

BSL Advisory Panel – Minutes

Meeting 23

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| Time and date | 10:00 – 14:00, 8 th September 2022 |
| Venue | Hetas Office, Severn House, Unit 5, Newtown Trading Estate, Green Lane, Tewkesbury |
| Date of issue | 8 th December 2022 |

1) Welcome and housekeeping

The Chair welcomed the Panel members. Introductions were carried out. It was mentioned that Alan Davies had resigned, and thanks were extended for his contribution.

2) Minutes of the last meeting

These presented, no comments raised, and minutes were accepted.

3) Review of actions outstanding

All actions were reviewed. Those closed were recorded on the outstanding actions tracker.

Actions that remained open were reviewed

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| 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 | | Agreed to close |
| AP 20-07 | BEIS and BSL Administrator to meet with OPSS to review an aligned message from BEIS/OPSS/BSL on what is acceptable evidence for legally imported fuels | BSL admin | | Remain Open |
| AP 20-09 | Panel members to provide views to BEIS regarding novation | BSL AP | | Remain Open |
| 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 | BSL to arrange workshop between now and the next Panel meeting. (Clarify Action) | Ongoing |

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| 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 | Fuel Quality moved to 1st June, plan to assess impact for AP 23 | Ongoing |
| 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 | John Westmacott invited to AP22 Administrator to produce recommendation co-opting rules for approval by the panel. Agreed to revise | Ongoing Agreed to revise |

Actions from previous meeting

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| AP 22-01 | Recommendations only should be brought to the AP not the actions. | BSL admin | Actions filtered by recommendations | Closed |
| AP 22-02 | Fuel quality will impact on BSL finances with fuels being removed. This should also be discussed at the next subgroup. | BSL admin | On subgroup agenda. On AP agenda | Closed |
| AP 22-03 | BSL admin to act as conduit regarding alternative sources of pellets and feedback information to BEIS. | BSL admin | None received at present. Update in agenda | Ongoing |
| AP 22-04 | Post implementation review proposed to learn lessons of what could have been improved – legislation, Ofgem and BSL. | BEIS | To remain open and action accepted by WHF. BSL administrator to discuss with WHF. | Ongoing |
| AP 22-05 | Future subgroups to be organised 1 to 2 weeks before the panel for recommendations to be relevant and accurate. | BSL admin | Difficulties in organising meetings in august due to holidays but noted for future meetings. Has been written into BSL admin procedures. | Ongoing |
| AP 22-06 | AH and JMJ to prepare a paper for the next meeting | AH & JMJ | TOR reviewed again and update to be circulated ahead of next meeting and voted on. | Ongoing and moved to BSL admin to circulate final draft for AP approval vote |

4) Fuel Quality and Waste Subgroup

Meeting held in September. Key points discussed:

- FQ implementation discussed.
- Working on:
 - Waste wood and Self reporters routes have been set up by Woodsure.
 - FQ standards (implementation) has been implemented and BSL audits have been updated to incorporate this change.
- Update on tonnages and reporting from the portal
- Audit breakdown
 - Include fuel quality in audit reporting going forward
 - Combined audit (BSL and Suppliers) for those where Woodsure is doing audits for both to realise efficiencies.
- Audit programme and BSL will be discussed in the next subgroup meeting
- Russia pellet issue was discussed and will be discussed in market update later in the meeting
- BSL administrator - Reviewing all applications and conducting due diligence
- Pellet Consultation
 - Temporary changes proposed to temporary suspend
 - BEIS provided options in amendments to the regulations to increase pellet supply due to potential shortage of ENplus certified pellets with Russian pellets being sanctioned and adjustments in the market.
 - Discussion over the potential use of lower quality pellets that still meet the standards
 - Stakeholders mini engagement - Closes on Sunday evening
 - Appliance emissions certificates state one standard, manufacturer may state another, warranties on boilers may be jeopardised if there is any issues
 - Implications on ENplus. Impact on fees and possible damage to ENplus reputation.
 - Other pellets as good as ENplus – use of ISO 17225-2 testing could give reassurance that pellets are fit for purpose
 - Important to link to emission certificate to ensure compliance for Ofgem and RHI payments
- Feedback on fuel legislation. BEIS to make a decision.
- Perhaps incorporate PFI and DINplus into BSL FQ standards.

