



BSL Advisory Panel – Decisions and Actions

Meeting 08

Time and date	11:00 – 15:00, Wednesday 17 th October 2018
Venue	1st Floor, 59 George Street, Edinburgh, EH2 2JG
Date of issue	31/10/18

1. Welcome and housekeeping, & Objectives

The Chair welcomed guests and the new BEIS contract manager. All members introduced themselves and the BSL Administrators raised the following AOB requests:

- Panel Election requirements
- Panel expenses
- Brexit
- RHI public reports

The BSL Administrator then ran through the proposed objectives for the meeting.

- Recap** on what was covered in the last meeting
- Provide updates** on the BSL service including general service review, numbers, issues & progress
- Discuss and update** Panel on the objectives and outcome of the BSL Subgroup
- Receive updates** from Ofgem and BEIS
- Discuss and update** Panel on the implementation of a new fuel on the scheme
- Discuss** new priorities that Panel feel require more attention in coming meetings

2. Review of minutes and actions from Panel 07



One amendment was request by the Chair on page 7, that the Panel “should” have to rely on surpluses. No other comments were received on the draft meeting summary of Panel 07. The summary was agreed to be an accurate representation of the meeting and were finalised.

The BSL Administrator ran through the open actions from previous meetings and provided updates and outcomes where possible:

Action Ref	Action	Updates	Update provided at Panel 08
06-02	BSL Administrator to rationalise the priority list and add descriptions against each item. Once this is done, a re-vote can be done.	List has been rationalised. Panel to vote before the next BSL Panel meeting in October. Status: Remain Open	The BSL Administrator went over the purpose of the need to revise and rationalise the priority list. Status: Remain Open
06-10	BSL Administrators to communicate to the market that audits are being undertaken/initiated and that non-compliance results in penalties.	A communication was sent out in Ofgem’s RHI latest newsletter and BSL Administrators will circulate a specific one to their suppliers. Status: Remain Open	BSL Administrator relayed that communications have been drafted for issue through Ofgem’s newsletter and that further communications have been issued to BSL Suppliers regarding audit and compliance Status: Remain Open
06-12	BSL to think of ideas to help consumers and suppliers have a specific path for information and education on the website.	Included as an appendix but did not get looked at due to time constraints. Sub group formed, and this will be reviewed as a part of that. Status: Remain Open	The BSL Administrators stated that the ‘mock up’ page is ready but requires input from Panel. The new layout is to ease the process for suppliers/consumers but requires further work. Members suggested that it should be re-issued for review. Status: Remain Open

The Chair felt that if a new Panel is elected after this meeting, the current Panel will need to think about how the above (priority list) can be improved.



Panel Action 08-01	The BSL Administrator to circulate both the results and the original survey (for those that did not vote).
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A Panel Member asked why the need for a new layout is necessary. The Chair explained that the structure is currently not there for consumer information. Information on quality is missing from the website which could be helpful for both suppliers and consumers. A Panel Member stated that there needs to be an overlap with other organisations so that the same message is being delivered without information being skewed. The Chair suggested a subgroup focussed on communications along with other Panel Members. The focus will be on communications regarding the confusion with, and close association of the BSL with quality. The Chair followed on to say that this can be an opportunity to education consumers if they approach the BSL regarding quality.

Panel Action 08-02	BSL Administrator to look at the possibility of creating a new communications subgroup
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Outstanding actions from the previous the Panel meeting:

Action Ref	Action	Update	Update provided at Panel 08
07-01	BSL Administrator to consider and review Dropbox as an alternative to Huddle for sharing information with Panel.	To be discussed under agenda item 3. Status: Propose to close	Status: Closed
07-02	BSL Administrator to breakdown the approval time for the different Supplier types.	To be discussed under agenda item 3. Status: Propose to close	Status: Closed
07-03	BSL Administrator to revise "Application & Audit" guidance document to ensure Suppliers follow the necessary steps in successfully submitting an application with the relevant evidence.	To be discussed under agenda item 3. Status: Propose to close	Status: Closed



