

BSL Advisory Panel – Final Minutes

Meeting 16

Time and date	11:00 – 15:00, Wednesday 14 th October 2020
Venue	Conference Call
Date of Issue	Wednesday 21 st October 2020

1) Welcome and Housekeeping

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

See Appendix A for attendees and apologies.

2) Approval of Minutes

The BSL Administrator advised that comments on the Draft Minutes of Panel 15 had been received from the Department for Business, Energy and Industrial Strategy (BEIS) on the respective item. Amendments provided by BEIS have been implemented and saved as version 1.1.

No further comments were received, and the minutes were approved as an accurate record of the meeting.

3) Review of Outstanding Actions

The BSL Administrator presented the outstanding actions.

Action 13-06 The BSL Administrator and one Panel Member to discuss the Budgetary Control Officer role. It was advised this action could commence once the budget proposal has been reviewed and approved by BEIS. One Panel Member commented that they had not yet been able to fulfil this role or comment on the Scheme's value for money.

It was confirmed that the BSL Administrator had provided a BSL budget proposal, including suggested fee changes, to BEIS for approval in early 2020. The BSL Administrator is not currently permitted to share financial information with the Panel. The BSL Administrator is able to share the fee structure and proposal once this has been reviewed and confirmed by BEIS.

Panel Members enquired as to whether further financial information could be shared with the Panel. BEIS agreed to determine internally as to whether certain Scheme financial information could be shared

with the Budgetary Control Officer or a designated Panel subgroup, which could involve amending the contractual role of the Advisory Panel.

Panel 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.
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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. It was advised this action is sitting with the Environment Agency (EA) to obtain approval from the Government Department of Food and Rural Affairs (Defra) regarding changing the definitions. One Panel Member commented that its organisation has outlined a clear proposition about pre-consumer waste wood. The Panel agreed that the next step is for EA, Ofgem and BEIS to align their definitions of and positions on waste.

4) BEIS Update

The BEIS representative presented the BEIS update.

The two BEIS consultations, 'Future support for low carbon heat' and 'Non-Domestic Renewable Heat Incentive (RHI): ensuring a sustainable scheme', focused on reform for the heating industry, following the planned closure of the RHI to new applicants on 31st March 2021. The Government response to these consultations is due to be published this Autumn. This will include confirmation of BEIS' decision on waste wood definitions.

It was advised that BEIS' support provisions during COVID-19 have involved an enquiry around stakeholder engagement on the Government website for consumers who had planned to install biomass boilers of a certain size, however have struggled due to circumstances surrounding the pandemic.

BEIS provided an update on the re-tender of the BSL Administrator contract, advising that a market engagement session took place with interested parties in September 2020. BEIS is now drafting the tender document for release towards the beginning of November 2020. The tender document will be published via the contract finder Government website, as well as BEIS issuing an email to interested parties. There will be a period of four weeks for organisations to submit their response. BEIS will then review the submitted bids and publish its decision on the appointed service provider in January 2021.

BEIS confirmed the new BSL Administrator contract will involve an improved audits process and governance, including likely additional responsibilities for the Advisory Panel. Panel Members were invited to provide any comments on what has worked well with the current BSL Administrator role, or any recommendations, for BEIS to consider for the re-tender of the contract.

Panel Members agreed that the designation of additional responsibilities such as having greater input into the finances would be beneficial. It was queried as to whether Panel Members would be able to

see information such as the draft of the tender document or the tender responses. BEIS commented that there are confidentiality issues, however agreed to determine with BEIS internally as to what could be shared.

Panel Action 16-02	BEIS to enquire as to whether information around the re-tender of the BSL Administrator contract could be shared with the Panel prior to its release.
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Post-Meeting Note – BEIS

“In response to action 16-02 – I have enquired about this and unfortunately won’t be able to involve the BSL Panel at the tender stage. This is due to a few issues:

- The potential conflict of interest from any Advisory Panel Member(s) who may consider submitting a tender; and*
- The link in the role of the Administrator in appointing the BSL Advisory Panel.*

If the Panel has any views on how the Scheme has run over the past years, it would be best for them to send these comments to BEIS by Monday 26th October 2020 at the latest.”