Previous actions/recommendations

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| FQ 22-03-02 | BSL administrator to ask Woodsure if further details could be provided to panel on breakdown of what the test failures are: moisture content, particle size, etc. | BSL admin | Request has been raised to Woodsure QA. Woodsure laboratory has been focused on their recent UKAS audit. Further information will be available going forward | Remain Open |
| FQ 22-05-01 | Self-reporters and how they are to meet the ISO9001 requirements. VA to send out details this week. This will be followed up in the next meeting | BSL admin / Ofgem | To be chased No response from Ofgem. If it is not a requirement to go through BSL, there would be a drop in numbers, as they would be happy to self-report. This process should be set out more clearly by Ofgem. | Ongoing |

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| FQ 22-05-02 | Finance panel to review long term sustainability of contract | Finance Subgroup | Finance subgroup will continue to review long term sustainability. | Ongoing |
| FQ 22-05-03 | BEIS to provide update on implications of the 2-tier system – BEIS to report back | BEIS | Item still ongoing If not signed up for RHI, then the supplier doesn't have to be compliant with their standards/rules. The maintenance and fuel quality should be kept in mind. The legislation, the Clean Air Act, and may have an impact on BSL. BEIS will not report back, therefore remove action | Action closed |
| FQ 22-05-04 | Requested exceptional meeting for round up of Fuel Quality – to include all parties and to cover policy intent. | BSL admin | UKPC and WHF to be invited to discuss policy intent and learning following FQ changes and regs. JMJ asked WHF and they are happy to take forward this action. All groups should be invited to discuss implementation of the legislation. Recommendations to Government Department and biomass strategy document. | Ongoing |
| FQ 22-05-05 | Research implications to BSL and Fuel Quality regarding Russian pellets. Pellets being bought from other sources causing poor air quality | BSL admin | Covered under the consultation. | Action closed. |
| FQ 22-05-06 (Ref: AP 22-01) | Recommendations only should be brought to the AP not the actions. | BSL admin | Noted. | Action closed. |

New subgroup recommendations to panel

None were raised in the last subgroup meeting

5) Finance subgroup

- Discussed clarity on Quality implementation impact on BSL income.
- Focus on the contract year
 - More effective administration and after 12 months we can review like for like
 - Data cleansing (inherited data) was carried out and together with fuel quality more than 2000 fuels were removed
 - Financial impact of removal of non-compliant fuels was looked at but it is too early to analyse. Together with pellet shortages and impact of sanctions, the impact on the finances are difficult to isolate. Will need continued monitoring.
 - New applications declare a potential tonnage, and this will be analysed by BSL admin (Note: Caveat on data - suppliers may be optimistic/speculative)

- The subgroup needs to understand if the BSL is still viable
 - Identified several areas where figures do not show the whole picture. BSL admin are still analysing figures. Will be able to present a clearer picture at the next meeting
 - Focus is viability and to understand and have clarity on incomes and be able to look into the sustainability of the contract over time.

Previous actions

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| FI 22-05-01 | HBF and AH to review the tender proposal and put together a presentation regarding this ahead of the next subgroup. | Closed |
| FI 22-05-02 | BEIS to investigate the regulations and see if there is anything that could hinder the BSL in accepting A2 as a fuel quality standard. | Closed |
| FI 22-05-03 | BSL Admin to send out Finance Subgroup placeholder via Outlook | Ongoing – Doodle poll for next meeting to be sent out |
| FI 22-05-04 (Ref: AP 22-02) | Fuel quality will impact on BSL finances with fuels being removed. This should also be discussed at the next subgroup. | Ongoing |

New recommendations from the subgroup to the panel

No new recommendations were made to the panel

6) BEIS update

- BEIS is focussed on ensuring the impact on the pellet situation is minimised and has proposed to temporarily suspend the requirement to use ENplus pellets. Ongoing discussions on this topic with UK Pellet Council, BSL and BEIS. Published a stakeholders engagement on the BEIS website with 3 important questions (Closes Sunday 11th September 2022 at 11:45pm)
 - *Question 1: Do you agree with our proposal to temporarily suspend the fuel quality requirement for wood pellets under the domestic and non-domestic RHI schemes? Please explain your reasoning and include any evidence you think is relevant.*
 - *Question 2: Do you agree that a 12-month suspension would be adequate and provide enough time for the market to adjust to the gap left by Russian and Belarusian pellets?*
 - *Question 3: Do you agree that the Secretary of State should be given the power to temporarily suspend the fuel quality requirements in the future if there is a risk of another pellet shortage? If the proposal is agreed, then the regulations will change in October 2022. Plan to publish stakeholder outcome ahead of that*
- New regulations for maintenance checks. HAMBS trained engineers to assist with compliance for this.
- Biomass
 - Client Earth won their case on biomass strategy
 - Republish later on in the year (government is still encouraging the industry)
 - Novation of BSL contract is still planned, but not a priority
 - If the industry presented a proposal, this would possibly help with time scales, in conjunction with the timing of the contract.

