



Making a positive difference  
for energy consumers

Anaerobic digestion generators,  
holders of an electricity supply  
license and other interested  
parties

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Dear Stakeholder

**Publication of Ofgem's Final 'Guidance for Anaerobic Digestion generators: SEG sustainability criteria and reporting requirements'**

We are writing to inform you that we have today published our final '[Guidance for Anaerobic Digestion generators: SEG sustainability criteria and reporting requirements](#)'.

This guidance is published in accordance with Article 5 of the Smart Export Guarantee Order 2019. It explains the sustainability criteria and reporting requirements for Anaerobic Digestion (AD) installations under the SEG.

Publication of this final guidance follows a four-week comment period on draft guidance published on 9 October 2019 and closed for comment on 6 November 2019. Comments on the draft guidance and our decisions are set out below in Annex 1. A table of the changes made to the draft guidance is available in Annex 2.

Other guidance published today

You will see that we have also published draft 'Guidance for SEG Licensees' which is a new document clarifying the requirements for licenced electricity suppliers in respect of the SEG obligation.

Yours sincerely,

**SEG Policy Team**

**The Office of Gas and Electricity Markets**

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## Annex 1: Summary of responses and decisions

We received one formal response to our consultation and one telephone response. The detail of those responses, and associated decisions we have made are provided below:

**Question 1:** Do you agree that the approach set out below is appropriate? If you do not agree, please describe any alternative approaches in light of the SEG policy.

*The SEG policy requires an AD SEG generator to notify Ofgem of its intention to request SEG Payments and comply with the SEG sustainability and feedstock requirements. Once notified, Ofgem is required to confirm the AD Start Date (the date from which reporting begins and SEG payments can begin).*

*We intend to publish a declaration template that must be completed by all AD SEG generators. The declaration will state that the AD SEG generator intends to meet the SEG sustainability and feedstock requirements and that the AD SEG generator will complete and return a completed Fuel Measurement and Sampling (FMS) procedure to Ofgem.*

*The completed declaration must be sent to Ofgem. We will then provide email confirmation of the receipt of that declaration to the AD SEG generator and include the AD Start Date in that email.*

*We will not require AD SEG Generators to complete an FMS questionnaire before providing confirmation of their intent to comply with the sustainability and reporting requirements.*

- 1.1. We received one response on this question from a stakeholder who suggested that our guidance should be modified to require a generator to provide a start date meter read at the same time as providing their AD Reporting Start Date to a licensee. This would then facilitate SEG payments.

### **Decision**

- 1.2. On the basis of this response, we will include an additional paragraph in our guidance making it clear that we recommend AD SEG generators take a manual export meter reading as soon as possible following receipt of the SEG compliance declaration email.

**Question 6:** Is there anything that you believe is missing from this draft guidance document?

2.1. We received one telephone response on this question asking us to clarify that all annual sustainability audit reports must be compiled by an independent auditor.

**Decision**

2.2. Sections 2.22 – 2.27 of the sustainability guidance explain how the annual sustainability audit report should be compiled. It confirms that the audit report should be prepared by a person who is not the generator or a connected person.

## Annex 2: Changes to the draft 'Guidance for SEG licensees'

The table below outlines the changes to the draft guidance.

<b>Changes made</b>	<b>Page</b>	<b>Paragraph</b>
Updated to refer to an independent annual sustainability audit report	2	1.9
Added paragraph 2.4 to explain the date from which SEG payments can start for AD SEG generators and recommending that AD SEG generators to take a manual export meter reading on this date	3	2.4