

BSL Advisory Panel – Final Minutes

Meeting 17

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| Time and date | 11:00 – 15:00, Wednesday 20 th January 2021 |
| Venue | Conference Call |
| Date of Issue | Wednesday 27 th January 2021 |

1) Welcome and Housekeeping

The Chair welcomed the Panel Members. The BSL Administrator noted the teleconference etiquette for the meeting.

See Appendix A for attendees and apologies.

2) Approval of Minutes

The BSL Administrator advised that no comments were received on the Draft Minutes of Panel 16, and the minutes were approved as an accurate record of the meeting.

3) Review of Outstanding Actions

BSL Administrator presented the outstanding actions.

Action 12-09 The BSL Administrator to share all draft documents and discussion from the sub-group regarding waste wood with BEIS to make an informed decision regarding waste wood applications on the BSL. The update provided by the Department for Business, Energy and Industrial Strategy (BEIS) confirmed that the Government response to the Non-Domestic Renewable Heat Incentive: ensuring a sustainable scheme consultation permits the combustion of waste wood in biomass boilers. The action was closed.

Action 14-08 Panel Member to confirm to the BSL Administrator whether definitions of waste code can be changed in the EA Waste Wood Part B Permit guidance for the BSL. The BSL Administrator advised that Panel Member had provided this confirmation in Summer 2020 and a subsequent meeting was held with the Environment Agency (EA) to discuss the issue. The action continues to sit with the EA to obtain approval from the Government Department of Food and Rural Affairs (Defra) regarding changing the relevant definitions. The Panel agreed to close this action and create a new action (17-01) for the BSL Administrator to continue to communicate with EA regarding progress with Defra.

Panel Action 17-01

BSL Administrator to continue to raise with EA the issue of changing the waste code definitions in the Waste Wood Part B Permit guidance.

Action 15-10 BEIS to enquire into whether the BSL audit percentages can be amended and inform the BSL Administrator. This action will be addressed in the re-tender of the BSL Administrator contract.

Action 16-01 BEIS to enquire as to the limitations on financial information that can be shared with the Panel, and the BSL Administrator to circulate information about the BSL fee structure.

The financial visibility afforded to the Panel will be addressed in the re-tender of the BSL Administrator contract.

All other outstanding actions were closed.

4) BEIS Update

BEIS presented the BEIS update.

The main discussion considered the Non-Domestic Renewable Heat Incentive (NDRHI) 2021 reform, as specified in the government response to the consultation, 'Non-Domestic Renewable Heat Incentive (RHI): ensuring a sustainable scheme'¹. It was confirmed that the NDRHI scheme will close to new applicants on 31st March 2021.

A key area of the reform concerns biomass fuel quality requirements, which it was acknowledged that the BSL Panel has provided advice on over recent years. It was advised that BEIS is developing legislation which is due to be laid in Parliament in January 2021 to enable accreditation bodies to ensure fuel quality requirements. For biomass, this would require all BSL fuel to adhere to Woodsure accreditation or equivalent. The aim is to enforce this at the end of 2022.

Panel Member commented that waste wood fuel would not be able to meet fuel standards and enquired as to whether allowance exists outside the fuel quality requirements for sites with permits.

BSL Administrator noted that if the site possesses an emission certificate or permit for the boiler which recognises the fuel specification, Woodsure can accredit the fuel against that particular boiler and certify the fuel outside known standards. If there is a permit, the boiler should hold an environmental certificate as this is a requirement for Renewable Heat Incentive (RHI) eligibility.

Panel Member raised queries regarding Chapter 4 compliant boilers registered for RHI, in terms of an additional requirement existing for parties to approach Woodsure to ensure these meet fuel quality requirements. Consumers using clean untreated waste wood would also have to meet current

¹ ['Non-Domestic Renewable Heat Incentive: ensuring a sustainable scheme](#)

Woodsure standards. Outside of the new fuel quality requirement, there will need to be a route to ensure the fuel is correct for a particular boiler.

The Chair advised that the previous standard PAS 111² has been insufficient for auditing. BSL Administrator commented that Part B boiler permits do not specify the input fuel used, however they do not allow chip. Within the EA guidance, the tables note that plywood and chip board need to be measured. Panel Member highlighted that this conflict in information remains an outstanding issue. BSL Administrator commented that these issues would need to be addressed prior to the BSL introducing a fuel quality requirement in 2022.

