

BSL Advisory Panel – Approved Minutes

Meeting 21

Time and date	10:00 – 14:00, Thursday 24 th March 2022
Venue	Remote via MS Teams
Date of issue	16 th June 2022

1) Welcome and housekeeping

The Chair welcomed the Panel members and encouraged the members to participate in the meeting. Recognised fuel quality is to be dominant and thanked PJ, RL and DM email contributions and that we will cover their contributions in the relevant agenda items.

See Appendix A for attendees and apologies

2) Minutes of the last meeting

These presented, no comments raised and were accepted.

3) Review of actions outstanding

All actions were reviewed. Those closed were recorded on the outstanding actions tracker. See document 20_02

Additional comments as follows:

AP19-02 – Both MS and LC had cited examples of switching from biomass to fossil fuels and vice versa. Current climate of fuel prices means that this is likely to be flexing both ways going forward.

Three actions were to remain open, the rest were closed.

Actions to remain open

AP 19-07	RL to have a conversation with Ofgem regarding number of installations/kW as a proportion of the number on the scheme to see how many on Domestic RHI have stopped claiming.	RL
AP 20-07	Meeting with OPSS, BEIS and BSL admin Dec 2021. BSL land criteria guidance updated and will be released shortly.	BSL admin

AP 20-09	Panel members to provide views to BEIS regarding novation	BSL AP
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New action

AP 21-01	Next panel meeting to have novation as an agenda item. BSL admin to circulate previous papers discussing novation and to be discussed.	BSL admin
AP 21-02	BSL admin to send out panel meeting invites for mid June, early Sept and early Dec and subgroup meetings in May.	BSL admin

4) Subgroup recommendations – Fuel quality

The BSL administrator presented the recommendations from the fuel quality subgroup meeting – these items are highlighted document 22_03. There was one action that remained outstanding.

FQ 22-03-02	BSL administrator to ask Woodsure if further details could be provided to fuel quality subgroup on breakdown of what the test failures are: moisture content, particle size, etc. Request has been raised to Woodsure QA to provide to next fuel quality subgroup.	BSL admin
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Ross Lowrie put himself forward for chair of the fuel quality subgroup. This was agreed by the panel with the caveat that when RL airs the views of the sector he represents, then it is chair is deputised. Proposed by JMJ and seconded by DM.

New action

AP 21-03	BSL admin to forward RL email and DM additions to whole panel.	BSL admin
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Chair stated John Westmacott was invited to the panel as a guest to attend from midday onwards.

Rumours around requirement being delayed because of Russia pellet withdrawal of ENplus were aired and TO clarified that this has been raised as a suggestion to BEIS and are considering impacts. A delay of the 1st April 2022 is unlikely. Air quality and possibilities of ENplus equivalents needs to be discussed. In addition FSC and PEFC category A certification of pellets from Russia/Belarus have both been withdrawn as conflict timber.

5) BSL admin/fuel quality – roles and responsibilities clarification

AH clarified that some of the resource is shared between BSL admin and Woodsure QA, but the intent is to be as clearly distinct as possible. Flow diagram was presented showing the responsibilities of the BSL admin. 3 criteria needs to be met for all fuels registered: greenhouse gas, land and fuel quality

criteria. Schemes recognised by BSL admin with regards to fuel quality are: Woodsure, ENplus and ISO9001. BSL admin reports weekly to Ofgem on active numbers, process new applications, monitor existing applications, communications, audits and portal.

JMJ clarified the following:

- Opportunities of shared resource: potential cost savings where shared services can be provided.
- Challenge of shared resource: suppliers may ask Woodsure questions to BSL or BSL questions to Woodsure.

Self reporting to RHI was raised as an issue with regards to ISO9001 being used to demonstrate fuel quality. MB to investigate within Ofgem regarding this issue and to report back to the fuel quality subgroup.

AP 21-04	Issues with the new legislation should be brought to the next fuel quality subgroup	BSL admin
AP 21-05	BEIS, Ofgem and BSL admin – to meet to discuss Self reporters and clarify interpretation of legislation. DM, GA to send examples to MB.	BEIS, BSL admin and Ofgem.

KIWA have been appointed as the body to assess equivalent certification schemes that are allowed for in the regs. MB clarified that any equivalents

Woodsure QA certification is assessed to EN15234 quality management system standard for production. Woodsure does not certify ISO9001 for production. ISO17225 is to define the product.

