Green Gas Support Scheme (GGSS)

Annual Report

Scheme Year 5 (1 April 2025 to 31 March 2026)

ofgem

Contents

Foreword

Heating buildings remains one of the biggest challenges in the transition to net zero, with around three-quarters of households in Great Britain still relying on mains gas.[1] The Green Gas Support Scheme (GGSS) is a key part of the solution, as it supports the production of low-carbon biomethane from organic waste and its injection into the gas grid, helping to reduce the carbon intensity of mains gas in a practical and scalable way. At the same time, the scheme helps to support a circular economy by turning waste into a valuable energy resource. The GGSS is playing an important role in developing critical biomethane infrastructure whilst supporting Great Britian’s transition to a more sustainable energy future.

This year’s report highlights a significant expansion of the scheme, with participation increasing from 7 registered installations reported in the previous annual report to 13 by 31 March 2026. Since the start of the scheme nearly £40 million in support payments have been made based on 649.0 GWh of eligible green gas injected into the grid, enough to heat more than 56,000 typical homes for a year – 0.2% of households in Great Britain. The GGSS is a low-volume, high-impact scheme – highlighting that a small number of participants can deliver meaningful outcomes for energy consumers and support progress towards a greener, more secure energy system. During peak years of production, it is estimated the scheme could support enough biomethane to heat around 250,000 homes annually – nearly 1 in every 100 households in Great Britain - with lifetime carbon savings of up to 10.7 million tonnes of CO^2, equivalent[2] to taking over 3 million cars off the road for a year.[3]

[1] Households off the gas-grid and prices for alternative fuels - House of Commons Library - <https://commonslibrary.parliament.uk/research-briefings/cbp-9838/>

[2] DESNZ statistics viewed 15 April 2026: <https://www.gov.uk/government/publications/green-gas-support-scheme-ggss>

[3] Based on the emissions of an average petrol car using UK Government greenhouse gas conversion factors: <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025>

The GGSS is part of our wider mission delivering 13 low-carbon energy and social schemes on behalf of the Government. Together, these schemes had a combined value exceeding £13 billion in 2025 to 2026. As administrator of the GGSS, Ofgem is responsible for scheme delivery, while policy and budget setting belong to the Department for Energy Security & Net Zero (DESNZ). Ofgem's role is to assess GGSS applications, issue payments, ensure that registered participants and licensed energy suppliers comply with their responsibilities under the scheme, and provide transparent reporting on the scheme's performance.

Protecting public funds and ensuring the scheme works as intended is central to our work. This scheme year, we continued to strengthen our approach to compliance through the introduction of the PACT (Predictable, Agile, Collaborative, and Technology-enabled) framework. This strengthens how we work with participants and suppliers, combining clear expectations with more proactive and collaborative engagement to identify and resolve issues earlier, while maintaining a firm approach where obligations are not met.

The strong uptake seen throughout SY5 reflects growing confidence in biomethane and the value participants place on the support available. Moving into SY6, the budget for the scheme has now been almost fully allocated and we are operating a budget queue for further applicants should budget become available. I am pleased to see such a high level of demand, which provides evidence that the scheme is achieving its objectives.

Looking ahead, we will continue to build on the scheme's success, administering it fairly and efficiently, supporting participants to meet their obligations, and delivering meaningful benefits for consumers in line with the GGSS policy objectives.

We welcome comments from readers on the content of this report, so if you want to get in touch, please contact us at SchemeReportingFeedback@ofgem.gov.uk.

Neil Lawrence

Executive Director, Delivery & Scheme

649.0

GWh
Green Gas injected

Since the start of the scheme **649.0 GWh of green gas has been injected**. This is sufficient to heat **56,435 typical UK homes** for a year or heat **237.7 million hot baths.**

£40m

Payments made

Almost **£40.0 million** in payments have been made over the scheme's lifetime. **£13.6 million** of this was paid during SY5.[4]

13

Scheme participants

We have received **68 applications for a tariff guarantee** since the start of the scheme. Of these, **23 have been issued with a tariff guarantee** and **13 are now successfully registered on the GGSS.**

7

First Year audits

In SY5, our audit activities focused on our intent to audit GGSS installations within one year of either commissioning or registration ("First Year" audits) – we carried out **7 First Year audits.**

£352k

Public funds protected

Ofgem's enforcement actions from investigations closed during SY5 prevented **£352,228.20** of incorrect payments being made.

[4] These figures are subject to change as pending registrations and outstanding periodic data are approved and payments made.

Executive summary

Ofgem runs a range of low-carbon energy and social schemes on behalf of the Government and for the devolved administrations. Together, these schemes have a combined annual value of around £13 billion. 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'[5] 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 responsibilities, we produced this report summarising activity during the fifth year of the GGSS scheme (Scheme Year 5), covering the period 1 April 2025 to 31 March 2026. An outline of the key points from Scheme Year 5 (SY5) are set out below.

[5] 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.

Green Gas Support Scheme

Applications for registration (page 17)

From the start of the scheme to the end of March 2026, we have received 68 initial applications for a tariff guarantee. Of these, 23 have been issued with a tariff guarantee, of which 13 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.

Registered scheme participants (page 23)

Since the start of the scheme, support payments of £40.0 million have been made to registered participants, based on 649.0 GWh of eligible green gas injected into the grid. This quantity of green gas is sufficient to heat approximately 56 thousand typical UK homes for a year[6] or 237.7 million hot baths.[7]

Audit activity (page 24)

As part of our role administering the GGSS, we run an ongoing programme of audits under which we, or our authorised agents, carry out inspections on registered installations.

