC of 190,968,000 m<sup>3</sup>.

**Figure 2.2: Expected commencement of injection forecast**



## Additional Capacity Applications

- 2.10 Scheme participants may also apply to register additional capacity on top of the MIC applicable to their initial registration. As additional capacity registered on the scheme will also utilise scheme budget, we check applications for additional capacity against the Application Budget cap.

<sup>29</sup> 'Maximum initial capacity' is defined in Regulation 4(17) and means the maximum volume of biomethane, expressed in cubic metres per year, which a biomethane producer is entitled to supply for injection under the 'network entry agreement' between the biomethane producer and the relevant network.

- 2.11 As of 31 March 2025, 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 their MIC.

## Budget Allocation

- 2.12 The GGSS has an annual Application Budget cap, set by DESNZ. This is the total estimated spend that can be allocated to applicants each financial year. All applications for a tariff guarantee or for additional capacity will be checked against the available budget under the Application Budget cap. This ensures that there is available budget for them to register and receive payments under the scheme based on their estimated production.
- 2.13 Please see our scheme guidance and DESNZ document, 'GGSS - Budget Management'<sup>30</sup> for further details of the Application Budget cap.
- 2.14 **Figure 2.3** shows the budget available for each of the financial years in which applications may be made.<sup>31</sup> 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.

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<sup>30</sup> [Green Gas Support Scheme – Budget Management](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>>

<sup>31</sup> The GGSS regulations require that to join the scheme, participants must commence biomethane injection into the gas grid no later than 31 March 2028.

2.15 The figures in **Figure 2.3** were correct as of 31 March 2025. You can view the up-to-date budget figures on our website<sup>32</sup>.

**Figure 2.3: Budget allocation**

	Annual Application Budget Cap <sup>33</sup>	Budget allocated (TG applications received) <sup>34</sup>	Budget committed (TGs granted)	Remaining budget
<b>SY1</b> (2021 to 22)	£37,000,000	£233,938	£233,938	£36,766,062
<b>SY2</b> (2022 to 23)	£37,000,000	£2,598,348	£2,598,348	£34,401,652
<b>SY3</b> (2023 to 24)	£32,900,000	£13,832,946	£13,832,946	£19,067,054
<b>SY4</b> (2024 to 25)	£51,700,000	£45,931,957	£45,931,957	£5,768,043
<b>SY5</b> (2025 to 26)	£80,300,000	£68,503,685	£68,503,685	£11,796,315
<b>SY6</b> (2026 to 27)	£124,900,000	£89,847,049	£88,508,217	£35,052,951
<b>SY7</b> (2027 to 28)	£174,200,000	£101,373,927	£97,912,185	£72,826,073
<b>SY8</b> (2028 to 29)	£203,800,000	£106,626,348	£102,794,897	£97,173,652
<b>SY9</b> (2029 to 30)	£214,300,000	£109,926,916	£105,741,278	£104,373,084

<sup>32</sup> [Green Gas Support Scheme – Applicants](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) <<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>>

<sup>33</sup> The Annual Application Budget cap is a cap on the estimated spend that can be allocated for biomethane production within each scheme year.

<sup>34</sup> Figures are based on live Tariff Guarantee (TG) applications, meaning any application that has been rejected and its 28 day right of review period has elapsed are not included.

### 3. Registered scheme participants

This chapter provides information on registered scheme participants, biomethane injected, and support payments made.

3.1 The number of participants successfully registered on the GGSS stands at 7. As shown below in **Figure 3.1**, since the start of the scheme support payments of £20.1 million have been made based on 321.7 GWh of eligible green gas being injected into the grid.

**Figure 3.1: Registered scheme participants, biomethane production and payments\***

	Scheme participants <sup>35</sup>	Biomethane produced (m <sup>3</sup> ) <sup>36</sup>	Eligible biomethane produced (kWhth) <sup>37</sup>	Number of payments made	Value of payments made <sup>38</sup>
<b>SY1</b> (2021 to 22)	0	0	0	0	£0
<b>SY2</b> (2022 to 23)	1	1,417,002	10,126,095	3	£557,947.81
<b>SY3</b> (2023 to 24)	3	3,943,920	36,993,542	5	£2,252,909.68
<b>SY4</b> (2024 to 25)	7	28,948,550	274,620,493	20	£17,293,291.30
<b>Total</b>	<b>7</b>	<b>34,309,472</b>	<b>321,740,130</b>	<b>28</b>	<b>£20,104,148.79</b>

\*These figures are subject to change as pending registrations and outstanding periodic data are approved and payments made.

<sup>35</sup> Participants are shown as Registered from the period within which they were eligible to claim for support, irrespective of when the application was processed.