Scheme is certified to EN15234 and output is certified to the fuel classification ISO17225.

BSL administrator recognises evidence of suitable certification scheme such as ENplus, Woodsure or ISO9001 that has the fuel production under its scope.

AP 21-06	Ofgem guidance to be reviewed and BSL FAQs to be reviewed to reflect the routes to compliance.	Ofgem/BSL admin
AP 21-07	GA and DM to discuss issues regarding Self reporters	

6) BEIS update

Still plan to continue with regs as laid in Jan 2021. Maintenance standard comes into force on 1st April 2022.

KIWA investigated air quality on NDRHI and are appointed the body to test equivalents. Any equivalents are then communicated to BSL to view as compliance.

Removal of ENplus certification from Russian pellets and impacts on fuel poverty and availability of fuel.

7) Finance subgroup

These recommendations are to be brought up at the next subgroup meeting to be discussed further.

FI 22-01-01	Group to return to purpose of group and review as it evolves	FS Chair
FI 22-01-02	BSL tender proposal to be shared with Finance subgroup	BSL admin
FI 22-01-03	BSL admin to look into using direct debit and explore options to guarantee future payments. Direct debits cost £12 per transaction to set up and process.	BSL admin
FI 22-01-04	BSL admin to review terms and conditions with regards to payment terms. These are in the process of being updated.	BSL admin

Purpose for BSL and finance subgroup is to monitor value for money for the scheme.

Fuel quality will impact on BSL finances with fuels being removed. This should also be discussed at the next subgroup.

AP 21-08	Agenda item for next finance subgroup is for fuel quality impact on BSL finances	BSL admin
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8) Imported fuel situation

Concerns regarding Russia's FSC certification were raised and a procedure needs to be put in place for future issues. BSL relies on 3rd party documentation to demonstrate compliance to BSL requirements—due diligence and OPSS can assist in address this. Terms and conditions needs to include this.

This issue has been superseded by FSC and PEFC withdrawing chain of custody certification in Belarus and Russia citing that it is conflict timber. In addition, ENplus has also withdrawn certification

Concerns regarding how the BSL is to police the Russian pellets that are listed on the BSL. Key companies have been identified and their stock levels will be established to manage the risks. OPSS responsibility regarding conflict timber and due diligence.

The BSL administrator confirmed that the new portal will allow you to show what the origin is. This will be optional. Regulations does not require origin of fuel and so it would require consultation before any change in these regulations could happen.

The industry and BSL noted the stress on the market from the fuel quality implementation and additionally of the shortages due to the lack of Russian pellets on the market. Information regarding data BSL collects should be shared with industry. Driver regarding BSL is legislation.

AP 21-09	BSL admin to review terms and conditions to identify going forward how potential non-compliances with regards to land criteria should be reviewed.	BSL admin
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9) Current state of the market

The impacts of fuel quality on the BSL service. Situation in Ukraine has had a huge impact on the UK pellet market. Reverting to home suppliers is not an option as they can't meet the demand. Prices are increasing rapidly.

JW core volume of comms has increased five fold over the last month. Has lead to frustrated customers. Weather has been warmer, but if we have a cold snap, there would be an even greater shortage. JW has already been asked to exports. Deisel and power increases are impacting the supply chain and supply chain costs in order to maintain margins. ¼ million supply gap may not be possible to fill. There may come a point where you can't get pellets.

Suppliers are making hard choices as to who to guarantee pellet to e.g. care homes, etc. There appears to be even more uncertainty about when Russian pellets are banned.

Production

Meet the requirement – a number of large industrial plants have opened up over the last year, creating a shortage in supply in pellets in general since last year. MGT opening up in UK. Fuel poverty is going to be key going forward.

Other than UK sources: North America production is mostly industrial pellet and already spoken for. Plus it is trading at the global price. If we can get that supply it is better than none at all.

UK sources: To establish a new plant it takes about 3 years. To expand production of existing plant, will require investment and guarantees on prices, but realistically this can take up to 12 months. Maintenance schedules are 2 week shut downs at least annually.

Land Energy has a new plant coming on line, but will not be fully operational until July. Next heating season for the UK there will be a shortfall.

AP 21-10	BEIS requested information on Land Energy new plant.	JW
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Trading to customers

Lead times have increased but meeting deliveries at an increased price. Diversification of supply chain is key. Fuel quality might not be at the quality desired. Two tier market will be created for those that are no longer on the RHI and therefore not subject to RHI requirements and those that are still on RHI.

