

## BSL Advisory Panel – Draft minutes Meeting 26

<b>Time and date</b>	10:00 – 14:00, 8 <sup>th</sup> June 2023
<b>Venue</b>	Online
<b>Date of issue</b>	DRAFT

### 1) Introduction and housekeeping

All members were welcomed.

### 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.

Action Number	Description	Responsible Person	Notes	Status
AP 25-03	Relook at the slide 'Increased New Pellet Supply and the Decreased Pellet supply'	EB – completed  HBF	The table is deemed to be correct with the dominant view shown i.e. increasing or decreasing. Post meeting – confirmation slide is correct as a snap shot.  <a href="#">08/06/2023 – Recirculate slide</a>	Closed
AP 24-07	BSL admin to develop a specific risk register for origin of pellets	BSL admin	Proposal to DESNZ to be approved  <a href="#">08/06/2023 – Have a discussion with OPSS to see way forward.</a>	Open
AP 23-03	DESNZ to provide someone from the strategy team to come and give a talk on Biomass Strategy	DESNZ	Not to be published until May. TO will invite Biomass Strategy/update at June AP  <a href="#">08/06/2023 – Will be invited once publication has gone out.</a>	Open

			The publication is expected to go out before summer recess.	
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**Extra action details**

**4) Finance Subgroup Recommendations**

Feedback

- 1st Quarter figures are in and there is movement in a position of stability and confidence.
- There has been a drop in applications due to the RHI drop off.
- Still some bad debt that is being dealt with.
- The increase of fees was discussed, and the outcome of the discussion was that it may be better to do the increase now, rather than later, as people are accustomed to the higher percentage (CPI).
  - Took over the contract 1<sup>st</sup> July 21. Contract value was £650K. After data cleansing the value came down to £508k (budgeted for 2023).
  - Current prices were shown, and prices haven't changed since 2017.
  - Proposal is to increase scheme fees in line with inflation to maintain standards of service.
  - Compound inflation since July 2021 is 10.55%. Based on Bank of England CPI calculator. Figures rounded up or down for VAT purposes.
  - Increase set now but implemented 1<sup>st</sup> January 2024, to align with the membership fees – communication is to be sent out advising members as agreed with DESNZ but preferably before end July 2023.

New action

AP 26-01	Panel formerly advises DESNZ that there were no objections to the rate increase from the Advisory Panel.	DESNZ
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**5) BSL Activity update: illegal felling, audit proposal and AP elections.**

- There has been a drop in live fuels in comparison to April. This may be due to the self-supplier realising that they no longer need to be on BSL.
- Approved fuels and suppliers are down.
- We're starting to do another cleanse of people not wanting to be on BSL. Still chasing about 100 suppliers.
- The applications submitted and removed by supplier type were discussed. The Producers are always low. Removals little variance.
- Audits from July 2022 to April 2023.
  - Suppliers audited to date, 10% commercial and 6% self-suppliers. Fuels 14% audited to date. Targets for the year was 109 supplier site audits and 383 desk audits. Outstanding for May and June are 22 site and 13 desk audits, so on track to the end of June.
  - Desktop audits for self-suppliers – between 10 to 20% discover major non compliances.
  - Desktop audits for commercial – at least 20% have a major non compliance, and quite a lot of minors.
  - Majors – examples are, using the incorrect BSL number, fuels not being updated, application errors, etc. The new audit proposal should capture most of these.
  - Focusing on the major and minor non-compliances has helped to form the new audit proposal.