- Government has an increased interest in where timber is coming from and would like to increase domestic supply
- Suggestion was made to have a cross industry group, where issues on biomass can be discussed. Provide information on the impact of the points on biomass to the rest of the industry as Biomass strategy is supposed to cover the whole industry.
- BEIS can get someone from the strategy team to come and give a talk on Biomass

Previous action

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| AP 22-03 | BSL admin to act as conduit regarding alternative sources of pellets and feedback information to BEIS. | BSL admin - ongoing |
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New action

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| AP 23-01 | Focus on Pellet situation to ensure that impact is reduced, including discussions with UKPC and BSL | BEIS |
| AP 23-02 | Provide information on the impact of pellet availability on the rest of the industry | BSL admin |
| AP 23-03 | BEIS to provide someone from the strategy team to come and give a talk on Biomass Strategy | BEIS |

7) BSL activity and fuel quality update

- Continued due diligence of removal of fuels. Over 2000 fuels and 1200 suppliers have been removed in the fuel quality cleanse to June this year.
- In 2021 to 2022 year approx. 1400 fuels were audited. Audits demonstrate that main non compliance is for incorrect applications submitted in the past.
- If schemes operated independently, the suppliers, Woodsure and BSL would not be working closely together. BSL admin is happy to provide economies with regards to audits if Woodsure and BSL audits can be brought together, if that is what the industry wants.
- Self-suppliers are desktop audited, with the fuel quality audit
- Share the data/figures ahead of the meeting, with explanations of what the data means

Previous actions

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|----------|---|-----------|
| AP 22-04 | Post implementation review proposed to learn lessons of what could have been improved – legislation, Ofgem and BSL. | BEIS |
| AP 22-05 | Future subgroups to be organised 1 to 2 weeks before the panel for recommendations to be relevant and accurate. | BSL admin |

New actions

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| AP 23-04 | Extract quarterly tonnage table, Cleanse of non- conformances and extract trends, Share the data/figures ahead of the meeting, with explanations of what the data means | BSL admin |
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8) Legality and Sustainability

- Issue raised at last year regarding pellets that may not meet the sustainability criteria despite certification. What does the due diligence look like for the BSL. Initial thoughts were to use the Preferred by Nature website but this may be discontinued as EU is changing its priorities and the new site might not have the same level of information.
- BSL relies on Preferred by Nature website. BSL does not want to replicate what the OPSS is doing.
- OPSS has recently focused on wood fuel and the implementation of UKTR and understands that many suppliers are non-compliant. BSL admin can only report any audit findings to the OPSS. OPSS will carry out the investigation
- Get the “Be careful of who you buy from” message needs to go out to the market.
 - BSL website
 - Ofgem newsletter
 - BSL trademark – future

New actions

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| AP 23-05 | Email IT with questions on Preferred By Nature website. | BSL admin |
| AP 23-06 | Get the “Be careful of who you buy from” message out into the market. <ul style="list-style-type: none"> • BSL website • Ofgem newsletter • BSL trademark - future | BSL admin |
| AP 23-07 | Continue investigation regarding sustainability issue and report back at next meeting | BSL admin |

9) Market update

- Chip market
 - Chip market is doing well and chip is cheaper than pellet
 - Some boiler owners are looking to change from pellet to chip
 - People changing boilers from pellet to chip, will have to reapply to BSL and get confirmation from Ofgem that such boilers will remain eligible for RHI.
 - Is it possible to obtain data from the installers, as to how many changes there are from pellet to chip
- Firewood market
 - There has been a massive increase in the firewood demand. Over 140% increase in August 2022. Stock which would have lasted until Oct will run out by 13 Sept 2022. People are stocking up.
 - Most of the wood is from the Baltic State. They are also supplying Germany
 - People are converting to wood. Buying the cheapest.
 - Compelled to used Ready to Burn. Working with local government to check that wood is Ready to Burn compliant
 - There will not be a shortage of wood, but may be a problem with moisture content
 - Briquettes – same market

