

Network Innovation Competition Full Submission

Supplementary Answer Form

Tick if this answer is Confidential: ☐

Tick if this answer has been provided verbally: ☐

Project code:	NGGDGN01	Question Number	15
Question date	5/9/13	Answer date	9/9/13
Submission section question relates to	3.6		
Topic	Developer Benefits		
Question	Table 3.1 shows that the value of the RHI subsidy is important - what steps will be taken with DECC to secure for full size plants if the funding is successful?		
Notes on question			
Answer	<p>As with all nascent low carbon technologies, appropriate support structures are vital to bring forward and establish commercial projects. In this case, the value of the RHI is important, particularly in the early years of operation.</p> <p>National Grid, and the wider project consortium has engaged with DECC since 2009 over support for bio-methane injection. This on-going advocacy has been critical in establishing a tariff under the RHI for both biogas production from AD as well as BioSNG via gasification. National Grid's activities have now translated into significant numbers of AD projects being directed towards gas injection; this strategy has been successful for biogas. The early work on BioSNG in 2009 led to the explicit inclusion of Biomethane from this route within the tariff despite no immediate projects in a pipeline. Subsequent on-going engagement with DECC has retained this tariff in the structure for the foreseeable future. It is critical that tangible progress is made, such as through delivery of this pilot project to maintain the RHI's team strategic focus on this technology.</p> <p>More widely the importance Bio-methane production has been recognised by DECC's Bioenergy Technology Innovation Needs Assessment (TINA) Programme, as well as engagement with the bioenergy team within DECC. The consortium's current European funding application was the result of a recommendation by DECC that the partners should bid for this source of</p>		

	<p>funds; the team is in regular dialogue with DECC.</p> <p>Longer term it is expected that the underlying price of fossil fuels, as well as the real 'price' of carbon will increase. Combined with value engineering of the technology and fundamental process improvements expected through multiple deployment of projects, it is expected, as with all low carbon technologies, that the role for a support structure will reduce.</p>
Attachments	
Verbal Clarifications (Consultants)	