In SY5, our audit activities focused on our intent to audit GGSS installations within one year of either commissioning or registration ("First Year" audits). These audits allow us to verify information provided during the application process at an early stage, and to identify and rectify issues as quickly as possible. If more serious issues are identified, these can be dealt with using the powers available to us under the Green Gas Support Scheme Regulations 2021 ("the Regulations").[8]

[6] 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>
[7] The energy required to heat hot baths is calculated using the following formula (Energy required (kWh) = (4.2 × Litres of water (L) × Temperature change (T) in °C) ÷ 3600) where L=90 and T=26°C.
[8] The Green Gas Support Scheme Regulations 2021: <https://www.legislation.gov.uk/uksi/2021/1335/contents>

During SY5, we conducted 7 First Year audits. The most common reasons for material non-compliance include:

- Undeclared heat delivered to the biomethane production process. As well as heat delivered to the biogas production plant, any heat used during the biomethane production process must be metered and reported.
- Failure to provide copies or details of arrangements made to spread digestate.
- Failure to evidence use of low emission digestate spreading.

The audit non-compliance rates should not be viewed as a final determination as non-compliance is only confirmed when we conclude a compliance investigation. Nonetheless, audit outcome data is useful to improve our non-compliance deterrence messaging and support participants in making proactive steps to ensure they meet their obligations.

Participant compliance (page 26)

Where we suspect that participants may be failing to comply with the eligibility criteria or their ongoing obligations, we reserve the right to take enforcement action against them. We try and work with participants to bring them back into compliance before opening a compliance investigation.

During our investigations we quantify the financial impact of non-compliances to ensure proportionate sanctions. In certain cases of significant or repeated failure to comply with the requirements of the Regulations, we may revoke registration. Consequently, we can prevent payments going out erroneously in the future and recover any funds paid out in error. We classify error as either being prevented or detected. Prevented error refers to any payments which we have prevented from being made because of our work. Detected error relates to any payments which have been issued to a participant for which they were not eligible. Ofgem’s enforcement actions from investigations closed during SY5 prevented £352,228.20 of error from being released.

The Green Gas Levy

Scheme suppliers and levy payments (page 31)

The first levy payments were made by suppliers in May 2022. A total of £59,375,604.41 was collected during SY5. 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.[9]

At the end of SY5 there were a total of 77 scheme suppliers.[10] 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 Regulations in December 2023[11], a de minimis threshold was introduced in SY4. This applied to both total credit cover requirements and levy payments due in quarter one.[12] Additionally, obligated suppliers that do 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[13]) stood at 66 by the end of March 2026.

Supplier compliance (page 33)

As part of our role administering the GGL, we actively monitor suppliers to ensure they comply with their obligations. Where issues of non-compliance arise, we engage with suppliers to understand the circumstances, support corrective action where

[9] Regulation 39 sets out the calculation for the levy rate
[10] 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.
[11] The Green Gas Support Scheme (Amendment) Regulations 2023:
<https://www.legislation.gov.uk/uksi/2023/1317/contents/made>
[12] The de minimis threshold for 2025 to 2026 was £50: Green Gas Levy (GGL): rates, underlying variables, mutualisation threshold and de minimis for 2025-2026
<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>
[13] 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.

appropriate and determine whether further compliance or enforcement action is required. Where significant or repeated non-compliance occurs, we may take action to uphold the integrity of the scheme. All instances of non-compliance are reported in our Supplier Performance Report (SPR)[14], and specific breaches - such as missed payment deadlines - are also recorded in the GGL Default Register.[15]

We encourage suppliers to engage proactively with the scheme and make full use of the guidance available to help them meet their obligations, including scheme deadlines. Early engagement helps us work together to resolve issues efficiently and support effective scheme administration. There were 9 incidents of statutory non-compliance[16] and 15 incidents of administrative non-compliance[17] recorded in SY5. Three of the statutory incidents involved suppliers missing a levy payment deadline. Two of these payments (including interest) were subsequently made shortly after the deadline, and one case was due to a supplier becoming insolvent. The levy shortfall due to this one supplier was not enough to trigger the mutualisation threshold after credit cover draw-down had been carried out for them.

Contacts

For more information visit the Ofgem website[18]. You will find details about the scheme's closure, the accreditation process, and ongoing obligations.

If you can't find the information you need on our website, our customer service team will be happy to help on **0300 003 2289** or by emailing GGSS.enquiry@ofgem.gov.uk.

Press enquiries

For press enquiries, please contact Ofgem's press office at press@ofgem.gov.uk.

[14] Supplier Performance Report: <https://www.ofgem.gov.uk/supplier-performance-report-spr>
[15] GGL default register: <https://www.ofgem.gov.uk/publications/green-gas-levy-default-register>
[16] Statutory non-compliance refers to an incident where a supplier has failed to comply with a requirement in scheme legislation.
[17] Administrative non-compliance refers to an incident where a supplier has failed to comply with a requirement set by Ofgem.
[18] Non-Domestic Renewable Heat Incentive (RHI) webpage: <https://www.ofgem.gov.uk/environmental-and-social-schemes/non-domestic-renewable-heat-incentive-rhi>

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'[19] in the gas grid, by supporting the deployment of new anaerobic digestion (AD) biomethane plants. The scheme began on 30 November 2021 and is open to applications from eligible plants in England, Scotland and Wales until 31 March 2028.[20]

1.2 Support under the GGSS is provided to registered biomethane producers based on the volume of eligible biomethane (produced from Anaerobic Digestion) 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

[19] 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.
[20] The GGSS was originally due to close to new applicants on 30 November 2025. A regulation amendment 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>

least 95% certified biomethane)[21] to pay a quarterly levy based on the number of meter points they serve.

The roles of Ofgem and DESNZ

Ofgem

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 and GGL in line with the Regulations. The range of functions that we deliver, directed by these regulations, are outlined below:

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.
- Publishing information on UK Subsidy Database in line with Subsidy Control Act 2022.

[21] 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>

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.

The Department for Energy Security and Net Zero (DESNZ)

1.6 DESNZ is responsible for the GGSS and GGL policy, the Regulations, scheme budget and any promotion of the scheme.

Scheme Guidance

1.7 Our dedicated GGSS and GGL web pages[22] 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.

1.8 We have also published dedicated GGSS[23] and GGL[24] guidance documents, which further explain Ofgem's administration of the scheme, including guidance on:

GGSS

- How to apply for a tariff guarantee.

