

## BSL Advisory Panel – Draft minutes Meeting 24

<b>Time and date</b>	10:00 – 14:00, 8 <sup>th</sup> December 2022
<b>Venue</b>	Hetas Office, Severn House, Unit 5, Newtown Trading Estate, Green Lane, Tewkesbury/Online
<b>Date of issue</b>	DRAFT

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

### 1) Introduction and housekeeping

Although there are many people unavailable, the meeting continued with a greater than 40% quorum. The Chair welcomed the Panel members.

### 2) Minutes of the last meeting

All members agreed with the previous minutes.

### 3) Review of Actions Tracker

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

Actions that remained open were reviewed

AP 20-07	BEIS and BSL Administrator to meet with OPSS to review an aligned message from BEIS/OPSS/BSL on what is	BSL admin	UK TPP is under review. Due to be published in March 2023, will have more information for the next AP meeting	Closed
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	acceptable evidence for legally imported fuels			
AP 20-09	Panel members to provide views to BEIS regarding novation	BSL AP	Undergone external audit. Report is not ready yet, will report back in the next AP meeting	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	Edits to be reviewed during meeting following comments received during survey monkey	Closed
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	Monitored via Finance Sub Group Meeting	Closed
AP 22-03	BSL admin to act as conduit regarding alternative sources of pellets and feedback information to BEIS.	BSL admin	Monitoring implementation of fuel quality suspension going forward. Bi-weekly meetings with BEIS and REA	Closed
AP 22-04	Post implementation review proposed to learn lessons of what could have been improved – legislation, Ofgem and BSL.	BEIS	REA/WHF to conduct review. Meeting taken place and TOR written and approved by FQ subgroup	Closed
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.	Closed
AP 22-06	AH and JMJ to prepare a paper for the next meeting	BSL admin	TOR reviewed again and update to be circulated ahead of next meeting and voted on. Circulate final draft for AP approval vote	Closed

#### Actions from previous meeting

AP 23-01	Focus on Pellet situation to ensure that impact is reduced, including discussions with UKPC and BSL	BEIS	Ongoing updates with UKPC bi-weekly and updates given in terms of impact on BSL Supplier activity. Monitor going forward	Remain Open
AP 23-02	Provide information on the impact of pellet availability on the rest of the industry	BSL admin	Agenda Item 9 for meeting 24	Closed
AP 23-03	BEIS to provide someone from the strategy team to come and give a talk on Biomass Strategy	BEIS	Not likely to be published until summer 2023. Needs to link biomass to land use. Would be useful to have overview of strategy landscape (using land and burning wood) at AP25. Not yet approved. TO to bring someone in to talk at the forum	Remain Open

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	Covered under Item 8 on the agenda - paper reference 24-05	Closed
AP 23-05	Email IT with questions on Preferred By Nature website.	BSL admin	Discussion ongoing with HBF, IT, DEFRA, UKTPP and UKTR review and ongoing TPP final draft - next meeting	Remain Open
AP 23-06	Get the “Be careful of who you buy from” message out into the market. <ul style="list-style-type: none"> <li>• BSL website</li> <li>• Ofgem newsletter</li> </ul> BSL trademark - future	BSL admin	To be included in newsletter and updated on portal Newsletter going out in the very near future	Closed
AP 23-07	Continue investigation regarding sustainability issue and report back at next meeting	BSL admin	Part of 23-05 above	Closed
AP 23-08	TO happy to look at conversion from pellets to Chip.	BSL/BEIS	Covered in contracts meeting October 2022	Closed
AP 23-09	BSL admin to circulate draft response for comment by 8pm on 11 <sup>th</sup> September, to submit to BEIS before consultation deadline.	BSL admin	Fuel Quality suspension. Sent on 11th September 2022	Closed

#### 4) Fuel Quality and Waste Subgroup Recommendations

Meeting held on 23<sup>rd</sup> November 2022. Key points discussed:

- Waste wood – AW wished to clarify the process for new waste wood applications and whether a BSL number is required
  - There is a list of acceptable Grade A waste wood
  - Checks are done around the understanding of waste guidance which are published
  - Audits will check that the suppliers are compliant with the guidance published
  - There must be proof of where the waste wood has come from
  - Waste wood picked out of mixed waste or coming from a waste recycling facility for example, then the waste wood is not deemed to be grade A
  - Picking line is generally not acceptable
  - Suppliers still get audited as a producer and Ofgem audit the end user
  - The Environment Agency is informed if there are any concerns with a supplier
  - There is guidance on the website. Panel members were asked to report back on the guidance given
  - In summary, there are three levels of audits: pre audits to get a BSL number, and audit on the actual production and the material that goes into the waste wood, and the audit of the end user
  - If you don't get a BSL number, you have to self-report to Ofgem.
- Implementation of Fuel Quality Standards – January 2023.
  - Wood Heat Forum and REA to review and what the scope was, and that BSL administrator and AP are happy to help Wood Heat Forum
  - TOR reviewed for their review of the implementation of fuel quality
  - Implementation of Fuel Quality – chip and log
- Pellet Fuel Quality suspension and OFGEM comms

