

Non-Domestic Renewable Heat Incentive

www.ofgem.gov.uk/ndrhi

18 NOV 2019

Industry standards and practices for commissioning equipment used in the production of biomethane: a call for evidence

Overview

This call for evidence invites your views on the industry standards and practices that are currently used for commissioning equipment used in the production of biomethane for injection under the Non-Domestic Renewable Heat Incentive (RHI) scheme.

1. What do you believe are the current:
 - a. **usual industry standards and practices** which need to be completed for these types of plant to be considered capable of producing biomethane for injection.
 - b. **the tests and procedures** that make up the standards and/or practices you identified in your response to question 1a.
2. Please identify the evidence that is normally produced to demonstrate these tests and/or procedures have been completed.

Please respond to us by **16 December 2019**. The background to this call for evidence, and a description of the points to consider when responding, is set out below.

Associated Documents

The following documents support this publication:

Legislation

All documents are available at www.legislation.gov.uk:

- The Renewable Heat Incentive Scheme Regulations 2018¹
- The Renewable Heat Incentive Scheme and Domestic Renewable Heat Incentive Scheme (Amendment) Regulations 2018²

Guidance

All documents are available at www.ofgem.gov.uk/rhi:

- Non-Domestic RHI Guidance Volume 1: Eligibility and how to apply
- Non-Domestic RHI Guidance Volume 2: Ongoing Obligations and Payments
- Non-Domestic RHI Guidance: Guide to Tariff Guarantees

¹ The Renewable Heat Incentive Scheme Regulations 2018. No. 611.

² The Renewable Heat Incentive Scheme and Domestic Renewable Heat Incentive Scheme (Amendment) Regulations 2018. No. 635.

Contents

1. Introduction..... 4

 What is the RHI? 4

 What is Ofgem’s role? 4

 This document 4

2. Industry standards and practices 5

 Main questions 5

 What the legislation says 5

 Points to consider when responding 6

Appendix 1 – Responses to questions..... 8

1. Introduction

What is the RHI?

- 1.1 The Renewable Heat Incentive (RHI) scheme was introduced to help support the transition to low carbon-heating in the UK, giving help to all in moving from conventional forms of heating to low-carbon alternatives.
- 1.2 The RHI provides support for biomethane production by allowing producers to become registered onto the scheme and receive payments in respect of eligible biomethane they produce, that is injected into the gas grid.
- 1.3 The Government, via the Department for Business, Energy and Industrial Strategy (BEIS) is responsible for developing the policy underpinning RHI scheme including setting the levels of support, establishing the legislative framework and making amendments to the legislation.

What is Ofgem's role?

- 1.4 We are responsible for administering the RHI schemes and its day-to-day functions on behalf of the Gas and Electricity Markets Authority (the Authority).
- 1.5 We carry out our functions as efficiently and effectively as possible, in accordance with the Renewable Heat Incentive Scheme Regulations 2018. We cannot act beyond the scope of the powers laid down in the Regulations.

This document

- 1.6 This call for evidence invites your views on the industry standards and practices for commissioning equipment used in the production of biomethane for injection.
- 1.7 We are issuing this document because we wish to ensure that our approach is as well-informed, consistent and robust as possible.
- 1.8 We invite your views specifically on equipment used in the production of biomethane as opposed to network connection requirements and processes. Such equipment includes but is not limited to, biomethane upgrading equipment (including the equipment used to blend propane and odorant) and the biogas production plant (BPP).
- 1.9 We are aware of the open letter published by the Energy Network Association (ENA) on 13 September 2019³, regarding commissioning of biomethane plant for the purpose of securing a Tariff Guarantee on the RHI. We would like ensure we have a full understanding of the standards and practices for commissioning biomethane plant in their entirety.

³ <http://www.energynetworks.org/gas/futures/renewable-gas-sources-folder/commissioning-biomethane-plant.html>

2. Industry standards and practices

What the legislation says

2.1 The Renewable Heat Incentive Scheme Regulations 2018 ('the 2018 Regulations')⁴ (as amended by The Renewable Heat Incentive Scheme and Domestic Renewable Heat Incentive Scheme (Amendment) Regulations 2018)⁵ include a number of requirements relevant to producers of biomethane for injection. Those requirements include that applicants for registration must:

- 1) provide details of the process used to produce biomethane for injection,
- 2) specify the biogas production plant to be used for the purpose of registration,
- 3) commission equipment used to produce biomethane and, at the time of making their application,
- 4) have commenced the injection of biomethane.