[22] 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>
[23] GGSS Guidance <https://www.ofgem.gov.uk/publications/green-gas-support-scheme-guidance>
[24] GGL Guidance <https://www.ofgem.gov.uk/publications/green-gas-levy-guidance>

- 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.

1.9 This report is produced to meet our obligation to publish a report on scheme activity annually by 31 July. This fifth annual report covers Scheme Year 5 (SY5) from 1 April 2025 to 31 March 2026.[25]

[25] Regulations 65(3)(b) and 65(4).

2. Applications for Registration

This chapter provides information on the process for registration on the Green Gas Support Scheme (GGSS), and a summary of applications made. An overview of the scheme budget position at the end of Scheme Year 5 (SY5) is also provided.

Tariff guarantee applications

2.1 Tariff guarantees are a compulsory stage of applying to the GGSS.[26] 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 68 applications for tariff guarantees from scheme launch to 31 March 2026. Of the 68 initial applications made at stage 1, 50 were granted provisional tariff guarantee notices, 10 were rejected[27], 1 was revoked, 6 were cancelled, and 1 was under review.

2.3 From the 50 provisional tariff guarantee notices granted, 23 were issued with a tariff guarantee, 1 was rejected, 3 were revoked, 20 were cancelled and the remaining 3 were pending submission of their stage 2 applications at the end of SY5. Of the 23 applicants that were granted tariff guarantees,15 applications for full registration have been received, of which 13 have now been successfully registered on the scheme and, as of 31 March 2026, the remaining 2 applications were 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

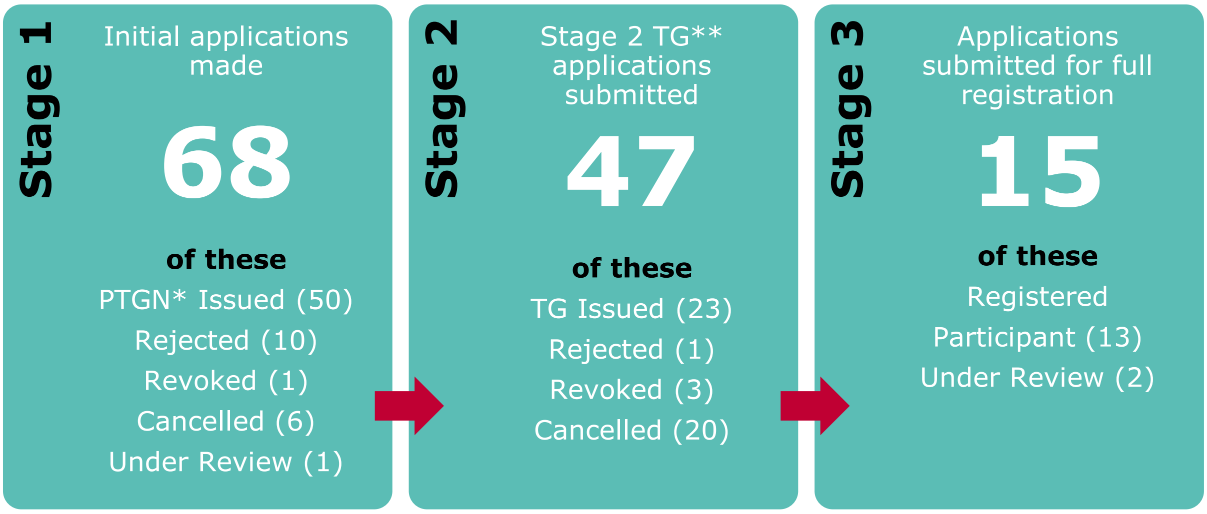
[26] Further information on the tariff guarantee application process can be found in our GGSS guidance.
[27] In cases where an application has been unsuccessful the applicant may submit a new tariff guarantee application. Any resubmission of a previously unsuccessful application will be treated as a new application and subject to budget availability at the time of submission.

connection agreement. Rejections and revocations at stage 2 have occurred due to a failure to provide satisfactory evidence of 'financial close'.[28]

2.5 Where applications have been cancelled by an applicant, they have in most cases reported that this was due to supply chain issues as well as site specific delays affecting their ability to achieve the original injection deadline. All applications impacted by supply chain issues have subsequently submitted new applications with amended injection dates to account for any delays. All withdrawn applications in SY5 have since been resubmitted.

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'.[29] The budget for any retrospective payments is ringfenced, to be used should these applicants achieve registration.

Figure 2.1: Tariff guarantee application progress as of 31 March 2026



** Provisional tariff guarantee notice*

*** Tariff guarantee*

[28] 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.

[29] 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.

2.7 The tariff guarantees issued are split between Scotland, England and Wales with 15 in England, 7 in Scotland and 1 in Wales.