- This will inform coms - Liaising with senior auditors, to do a piece on major and minor non-compliances. Use another title than Newsletter, so that people are more likely to read it.
- The last 4 quarters of fuel types, consumer tonnage and waste figures are on a downward trend. Particularly for firewood and briquette. DRHI participants are falling off after 7 years. Note: Self-suppliers don't report how much fuel they use.
  - The Waste figures were discussed, ie. difference between these figures and TOLVIK figures.
  - Consumer tonnage is reported at a moisture content of 10%.
  - Differences between pellet figures can be due to the following.
    - Domestic appliances are coming off the RHI and therefore don't need to report with the BSL number.
    - Appliances less than 1MW boilers on NDRHI that are being supplied can use BSL. Everyone above 1MW must self-report, below 1MW can chose to self-report. If you are self-reporting you can use the BSL if you choose to. Self-reporters go straight through to OFGEM.
    - BSL admin to explore getting a figure from OFGEM, so that we could get a consolidated number.
- Briquettes have had a dramatic decrease in consumer tonnage in the 1<sup>st</sup> quarter of 2023. But most are going to Ready to Burn. Few will be using in a biomass boiler, more for domestic burning.
- Helpdesk
  - Calls are still relatively high, but are lower than last year.
  - Emails: payment queries are high due to chasing of unpaid membership/quarterly fees. Payment reminder emails have gone out, and leading to emails coming back in. All trends have been expected following comms.
- Legality and sustainability
  - Legality: there has been an increase in illegal felling in England and Wales. Some are listed on BSL. The next step is that the information is shared by the appropriate forest authorities, so they can be removed off BSL. We will do articles in the newsletter.
  - Sustainability: Scotland confirmed that felling license is in line with UKFS, therefore evidence of sustainability. Wales believes it is the same for them. England are looking into going the same route.
- Preferred by Nature have updated their website.
  - Can now verify supply chain and offers ways to mitigate any risks.
  - Includes elements of sustainability (land criteria)
  - A comparison between UK Timber Regulations and Preferred By Nature sourcing HUB for Timber Methodology was done. Please see slide 23 of the presentation.
- The proposed new audit regime
  - Self-suppliers
    - Desktop audit: Interview via video call. No change to current situation. Same percentage.
    - E-based: Additional audits where self-suppliers are contacted. Upload info/evidence which is reviewed.
    - Woodsure cross compliance: Checks when Woodsure audits are carried out. Info shared between Wood and BSL.

- Call contact: Where emails have bounced or non-completion of paper-based audits. Call supplier and update of details, possibly escalated to desktop.

#### Commercial suppliers

- Site: No change from current.
- Desktop: No change from current.
- E-based: Additional where information is requested and uploaded. Information reviewed by BSL audit team.
- Woodsure cross compliance: During Woodsure audit, information is gathered. Reviewed by BSL audit team.
- On the 23<sup>rd</sup> November (pellets), anybody without fuel quality/non-compliant, will be suspended immediately, and will have their BSL number revoked. They will not be able to sell their fuel with a BSL number. This has been made clear in the newsletter and on BSL website.

In an effort not to increase prices, we have reduced the Desktop audits and kept the site audits the same. The E-based and the Woodsure cross compliance are additional. This will mean that the suppliers can be audited roughly every two years.

The BSL Advisory Panel agrees and is in support of the new audit regime.

#### • Autumn Panel Elections

- Last elections were in November 2021.
- Positions include a Trade body – currently REA.
- Can nominate yourselves to re-stand.
- September will be last meeting all together.
- Positions initially identified can be seen in the slide presentation. Some of these are voted in and some are not. List of people to be voted in.
- Members elected to the panel (some members may represent multiple categories, depending on experience)
  - BSL Suppliers
    - Self-suppliers (Domestic)
    - Producers (including non-domestic Self-suppliers)
    - Producer-traders (including non-domestic Self-suppliers)
    - Traders (including non-domestic Self-suppliers)
  - Members representing fuel types.
    - Pellets
    - Chip
    - Briquettes (proposed to amend category)
    - Logs
  - Members representing raw materials.
    - Forestry
    - Waste
    - Arboricultural arisings
    - Sawmill residues
  - Members representing industry bodies.
    - Forestry
    - Government forestry

Arborculture

Wate wood fuel

NGO

Wood heating (including installation and maintenance)

- Put forward areas that need to change for the election of members to the Advisory Panel. Perhaps communicate via the industry bodies, as well as the newsletter.