5) BEIS Clean Heat Grants

The relevant BEIS representative presented slides on the Clean Heat Grants Scheme. There is a role for biomass in off-grid rural areas, which offers value for money for the taxpayer and cultivates the biomass supply chain.

The anticipated installations will predominantly include Air Source Heat Pumps (ASHP). 20% off-grid housing stock is not suitable for ASHPs and biomass boilers are more appropriate. The level of the grant is under review to address the concerns expressed in the previous consultation responses¹ submitted by stakeholders.

One Panel Member expressed his concern that only 750 biomass boiler installations were anticipated on the Clean Heat Grants Scheme. It was noted that it is unclear as to where this figure has come from, particularly when work has taken place to develop the wider supply chain for biomass, and focusing on land use for the biomass industry.

Another Panel Member responded that BEIS has developed the heat policy, however land use strategy sits within the remit of Defra via the Environmental Management Scheme to replace the Common Agricultural Policy (CAP). One Panel Member commented there is an England tree strategy where the

¹[Future support for low carbon heat](#) and [‘Non-Domestic Renewable Heat Incentive: ensuring a sustainable scheme](#)

Forestry Commission is looking into land management and the impact on biomass supply chains. Land use strategy is yet to be aligned with heat policy.

One Panel Member commented that Defra is developing a position on bioenergy and land use, with bioenergy activity growing within Defra. There are anticipations within the market that there will be growing demand for biomass, specifically short rotation forestry and coppice. The industry is actively planting and growing to support the biomass industry in terms of both either domestic and large-scale installations.

One Panel Member enquired about the anticipated installation statistics. The intention to restrict biomass to off-grid scenarios diverges from the outcome of the 'Renewable Heat Incentive: biomass combustion in urban areas' consultation in 2019. Another Panel Member responded that this consultation was not specific to heating and that the subsequent 'Future support for low carbon heat' consultation advocated for how Government perceives biomass can decarbonise the housing stock in small buildings.

Boilers will use BSL accredited fuel and there will be a strict sustainability and eligibility criteria for biomass, with BEIS currently in discussion with one Panel Members' colleagues regarding this. The 45kW cap might change, however it is currently not a priority to review this with the grant level being more likely to change.

Another Panel Member expressed concerns over the arise of reputational issues from the mis-selling of renewable technology installations. Many retrofit systems require further upgrades and many installers are not fully informed or trained around this. It was queried as to how the industry will address reputational risk from mis-selling and mismanagement resulting in poorly installed systems.

One Panel Member advised that the Government will implement strong maintenance checks to dictate whether to issue a grant. It is also looking into developing industry best practice here.

Another Panel Member commented that the industry should not deviate from the sustainability criteria of Renewables Obligation Certification (ROC), RHI and Contracts for Difference (CfD) Schemes. It was noted that there must not be confusion between air quality issues from open fires and stoves against issues with BSL and or RHI compliant installations. It was explained that the Government intends to grow the market for heat pumps to assist in the UK's transition away from fossil fuels and towards a low carbon economy.

Panel Action 16-03	BEIS to provide the Clean Heat Grant slides for the BSL Administrator to circulate to Panel Members.
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6) BEIS Green Homes Grants Scheme

No update was provided. The Panel agreed for the relevant BEIS representative to be contacted to enquire as to whether any slides could be circulated.

7) Questions and Answers

This item was addressed under previous BEIS items.

8) Ofgem Update

The Ofgem representative presented the Ofgem update. In recent months, Ofgem has been heavily focused on managing the Government response to the Clean Heat Grants and Green Homes Grants Schemes.

Ofgem has also been working on closure projects for both Domestic and Non-Domestic RHI schemes and reviewing the associated governance. Due to the complexity, Ofgem intends to simplify the information surrounding the closure of the scheme and the ongoing obligations for those claiming RHI payments. Further publicly available information will be shared shortly.

Due to COVID-19, auditors struggled to access some properties, however, Ofgem expects to have completed 250 statistical audits by March 2021, dependent upon auditors being able to access heating systems in consumer properties.