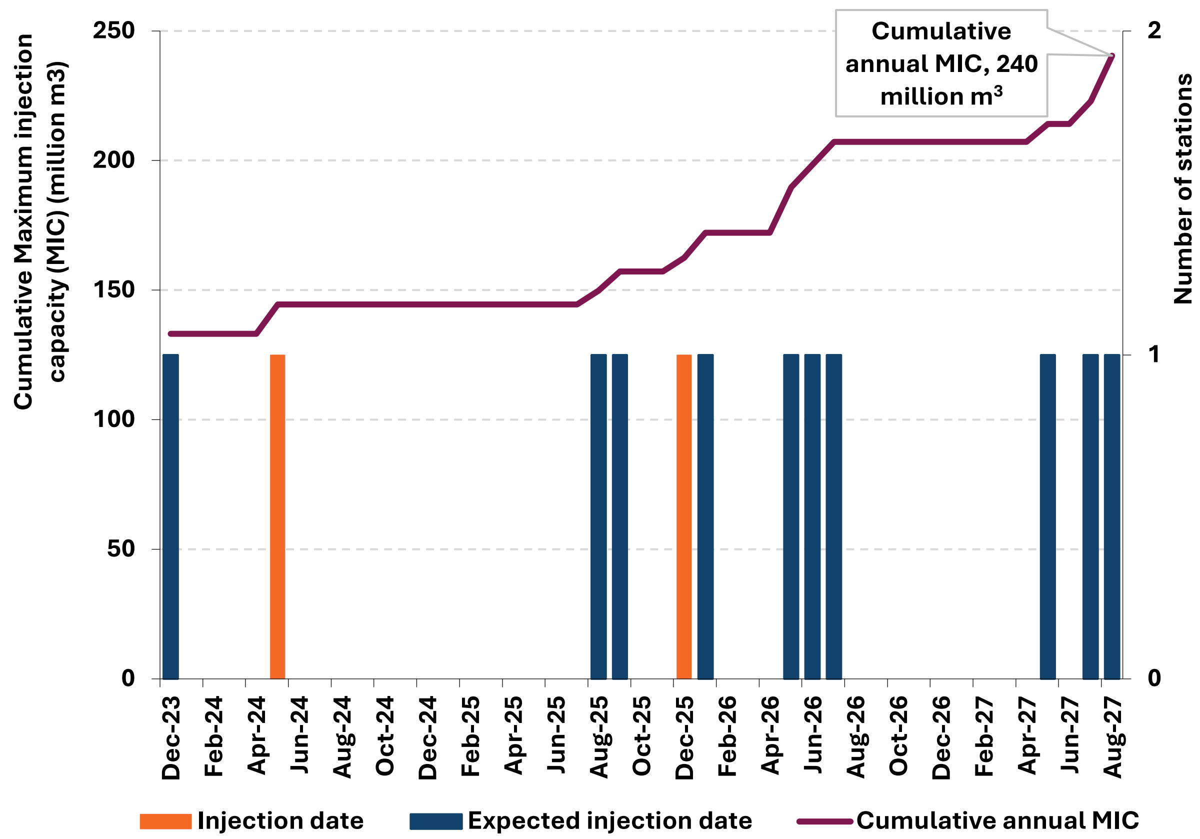
Expected Injection Dates

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 2025 and May 2026 are within their 182-day grace period.

2.9 The maximum initial capacity (MIC)[30] of biomethane in relation to the 10 remaining tariff guarantees that have been issued is 102,492,000 m^3. When combined with the 13 registered participants this gives a total MIC of 224,247,640 m^3.

[30] '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.

Figure 2.2: Expected commencement of injection forecast



This chart shows a forecast of registered maximum initial capacity (MIC) based on when those issued with a tariff guarantee, but pending full registration, have commenced or expect to commence injection. The cumulative MIC is an annual figure and includes the MIC of the 13 registered participants. Two of the 10 applicants have at the time of writing commenced injection and all the remaining applicants expect to commence injection on or before August 2027.

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.

2.11 As of 31 March 2026, 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 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 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’[31] for further details on the Application Budget cap.

2.14 An applicant’s budget requirement is calculated based on the MIC, adjusted using the expected quarterly production factor, which is an estimate of a plant’s total capacity that is expected to be used. Production factors are set and published by DESNZ.[31]

2.15 **Figure 2.3** shows the budget available for each of the financial years in which applications may be made.[32] 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.

[31] Green Gas Support Scheme – Budget Management <https://www.gov.uk/government/publications/green-gas-support-scheme-budget-management/green-gas-support-scheme-budget-management>

[32] The GGSS regulations require that to join the scheme, participants must commence biomethane injection into the gas grid no later than 31 March 2028.

2.16 The figures in **Figure 2.3** were correct as of 31 March 2026. You can view the up-to-date budget figures on our website.[33]

Figure 2.3: Budget allocation

	Annual Application Budget Cap[34]	Budget allocated (TG applications received)[35]	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	£13,832,946	£19,067,054
SY4 (2024 to 25)	£51,700,000	£45,645,137	£45,645,137	£6,054,863
SY5 (2025 to 26)	£80,300,000	£61,321,296	£61,321,296	£18,978,704
SY6 (2026 to 27)	£124,900,000	£83,523,288	£83,523,288	£41,376,713
SY7 (2027 to 28)	£174,200,000	£117,817,035	£104,889,754	£56,382,966
SY8 (2028 to 29)	£203,800,000	£158,666,307	£118,517,308	£45,133,693
SY9 (2029 to 30)	£214,300,000	£166,861,380	£122,974,025	£47,438,620

[33] 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>
[34] The Annual Application Budget cap is a cap on the estimated spend that can be allocated for biomethane production within each scheme year.
[35] 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 in Scheme Year 5 (SY5).

3.1 As of 31 March 2026, the number of participants successfully registered on the Green Gas Support Scheme (GGSS) stands at 13. As shown below in Figure 3.1, since the start of the scheme, support payments of £40 million have been made based on 649 GWh of eligible green gas being injected into the grid.

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

	Scheme participants [36]	Biomethane produced (m^3)[37]	Eligible biomethane produced (kWhth)[38]	Number of payments made	Value of payments made[39]
SY1 (2021 to 22)	0	0	0	0	£0
SY2 (2022 to 23)	1	1,417,002	10,126,095	3	£557,947.81
SY3 (2023 to 24)	3	5,294,470	48,935,652	9	£2,980,181.32
SY4 (2024 to 25)	7	37,895,443	366,961,907	29	£22,882,885.77
SY5 (2025 to 26)	13	22,863,811	222,982,241	16	£13,576,081.35
Total	**13**	**67,470,726**	**649,005,895**	**57**	**£39,997,096.25**

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

Audit Activity

3.2 As part of our role administering the GGSS, we run an ongoing programme of audits under which we, or our authorised agents, carry out inspections on registered installations.