#### New actions

AP 26-02	Communication - Liaising with senior auditors, to do a piece on major and minor non-compliances. Use other title than Newsletter, so that people are more likely to read it.	AJ
AP 26-03	Rename 'Consumer Tonnage' to 'End customer tonnage' (on 'Volumes sold in tonnes by fuel type and summary of 4 quarters' slide). Rename 'Industry tonnage' as well.	HBF
AP 26-04	Discussion around the difference in Waste figures to be taken offline and reported back.	JT/AW/HBF
AP 26-05	Discuss with OFGEM, to see if there is a way to consolidate figures of pellets between BSL/ENplus/Ofgem going forward.	BSL
AP 26-06	Analysis into the decrease in consumer tonnage for briquettes.	HBF
AP 26-07	Article on legality – illegal felling and removal from BSL will be placed in a newsletter.	HBF
AP 26-08	Meeting between DESNZ and OPSS be arranged regarding the PBN website and how it can be used for BSL purposes.	BSL/DESNZ/OPSS
AP 26-09	Prepare a proposal for the next panel meeting regarding the election of members to the Advisory Panel (for example, communicate via the industry bodies, as well as the newsletter).	HBF

#### 6) DESNZ Update

- BSL Contract was awarded to Woodsure on a 2+1+1 basis 2 years ago. DESNZ will not be retendering this year, so are working with Woodsure to update the contract.
- BSL price structure. DESNZ have asked that everything possible is done to streamline costs within the scheme before trying to increase prices.
- Now is a good time to review the terms of reference, as there are some organisations that are interested in sitting on the board. Confirm updated membership at the September meeting, as this is just before the November elections.
- The new audit regime is linked to the new contract. DEFRA are interested to see how it will all work. The increase in audits is supported, as long as there is no increase in price associated with this.
- Fuel quality suspension was only pellet related. Working with Woodsure and industry on the lifting of the suspension. The suspension will come to an end in November, unless Ministers say otherwise. A survey has gone out in the newsletter about the pellet suspension.
- There have been questions asked and views about air quality. NRW are of the view that illegal activity has taken place. DESNZ are working with them to identify the sites, and audits will be carried out on the BSL sites.
- Biomass strategy is expected to publish the strategy before the summer recess. Clarify if it is UK or GB wide.

New action

AP 26-10	Confirm updated membership at the September meeting, as this is just before the November elections.	HBF/DESNZ
AP 26-11	Biomass strategy is expected to publish the strategy before the summer recess. Clarify if it is England or UK wide.	TO

**7) OFGEM Update: HABMS and SR**

- Receiving data from HETAS annual maintenance and from Woodsure for self-reporters. This is very useful for the OFGEM compliance team to verify evidence.
- Data is getting shared weekly.
- Could the Woodsure Fuel information (numbers) and the Self-reporter information (numbers) be collated?

New action

AP 26-12	Could the Woodsure Fuel information (numbers) and the Self-reporter information (numbers) be collated?	PB
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**8) REA presentation on implementation of fuel quality**

- REA was asked to conduct policy review in the implementation of the fuel quality standards as part of schedule 4A.
- Several interviews were done across the industry, and a general survey was done.
- In summary, the report from the survey from the general public members received a 3.4 out of 10 (group of 19 respondents).
- The main point of contention was the communication process, for example, clear guides on how to meet the regulations and lack of clarity.
- There was positive feedback around consultation.
- Recommendations:
  - Communication between key parties and the industry. Some people feel they missed out on the discussion around the interpretation and guidance of legislation should be delivered as quickly as possible.
  - Key parties should engage more with industry panels, for example, REA, UKPC and forums.
  - The roles are between OFGEM, Woodsure and DESNZ were identified and established early on, and made clear to industry who is responsible for what, and if there are issues who is the point of contact.
  - Use more of a diverse range of communication, for example, newsletters, webinars, FAQ's.
- Stakeholders have seen the first draught.
- The final draft will go out to stakeholders, and the report will be sent out to the panel.
- Arrange an additional meeting with REA for the implementation of fuel quality.

New Action

AP 26-13	Arrange an additional meeting with REA for the panel to review implementation of fuel quality once published.	HBF
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## 9) Pellet Fuel Quality suspension

- Can all please complete the survey on the front page of the BSL (pellet suppliers).  
(biomass-suppliers-list.service.gov.uk)
- The introduction on the website has been changed to address concerns over questions implying that the suspension may be extended.

## 10) Novation: What to do with BSL?

### What to do with quality, sustainability, and the biomass market?

BSL mid and long-term opportunities.