Ofgem has also received feedback that, throughout the pandemic, payment runs have not been frequent enough where businesses rely on RHI. Therefore, Ofgem has changed the frequency of payments, with Domestic-RHI payments now taking place daily as opposed to weekly, and Non-Domestic RHI payments now being completed weekly as opposed to fortnightly. These new timescales are likely to continue post-COVID-19.

It was agreed that parties are concerned about permits and planning permission with the approaching end of RHI for new applicants.

9) Panel Survey Responses

The BSL Administrator presented the paper and advised that the BSL Administrator had issued two surveys to the Panel, which had received little engagement. The BSL Advisory Panel Terms of Reference were highlighted and it was noted that active contribution of Panel Members is key to enabling the BSL Administrator to progress activities and improve its service.

It was advised that a Panel Meeting 16 feedback survey would be circulated following the meeting, and no further comments were received.

10) BSL Administrator Update

The BSL Administrator presented the BSL Administrator Update.

The Chair commented that the number of fuels in August/September 2019 compared with August/September 2020 display a 20% decrease in the total number of fuels authorised on the scheme. The BSL Administrator confirmed it has removed two inactive Suppliers from the scheme who had a significant number of BSL fuels.

There were no further questions.

11) Global Forest Registry

The BSL Administrator presented the Global Forest Registry paper. Following changes to the risk score, a proposed new approach was presented to and agreed by the Panel in April 2019. This approach involves Suppliers with woodfuel sourced from a country with a timber risk score of less than 100 being required to submit Category A evidence, such as FSC, SBP or PEFC certification, rather than being able to provide a bespoke UK Risk Based Regional Assessment (RBRA) form.

It was informed that BEIS approved for the BSL Administrator to proceed with this approach in August 2020. The implementation plan involves the BSL Administrator communicating the changes to all Suppliers in the October 2020 and January 2021 BSL newsletters. Additionally, the impacted Suppliers will be contacted directly in January 2021; they will be asked to review their existing applications and, where applicable, reapply providing Category A evidence for all affected fuels by 31st July 2021.

The BEIS representative noted that there is a caveat to this change; namely, if there were any adverse external impacts on the industry that prevented Category A evidence from being provided, the BSL Administrator would not proceed with implementing this approach.

The Panel was asked to review and agree with the recommended implementation plan and timeframes.

The BSL Administrator noted that, prior to this new approach, woodfuel sourced from high risk countries such as Russia is already not permitted to enter the UK without the submission Category A evidence. This change will therefore just extend this existing requirement to all countries that are not deemed to be low risk (less than 100 on Timber Risk Score).

Panel Members commented that January 2021 will be a busy time for the industry, with other changes coming into effect, however a deadline for affected applications to reapply by 31st July 2021 should be reasonable.

BEIS agreed to review the recommended timeframes and reapplication deadline of 31st July 2021 and provide approval to the BSL Administrator to proceed with this approach.

Panel Action 16-04	BEIS to review the recommended implementation timeframes and deadline date for the new Global Forest Registry approach, and confirm approval to the BSL Administrator.
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12) Updated UK RBRA

The BSL Administrator presented the paper and confirmed that the updated v1.3 UK RBRA has been published.

The BSL Administrator thanked Panel for their input into the changes and advised that the new version is now available on the website. Applicants will be required to submit v1.3 of the form going forward.

Panel Action 16-05	Panel Member to liaise with Confor to upload the new UK RBRA form v1.3 onto its website.
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13) COVID-19 Biomass Industry Winter Considerations

The BSL Administrator presented the results of the second COVID-19 survey distributed in May 2020 (excluding the Self-Supplier analysis) and invited the Panel to provide any concerns they have regarding COVID-19 localised lockdowns on the biomass industry. The Chair noted that the pandemic does not appear to be impacting the sector as initially anticipated. No further comments were received.

14) Proposed Advisory Panel 2021 Meeting Dates

The BSL Administrator presented the paper and asked Panel Members to review the proposed meeting dates of the Panel for 2021. The Panel agreed with the dates and the BSL Administrator confirmed it would proceed with booking these meetings.

15) AOB

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 20th January 2021.