- Data on passes and failures on Fuel Quality Audits was presented
- There was an interest in how the BSL audit and the Woodsure audit fit together and to what extent their efficiencies were associated with each other. This was taken offline for further discussion

#### New actions

AP 24-01	BSL admin to review waste guidance with GA and AW and add a newsletter article on this	BSL Admin
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### 5) Finance Subgroup Recommendations

- Ensuring value for money on the contract and budgets were reviewed and discussed
- The 2023 budget was presented and discussed
- The forecast to end of year was presented and discussed
  - A gradual decline has been forecast
  - We are running in between Scenarios 2 and 3
  - Contract has 4 scenarios which budgeted against. Scenarios were discussed and explained
- In 2022 the budgets were set prior to full data cleanse. The contract was based on a set of figures that have proven to be inaccurate. It was inaccurate for two reasons.
  - The total number of fuels listed and total number of suppliers were cleansed from the database, such as child applications from a removed parent and non payment. Projections had been made on these figures pre cleansing and were therefore made on data that was not accurate (2000 fuels and 1200 suppliers removed)
  - As a consequence of fuel quality, a significant number of fuels and suppliers had to be removed from the BSL
  - The above revisions meant that a significant rebudgeting in terms of income for the next financial year has been done, to make the budget more realistic.
- Forecast is for a 7% drop in income. This is not as good as expected, but the contract is still viable
- Factors that may affect the value of the contract going forward
  - Depreciating term and decline in applications
  - Extent of removals fuel quality (review of fuel quality after 6 months)
  - Confusion over pellet standards and re-entry. Administratively heavy and added support
  - Fuel quality and sustainability beyond RHI
  - Energy crisis, price increases and depletion of supply
  - Impact of the pellet sanctions. Unknown risk to pellet related shortages
  - Changes to EN Plus, their new handbook and requirements to be UKAS accredited which will lead to an increase in price of becoming EN Plus compliant
- By having open discussions such as in the subgroups, BSL admin can be made aware of where some of the unknowns, risks and inconsistencies
- Due to Alan Davies withdrawal from the Finance Subgroup, the subgroup is short a member.
  - It was agreed that Gill Alker is the replacement for Alan Davies

#### New actions

AP 24-02	Gill Alker to be placed on the Finance subgroup	BSL Admin
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### 6) Terms of Reference, ad hoc elections & expectations of Panel members

- Key difference is the BSL listed suppliers
- The Terms of Reference (point 11 and 12) re quest and alternate wording was amended and approved.

AP 24-03	Amended TOR to be circulated to panel following meeting.	BSL Admin
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## 7) BEIS Update

- Postponed to next AP meeting as Tunde was not present.

## 8) RHI 10-year meter recalibration requirement

- The view is that the heat meters get less efficient over the years and should be recalibrated after 10-years
- REA and the Wood Heat Forum have been in discussions with the government about the recalibration issues
- Members of REA and Wood Heat have the following concerns
  - There will be over 33,000 heat meters to recalibrate
  - Manufactures may not have the bandwidth to recalibrate
  - The cost. It may be cheaper to replace the meter. A new meter costs around £500.00
  - However, this has an additional waste impact of meters being disposed of
  - Degradation of accuracy is generally very small, and this degradation is actually in the favour of the RHI, ie. under reading rather than over reading
  - The question for government from REA and Wood Heat Forum: When it comes to the meters, can the legislation be reinterpreted or changed?
  - Questions:
    - Can we look at just changing the head of the meter?
    - Is the 10-years from the last calibration, or from the start of the contract?
    - What if the meters are over the 10 years and there is a gap between recalibration/replacement – how will RHI payments be treated?
  - Other issues are:
    - The backlog and delay in receiving new meters, due to delay in getting components from China
    - Taking back of the meters to recycle the parts is not happening. A lot of waste is being generated
    - Administration impact on Ofgem
    - 3-month turnaround time ie. recalibration for the meters can be 12 weeks. Some people have waited up to 6 months for the recalibrated meter to be returned
- OFGEM response during meeting
  - REA sent out a letter and brief to BEIS and OFGEM, and are waiting for feedback
  - OFGEM are aware of the letter that REA sent to BEIS and Ofgem. They will start looking into the issues
  - Some questions are answered in the online guidance
  - It is not necessary that you stay with the same manufacturer of the heat meter
- Please send all queries on heat meters to REA (Pablo), and he will continue to communicate them to OFGEM and BEIS