07-04	A Panel Member to work alongside BSL Administrator to illustrate application issues.	To be discussed under agenda item 3. Status: Open	Status: Remain Open
07-05	BSL Administrator to provide a further breakdown of removals.	To be discussed under agenda item 3. Status: Propose to close	Status: Closed
07-06	BSL Administrator to show the quarterly reporting (QR) figures are in tonnes and with a 10% moisture content	To be discussed under agenda item 3. Status: Propose to close	Status: Closed
07-07	BSL Administrator to create a subgroup to better understand the data and how this can benefit industry.	To be discussed under agenda item 5. Status: Propose to close	Status: Closed
07-08	The BSL Administrators present audit and non-compliance findings to Panel.	To be discussed under agenda item 3. Status: Propose to close	Status: Closed
07-09	BSL Administrator to draft a proposal with two options: one 'quick' fix and one longer term portal change for adding a new fuel to the scheme.	To be discussed under agenda item 8. Status: Propose to close	Status: Closed

The BSL Administrator then went through the actions that have been closed since the last meeting.

3. BSL Administrator update

The BSL Administrator went through the overall scheme activity from 2014-2018, explaining the peaks and troughs in applications submitted and authorised.

The group re-capped over the last financial year 17/18 and then followed up with the finances of the 18/19 year so far. A Panel Member requested to see a cumulative figure of the financial recovery, so Panel can see if the gap is widening for over-recovery.



Panel Action 08-03	BSL Administrator to include a cumulative figure of financial cost recovery and incurred.
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The BSL Administrator went through the time taken to review applications and explained that an action was taken from the last meeting to show a breakdown by supplier type. A Panel Member asked what the Panel think the right application review time should be. A Panel Member was confused as to why the Trader application review time is double the Producers - A Panel Member reiterated that delays from suppliers can impact this. A Panel Member followed on to say he feels the current review time at under 18 is not a bad review time. The Chair said that it would be useful to find out what the barriers are and how it can be overcome. A Panel Member mentioned that the experience of the last heating period needs to be accounted for, learned from as well as responding to the high demand of application.

Panel Action 08-04	BSL Administrator to include the minimum and maximum time taken to review and approve applications, using a sample set of data to show trends and what the key reasons are for delays.
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The BSL Administrator went through the removal rates including incomplete, under review and approved applications. Additionally, the number of applications removed due to non-compliances from the back of an audit carried out by Woodsure was projected.

It was questioned whether the number of non-compliances is increasing or decreasing. A Panel Member responded that they remain constant. The BSL Administrator explained that the bulk of non-compliances are administrative in nature.

A query was raised on how the audits are selected, and a Panel Member replied to say they were previously all risk based but are now split by random and targeted audits. It was suggested that the BSL Administrator should report back to the Panel once enough data has been collected since the new approach was introduced. A Panel Member felt that the non-compliances that lead to environmental risk is the most important factor and the focus should be on this as well as legal non-compliances.

The Chair suggested the quarterly reporting figures to be explained further in the subgroup section.

Average carbon emission figures were then presented by the BSL Administrators. A Panel Member mentioned that suppliers apply for a worst-case scenario so it's not a true representation of



emissions. A Panel Member said that minimum and maximum emission figures should be shown as averages can skew the results. The BSL Administrator relayed the fact that the emission figures do not include any suppliers using a B2C2 calculator. BEIS commented that CO2 emissions are not the main factor/concern for the Government but more so air quality.

The group then moved on to the Audit & Compliance slide.

A Panel Member mentioned that the requirement for more audits is still apparent and felt that an offline audit discussion is required at some stage to support the credibility of the scheme.

A Panel Member requested a breakdown of the non-compliances e.g. wrong categories, ones that needed to re-apply, average non-compliances per audit, major and minor split and those of them who needed to re-apply and who didn't. A Panel Member suggested doing this on a sample and apply to this to the whole scheme for a rough indication.

Panel Action 08-05	BSL Administrator to provide a detailed breakdown of non-compliances.
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Huddle cost breakdown was explained by the BSL Administrators and that Dropbox is not permitted by Gemserv. SharePoint was suggested as an alternative platform which could be further explored.

Panel Action 08-06	BSL Administrator to provide a demonstration of SharePoint and look into the costs associated.
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4. Application user guide

The BSL Administrator announced the publication of the new application user guides.

A Panel Member provided his feedback in terms of improving the application process, reiterating that it is not a definitive list but needs effort into this to drive the application process. The Panel agreed to have this as an open item for future meetings.