<sup>36</sup> The volume of gas injected into the grid in cubic meters (m<sup>3</sup>) – this is the volume of the 'C' term on page 65 of the GGSS Guidance and regulation 27(2).

<sup>37</sup> kWhth (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.

<sup>38</sup> 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.



## 4. The Green Gas Levy

This chapter provides an overview of the GGL and its operation during Scheme Year 3. This includes our work monitoring and enforcing supplier compliance.

- 4.1 DESNZ set the levy rate<sup>39</sup> annually by 31 December and it is 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 quarterly in arrears.
- 4.2 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.<sup>40</sup> 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.
- 4.3 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.<sup>41</sup>
- 4.4 Prior to a levy payment being due, obligated suppliers are required to have a sufficient level of credit cover<sup>42</sup> lodged. This helps ensure levy payments are collected in a timely manner and reduces the likelihood of a mutualisation<sup>43</sup> 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.<sup>44</sup>
- 4.5 Following amendments to the scheme Regulations in December 2023<sup>45</sup>, a de minimis threshold was introduced for the first time in this financial year. This applied to both total credit cover requirements and levy payments due in quarter one. A de minimis threshold sets a minimum payment level — if the amount owed is equal to or below

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<sup>39</sup> For 2024 to 2025, 0.105p per meter per day, equivalent to 38p per meter over the financial year.

<sup>40</sup> Regulation 48

<sup>41</sup> [GGL scheme schedule Apr 2025 to Mar 2026](https://www.ofgem.gov.uk/guidance/green-gas-levy-scheme-schedule-1-april-2025-31-march-2026): <<https://www.ofgem.gov.uk/guidance/green-gas-levy-scheme-schedule-1-april-2025-31-march-2026>>

<sup>42</sup> 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](https://www.ofgem.gov.uk/publications/green-gas-levy-guidance):

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

<sup>43</sup> For further information on mutualisation please refer to chapter 6 of our GGL guidance.

<sup>44</sup> Regulation 43

<sup>45</sup> 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>>

this threshold, it does not need to be paid. For the 2024 to 2025 financial year, DESNZ set this threshold at £50.<sup>46</sup>

- 4.6 Suppliers of at least 95% green gas can be exempted from paying the levy.<sup>47</sup> 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.
- 4.7 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 scheme.<sup>48</sup> 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

- 4.8 **Figure 4.1** shows the number of scheme suppliers, the number of provisionally exempt suppliers, the number actually obligated under the scheme each quarter and the sum of levy payments made. The number of suppliers can vary quarter to quarter depending on licence revocation and/or approval of gas supply licenses. At the time of writing, one supplier was determined to be provisionally exempt for 2024 to 2025 with evidence to confirm their exemption for that year due to be submitted by 11 July 2025.

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<sup>46</sup> [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>>

<sup>47</sup> Regulation 38

<sup>48</sup> [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>>

4.9 In Scheme Year 4, levy payments of £9.98 million were collected. It should be noted that the formula<sup>49</sup> used by DESNZ to set each year's levy rate takes account of unused funds collected in previous years alongside other variables, resulting in the levy rate being adjusted accordingly.<sup>50</sup>

**Figure 4.1: Scheme suppliers and levy payments made**

	Scheme suppliers <sup>51</sup>	Provisionally exempt scheme suppliers	Obligated scheme suppliers <sup>52</sup>	Sum of the quarterly levy payments
<b>Q3 SY1</b> (Oct to Dec)	85	N/A	N/A	N/A
<b>Q4 SY1</b> (Jan to Mar)	98	1	N/A	N/A
<b>Q1 SY2</b> (Apr to Jun)	94	1	94	£14,582,037
<b>Q2 SY2</b> (Jul to Sep)	91	1	74	£13,011,589
<b>Q3 SY2</b> (Oct to Dec)	90	1	73	£13,170,271
<b>Q4 SY2</b> (Jan to Mar)	88	1	72	£13,189,986
<b>Q1 SY3</b> (Apr to Jun)	87	1	71	£12,923,645
<b>Q2 SY3</b> (Jul to Sep)	87	1	69	£2,772,494
<b>Q3 SY3</b> (Oct to Dec)	86	1	68	£2,807,611
<b>Q4 SY3</b> (Jan to Mar)	78	1	67	£2,813,594
<b>Q1 SY4</b> (Apr to Jun)	87	1	44	£2,784,213
<b>Q2 SY4</b> (Jul to Sep)	87	1	44	£2,399,193
<b>Q3 SY4</b> (Oct to Dec)	86	1	41	£2,362,805
<b>Q4 SY4</b> (Jan to Mar)	76 <sup>53</sup>	1	44	£2,428,946

<sup>49</sup> The levy rate formula is set out at Regulation 39(1)

<sup>50</sup> For further information on how DESNZ calculate the levy rate for each scheme year see their website [Green Gas Levy \(GGL\): rates and exemptions](https://www.gov.uk/government/publications/green-gas-levy-ggl-rates-and-exemptions) <<https://www.gov.uk/government/publications/green-gas-levy-ggl-rates-and-exemptions>> and in the [GGSS Regulations 2021 as amended](https://www.legislation.gov.uk/primary+secondary?title=green%20gas%20support%20scheme%20regulations) <<https://www.legislation.gov.uk/primary+secondary?title=green%20gas%20support%20scheme%20regulations>>

<sup>51</sup> A scheme supplier is a licensed gas supplier who is a fossil fuel supplier. The number shown includes all suppliers licensed at any point during the quarter, the number licenced at the end of the quarter could be different.