3.3 When auditing participants, we look at a broad range of evidence related to scheme obligations. Participants have an ongoing obligation to provide

[36] Participants are shown as Registered from the period within which they were eligible to claim for support, irrespective of when the application was processed.
[37] The volume of gas injected into the grid in cubic meters (m^3) – this is the volume of the 'C' term on page 65 of the GGSS Guidance and regulation 27(2).
[38] 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.
[39] 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.

reasonable access to Ofgem, and our audit representatives, during site visits. Failure to meet these obligations may subject participants to further investigation and enforcement action.

3.4 Whilst most audits are carried out with prior notice to participants, the GGSS also allows unannounced audits to be conducted at any point of the scheme life cycle. We may also carry out inspections during the application stage to verify whether registrations should be granted.

3.5 In SY5, our audit activities focused on our intent to audit GGSS installations within one year of either commissioning or registration ("First Year" audits) - 7 First Year audits were carried out. These audits allow us to verify information provided during the application process at an early stage, and to identify and rectify 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.

3.6 Material non-compliance identified during an audit may lead to further compliance review. It is important to note that audit findings are not a final determination of non-compliance. Participants may have opportunities to provide further information or evidence during the review process and, where appropriate, address issues identified without financial impact. Findings are assessed on a case-by-case basis before any compliance outcome is determined.

3.7 Nonetheless, audit outcome data provides valuable insight into common issues and helps us improve how we support participants, reducing the likelihood of similar issues arising in future. Common reasons for non-compliance include:

- Undeclared heat delivered to the biomethane production process. As well as heat delivered to the biogas production plant, any heat used during the biomethane production process must be metered and reported.

- Failure to provide copies or details of arrangements made to spread digestate.
- Failure to evidence use of low emission digestate spreading.

3.8 We continue to analyse the causes behind the non-compliance cases being identified and use this information to ensure our procedures and guidance are as clear as possible.

3.9 We will continue to audit GGSS installations within the first year of registration. All scheme participants can expect to be contacted during this period. 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 under the GGSS Regulations.[40] As the number of registrations grows, we expect first-year audits to continue in future years and will keep the frequency of repeat audits under review.

Participant Compliance

3.10 Where concerns arise regarding compliance with eligibility criteria or ongoing obligations, we work with participants to understand and address the issues identified. Our aim is to support participants in returning to compliance wherever possible before considering enforcement action. Where appropriate, we may use the compliance and enforcement powers available to us under the Regulations.

3.11 We can exercise a range of enforcement powers under the Regulations, including:

- Withholding or reducing payments (temporarily and permanently).[41]

[40] The enforcement action we can take is set out in part 6 of the Regulations.
[41] Regulation 29 and 30 of the GGSS Regulations.

- Recovering overpayments.[42]
- Revoking the registration of a participant.[43]

3.12 We quantify the financial impact of non-compliances during our investigations to ensure proportionate sanctions. In cases involving significant or repeated failure to comply with the Regulations, we may consider stronger compliance or enforcement measures, including revocation of registration where appropriate. . Consequently, we can prevent payments going out erroneously in the future and recover any funds paid out in error.

3.13 We classify error as either being prevented or detected. Prevented error refers to any payments which we have prevented from being made because of our work. Detected error relates to any payments which have been issued to a participant for which they were not eligible. Ofgem's enforcement actions from investigations closed during SY5 prevented £352,228.20 of error from being released.

3.14 Further details on the outcomes of our compliance cases closed in SY5 is shown below in **Figure 3.2.**

[42] Regulation 34 of the GGSS Regulations.

[43] Regulations 32 of the GGSS Regulations.

Figure 3.2: Compliance cases closed in SY5

Referral source	Open cases	Cases closed	Non-compliant cases	Value of Prevented Error	Value of Detected Error
Operational	3	3	2	£352,228.20	£0.00
Audit – Statistical	0	0	0	£0.00	£0.00
Audit - Targeted	6	0	0	£0.00	£0.00
Counter-fraud/ Compliance	0	0	0	£0.00	£0.00
Total	**9**	**3**	**2**	**£352,228.20**	**£0.00**

3.15 The 2 operational referrals, which stemmed from our internal controls when processing applications, amendments and payments, were both sanctioned, totalling £352,228.20 in prevented error. The financial sanctions related to breaches in Green House Gas (GHG) emissions criteria for biomethane production, resulting in a financial sanction following confirmation of the emissions calculations.

3.16 No statistical audits were carried out in SY5. Although 6 targeted audits remain open and investigations arising from targeted audit referrals are still ongoing, no cases were closed during the reporting period.

4. The Green Gas Levy

This chapter provides an overview of the Green Gas Levy (GGL) and its operation during Scheme Year 5 (SY5). This includes our work monitoring and enforcing supplier compliance.

4.1 The Department for Energy Security and Net Zero (DESNZ) sets the levy rate[44] 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.[45] 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.[46]

4.4 Prior to a levy payment being due, obligated suppliers are required to have a sufficient level of credit cover[47] lodged. This helps ensure levy payments are collected in a timely manner and reduces the likelihood of a mutualisation[48] event being required. Where a supplier fails to make a levy payment or

[44] For 2025 to 2026, 0.821p per meter per day, equivalent to £3.00 per meter over the financial year.
[45] Regulation 48
[46] 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>
[47] 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>
[48] For further information on mutualisation please refer to chapter 6 of our GGL guidance.

mutualisation payment in full by the due date, Ofgem will draw down funds from a supplier's lodged credit cover.[49]

4.5 Following amendments to the Regulations in December 2023[50], a de minimis threshold was introduced in SY4. This applied to both total credit cover requirements and levy payments due in the first quarter. A de minimis threshold sets a minimum payment level - if the amount owed is equal to or below this threshold, it does not need to be paid. For SY5 financial year, DESNZ set this threshold at £50.[51]

4.6 Suppliers of at least 95% green gas can be exempted from paying the levy.[52] 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.