## 9) BSL Activity

- The following figures and charts were presented to the panel
  - Live fuels, Breakdown of suppliers and fuels
  - Applications submitted and removed by supplier type
  - New applications for pellets and which country they are coming from
  - Trends and tonnage to customer
  - Breakdown of current Registrants by business size and supplier types

- Consumer and industry tonnage, Overall total tonnage sold, Reported tonnage in period by origin
  - Volumes of Helpdesk calls and emails
  - Audits 2022 to end October 2022 (we are on target) including numbers of major and minor non-compliances
  - How a fuel is selected for audit, Typical major actions from monthly audits
- The concern for the shortage of pellets was discussed
    - 30 Pellet applications came through in October. Since the fuel quality was lifted, only 2 applications without fuel quality have been approved
    - A large increase in sales in August. People seemed to be stock building. The mild Autumn meant that they were not using the quantity they thought they would. As it gets colder, we'll start to see more challenges around pellet supply
    - Not quite ready to share, but EB has looked at unique pellet tonnage within the UK and mapped it in terms of unique pellet tonnage across the UK from 2020, to the current day. EB will share this with BEIS.
    - Reduction in Russian pellets has been filled by pellets from various locations
      - Pellets coming from Brazil is a concern. Brazil have been highlighted for audit
      - USA are bringing 42k tonnes to market
      - Spain is also bringing in pellets
    - There is no risk register. Risks are spoken about in depth in the Contract meeting and a meeting held every Friday afternoon. BSL admin agreed to develop a specific risk register
    - Any concerns are reported to OPSS
- Non- compliances
    - All major non-compliances are suspended immediately and must engage with us. They must reapply for reapply for their BSL number if the issue is not tackled within 10 days. BSL admin abide by the rules set out in the Contract
    - BSL admin are more lenient with the minor non-compliances, but still have rules to follow
    - There are various application errors that come up in the audits, which are also categorized under the non-compliance and ways to target these are looked at
- Search for EN Plus removed from BSL Portal
    - It was requested that the search was not removed, and was highlighted as a risk to be raised to BEIS
    - Onus is on Consumers to speak directly to the suppliers to make sure that what they are using is suitable for their boiler. Many consumers don't know what they need which could lead to confusion and where some suppliers do not offer advice on what is suitable
    - The decision to remove was made by BEIS, UKPC, REA and BSL admin. AP feel that the panel should have been asked for their thoughts as well. The panel have asked that they be included in decision such as the above. Vote of 8 out of 9 panel members present with a right to vote agreed with this motion.
    - Communicate with TO to reverse the search option back to having the EN Plus option available

#### New actions

AP 24-04	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
AP 24-05	Include /improve reported tonnage in period by origin year to year, for next meeting	BSL admin
AP 24-06	Share the unique pellet tonnage across the UK with BEIS	EB
AP 24-07	BSL admin to develop a specific risk register for origin of pellets	BSL admin

AP 24-08	Communicate to BEIS, the importance of the pellet fuel quality (ENplus filter) Search option should be returned to the website	BSL admin
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**10) BSL Enhancement Review**

- The first external audit has taken place, and areas for improvement have been identified
- A presentation or video will be presented at the next AP meeting
- The guidelines have been updated
- Financial improvements are in the final stages of completion
- The Fuel Quality page has been completed
- There are some challenges with functionality and some issuers still to be resolved, one being the calculation error
- Enhancements of suppliers and customers to be fed back
- Updates have been completed
- Once all is fully implemented, feedback will be given

New actions

AP 24-09	List of Enhancements for BSL Portal plus presentation or video of the portal to be brought to next meeting.	BSL admin
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**11) Ofgem Update**

Following the suspension, the following has been completed or is still to be done

- The guidance has been updated and communication and social media have been sent out. Further communication will be going out in the new year
- Not BSL related but on maintenance: The HAMBS search has been enhanced and there are about 300 operatives available. EB has sent an email re biomass maintenance. Waiting for feedback

**12) Lessons learned feedback**

**REA**

- The document was circulated, comments were taken on board. No major changes
- REA has hired a student for research, who will be starting in the new year
- REA is aiming to have the report finished by April

**13) AOB and discussion**

- No other business

**14) Closing Remarks, date and location of next meeting**

- In closing, this has been a challenging year. The chair thanked all at the HETAS and Woodsure offices
- Next meeting will be in March (last week of March requested by MS), the date is still to be confirmed and circulated. It will be a face-to-face meeting. It was suggested that BEIS be asked if they could host it in London, as this is more central

New actions

AP 24-10	Dates 2023 meetings to be set and invites to be sent out. Location of next meeting to be agreed with BEIS – proposal to be London at BEIS.	BSL admin
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