<sup>52</sup> Obligated suppliers are those suppliers obligated to pay the levy in a given quarter, therefore excludes suppliers who were not obligated to pay due to the de minimis threshold. For more information on when scheme suppliers are not required to make levy payments, please refer to our GGL guidance.

<sup>53</sup> For the most recent quarter the number of scheme suppliers quoted excludes any exempt suppliers and new gas supply licence holders who have not yet started to supply. We aim to update the number of scheme suppliers prior to the most recent quarter, in line with this methodology, in due course.

## Supplier compliance

- 4.10 As part of our role administering the GGL we actively monitor suppliers to ensure they comply with their obligations. Where non-compliance occurs, we take it extremely seriously and engage with suppliers to understand their improvement plans and determine whether further action is warranted. In cases of more serious or repeated non-compliance we will take appropriate compliance or enforcement action<sup>54</sup> to uphold the integrity of the scheme. All instances of non-compliance are reported in our Supplier Performance Report (SPR)<sup>55</sup>, and specific breaches — such as missed payment deadlines — are also recorded in the GGL Default Register<sup>56</sup>.
- 4.11 We expect suppliers to be proactive in their engagement with the scheme. They should use the guidance available to co-ordinate their activities and ensure that they comply in full with their obligations, including meeting scheme deadlines. We expect suppliers to do this without need for proactive prompting from us and will have a low tolerance for those that fail to do this.
- 4.12 Supplier non-compliance can lead to delays in administering the scheme and often requires additional time and resources from Ofgem to resolve. This is particularly the case when suppliers do not engage effectively, making it harder to address issues promptly. These disruptions place unnecessary pressure on administrative capacity and can affect the overall efficiency of scheme delivery.
- 4.13 Significantly, no mutualisation exercises were required due to these non-compliances in Scheme Year 4, as any missed levy payments were subsequently covered shortly after the deadline and late payment interest calculated and paid. This meant that there was no shortfall in collection of the levy during Scheme Year 4.
- 4.14 **Figure 4.2** shows that in total, there were 42 incidents of non-compliance recorded in Scheme Year 4. Thirty of these were statutory non-compliances<sup>57</sup> and 12 were administrative non-compliances<sup>58</sup>. **Figure 4.3** details individual non-compliances by supplier.

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<sup>54</sup> The enforcement action we can take is set out in part 10 of the Regulations