[49] Regulation 43
[50] GGSS regulation amendment made in 2023: Legislation.gov.uk <https://www.legislation.gov.uk/primary+secondary?title=green%20gas%20support%20scheme>
[51] Green Gas Levy (GGL): rates, underlying variables, mutualisation threshold and de minimis for the 2025-2026 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>
[52] Regulation 38

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.[53] 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. One supplier was determined to be provisionally exempt for SY5 with evidence to confirm their exemption for that year due to be submitted by 1 July 2026. They submitted their evidence on 16 July 2026.

4.9 In SY5, levy payments of £59.3 million were collected. It should be noted that the formula[54] 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.[55]

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[53] 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>

[54] The levy rate formula is set out at Regulation 39(1)

[55] 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> and in the GGSS Regulations 2021 as amended <https://www.legislation.gov.uk/primary+secondary?title=green%20gas%20support%20scheme%20regulations>

Figure 4.1: Scheme suppliers and levy payments made

	Scheme suppliers[56]	Provisionally exempt scheme suppliers	Obligated scheme suppliers[57]	Sum of the quarterly levy payments
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	£14,582,037
Q2 SY2 (Jul to Sep)	91	1	74	£13,011,589
Q3 SY2 (Oct to Dec)	90	1	73	£13,170,271
Q4 SY2 (Jan to Mar)	88	1	72	£13,189,986
Q1 SY3 (Apr to Jun)	87	1	71	£12,923,645
Q2 SY3 (Jul to Sep)	87	1	69	£2,772,494
Q3 SY3 (Oct to Dec)	86	1	68	£2,807,611
Q4 SY3 (Jan to Mar)	78	1	67	£2,813,594
Q1 SY4 (Apr to Jun)	87	1	44	£2,784,213
Q2 SY4 (Jul to Sep)	87	1	44	£2,399,193
Q3 SY4 (Oct to Dec)	86	1	41	£2,362,805
Q4 SY4 (Jan to Mar)	76[58]	1	44	£2,428,946
Q1 SY5 (Apr to Jun)	77	1	56	£2,375,100
Q2 SY5 (Jul to Sep)	77	1	66	£18,843,287

[56] 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.
[57] 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.
[58] 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.

Q3 SY5 (Oct to Dec)	77	1	65	£19,069,342
Q4 SY5 (Jan to Mar)	77	1	66	£19,087,875

Supplier Compliance

4.10 As part of our role administering the GGL we monitor supplier compliance with scheme obligations and engage proactively where issues arise. We encourage suppliers to make full use of available guidance and to engage early where support or clarification is needed. Most issues can be resolved through constructive engagement; however, where significant or repeated non-compliance occurs, we may take appropriate compliance or enforcement action . All instances of non-compliance are reported through our Supplier Performance Report (SPR)[59], and certain breaches - such as missed payment deadlines - are also published in the GGL Default Register[60] in accordance with scheme requirements.

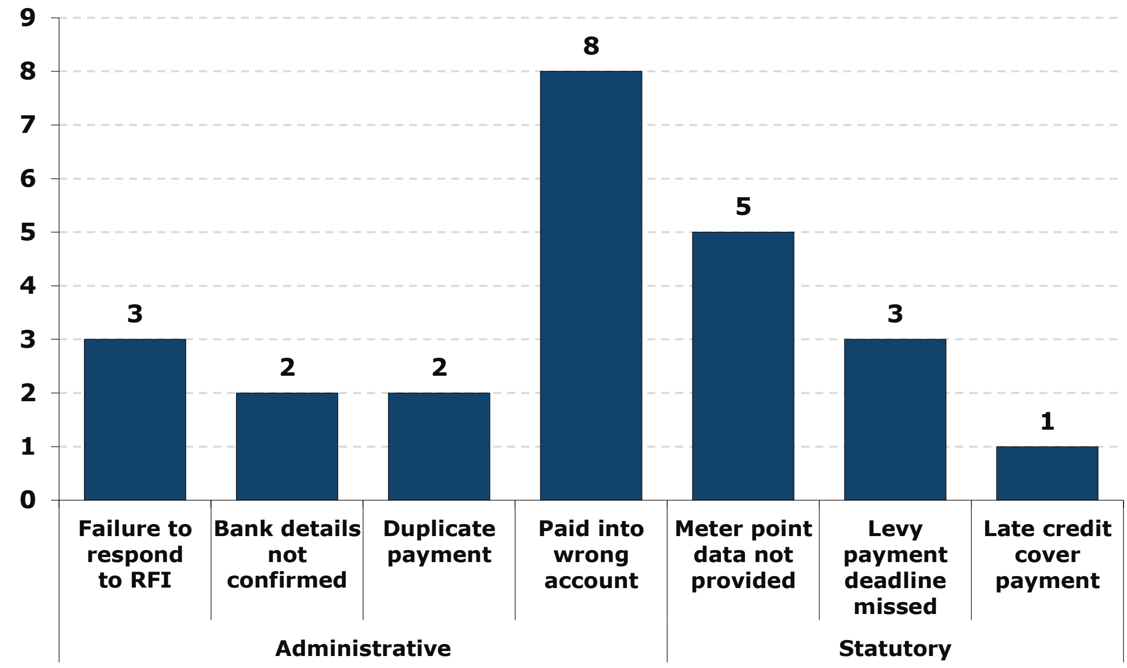
4.11 Supplier non-compliance can require additional administrative effort and time to resolve and may affect the efficient administration of the scheme. Early engagement and timely resolution help minimise these impacts and support effective scheme delivery.