Panel Member commented that new criteria are still to be announced following the NDRHI consultation; for example, boilers with capacity of 1-3MWh do not have the same capacity to report as easily on emissions as the larger plants. It was noted that not all checks of biomass systems may comprise the same level of rigour, for example some customers may be using incorrect fuel. It was considered that more regular monitoring of emissions, such as on a monthly basis, could help this issue, however that this would likely be more expensive.

BEIS summarised that new requirements will be enforced for participants using biomass boilers to carry out annual maintenance checks. The Government will also not restrict burning of waste wood in biomass boilers to pre-consumer waste wood.

BEIS advised that the BSL Invitation to Tender for the new Administrator contract has been published. The new contract contains many of the same features as the current contract; however, recommendations have been taken forward such as the inclusion of a subgroup of BSL Advisory Panel Members to have oversight of scheme budget, as well as a stronger auditory regime. The tender will close on 19th February 2021.

It was informed that, whilst the Advisory Panel was not legally permitted to view information prior to the tender release, there is an opportunity for a select number of Panel Members to review anonymised tender responses. Those Panel Members who are interested will be required to be available from mid-February 2021 and confirm that there is no conflict of interest in their participation, including completing a 'conflict of interest statement' and confirming that they are not associated with any party intending to submit a tender response. BEIS invited interested Panel Members to submit an expression of interest to BEIS.

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| Panel Action 17-02 | Interested Panel Members to email BEIS their expression of interest regarding reviewing BSL Administrator contract tender responses. |
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² [BSI PAS 111: Processing wood waste](#)

Post-Meeting Note – BEIS

Panel Members are asked to please email BEIS with their expression of interest to be included in a sub-group to review tender responses.

The BEIS slides will be circulated with the post-meeting documentation.

5) BEIS Green Homes Grant Scheme

BEIS presented an update on the Green Homes Grant (GHG) Scheme.

It was advised that the scheme focuses on low carbon heating measures for domestic consumers. These parties can receive up to £5,000 and, if they qualify as a low-income household, they can receive up to £10,000. The scheme primarily constitutes an economic recovery policy following COVID-19 as part of the Government's green recovery. Technologies supported include biomass and the requirements are similar to that of RHI. Consumers who receive a grant can also apply for Domestic RHI (DRHI), and any GHG received will subsequently be deducted from their RHI payments. The scheme is scheduled to close to applications on 31st March 2022.

BEIS advised that, as part of the voucher redemption for biomass, customers will need to provide evidence they have engaged with the 'Find a Fuel' page on the BSL website and the BSL number associated with the first fuel they are using. It is expected that many biomass systems will also apply to the DRHI scheme as well and, as such, compliance checks will take place on biomass systems via the DRHI scheme. The Panel was informed that around 60,000 applications have been received for a grant across all types of measures. Over 30% of these applications have been for loft and external wall insulation measures, ~6,000 have been for air source heat pumps (ASHP), and ~400 applications have been received for biomass boiler installations. It was noted that these are merely applications made and it is still unknown at this stage exactly how many of these applications will progress right through to installations being completed and voucher payments being made.

BSL Administrator queried how the scheme will be able to measure ongoing obligations if the grant is to be provided upfront. BSL Administrator noted that other low carbon measures such as loft installation do not require ongoing monitoring in the same way as biomass installations but that the checks noted previously in relation to the BSL will be in place. Additionally, it was confirmed that a key aspect of the GHG scheme is the education of customers, as many do not understand the BSL scheme. Key learnings from the GHG scheme will also be included in the Clean Heat Grants (CHG) Scheme which is scheduled to commence in 2022.

Panel Member queried whether there was a requirement for biomass via the GHG to be installed in a rural area. BSL Administrator commented that this is under review, with a postcode checker being available to verify whether an area is classed as 'rural' or 'urban'. It was confirmed that for the CHG

consultation, 'Future support for low carbon heat'³, a Government response is due to be issued in Spring 2021.

6) Ofgem Update

Ofgem presented the Ofgem Update.

Panel Members were advised that Ofgem's current focus remains ensuring that the relevant guidance and operation is prepared for the closure of the RHI on 31st March 2021 for the NDRHI and 31st March 2022 for the domestic RHI. A stakeholder event is scheduled to take place in mid-February 2021 to outline what the closure means for the industry and provide an update on the non-Tariff Guarantee (TG) extension⁴. The domestic RHI consultation Government response is due to be issued in February 2021.

Ofgem introduced Ofgem who will be taking over the position of Ofgem representative for future Advisory Panel meetings. Panel Members were asked to provide feedback on the content they would like to be included in Ofgem updates going forward.