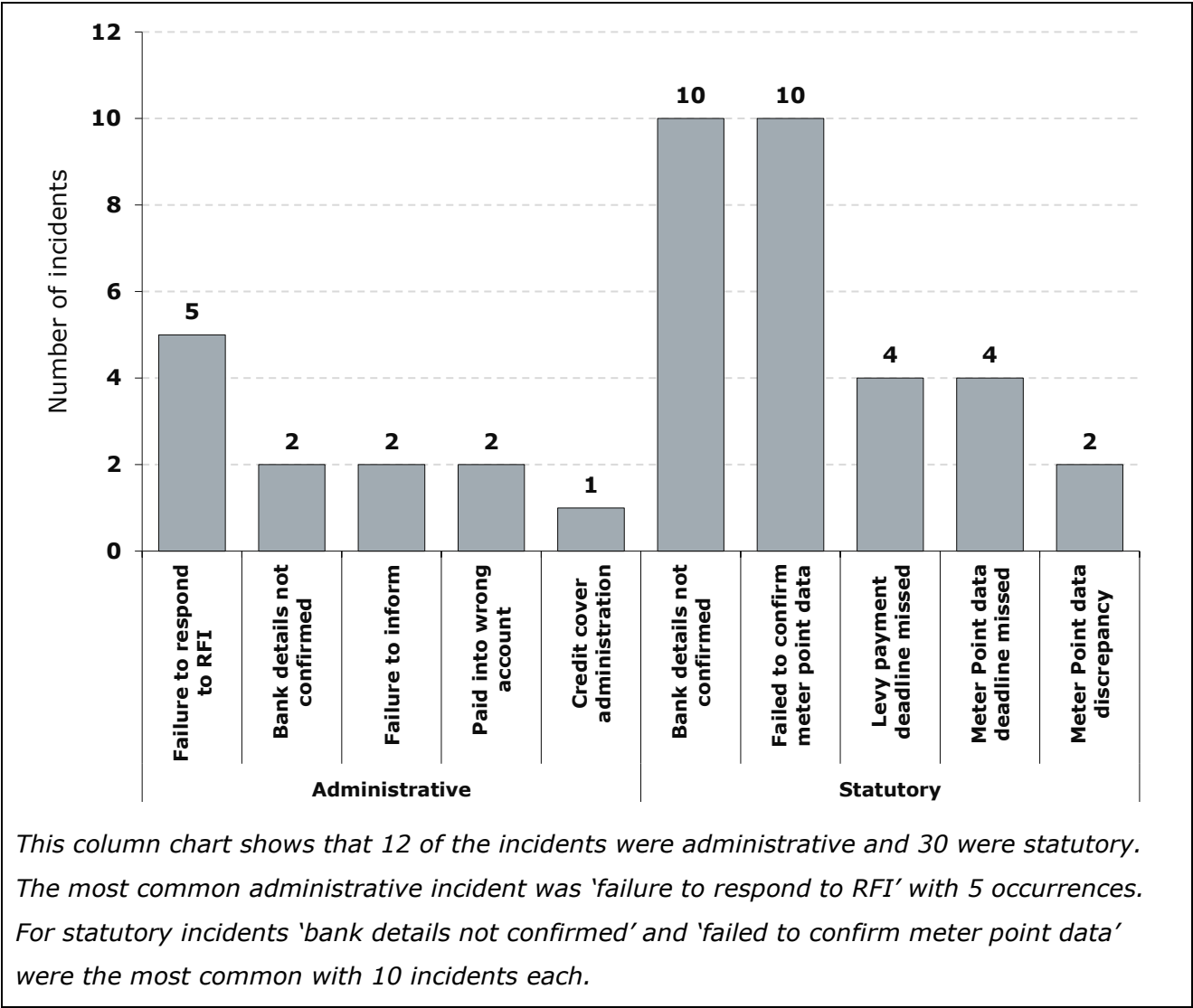
<sup>55</sup> [Supplier Performance Report](https://www.ofgem.gov.uk/supplier-performance-report-spr): <<https://www.ofgem.gov.uk/supplier-performance-report-spr>>

<sup>56</sup> [GGL default register](https://www.ofgem.gov.uk/publications/green-gas-levy-default-register): <<https://www.ofgem.gov.uk/publications/green-gas-levy-default-register>>

<sup>57</sup> Statutory non-compliance refers to an incident where a supplier has failed to comply with a requirement in scheme legislation.

<sup>58</sup> Administrative non-compliance refers to an incident where a supplier has failed to comply with a requirement set by Ofgem.

Figure 4.2: GGL Scheme Year 4 non-compliances





**Figure 4.3: GGL Scheme Year 4 non-compliances - by supplier**

Supplier	Type	Statutory/ Administrative	Non-compliance
AXPOUK Ltd	Data	Legislative	XoServe meter point data differed from that provided by Axpo. Axpo were asked to provide evidence for this discrepancy, which they failed to do
Barrow Shipping Ltd	Scheme Engagement	Legislative	Failure to confirm bank details for Annual Return of Excess Credit Cover and Interest 23/24
BGI Trading Ltd	Scheme Engagement	Legislative	Failure to confirm bank details for Annual Return of Excess Credit Cover and Interest 23/24
Delta Gas and Power Ltd	Scheme Engagement	Legislative	Failure to confirm bank details for Annual Return of Excess Credit Cover and Interest 23/24
Equinor UK Ltd	Data	Legislative	Supplier did not confirm meter points at all.
Flogas Enterprise Solutions Ltd	Data	Legislative	Failure to submit Meter Point Data by the deadline of 16th July for Q2 2024/25
Flogas Enterprise Solutions Ltd	Scheme Engagement	Legislative	Flogas Enterprise Solutions Ltd failed to confirm Meter Point Data on the GGL portal for Q4 by the deadline of 20/01/2025.
Flow Energy Ltd	Data	Legislative	Supplier did not confirm meter points at all.
Flow Energy Ltd	Scheme Engagement	Legislative	Flow Energy Ltd failed to confirm meter point data on the GGL portal for Q4 by the deadline of 20/01/2025.
Foxglove Energy Supply Ltd	Scheme Engagement	Administrative	Foxglove failed to respond to 4 emails requesting bank details sent between 28th February and 28th March.
Foxglove Energy Supply Ltd	Scheme Engagement	Administrative	Foxglove Energy Supply Ltd failed to meet the original deadline of 20th March 2025 to provide bank details.
Foxglove Energy Supply Ltd	Data	Legislative	Failed to confirm Xoserve meter point data by 17 April 2024 deadline
Foxglove Energy Supply Ltd	Payments	Legislative	GGL Levy payment deadline of 14 May 2024 missed
Gas Plus Supply Ltd	Scheme Engagement	Administrative	Supplier lodged cash credit cover before deadline of 24 March 2025 but then sent Standby Letter of Credit to us on 25 March 2025. The Standby Letter of Credit was rejected for being past the deadline date and only for a single quarter whilst cash was already in place.
Marble Power Ltd	Data	Legislative	Failed to confirm Xoserve meter point data by 17 April 2024 deadline
Marble Power Ltd	Data	Legislative	XoServe meter point data differed from that provided by Marble Power. Marble Power were asked to provide evidence for this discrepancy, which they failed to do
Octopus Energy Ltd	Data	Legislative	Failed to confirm Xoserve meter point data by 17 April 2024 deadline