4.12 Significantly, no mutualisation exercises were required due to these non-compliances in SY5, as any missed levy payments were subsequently resolved shortly after the deadline and any applicable late payment interest was paid, or the amounts involved did not meet the mutualisation threshold **Figure 4.2** shows that in total, there were 24 incidents of non-compliance recorded in SY5. Nine of these were statutory non-compliances[61] and 15 were administrative

[59] Supplier Performance Report: <https://www.ofgem.gov.uk/supplier-performance-report-spr>
[60] GGL default register: <https://www.ofgem.gov.uk/publications/green-gas-levy-default-register>
[61] Statutory non-compliance refers to an incident where a supplier has failed to comply with a requirement in scheme legislation.

non-compliances.[62] Details of individual supplier non-compliances can be found in **Figure 4.3.**

Figure 4.2: GGL SY5 non-compliances



This column chart shows that in SY5, 15 of the incidents of non-compliance were administrative and 9 were statutory. The administrative non-compliance 'Paid into the wrong account' was the most common with 8 incidents, followed by the statutory non-compliance Meter point data not provided' with 5 incidents.

[62] Administrative non-compliance refers to an incident where a supplier has failed to comply with a requirement set by Ofgem.

Figure 4.3: GGL Supplier non-compliances for SY5

Supplier	Type	Statutory/ Administrative	Non-Compliance
Barrow Shipping Ltd	Payments	Administrative	Supplier paid additional credit cover due, with deadline of 19 June 2025, into the Levy Account on 19 June 2025 rather than the Credit Cover Account. Payment was internally transferred to credit cover account on 24 June 2025.
BP Gas Marketing Limited	Scheme Engagement	Administrative	Supplier failed to provide banking information by deadline of 17 March 2026.
Ceres Energy Limited	Payments	Administrative	Supplier paid additional credit cover due, that had deadline of 19 June 2025 into the Levy Account on 19 June 2025, rather than the Credit Cover Account. The payment was internally transferred on 24 June 2025.
Crown Gas and Power 2 Ltd	Payments	Administrative	Supplier made 2 separate payments for the same Levy window, first on 25 July 2025 and then a subsequent duplicate payment on 31 July 2025, leading to an overpayment.
Crown Oil Ltd	Payments	Administrative	Supplier made 2 separate payments for the same Levy window, first on 25 July 2025 and then a subsequent duplicate payment on 31 July 2025, leading to an overpayment.

Supplier	Type	Statutory/ Administrative	Non-Compliance
Evolve Energy Supply Limited	Payments	Administrative	Supplier paid additional credit cover due, with deadline of 19 June 2025 into the Levy Account on 18 June 2025 rather than the Credit Cover account. The payment was internally transferred to the Credit Cover account on 24 June 2025.
Flexitricity Ltd	Payments	Administrative	Supplier had £0.23 of Credit Cover due. This payment was not required or expected to be paid as they fall below the De Minimis threshold however they still paid it and paid it into the GGL Levy Account on 19 September 2025 rather than the Credit Cover Account. This was internally transferred to the Credit Cover Account on 7 October 2025.
Hartree Partners Power and Gas	Data	Statutory	Supplier failed to meet Meter Point Data confirmation obligation by deadline of 16 April 2025.
Home Energy Trading Limited	Payments	Statutory	Supplier failed to make their levy payment for the second quarter of SY5 by the deadline of 12 August 2025. They paid it 2 days later on 14 August 2025.
Jellyfish Energy Limited	Payments	Statutory	Supplier failed to pay £93.55 of additional credit cover for the fourth quarter of SY5 by the deadline of 23 March 2026. The paid it 2 days later on 25 March 2026.

Supplier	Type	Statutory/ Administrative	Non-Compliance
Marble Power Limited	Payments	Administrative	Supplier paid their levy payment for the second quarter of SY5 into the Credit Cover account on day of the deadline, 12 August 2025, rather than into the Levy account. This amount was transferred into the correct account on 18 August 2025. Additionally, the amount was below the De Minimis threshold
OSSO Energy Plc	Scheme Engagement	Administrative	Supplier failed to provide banking information by deadline of 17 March 2026.
OSSO Energy Plc	Payments	Administrative	Supplier paid their Levy amount into the incorrect account on 25 July 2025, leading to an administrative burden.
OSSO Energy Plc	Scheme Engagement	Statutory	Supplier failed to confirm their Meter Point Data by the deadline of 16 July 2025 on the Green Gas Levy Portal.
OVO Gas Ltd	Payments	Administrative	Supplier paid additional Credit Cover due, with deadline of 19 June 2025 into the Levy account on 13 June 2025 rather than the Credit Cover account. Payment internally transferred to Credit Cover account on 24 June 2025.

Supplier	Type	Statutory/ Administrative	Non-Compliance
Rebel Energy Supply Limited	Payments	Statutory	Supplier failed to make their SY5 first quarter levy payment of £5,194.31 by the deadline of 15 May 2025. Credit Cover draw-down carried out on 20 May 2025 to cover the shortfall amount.
So Energy	Scheme Engagement	Administrative	Supplier failed to respond to the Supplier Performance Report (SPR) Notification sent on 17 November 2025. The notification was requesting a reason for the late third quarter Levy payment and actions planned to not repeat the non-compliance. The notification included a deadline of 1 December 2025 to respond.
So Energy	Payments	Statutory	Supplier failed to make their levy payment for the third quarter of SY5 by the deadline of 11 November 2025. They paid it a day later on 12 November 2025.
So Energy	Scheme Engagement	Administrative	Supplier failed to respond to our Request For Information for Key Contact change(s) following a Postmaster Failure response from recent communications. The supplier failed to respond by the deadline of 20 October 2025.
Square 1 Energy	Scheme Engagement	Administrative	Supplier failed to respond to a SPR Notification by deadline of 9 February 2026.

Square 1 Energy	Data	Statutory	Supplier failed to confirm their Xoserve meter points by deadline of 20 January 2026 for the quarter 4 Meter Point activity. Proceeding with their Xoserve figure for Levy calculations.
UK Gas Supply Ltd	Scheme Engagement	Statutory	Supplier failed to confirm their Meter Point Data by the deadline of 16 July 2025 on the GGL Portal.
UK Gas Supply Ltd	Payments	Administrative	Supplier paid their £1.86 of additional Credit Cover due, into the Levy account on 15 May 2025, and then paid the £1.86 again into the correct Credit Cover account on 27 May 2025. The amount in the Levy account was transferred to the Credit Cover account on 10 June 2025.
UK Gas Supply Ltd	Data	Statutory	Supplier failed to meet the Meter Point Data confirmation obligation by deadline of 16 April 2025.