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| Panel Action 17-03 | BSL Administrator to request feedback from Panel Members regarding the content they would like to be included in Panel meeting Ofgem updates and share responses with Ofgem. |
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Ofgem advised that Ofgem intends to issue a consultation in February 2021 inviting views on tamper proof seals for biomass boilers. It has been recognised there is a potential scenario whereby customers are removing temperature probes from their installations to falsify information to receive RHI payments. Ofgem is investigating the possibility of enforcing a seal on the temperature probe to prevent this scenario. Audits could then be used to determine if this is taking place and subsequent enforcement action could be implemented.

The Panel was advised that Ofgem and BEIS is keen to hear from industry if this incident is commonplace within the industry and if mandating a seal would be a suitable prevention measure. Panel Member commented that is not always possible to attach tamper-proof wires, and that this depends on the model of the probe. Ofgem confirmed that Panel Members' feedback here is welcome.

7) Future Advisory Panel Opportunities and Challenges

The Chair highlighted the significant changes taking place within the industry (including closure of the RHI schemes, changing fuel quality and maintenance standards and the retendering of the BSL Administrator contract). The Chair proposed for a meeting to take place between a select number of

³ [Future support for low carbon heat](#)

⁴ [Changes to RHI support and COVID-19 response: Further government response](#)

Advisory Panel Members to consider the role of the Panel in light of these upcoming changes. Panel Members provided support for such a meeting and it was agreed for this session to take place following the closure of the tender for the new BSL Administrator contract, and after the review of tender responses, to ensure there are no conflicts of interest.

Post-Meeting Note

Panel Members are asked to be mindful of Competition Law and note the importance of representing the industry rather than their company. There must be no conflict of interest between Members attending this meeting and being involved in the review of tender responses and/or submitting a tender response.

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| <p>Panel Action 17-04</p> | <p>The Chair to organise meeting for a sub-group of Panel Members to consider the future role of the Advisory Panel to take place following the completion of the review of the BSL Administrator contract tender responses.</p> |
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8) NEPCon Land Criteria Campaign

BSL Administrator provided an update on the NEPCon Land Criteria campaign. It was advised that BSL Suppliers sourcing woodfuel from countries with a NEPCon Timber Risk Score of less than 100 will no longer be able to provide Category B a bespoke RBRA form, however, must apply for Category A evidence (PEFC, SBP or FSC certification) before 31st July 2021.

Notification of this change has been included in specific campaign which was sent to those Suppliers who might be affected. Suppliers have been informed that if they do not comply with the change in requirements, their BSL fuel numbers will be removed from the scheme. BSL Administrator confirmed that the BSL Administrator has so far not received any feedback regarding this campaign.

9) BSL Administrator Update

BSL Administrator presented the paper summarising the key trends in helpdesk activity, applications submitted, and number of fuels authorised on the scheme. It was advised that the numbers of BSL helpdesk queries received continued to peak in the first month of each quarter in 2020, explained by the majority of Suppliers submitting their annual and quarterly payments at these times. The number of monthly applications submitted in 2020 was highest in January due to RHI customers applying for a BSL fuel number at the beginning of the year in order to qualify for RHI payments. The number of fuels authorised on the scheme remains within 9,000, however, there was a decline in August 2020 following the removal of a significant number of fuels from a few large Suppliers.

BSL Administrator presented the quarterly reporting figures and it was queried as to whether the figures were correct and if the 2020 totals could be provided. The Panel was also provided with the audit figures since the start of the scheme and it was agreed it would be useful to see the audit figures for the last

year specifically. It was agreed for the BSL Administrator to check the quarterly reporting figures and make these changes to the Administrator Update going forward, including presenting the audit percentage targets to provide a baseline against the actual figures.

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| Panel Action 17-05 | BSL Administrator to check the Panel 17 Administrator Update quarterly reporting figures, include the audit percentage targets, and present the last year's audit figures rather than since the start of the scheme. |
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BSL Administrator presented the update on the Panel enquiry regarding the impact of Brexit on the industry.

Key themes across the responses included delays in processing and distribution; the potential for procurement terms and deposit amounts to change; and potential increases in import and export duties. Panel responses considered that these changes could impact the biomass industry.

Panel Member commented that following the Brexit Deal on 31st December 2020, the key impact observed has been regarding delays in moving feedstocks across the border between the UK and France.

The Panel agreed it would be valuable for a review to take place of any Brexit impacts on the industry BSL Suppliers observe over the upcoming few months.

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| Panel Action 17-06 | BSL Administrator to include a survey in the April 2021 BSL Newsletter to review the impact on the industry BSL Suppliers have seen following the Brexit Deal. |
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BSL Administrator presented the COVID-19 Update.