Supplier	Type	Statutory/ Administrative	Non-compliance
Octopus Energy Ltd	Scheme Engagement	Legislative	Octopus Energy Ltd did not provide bank details in requested format.
Opal Gas	Payments	Administrative	Supplier paid credit cover top-up into levy account by mistake on 20/12/2024 which had to be transferred
Opus Gas Supply Ltd	Scheme Engagement	Legislative	Opus Gas Supply Ltd failed to confirm meter point data on the GGL portal for Q4 by the deadline of 20/01/2025.
OSSO Energy Plc	Data	Legislative	Failed to confirm Xoserve meter point data by 17 April 2024 deadline
OSSO Energy Plc	Data	Legislative	Failure to submit meter point data by the deadline of 16th July for Q2 2024/25
Pozitive Energy Ltd	Scheme Engagement	Legislative	Failure to confirm bank details for annual return of excess credit cover and interest 23/24
Rebel Energy Supply Ltd	Data	Legislative	Failure to submit meter point data by the deadline of 16th July for Q2 2024/25
Rebel Energy Supply Ltd	Payments	Legislative	Rebel Energy had levy payment due with deadline of 13th February 2025 which they paid a day late on 14th February 2025.
Scottish Power Energy Retail Ltd	Scheme Engagement	Legislative	Failure to confirm bank details for annual return of excess credit cover and interest 23/24
SEFE Energy Ltd	Payments	Legislative	GGL Levy payment deadline of 14 May 2024 missed
SEFE Energy Ltd	Scheme Engagement	Legislative	Failure to confirm bank details for annual return of excess credit cover and interest 23/24
So Energy	Scheme Engagement	Legislative	Failure to confirm bank details for annual return of excess credit cover and interest 23/24
Square 1 Energy Ltd	Scheme Engagement	Administrative	Square 1 Energy failed to inform us of any changes to their contacts and contacted us through a Tulo energy email ID to confirm their credit cover payment on 19th December 2024.
Square 1 Energy Ltd	Scheme Engagement	Administrative	Square 1 Energy failed to inform us that they changed their brand name to Tulo Energy.
Square 1 Energy Ltd	Scheme Engagement	Administrative	Failure to Respond to contact change request for information by deadline of 27/01/2025.
Square 1 Energy Ltd	Data	Legislative	Failure to submit meter point data by the deadline of 16th July for Q2 2024/25
Tru Energy Ltd	Data	Legislative	Did not confirm Xoserve meter points by 17 April 2024 deadline
Tru Energy Ltd	Scheme Engagement	Legislative	Failure to confirm bank details for annual return of excess credit cover and interest 23/24
Tru Energy Ltd	Scheme Engagement	Legislative	Failure to confirm bank details for annual return of excess credit cover and interest 23/24
Utilita Energy Ltd	Payments	Administrative	Utilita Energy incorrectly paid their credit cover top-up payment into the levy account.
Utilita Energy Ltd	Scheme Engagement	Administrative	Failure to respond to request for information for Intent to Publish on SPR Notification email
Utilita Energy Ltd	Payments	Legislative	Failure to meet Q3 24/25 Levy payment obligation by deadline of 11th November 2024.

Supplier	Type	Statutory/ Administrative	Non-compliance
Utilita Gas Ltd	Scheme Engagement	Administrative	Failure to respond to our request for information for key contact change(s). Failure to respond by deadline date of Friday 25 October 2024.
Utilita Gas Ltd	Scheme Engagement	Administrative	Failure to respond to request for information for Intent to Publish on SPR Notification email
Yu Energy Retail Ltd	Scheme Engagement	Administrative	Failure to respond with up-to-date contact details by requested deadline

## 5. Our administration

This chapter provides additional detail on our administration of the GGSS during Scheme Year 4.