5. Subgroup update

The Chair explained to the Panel the need and focus of the group and what was discussed at the subgroup meeting (including what data should and could be included).



A Panel Member commented on the need for better definitions e.g. sawmill co-products. The Chair pointed out that reporting can only be done against the categories present on the BSL and that definitions don't match with Ofgem. A Panel Member commented that the definitions also do not match the Wood Fuel Advice Note.

The Chair also explained the group suggested changes in the way the reported is carried out so that it is possible to identify the quantity of fuel sold to consumers. Since the meeting, the BSL Administrators have spoken to their System Design Solutions (SDS) team regarding this matter and a quote has been received (~£3,000) to have this dynamic added to the portal. The Panel were willing for the change to happen as it will enhance the ability to have more meaningful data which subsequently aids knowledge on quarterly reporting, market share etc.

Panel Action 08-07	BSL Administrator to progress the splitting of the quarterly reporting function to capture wholesale and retail figures.
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[post meeting note: BSL Administrator has confirmed with their IT provider that the quarterly reporting split can be implemented on 01/01/2019 in time for the new reporting period. This will facilitate adequate time to communicate this to suppliers]

6. Ofgem update

Ofgem provided an update on emission certificates, working with industry bodies, replacement plants, air quality, audits and the public reports.

Ofgem stated there have been no changes in the regulations in relation to emissions certificates but RHI have updated emissions guidance and information in newsletters. This affects end users if the fuel does not match the certificate, then a new one is required. A Panel Member stated that it is expensive for consumers to obtain a new emissions certificates (£4000-5000) as testing would have to be carried out in-situ.

If consumers/RHI participants replace a boiler it needs to meet the latest air quality requirements to then be accepted by Ofgem. All boilers installed before 2013 will need a new emissions certificate.

It was explained that this is a result of the biomass consultation in urban areas. A Panel Member questioned what the definition of an urban area. BEIS explained that it is >10,000 people and the RHI deployment data has been published from August 2018 to include the Dom and Non-Dom RHI



urban and rural split (<https://www.gov.uk/government/collections/renewable-heat-incentive-statistics>).

Ofgem went on to mention that the audit teams within Ofgem and the BSL Administrators have been working together and taking a cross collaboration approach to identify non-compliances across the supply chain.

Ofgem also stated that audit activity on the non-domestic RHI has expanded over the 17/18 period. During 16/17 period, there were 138 targeted audits and 86 statistical audits (totalling 224). In the 17/18 period, there were 374 targeted audits and 242 statistical audits (totalling 616). The figures mentioned have nearly tripled in a year due to ensuring the scheme remains robust.

From a communications perspective, he will be presenting at the WHA conference in March 19 to deliver compliance messages to the industry.

A Panel Member suggested amplifying the findings and actions to consumers to mitigate fraudulent activity.

Ofgem stated that the public reports are currently not publicly available. The projected release of September has been pushed back due to constraints in the IT department within Ofgem.

A Panel Member suggested publishing a monthly spread sheet to the public. Ofgem will investigate this but mentioned that currently the best method would be through a Freedom of Information (FOI) request.

7. Waste Wood and Air Quality

A Panel Member provided an overview of his experience to date. He then moved on to give an update on the Air Quality Working Group which has been running for the last few months. Four meetings have been held, culminating in a deputy director level meeting between BEIS, Ofgem, EA and DEFRA at the start of September to discuss the five work streams.

HL joined the meeting via TC at 13:30

The first work stream was understanding the air quality impact of the RHI. This involved working closely with Defra and Ofgem to build a model to understand net impacts of RHI data. BEIS were informed that a model would be required to measure gross impact. Defra has promised to have a net impact model by the end of this week (19/10/2018) and he will share this when he can. This will then feed into the second version of the Clean Air Strategy due by Christmas.



The second work stream is Ofgem led enforcement. This involves key data sharing between Ofgem and the EA to produce key training and documentation. It was added that the permitting side is currently complex and too difficult for consumers to understand.

The third work stream is a regulatory change. 'Biomass combustion in urban areas' consultation has launched and will close by 26th November 2018. There will then be a period of 18 months post July 2019 until the scheme comes to an end. A question to pose is what can be done in the design process at the end of the scheme. In relation to the regulation side, as the end of the RHI process approaches, what can be done to support Ofgem.

