

## Guidance Note: Fuel Measurement and Sampling Questionnaire - Climate Change Levy (CCL) only Waste Stations

### Overview:

#### **The Requirement**

The submission and approval of the *CCL only Waste Questionnaire* forms part of the accreditation process to claim LECs under the CCL Regulations. It is designed for stations using waste. As such, stations using other fuels should not complete or submit this questionnaire as part of their accreditation application. Ofgem<sup>1</sup> is happy to discuss initial pre-application queries regarding FMS requirements by telephone. Due to the heterogeneous composition of waste, and that it changes throughout the year (i.e. more garden waste in the summer with a higher bio-content), the CCL only waste stations may be able to undertake annual procedures rather than monthly procedures as is the requirement for other fuel types.

When a station makes an accreditation application, they need to demonstrate to Ofgem the renewable energy content of their waste so that we can issue Renewable LECs accordingly. Regulation 47(7) allows for generators to “deem” the renewable content of their waste at 50%, but only in the instance where Ofgem has no reason to believe the fossil content of the waste is greater than 50%. Therefore as part of the accreditation process, we ask generators in the first instance to undertake some initial procedures to determine the renewable energy content of their waste. This can be by laboratory analysis of the waste, or by referencing appropriate literature values for the energy and biogenic contents. In addition, where stations believe that their renewable energy content is greater than 50%, they can also opt to undertake FMS procedures to demonstrate the energy content (Regulation 47(8)).

Regulation 47(12) provides that the determination of the proportion of the electricity generated for the purpose of the LECs must be by reference to the energy content of the relevant fuel. The questionnaire enables generators to propose how they intend to determine the renewable energy content of the waste used at the generating station. This is important for claiming under the CCL as the procedures will determine what proportion of the electricity each month is eligible for LECs. After the first submission of your questionnaire, Ofgem will work with you, as required, to develop the procedures outlined in your initial proposal further. This is to ensure that, once agreed, the procedures are capable of providing accurate and reliable results to support your monthly LECs claims on the Renewables and CHP register.

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<sup>1</sup> The Climate Change Levy (General) Regulation 2001, as amended, (CCL REG) authorises Ofgem. Ofgem is the office of the Gas and Electricity Markets Authority (GEMA). GEMA is the relevant authority under the CCL Regulations responsible for administration of the Climate Change Levy Exemption Certificates.

## The Questionnaire Review Process


Ofgem is happy to discuss initial pre-application queries regarding FMS requirements, but cannot begin reviewing the proposal until a CCL application has been made for the generating station, with supporting relevant information. Ofgem will then review your FMS questionnaire and make contact with you directly, and if necessary with a set of comments to be addressed. From this point forward, updated versions can be submitted directly to the member of Ofgem's staff dealing with your FMS procedures until no further comments are raised and an agreement is confirmed.

The FMS review process runs in parallel with the accreditation review. We do not put a time frame on the FMS review because the timescales are dependent upon a number of factors, including the quality of the answers provided in the initial FMS questionnaire, the complexity of the procedures proposed as well as how long it takes applicant to make a response to any queries raised by Ofgem. Before accreditation can be granted under the CCL, the FMS procedures must have been agreed.

Once the initial FMS procedures have been agreed, the generator will need to undertake these procedures each year in order to determine the renewable energy content, as a percentage, of the waste. This percentage is known as the 'renewable qualifying percentage'. This information needs to be provided to Ofgem by 31<sup>st</sup> March each year. Ofgem will review the evidence provided each year to ensure the procedures are being met. Once the renewable qualifying percentage has been agreed, this will then be applied to all monthly LEC claims for the forthcoming year (April-March). The annual process then recommences.

## The FMS Questionnaire

It is essential we have a concise record of a station's FMS procedures and as such this questionnaire document must be completed fully and approved by Ofgem as part of the CCL application process. The generator must provide a suitable level of detail when answering questions in order to clearly outline the procedures. This will aid Ofgem in the review of the proposal and reduce unnecessary delays in the approval process.

The size of the text box available for response indicates the length of reply expected. If additional space is required in order to answer a question, this is available in section I. Certain questions are compulsory for all generating stations. Compulsory questions must be answered and are marked with a  symbol. Some questions are only applicable in some cases and will not be relevant to all generating stations. In these cases the generator may answer 'not applicable (N/A)' or leave the answer blank where appropriate. Some questions within this document are free text and a written answer is expected. Others are restricted and the applicant should select from either a drop down list, option button or provide confirmation through checking a tick box.

## Additional Documentation

Any supporting documentation to be reviewed alongside the FMS Questionnaire can be sent via e-mail to: [renewable@ofgem.gov.uk](mailto:renewable@ofgem.gov.uk). Examples of supporting documentation are copies of referenced literature and template spreadsheets with calculations.

## Revision of Procedures

Once the initial FMS procedures have been agreed, the generator will then have to ensure they keep to these procedures each year when they provide their supporting evidence to Ofgem. There may be instances where the generator wishes to amend their procedures, for example to go from annual procedures to deeming waste or to alter the method used to measure the weight, energy content or biogenic content of the waste. Where this is the case, the generator will need to submit a set of revised procedures. This should be done by editing the agreed procedures and resubmitting these to Ofgem by email. It is recommended this is done in advance of the annual process where possible to avoid any delays in certificate issue for the new year.

## Completion of the Questionnaire:

### Section A. Application Information

Here the applicant should provide details of the generating station, capacity and waste type. When providing the details of the generating station, the applicant should ensure these are as they appear on the accreditation application made via the Renewables and CHP Register. This enables Ofgem to link the FMS Questionnaire to the accreditation application.