- 5.1 This chapter provides further information on certain aspects of our administration not covered elsewhere in this report.

### Stakeholder engagement

- 5.2 As administrators of the GGSS, we have proactively engaged with key stakeholders to ensure scheme participants and potential applicants are aware of key scheme updates. This includes communicating the annual tariff review of the GGSS and highlighting the publication of guidance from DESNZ on calculating fugitive methane emissions and a GGSS greenhouse gas calculator.
- 5.3 To do this effectively, we carry out a wide range of activities with organisations and individuals representing scheme stakeholders. We meet them in a variety of settings, from board-level meetings and roundtables to conferences and other events. This allows for regular, detailed dialogue to take place between Ofgem and our external stakeholders. We are continually working to expand our database of stakeholders to drive proactive engagement and gather a diverse range of views.
- 5.4 We have a stakeholder forum for the GGSS where we work with groups interested in the scheme, share information and listen to their feedback. This ensures that as administrator we have a deep understanding of the wider context of the operation of the scheme, with expert input from groups with a wide range of perspectives.

### Document publications

- 5.5 During 2024 to 2025 we published 2 updates to GGSS scheme guidance<sup>59</sup> (and one draft version of guidance for comment), providing timely additional guidance and clarification including in relation to:
- Mid-scheme changes extending the scheme application window and criteria for heat from eligible heat pumps to be exempt from deductions for payments

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<sup>59</sup> [GGSS Guidance](https://www.ofgem.gov.uk/publications/green-gas-support-scheme-guidance) <<https://www.ofgem.gov.uk/publications/green-gas-support-scheme-guidance>>

- Clarification of sustainability requirements, signposting to guidance published by DESNZ on calculating fugitive methane emissions as part of the scheme's greenhouse gas criteria, and a greenhouse gas calculator
- Areas where our responses to queries and our administration of the scheme have highlighted the need for greater clarity .

5.6 We also published an administrative timetable for 2025 to 2026 (the 'annual scheme schedule').

[Green Gas Levy Annual Scheme Schedule for April 2025 to March 2026](https://www.ofgem.gov.uk/publications/green-gas-levy-scheme-schedule-1-april-2025-31-march-2026)

*<<https://www.ofgem.gov.uk/publications/green-gas-levy-scheme-schedule-1-april-2025-31-march-2026>>*

5.7 In addition to these publications we also updated the default register with supplier non-compliances on 5 occasions.

[The 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>>*

## 6. Looking forward

This chapter provides information on changes due to take place on the scheme, alongside other information affecting the broader policy landscape.

- 6.1 As forthcoming GGSS producers commission their anaerobic digestion plants, and they and existing registered producers ramp up their injection of eligible biomethane, we anticipate that payments to producers will increase, further supporting the biomethane industry as a component in the Government's net zero strategy.
- 6.2 In February 2024, DESNZ published a call for evidence<sup>60</sup> which summarised their initial thinking on a future policy framework to support biomethane production. This sought evidence to inform future policy development. We intend to contribute to any government consultation on post-GGSS biomethane policy where relevant, sharing our expertise in environmental scheme delivery to help shape future policy.
- 6.3 Our audit strategy includes a plan to audit GGSS installations during the first year after registration. All registered scheme participants can expect to be contacted within this timescale. This allows 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. If more serious issues are identified these can be dealt with using the powers available to us through GGSS legislation.<sup>61</sup> Further audits may be carried out at any point.

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<sup>60</sup> [Future policy framework for biomethane production – call for evidence](https://www.gov.uk/government/calls-for-evidence/future-policy-framework-for-biomethane-production-call-for-evidence):

<<https://www.gov.uk/government/calls-for-evidence/future-policy-framework-for-biomethane-production-call-for-evidence>>

<sup>61</sup> The enforcement action we can take is set out in part 10 of the Regulations.

## Appendix 1 – Mandatory reporting

Regulation 65(4) of the Green Gas Support Scheme Regulations 2021 (as amended) sets out the mandatory information that must be included in this annual report. Accordingly for the scheme year covered by the report, and the period beginning with 30 November 2021 and ending on 31 March 2024, these reporting requirements are set out below:

	<b>Mandatory requirement</b>	<b>From: 30 Nov 2021 To: 31 Mar 2024</b>	<b>From: 1 Apr 2024 To: 31 Mar 2025</b>
1	65(4) a) the number of participants	Participants as of 31 March 2024 = <b>3</b>	Participants as of 31 March 2025 = <b>7</b>
2	<b>65(4) b)</b> the volume of biomethane produced for injection by those participants, including any additional biomethane in respect of which those participants are registered	<b>47,119,637 m<sup>3</sup>*</b>	<b>274,620,493 m<sup>3</sup>*</b>
3	<b>65(4) c)</b> the total number and value of periodic support payments made in respect of that biomethane	Number of payments = <b>8*</b> Value of payments = <b>£2,810,857.49*</b>	Number of payments = <b>20*</b> Value of payments = <b>£17,293,291.30*</b>
4	<b>65(4) d)</b> the number of scheme suppliers and, of those, the number who are provisionally exempt scheme suppliers	Scheme suppliers as of 31 March 2024 = <b>78</b> Provisionally exempt scheme suppliers = <b>1</b>	Scheme suppliers as of 31 March 2025 = <b>76<sup>62</sup></b> Provisionally exempt scheme suppliers = <b>1</b>
5	<b>65(4) e)</b> the sum of the quarterly levy payments paid by those scheme suppliers	<b>£75,271,225.84</b>	<b>£9,975,157.41</b>

\* These figures are subject to change as outstanding periodic data are approved and payments made

<sup>62</sup> The number of scheme suppliers quoted here excludes any exempt suppliers and new gas supply licence holders who have not yet started to supply. We aim to update the number of scheme suppliers for the period ending 31 March 2024, in line with this methodology, in due course.

<b>Mandatory requirement</b>		<b>From: 30 Nov 2021 To: 31 Mar 2023</b>	<b>From: 1 Apr 2023 To: 31 Mar 2024</b>
<b>6</b>	<b>65(4) f)</b> the number of occurrences of—		
	i. any scheme supplier failing to pay—	<b>0</b>	<b>0</b>
	(aa) a quarterly levy payment,		
	(bb) a levy credit payment	<b>0</b>	<b>0</b>
	(cc) a payment of additional credit cover	<b>0</b>	<b>0</b>
	(dd) a mutualisation payment	<b>0</b>	<b>0</b>
	ii. any scheme supplier making a payment after the due date, and the average number of days by which such payments were delayed.	<b>11 (avg. 2 days late)</b>	<b>4 (avg. 1 day late)</b>
	(aa) a quarterly levy payment		
	(bb) a levy credit payment	<b>8 (avg. 2 days late)</b>	<b>4 (avg. 2 days late)</b>
	(cc) a payment of additional credit cover	<b>0</b>	<b>0</b>
	(dd) a mutualisation payment	<b>0</b>	<b>0</b>
	iii. the Authority		
	(aa) drawing down credit cover in accordance with regulation 55	<b>2</b>	<b>1</b>
	(bb) carrying out a mutualisation process	<b>0</b>	<b>0</b>



## Appendix 2 - Associated links

- The Green Gas Support Scheme Regulations 2021 can be viewed on the legislation.gov.uk website:

Green Gas Support Scheme Regulations:

*<<https://www.legislation.gov.uk/ukxi/2021/1335/contents/made>>*

- Guidance documents on the GGSS can be viewed on the Ofgem website:

Ofgem's GGSS guidance:

*<<https://www.ofgem.gov.uk/publications/green-gas-support-scheme-guidance>>*

- Guidance documents on the GGL scheme can be viewed on the Ofgem website:

Ofgem's GGL guidance:

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

- More information on the GGSS & GGL can be found by using the link to the Ofgem website below:

Information about the GGSS and GGL schemes:

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

- The Department Energy Security & Net Zero (DESNZ) is responsible for the GGSS and GGL policy:

DESNZ's webpage on the GGSS & GGL scheme:

*<<https://www.gov.uk/government/publications/green-gas-support-scheme-ggss>>*

- The Future Support for Low Carbon Heat consultation response outlining the policy aims of the GGSS and GGL schemes is available below:

Future Support for Low Carbon Heat & The Green Gas Levy

*<[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/970565/green-gas-levy-future-support-low-carbon-heat-govt-response.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/970565/green-gas-levy-future-support-low-carbon-heat-govt-response.pdf)>*

- The mid-scheme review consultation response, detailing DESNZ's policy decisions following the review is available below:

Green Gas Support Scheme: mid-scheme review

*<<https://www.gov.uk/government/consultations/green-gas-support-scheme-mid-scheme-review>>*

## Appendix 3 – Glossary<sup>63</sup>

### A

**Anaerobic digestion (AD)**– A natural process in which micro-organisms break down organic matter (e.g. animal manure or waste food) within an oxygen-free environment. This produces biogas which can then be ‘upgraded’, which removes contaminants to produce biomethane.

**Application Budget cap** - DESNZ operates an Application Budget 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 production.

### B

**Biomethane** – Biomethane is a gas (biogas) produced from organic matter through anaerobic digestion and then purified.

### C

**Credit cover** – Credit cover means the amount provided by scheme suppliers in the form of cash credit cover and/or a valid letter of credit. The purpose of credit cover is to ensure that levy payments are collected in a timely manner, thereby reducing the likelihood of mutualisation events being required. If a supplier fails to meet their quarterly levy obligations by the relevant due date, Ofgem must draw down on their credit cover.