- Pellet Consultation
 - Put forward responses
 - Communicate to email address on the website or email to TO
- Summary
 - Boiler issues and will they comply with RHI and emissions, however, boilers are now required to be maintained and so there may be some comfort in this.
 - Rogue Traders may appear and disappear, damaging the industry.
 - Fears around fuel quality
 - Is it possible to require new listed pellets to meet ISO 17225-2
 - Tonnages and supply need to be understood by BEIS plus where are they going and can there be any confidence in market and How do we guarantee supply?
- Are we prepared to backtrack on standards?
 - The temporary solution will undermine everything that has been done up until now
 - GA mentioned that AMP have no interest in cheaper pellets. They are talking to other countries. Price increase to maintain quality and keep up to standard
- Where are the new pellets coming from, and are we importing low quality pellets?
 - No. DINplus and PFI standard – do they meet ISO 17255-2?
 - Sub-standard pellets may not be good for boilers. Matters may be made worse
- Is it air quality or availability?
 - Key driver is availability.
 - Potential shortfall of 240 000tonnes of pellets
- Quality? Communicate with a mass supplier such as Drax
 - TO said that the pellets will have equivalent quality. Have spoken to key players in the market.
 - Drax has been involved in discussions and have suggested a certain tonnage could be diverted to UK market. Non ENplus compliant. Would only be suitable for use in large boilers
- Would 17225-2 be enough as a standard for winter 2022?
 - Everyone had to have the Emissions Certificates. ENplus is linked to ISO 17255-2.
- The Ofgem audit will ask for all invoices for all fuel that has been received. They require the quality to be stated on the sales documents.
- They should look at what the rule was at the time of buying. Ofgem look at ISO 17255 and Emissions Certificate.
- BSL look at ENplus as an equivalent (tests meets ISO 17225-2 and more).
- The requirements of RHI – the owners are accountable for putting the correct fuel into the boilers and meeting requirements of the Emission Certificate
- TO happy to look at conversion from pellets to Chip
- BSL to submit a response by typing up and circulating AP discussion for submission before deadline

New actions

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| AP 23-08 | TO happy to look at conversion from pellets to Chip. | BSL/BEIS |
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| AP 23-09 | BSL admin to circulate draft response for comment by 8pm on 11 th September, to submit to BEIS before consultation deadline. | BSL admin |
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10) Ofgem update

No update from Ofgem

11) BSL Enhancement review

- Delayed until next meeting.

12) AOB

- None to be discussed

13) Closing remarks, date and location of next meeting

- Date – December 2022
- Location – Online
- Feedback from the panel is that as many meetings as possible should be done face to face. At least 2 per year. Panel members to advise best locations.
- Thank you for your contributions, at this quarterly meeting
- A meeting may be required to be scheduled if the situation get critical.
- Meeting was closed by JMJ

Appendix A

| Member Name | Organisation |
|-----------------------------------|--|
| Julian Morgan-Jones (Chair) (JMJ) | South East Wood Fuels Ltd |
| Andrew Hopton (AH) | Woodsure |
| Bruce Allen (BA) | HETAS |
| David Marchant (DEM) | DEM Logs |
| Erica Burlace (EB) | Hetas & Woodsure |
| Gill Alker (GA) | AMP Clean Energy |
| Helen Bentley-Fox (HBF) | Woodsure |
| John Westmacott (JW) | Guest (Land Energy) |
| Lucy Clark (LC) | LC Energy Ltd |
| Michelle Jones (MJ) | Woodsure |
| Ross Lowrie (RL) | Self-supplier |
| Tunde Ojetola (TO) | BEIS |
| Ian Tubby (IT) | Forestry Commission England |
| Jason Hubert (JB) | Scottish Forestry |
| Steve Arnold (SA) | Effipap Ltd |
| Apologies | Organisation |
| Alan Davies (AD) | DJ Davies Fuels Ltd |
| Duncan Mackinnon (DM) | DSHwood |
| Michael Barber-Starkey (MBS) | M W Barber-Starkey |
| Pablo John (PJ) | Wood Heat Association |
| Malcolm Snowie (MS) | Scot Heating Company Limited |
| Amy Fielding (AF) | Environmental Compliance Solutions Ltd |
| Alan Webb (AW) | Optimus Resource Management Ltd |
| Richard Coulson (RC) | WRA |
| Julia Turner (JT) | Wood Recyclers |
| Kirsty Earle | Ofgem |