5. Our Administration

This chapter provides additional detail on our administration of the GGSS during Scheme Year 5 (SY5) not covered elsewhere in this report.

Stakeholder Engagement

5.1 As administrators of the GGSS, we proactively engage with key stakeholders to ensure scheme participants and potential applicants are aware of key scheme updates.

5.2 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.

5.3 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. The last stakeholder forum was held in March 2026.

5.4 In addition to this, we regularly communicate with stakeholders via email to share important scheme updates and information.

Document Publications

5.5 During SY5, we published 1 update to GGSS scheme guidance[63] providing timely additional guidance and clarification including in relation to:

[64] Green Gas Support Scheme (GGSS): open to applications: <https://www.gov.uk/government/publications/green-gas-support-scheme-ggss>

- A summary of submissions required on a quarterly and annual basis.
- Clarifications on metering of heat.
- Further clarification on evidence required for registration application.
- Areas where our responses to queries and our administration of the scheme have highlighted the need for greater clarity.
- An update to Ofgem’s ongoing obligations in relation to Subsidy Control 22 Act.

5.6 We also published an administrative timetable for 2026 to 2027 (the ‘annual scheme schedule’).

Green Gas Levy scheme schedule: 1 April 2026 to 31 March 2027 | Ofgem

<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>

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 In December 2025, the Department for Energy Security Net Zero (DESNZ) announced their intention to extend the plant commissioning and stage 3 application deadline to 31 March 2030.[64] The deadline for tariff guarantee applications will remain 31 March 2028. Applicants with a commissioning date after 31 March 2028 will have a shorter tariff lifetime and may receive payments to March 2043. The extension is aimed to give developers more time to complete construction of plants and start operations and help to maximise carbon savings achieved through the scheme. The extension to the commissioning deadline is subject to parliamentary scrutiny and is expected to come into force in 2026.

6.2 Following increased deployment in Scheme Year 5 (SY5), we expect continued interest in the scheme, with further applications for registration over the next 2 scheme years. We have already received a large number of tariff guarantee applications in the first quarter of Scheme Year 6 (SY6), which has resulted in the scheme budget being almost fully allocated for SY9. As of June 2026, this means we cannot allocate budget to new applicants and therefore, we are implementing a budget queue.-The budget queue provides a potential opportunity for further applicants should budget become available, for example where other applications are withdrawn or rejected. We will continue to review any new applications received and manage the budget queue in line with the Regulations.

6.3 As more GGSS producers commission their anaerobic digestion plants, and they and existing registered producers ramp up their injection of eligible

[64] Green Gas Support Scheme (GGSS): open to applications: <https://www.gov.uk/government/publications/green-gas-support-scheme-ggss>

biomethane, we anticipate that payments to producers will increase, further supporting the biomethane industry as a component in the Government’s net zero strategy.

6.4 In February 2024, DESNZ published a call for evidence[65] which summarised their initial thinking on a future policy framework to support biomethane production. This sought evidence to inform future policy development. DESNZ is considering options for post-GGSS biomethane policy and where relevant we intend to share our expertise in environmental scheme delivery to help shape future policy.

[65] 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>

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:

	Mandatory requirement	From: 30 Nov 2021 To: 31 Mar 2024	From: 1 Apr 2025 To: 31 Mar 2026
1	**65(4) a)** the number of participants	Participants as of 31 March 2024 = **3**	Participants as of 31 March 2026 = **13**
2	**65(4) b)** the volume of biomethane produced for injection by those participants, including any additional biomethane in respect of which those participants are registered	**47,119,637 m^3***	**222,982,241m^3***
3	**65(4) c)** the total number and value of periodic support payments made in respect of that biomethane	Number of payments = **8*** Value of payments = **£2,810,857.49***	Number of payments = **16*** Value of payments = **£13,576,081.35***.
4	**65(4) d)**	Scheme suppliers as of 31 March 2024 = **78** Provisionally exempt scheme suppliers = **1**	Scheme suppliers as of 31 March 2025 = **77**[66] Provisionally exempt scheme suppliers = **1**

[66] 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.

	the number of scheme suppliers and, of those, the number who are provisionally exempt scheme suppliers		
5	**65(4) e)** the sum of the quarterly levy payments paid by those scheme suppliers	**£75,271,225.84**	**£69,419,214.21**

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

	Mandatory requirement	From: 30 Nov 2021 To: 31 Mar 2023	From: 1 Apr 2025 To: 31 Mar 2026
6	**65(4) f)** the number of occurrences of— i. any scheme supplier failing to pay— (aa) a quarterly levy payment,	**0**	**0**
	(bb) a levy credit payment	**0**	**0**
	(cc) a payment of additional credit cover	**0**	**0**
	(dd) a mutualisation payment	**0**	**0**
	ii. any scheme supplier making a payment after the due date, and the average number of days by which such payments were delayed. (aa) a quarterly levy payment	**11 (avg. 2 days late)**	**2 (avg. 1.5 days late)**
	(bb) a levy credit payment	**8 (avg. 2 days late)**	**1 (avg. 2 days late)**
	(cc) a payment of additional credit cover	**0**	**0**
	(dd) a mutualisation payment	**0**	**0**

	iii. the Authority (aa) drawing down credit cover in accordance with regulation 55	**2**	**0**
	(bb) carrying out a mutualisation process	**0**	**0**

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/uksi/2021/1335/contents/made>

- Guidance 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 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 on the Ofgem website:

  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 for Energy Security & Net Zero (DESNZ) are 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>

Appendix 3: Glossary[67]

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

[67] 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.

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.

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.