### D

**The Department for Energy Security & Net Zero (DESNZ)** – DESNZ is responsible for the GGSS and GGL policy, scheme regulations, scheme budget and any promotion of the scheme.

### E

**Energy Price Guarantee** – Designed to reduce the impact of energy price rises, the Energy Price Guarantee sets a maximum price domestic consumers will pay for their electricity and gas.

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<sup>63</sup> Many of the terms included in this glossary are defined in the Regulations and those definitions should be consulted for their legal meaning for the purposes of the Regulations.

## G

**GEMA** – The Gas and Electricity Markets Authority (GEMA) (the Authority) is the statutory body responsible for administering the GGSS in Great Britain (GB). The Authority’s day-to-day functions are performed by Ofgem, the office of the Authority.

**Green Gas** - Green gases are renewable and low carbon gases that can be used in place of fossil fuels, reducing associated carbon emissions in the heat sector. For the purpose of the GGSS, green gas is biomethane produced by anaerobic digestion of organic matter in an oxygen-free environment.

**Green Gas Levy (GGL)** – The GGL funds the Green Gas Support Scheme (GGSS) by placing obligations on all licensed fossil fuel gas suppliers in Great Britain to pay a levy. Suppliers who supply 95% or more certified biomethane within a scheme year may be exempt from some requirements of the levy.

**Green Gas Levy (GGL) default register** – The default register is a register of supplier non-compliances published on our website. If a scheme supplier fails to meet certain obligations by the deadline, we are required to publish this information on the GGL default register.

**Green Gas Support Scheme (GGSS)** – The Green Gas Support Scheme (GGSS) provides tariff-support for biomethane produced via anaerobic digestion and injected into the gas grid. Producers will receive tariff payments for a 15-year lifetime. The scheme is open to new applicants in England, Scotland and Wales until 31 March 2028.

**Greenhouse gas calculator** – the calculator has been developed by DESNZ and is available for applicants and scheme participants to use when reporting greenhouse gas (GHG) emissions of biomethane injected into the grid. The calculator calculates the carbon intensity of biomethane as per the requirements of the GGSS.

## L

**Levy exemption** - There is an exemption from the GGL for gas suppliers that can evidence that they have provided at least 95% biomethane using green gas certificates from a recognised certification scheme.

**Levy payment** – The Green Gas Levy (GGL) places an obligation on all licensed fossil fuel gas suppliers in Great Britain (except those provisionally exempt) to pay a quarterly levy. These levy payments will be used to fund payments made for eligible biomethane injection into the gas grid through the Green Gas Support Scheme (GGSS). Suppliers are required to meet their

quarterly levy obligation by making a quarterly payment by the relevant dates specified in the scheme timetable. The quarterly levy payment is calculated using meter point data and the levy rate.

**Levy rate** – The levy rate is a factor used to determine suppliers' quarterly payment in conjunction with total meter point days data. The Secretary of State calculates and publishes the levy rate expressed in pence per meter point per day on a yearly basis. Ofgem then uses the levy rate to calculate credit cover requirements and quarterly levy payments payable by scheme suppliers.

## M

**Maximum initial capacity** - Means the maximum volume of biomethane, expressed in cubic metres per year, which a biomethane producer is entitled to supply for injection under the 'network entry agreement' between the biomethane producer and the relevant network.

**Meter point** – Meter point refers to an individual gas meter supply point.

**Mutualisation** – A process where suppliers, who have met their levy obligation, are required to pay an additional sum to cover any shortfall caused by supplier(s) failing to make a levy payment and having insufficient credit cover in place to cover the full payment obligation.

## P

**Periodic data** – Periodic data refers to the quarterly submissions made by registered participants, used to determine the volume of biomethane eligible for payments.

**Provisionally exempt supplier** – Provisionally exempt suppliers are those licensed suppliers who Ofgem has determined are likely to supply at least 95% certified biomethane in the next scheme year, based on evidence submitted by those suppliers. Provisionally exempt suppliers will not be required to make levy payments or lodge credit cover for that scheme year and will not be required to comply with several other scheme requirements. At the end of the relevant scheme year, provisionally exempt suppliers must demonstrate that they have supplied at least 95% green gas during that year. If they cannot demonstrate this, they will no longer be exempt from the levy and will be required to make backdated levy payments.

## S

**Supplier Performance Report (SPR)** – The Supplier Performance Report (SPR) documents incidents where energy suppliers have not complied with their obligations under the

environmental, energy efficiency and social programmes Ofgem administers on behalf of the Government. Non-compliances on the GGL are published in the SPR every 6 months on our website.

## T

**Tariff Guarantee** – Tariff guarantees are a compulsory part of applying to the GGSS. 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.