It was commented that the impact of COVID-19 on the biomass supply side remains unclear. Additionally, there is concern that biomass boiler users who have taken Government loans for buildings such as restaurants will not be able to claim RHI payments during lockdown periods due to these buildings not being in use. BEIS noted that it was useful to receive these updates.

10) Air Quality (Domestic Solid Fuels Standards) (England) Regulations 2020 Update

Defra presented the Air Quality Regulations 2020 Update.

The Clean Air Strategy in 2019 proposed to reduce emissions of five damaging pollutants including PM 2.5. It was advised that legislation for domestic fuels sets out the Government's intention to phase out house coal and smaller quantities of wet fuel for domestic properties in England.

Legislation was approved on 7th October 2020 and will come into effect in May 2021. It was confirmed that wood products sold in volumes less than 2m³ will need to be certified to show that the moisture content of the wood product is 20% or less. Volumes over 2m³ will need to be sold alongside the provision of guidance on drying and advice on issues of burning wet wood. Small foresters will need to comply with this legislation by May 2022. Wood products will need to be accredited to either the Woodsure Certification Scheme or the Manufactured Solid Fuels (MSF) Certification Scheme from HETAS. Wood sold in volumes of 2m³ or more will need to provide information in the form of an advisory note to consumers by law.

Panel Members were informed that local authorities are responsible for enforcing the legislation, and that suppliers could be fined from selling unauthorised fuel to customers.

Panel Member queried as to whether emerging fuels such as coffee logs are exempt. Defra advised that new emerging fuels are exempt so as to not stifle innovation within these woodfuel markets.

The Chair enquired as to how local authorities would be able to enforce this legislation and Defra confirmed that the local authorities will be required to determine who will enforce this legislation.

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| Panel Action 17-07 | BSL Administrator to circulate the Defra slides following Panel Meeting 17. |
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11) AOB

BSL Calculator Methodology

Panel Member informed the Panel that one company has changed its greenhouse gas methodology and suggested that it could be valuable for the BSL to also review its current BSL calculator methodology. It was considered this could support the argument to Government regarding the sustainable combustion of locally sourced domestic biomass, following the changes and policy landscape in the biomass industry. Panel Member commented it would be useful to understand in more detail how the calculator works and the assumptions which are made within the process. BSL Administrator commented that the BSL calculator methodology itself is set within RHI regulations.

Panel Member noted that one company's methodology will be based on the Renewables Obligation (RO) and Contract for Differences (CfD) schemes. Panel Member added that he has previously reviewed the BSL calculator methodology and agreed to speak with Panel Member about this. It was agreed for Panel Member to arrange for a subset of Panel Members to meet to review the BSL calculator methodology.

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| Panel Action 17-08 | BSL Administrator and Panel Member to organise for a subset of Panel Members to meet to discuss and undertake a further review of the BSL calculator methodology. |
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Post-Meeting Note

A meeting has been arranged to discuss the BSL calculator methodology for Tuesday 4th February 2021 from 15:00 – 16:00pm. Please contact the BSL Helpdesk if you would like to attend.

Waste Wood Next Steps

Following earlier discussion, The Chair raised the issue of waste wood.

Consideration took place regarding using the Predictions Emissions Monitoring System (PEMS) when accrediting post-consumer waste wood, to enable all systems to be continuously monitored. It was noted that this method can be expensive, however it remains one of the only ways to ensure emissions stay within prescribed levels.

It was noted that waste wood affects local air quality and Panel Member queried as to why, when the mechanism to control the limit exists in the form of a permit, extra controls are required on fuel. Panel Member commented that consumers are able to ignore permits and purchase clean woodfuel specifically for an inspection by the Environmental Health Officer (EHO). It was agreed that regulation surrounding this should be tightened.

Panel Members noted that the new fuel quality standard for BSL would also need to be addressed. Panel Member commented that BSL fuel numbers currently do not differentiate between wood and waste wood, and suppliers can therefore mistakenly use a BSL fuel number which authorises virgin wood however burns waste wood.

It was agreed that further discussion around this issue was required and BEIS commented that the Government would consider these items.

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| Panel Action 17-09 | BSL Administrator and The Chair to organise a meeting with interested Panel Members to discuss waste wood standard and implications for the BSL, following the issue of the NDRHI Government response. |
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The Chair invited any other business. There were no further items and the Chair thanked Panel Members and closed the meeting.

The next meeting of the Panel will be held on 21st April 2021.