2.2 Relevant legal definitions⁶ in relation to those requirements include the following:

- 1) *"commissioned", in relation to an eligible installation or equipment used to produce biomethane for injection, means the completion of such procedures and tests as constitute, at the time they are undertaken, the usual industry standards and practices for commissioning that type of eligible installation or equipment used to produce biomethane for injection in order to demonstrate that it is capable of operating and delivering heat to the premises or process for which it was installed, or producing biomethane for injection"*
- 2) A "biogas production plant" means a plant which produces biogas by anaerobic digestion, gasification or pyrolysis
- 3) "Biomethane" means biogas which is suitable for conveyance through pipes to premises in accordance with a licence under section 7 of the Gas Act 1986 (c 44) (gas transporter licences)
- 4) "Biogas" means gas produced by the anaerobic or thermal conversion of biomass"
- 5) "Biomass" means material, other than fossil fuel or peat, which is, or is derived directly or indirectly from, plant matter, animal matter, fungi or algae"

⁴ The Renewable Heat Incentive Scheme Regulations 2018. No. 611.

⁵ The Renewable Heat Incentive Scheme and Domestic Renewable Heat Incentive Scheme (Amendment) Regulations 2018. No. 635.

⁶ Arising under the 2018 Regulations and their enabling power, section 100 Energy Act 2008

Main questions

- 2.3 This section clarifies the views and evidence that we are seeking, and principles you should consider when responding.
- 2.4 The types of plant we are inviting views on are those which produce biomethane for injection via anaerobic digestion, pyrolysis or gasification.

1. What do you believe are the current:
 - a. **usual industry standards and practices** which need to be completed for these types of plant to be considered capable of producing biomethane for injection.
 - b. **the tests and procedures** that make up the standards and/or practices you identified in your response to question 1a.
2. Please identify the evidence that is normally produced to demonstrate these tests and/or procedures have been completed.

- 2.5 We are not seeking views on the legal definition of 'commissioned'. Our call for evidence is instead focussed on the procedures, tests, usual industry standards and practices that you regard as relevant to commissioning equipment used in the production of biomethane in order to demonstrate that it is capable of producing biomethane for injection. We are particularly interested in views relating to biogas production technologies.

Points to consider when responding

- 2.6 We are aware the process of commissioning biomethane plant can be lengthy and complex, and can differ from plant to plant.
- 2.7 Those responding to this call for evidence may wish to structure or address responses with reference to the following considerations, in relation to any procedure, test, standard or practice that they identify:
- 1) Is it specific to the biogas production plant that produces the biogas which is upgraded to biomethane, or the equipment used to upgrade that biogas for injection?
 - 2) Who can perform, conduct, make or apply it?
 - 3) What does it establish, and / or what conclusions does it support?
 - 4) What do you understand to be its objective or aim?

- 5) What do you understand to be the reason for its existence (for example do you understand it to be a legal requirement, or best practice as recommended by an industry body)?
- 6) Do you understand it to be a:
 - i. “mechanical” procedure, test, standard or practice (i.e. one that applies when equipment is installed to a given specification or instruction)?
 - ii. “hot” or “cold” procedure, test, standard or practice (i.e. for a biogas production plant one that is conducted with feedstocks present and the plant producing biogas, for upgrading equipment conducted with biogas present)?
- 7) Once it is completed, what more would be required in order to put the relevant plant or equipment into operation?

Appendix 1 – Responses to questions

We want to hear the views of anyone interested in the issues set out in this document. We especially welcome responses to the questions in chapter 2.

Please send us your response by 12 December 2019 to:

Policy Hub
Non-Domestic RHI
The Office of Gas and Electricity Markets
10 South Colonnade
Canary Wharf
London
E14 4PU

RHICallforevidence@ofgem.gov.uk

Your response, data and confidentiality

We'll use your responses to assist us with assessing our approaches to the assessments we must make. We do not intend to publish each response but we will publish a summary of the views. We will only publish non-confidential responses.

You can ask us to keep your response, or parts of your response, confidential. We'll respect this, subject to obligations to disclose information, for example, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, statutory directions, court orders, government regulations or where you give us explicit permission to disclose. If you do want us to keep your response confidential, please clearly mark this on your response and explain why.

If you wish us to keep part of your response confidential, please clearly mark those parts of your response that you do wish to be kept confidential and those that you do not wish to be kept confidential. Please put the confidential material in a separate appendix to your response. If necessary, we'll get in touch with you to discuss which parts of the information in your response should be kept confidential, and which can be published. We might ask for reasons why.

If the information you give in your response contains personal data under the General Data Protection Regulation 2016/379 (GDPR) and domestic legislation on data protection, the Gas and Electricity Markets Authority will be the data controller for the purposes of GDPR. Ofgem uses the information in responses in performing its statutory functions and in accordance with section 105 of the Utilities Act 2000.

If you wish to respond confidentially, we'll keep your response itself confidential, but we will publish the number (but not the names) of confidential responses we receive. We won't link responses to respondents if we publish a summary of responses, and we will evaluate each response on its own merits without undermining your right to confidentiality.