The fourth work stream is regarding waste wood and is a big challenge. EA and Ofgem have been in discussions regarding information on waste wood. A document has been created to help Ofgem at site audits. EA explained that there is one last comment but it almost ready for publication.

BELT felt that an approach to fixing the waste wood and air quality problem must be industry lead rather than a regulatory approach. It was suggested that if waste wood and fuel quality were incorporated into the BSL, it would increase consumer protection and be a good news story for the industry.

The fifth work stream is the fact that biomass boilers aren't always running efficiently as the industry would like. A KIWA report outcome is expected, ultimately NOx is where it should be, PM levels are higher than we want, and it is down to operator behaviour to drive the change. A point to consider is how the industry can 'nudge' operator to better use boilers.

The EA also commented that local authorities should turn their attention to SWIPS (Small Waste Incineration Plant). He stated that under a Part B, one can burn clean and untreated waste wood (pre-consumer) and that a SWIP can treat chemically treated waste wood so long as it is not hazardous. The Chair has posted the EA slides on Huddle on the new part b permitting mechanism.

BEIS were keen to progress Alex Forbes' ideas on using BSL to promote quality more seriously.

Panel Action 08-08	BEIS and BSL Administrator to look at options for incorporating fuel quality in to the BSL.
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8. Thermally modified fuel

The BSL Administrator presented the change request proposal for a new fuel category to the BSL which was circulated to the Panel prior to the meeting. The proposal currently references pellets as an example, but it will be applicable for all fuel types. The BSL Administrator mentioned that the new fuel will state 'thermally modified fuel' with a further drop-down stating 'pellet, chip, firewood and briquette'. The BSL Administrators stated that developers have quoted a 17-day turnaround time and that thermally modified fuel applications will need to use a B2C2 calculator as opposed to an embedded calculation as part of the application process.

It was also stated that the 'quick fix' option suggested wasn't mutually beneficial for all suppliers and therefore wasn't an option. The Chair felt that it was expensive given that the main structure of the portal is already built and that adding new products in comparable systems is normally part of the out-of-the-box functionality for such systems, taking a matter of minutes not days.

The Panel were happy for this change to go ahead.

9. Communication (stakeholder, audit, payments etc)

The BSL Administrator went through recent communications that have been sent. Additionally, future communication plans will be circulated to suppliers on the following topics:

- Update authorisation letters
- Important information on importing fuels
- Scheme updates:
 - Thermally modified fuel
 - Updating invoicing

The Chair suggested taking the communications can be discussed and developed as part of a subgroup. This links to the action captured at the beginning of the meeting (reference 08-02).

10. Raw material definition

The BSL Administrators explained that this agenda item was a result of the priority items survey and received the highest number of votes.

A Panel Member stated that the market is under pressure for raw material information.



The BSL Administrator stated that raw materials are set at the point of application. The applicant is allowed a certain change but a material change (e.g. If the balance of the blend of raw materials changes by more than 5% for any one material;) which can affect GHG emissions, will need a new application.

Panel Action 08-09	All Panel members to provide suggestions on the raw materials agenda item to the BSL Administrator.
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11. AOB

- Panel member election

The Chair asked who would like to remain or be considered to remain as a Panel member – majority of voting members raised their hands.

A Panel Member added that Balcas may get a new representative other than himself but this is not certain.

- Panel expenses

The Chair raised this point of Panel expenses. The situation was posed that if Panel members do not have the financial backing of a company they should not be left out.

A Panel Member stated that if an individual is not VAT registered then this could be a requirement to be eligible to claim expenses. A Panel Member commented that the Panel do not want to end up with a two-tier system of Panel membership. A Panel Member suggested do this for a period of time and monitor the situation.

It was agreed that the matter should be judged on a case by case basis. The Chair suggested to have a review of this in a years' time.

- Brexit

A Panel Member requested this to be raised due to the uncertainty Brexit may or may not bring. She suggested for the Panel to have a think about the implications to the BSL and what can be done to prepare for the next year.

The Chair concluded that this was not an AOB, but an agenda item for the next meeting.



Future Meeting Dates:

16/01/19 – London (Gemserv, 8 Fenchurch PI, London EC3M 4AJ)

17/04/19 – Location TBC

17/07/19 – Location TBC

16/10/19 – Location TBC