Self suppliers – RL has raised the point regarding fuel quality. Onerous fuel quality requirements when for domestic self suppliers with regards to logs wipes out 1 months RHI payments through an application. Woodsure reported to BSL admin that some of the self suppliers do not know what they should burn, are burning waste treated waste wood when they should be burning virgin material or even burning chip instead of log in their boilers. The panel acknowledge RLs efforts on behalf of self suppliers.

Woodsure self supplier application is £45 plus VAT.

AP 21-11	RL email to be shared with whole panel.	BSL admin
AP 21-12	BEIS confirms that a formal response will be forthcoming.	BEIS
AP 21-13	To be brought up at the subgroup meeting	BSL admin

Engagement on fuel quality figures were shared. Producer traders and self suppliers Domestic are the suppliers who are less engaged with the fuel quality requirements.

10) Ofgem Update

All items regarding updates were discussed elsewhere in the meeting.

11) BSL general activity update

The BSL administrator presented the report. Comms have ramped up regarding fuel quality, 10 emails this year. Focussing on telling the messages, FAQs on waste and general FAQs on fuel quality have been essential.

AP 21-14	To report with more focus on those providing income at next panel meeting. For example the reported tonnage can be converted to income for BSL.	BSL admin
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Some implications may be drawn on numbers applied as individuals. However, ND or Domestic RHI is not part of the registration questions.

AP 21-15	Administrator to investigate further the SME definition regarding self suppliers.	BSL admin
AP 21-16	Administrator to expand table 3.4 on volume of fuel sold to include the raw material type. To investigate how the raw material source type can be reported with a caveat regarding commercial supply. This can also inform the audit risk process. This will assist Forestry Commission and Confor in further industry interrogation regarding RHI. BSL to liaise with IT and DM to ensure this captures what they need.	BSL admin

12) AOB

What happens on 1st April 2022? Concerns around the numbers that are about to be removed from the BSL. Comms are obtaining around between 25% to 49% open rates. All those not yet engaged will get a suspended email on 25th April and the administrator expects a great response from this.

The risk of large numbers of BSL suppliers will be removed from the BSL and will be unable to claim their RHI. The legislation requires all fuels to comply with the regulations on fuel quality by 1st April 2022.

Those in progress will need to be completely certified by 1st June 2022.

Windblow Wales and England don't need a licence to salvage timber in Scotland they do. SPHN no restock requirement but is to ensure the

Co-opting John Westmacott was discussed.

AP 21-17	John Westmacott to be invited as a guest to the next meeting. HBF and JMJ to follow the co-opting process and set up a voting booth if possible.	BSL admin
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13) Closing remarks, date and location of next meeting

Recommended face to face meeting in June. Meeting invites etc covered under action AP 21-02.

Appendix A

Member Name	Organisation
Julian Morgan-Jones (Chair) (JMJ)	South East Woodfuels Ltd
Alan Webb (AW)	JM Envirofuels Ltd
Alastair Moore (AM)	BSL Administrator
Andrew Hopton (AH)	Woodsure
Bruce Allen (BA)	HETAS
Duncan Mackinnon (DM)	Tilhill Forestry
Emanuela Arvati (EA)	BEIS
Gabriella Poli (GP)	Ofgem
Gill Alker (GA)	AMP Clean Energy
Helen Bentley-Fox (HBF)	Woodsure
Michael Barlow (MB)	Ofgem
Lucy Clark (LC)	LC Energy Ltd
Julia Turner (JT)	Wood Recyclers Association
Malcolm Snowie (MS)	Scot Heating Company Limited
Michael Barber-Starkey (MBS)	M W Barber-Starkey
Pablo John (PJ)	Wood Heat Association
Ross Lowrie (RL)	Self-supplier
Tunde Ojetola (TO)	BEIS
Ian Tubby (IT)	Forestry Commission England
John Westmacott (JW)	Guest (Land Energy)
Apologies	Organisation
Amy Fielding (AF)	Environmental Compliance Solutions Ltd
Alan Davies (AD)	DJ Davies Fuels Ltd
Jane Lumb (JL)	BEIS
Steve Arnold (SA)	Effipap Ltd
David Marchant (DEM)	DEM Logs
Alex Wroot (AEW)	Woodsure
James Wood-Segura (JWS)	Ofgem