- Current position
  - BSL support RHI legislation – no wider role at this stage
  - 2 years + 1 + 1 at the moment.
  - We are serving a diminishing market.
- BSL scheme
  - Sustainable fuels
  - Woody biomass
  - Non-woody biomass
  - Utilises other fuel quality schemes, for example, EN Plus, ISO9000, Woodsure Fuel Quality.
  - Small number of organisations that have less standard arrangements, for example, self-reporters.
  - Next contract period leads to novation of the contract to become an industry led scheme.
- Areas of policy interest.
  - DEFRA – getting more robust and looking at PM particulate emissions, and working towards new emission factors.
  - DESNZ working on a project to establish GHG emission factors.
  - Source apportionment will become a huge issue and estimating this has, in the past, created challenges and misleading press.
  - Understanding the market, fuel types and their attributes has been the biggest challenge.
  - Demonstrate that improvements are being made.
- Aspirations
  - A single UK biomass sustainability and quality scheme.
  - All biomass fuels and their carbon saving, GHG, particulate emissions, pollution and clean air.
  - Support the sector in best practise, advice, statistics, research and information, etc.
  - Support government with accurate market information. Provide a trusted source of information and data.
  - Record and disseminate information on how the sector is improving or needs to improve.
  - Should not a trade association, but rather a certification scheme.
  - Should link with trade associations, for example, REA UKPC and FIA
  - Link with DESNZ, DEFRA and DLUHC on biomass policy matters.
- Major Objectives
  - Influence the future of biomass quality.
  - Ready to Burn (domestic) currently has a long-term aim to reduce environment impact.
  - Biomass fuel quality and sustainability has a finite life under current policy.

- This organisation would have to serve everybody from an independence perspective.
- Over the next 20 years, there will be no sustainability, fuel quality, scheme or control. We should be aiming to change this.
  
- Mode of operation
  - Not for profit – company limited by guarantee without share capital.
  - Members have the power equivalent to stakeholders.
  - Day to day operations with a board.
  - Members have a reserve power written into the Articles. Members able to overrule Directors with majority, power will therefore be in with the industry.
  - Government can provide advisors/observers, but don't generally become members.
  
- Who are the members?
  - Advisory Panel members and other key stakeholders.
  - Sit within a structure operated by Woodsure.
  - Woodsure Articles of Association allow for a delegation of powers to a committee.
  
- Proposal
  - To consider the concept of a UK wide impartial independent scheme supporting and supported by the sector, government departments, NGO's, trade association and trade organisations.
  - If this proposal appears viable, Woodsure will, with the input from others, generate a details proposal for review by DESNZ, BSP AP and key stakeholders (perhaps users and other stakeholders).

## Comments

- Are they making the distinction between emissions of biomass from systems that don't have automated air intake, ie. open fire, stoves and boilers?  
Short answer is: Yes, they are.
- Needs to be some kind of regulation in place, after RHI, that ensures fuels are monitored going forward for sustainability and fuel quality.
- Can you say that you are an independent organisation if all of your members are from industry?  
Impartiality can be built in: where you get your information from is independent /impartial (UKAS).  
Certification bodies cannot operate as a Trade Association.
- Will BSL expand to other areas, for example, large scale biomass, etc. We would like to bring it all together. (EN Plus, biomass, solid fuel)
  
- It's a proposal: need to view all the pros and cons, especially in terms of legislation.  
Would need to find a way to unwind BSL from DESNZ.
  
- Success factors:
  - More economical for people to invest.
  - Need a market going forward.
  - Legislation is a critical success factor for organisations such as this.
  - Perhaps have a levy, which is put towards research and support. Could be linked to something government wants to achieve, eg. emission standards (perhaps government mandated).
  - Strong communication to get the word out.



- Perhaps create a sub-group.
  - Widen the group to not just the panel, but wider industry as well.
  - Brainstorming sessions.
  - Structured conversations and debates.
  - Invite other industry members.

New Action

AP 26-14	Create a sub-group for the Novation	BSL
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**11) AOB and discussion**

- RHI data – there is no sign of decline yet in tonnage (non-domestic).
- UKPC has requested to be a permanent member of the BSL Advisory Panel (Non-voting). This will be brought back in the next meeting as part of the panel elections and Terms of Reference. All concerns to be directed to JMJ of HBF.
- Next meeting proposed to be held in Birmingham. Provide other option.

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

- In closing, the chair thanked all.

**Next meeting**

Location: To be set

Date: 28<sup>th</sup> September 2023

Time: 10:00 – 14:00

Appendix A

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