### Section B. Submission Type

Select which procedure you wish to use (i.e. whether annual procedure or deeming procedure). Generators must provide evidence to support any of the options selected. By completing sections C-G in the questionnaire, the generator is proposing how they intend to determine the renewable energy content. If the generator wishes to deem the renewable qualifying percentage at 50%, Ofgem must have no reason to believe that more than 50% of the energy content of the waste is derived from fossil fuel. The generator will therefore need to provide some initial evidence to Ofgem to satisfy this requirement.

### Section C. Fossil Fuel Use

As outlined in the introduction, this questionnaire is designed for waste only stations. If no fossil fuel is used at the generating station, the generator can answer no to question C1 and move on to section D.

If a generating station is using fossil fuel they will need to provide details of its usage and whether it results in the generation of electricity. If it does result in the generation of electricity, the generator may need to detail how they will determine how much fossil fuel they have used within a given period and the energy content of that fuel.

### **Section D. Weight Procedures**

Where the station is determining the amount of waste used, they should clearly specify how this is measured. If the generating station only receives one waste type, or are sampling the waste, determining the quantity of waste consumed at the station may not be required. If this is the case, the generator should clearly state why they are not opting to determine the quantity of the waste.

### **Section E. Energy Content Procedures**

This section allows you to explain the energy content procedure you are proposing to use. It is possible for generators to use either Gross Calorific Value (GCV) or Net Calorific Value (NCV) as the basis for their energy content procedures. Whichever the generator decides to use, they must ensure that any fuels used at the generating station are reported in the same form. The generator can also propose to either manually sample the waste, or use literature values for the energy content of the waste.

If the generator is opting to sample the waste there are a number of factors to consider to ensure the sampling strategy delivers accurate results that are representative of all the waste streams consumed. These include:

- The total quantity of waste received at the station annually.
- The different types of waste that are being received at the station.
- The proportions of each different waste type.
- The different areas the waste is sourced.
- The proportions of waste from each source area.
- The point at which sampling occurs.
- Whether the sampling is undertaken in line with any recognised standards.

If the generator is opting to use literature values for the energy content of the waste, they need to be able to demonstrate how these values are applicable to the waste consumed at the generating station. The generator will also need to provide a copy of the literature, in English, as a supporting document to their FMS Questionnaire.

### **Section F. Biogenic Content Procedures**

This section allows the generator to explain the biogenic content procedure they are proposing to use. As with section E, the generator can propose to either manually

sample the waste, or use literature values for the biogenic content of the waste. If the generator is opting to sample the waste, the generator should take into account the same considerations as listed above for energy content.

As with the energy content, if the generator is opting to use literature values for the biogenic content of the waste, they need to be able to demonstrate how these values are applicable to the waste consumed at the generating station. The generator will also need to provide a copy of the literature, in English, as a supporting document to their FMS Questionnaire. It is possible that the literature the generator is referencing provides the biogenic content by energy. If this is the case, it may satisfy both sections E and F and so is possible that in some instances one piece of literature is required.

### **Section G. Annual Review of Evidence**

For stations undertaking the annual process, the generator will use the agreed procedures to determine the renewable qualifying percentage of the waste consumed at the generating station for that year. The generator may wish to provide a template of the evidence which will be submitted annually to be reviewed alongside the FMS Questionnaire. This will enable the Ofgem reviewer to see how the procedure will work in practice. Once the FMS procedures have been agreed initially, the generator will then be able to propose their initial renewable qualifying percentage of their waste stream and submit the completed supporting evidence for this.

The ongoing annual process requires the generator to determine the renewable qualifying percentage of their waste for the forthcoming year (April–March). Depending on the agreed procedures, each generating station often has different documentation to submit as evidence. If the generator has agreed procedures which undertake analysis they may have laboratory reports, whereas if the procedures utilises literature values then the generator may provide a spreadsheet with the values and associated calculations.

As part of the annual process, the supporting evidence should be sent to Ofgem via email by 31<sup>st</sup> March each year. No LECs can be issued for the new year (April–March) until the figures have been agreed. If the annual evidence is sent after the deadline, this may result in a delay of the issuance of certificates from April. Where a generator is deeming the renewable energy content of their waste (see sections B and H), they will not need to provide annual evidence. They will however need to complete the 'Deeming Waste Template' (which is available on the CCL page of the Ofgem Website) and send this to Ofgem, prior to the deadline of the 31<sup>st</sup> March.

### **Section H. Deeming Waste**

This section only needs to be completed by those who wish to deem the renewable qualifying percentage of their waste.

Where generators are submitting this FMS Questionnaire as part of their CCL accreditation application, they will need to provide some initial evidence to Ofgem to demonstrate that the energy content of the waste is not more than 50% derived from fossil sources. This will likely mean that in the first year the generator will need to undertake some form of FMS procedure. Going forward, the generator can choose to revise procedures in future years. For more information on this, please see the 'revising procedures' section in the overview of this document.

If the generator chooses to not undertake annual procedures in future years, Ofgem will look back at the previous year's renewable qualifying percentage to determine at what level the generator can deem. If the previous year's renewable qualifying percentage was 50% or greater, legislation allows for Ofgem to agree deeming the renewable qualifying percentage of the waste at 50%. This is because the generator has demonstrated that the fossil content, by energy, is not greater than 50%. If your previous year's renewable qualifying percentage was less than 50%, then Ofgem may agree to deem your waste at the lower percentage. This may not be appropriate in all instances, so Ofgem would consider each case on its own merit and decide whether or not the lower percentage applies.

### **Section I. Additional Information and Answer Space**

This section of the questionnaire is where the generator can provide any additional information which they feel may be appropriate to their procedures. This space can also be used for extended answers to earlier questions. Where providing an explanation to an earlier question, the generator should clearly state the related question number.