

BSL Advisory Panel – Approved Minutes Meeting 27

Time and date	10:00 – 14:00, 28 th September 2023
Venue	Online & Novotel, Birmingham Airport Birmingham B26 3QL
Date of issue	07/12/2023

1) Introductions and housekeeping

The Chair welcomed the Panel members. Introductions were carried out.

2) Minutes of last meeting

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

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 23-03	DESNZ to provide someone from the strategy team to come and give a talk on Biomass Strategy. 08/06/2023 – Will be invited once publication has gone out. The publication is expected to go out before summer recess.	HBF	28/9/23 Invited to 27 th panel meeting but last minute cancellation to AP means this remains open.	Open
AP 26-01	Panel formerly advises DESNZ that there were no objections to the rate increase from the Advisory Panel.	DESNZ	28/09/2023 need to clarify with DESNZ	Open
AP 26-04	Discussion around the difference in Waste figures to be taken offline and reported back.	JT/AW/HBF	Discussed in the meeting. To be commented on by WRA.	Open
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	To arrange meeting to discuss with Ofgem.	Open
AP 26-08	Meeting between DESNZ and OPSS to be arranged regarding	BSL/DESNZ/OPSS	Update in BSL administrator update. Additional work by BSL	Open

	the PBN website and how it can be used for BSL purposes.		admin required to move forward.	
AP 26-12	Could the Woodsure Fuel Information (numbers) and the Self-reporter information (numbers) be collated?	PB	Ofgem update. Requires more information. 18/9/23 Send email to OFGEM to confirm what information is needed.	Update to action generated-open

4) Finance Subgroup Recommendations, incl. sign off on project work.

- Consistency and stability after a lot of data cleansing and the effects of the implementation and subsequent -fuel quality suspension on pellets.
- Looking stable, with the new audit regime, will show some efficiencies.
- New audit regime is resulting in a lot of new applications. Started with the oldest BSL numbers.
- Changes over the year, old numbers still be used which are effectively out of date as it isn't the same fuel.
- Each pellet supplier pays 2 tonnage fee levies: ENplus fee and BSL for that same tonne of pellets.
- MG confirmed that ENplus price increase in tonnage levy in 2024 from 12 pence to 15 pence.
- Part of one of the budget lines, is amount spent on development of the websites and the data base.
Discussed enhancements to the website. The cost-benefit against various potential enhancements to be demonstrated.
- RHI contracts and effect this will have on income into the BSL. Possibility of BSL demise.

5) BSL Activity update incl. next panel election & pellet FQ reinstatement

- There were no objections to the rate increase from the advisory panel. Advice noted by DESNZ and if they are willing to accept the press increase. Clarifications needed.
- Senior auditors did a piece on major non-compliance in the June edition of the newsletter. A lot of feedback was given.
- There is a lot of people who understand the new timings for the new audit regime.
- Discuss with OFGEM to see if there's ways to sort figures between BSL, ENplus OFGEM. There's still quite a lot of difficulty trying to associate the figures from different organisations.
 - ENplus gathers projections at the start of each year and confirms actuals at the end of each year. ENplus figures will cover more pellets than those that go through RHI.
 - BSL just covers what is actually sold to RHI participants at the end of each quarter.
 - Ofgem gathers figures in arrears in kWh by renewable heat source and scheme (ND or Dom)
- Newsletters and comms discussed.
- Actual reporting on a quarterly basis is based on actual figures and at audit asked to demonstrate how this is done.
- Article on illegal felling in newsletter. Response from NRW – 49 names and addresses. Working on to match them up on the BSL register.

[Post meeting note: list resulted in 5 suppliers being removed from BSL]

- Meeting DESNZ and OPSS(Office for Product safety and standards) to discuss imports mainly and Preferred by Nature website which assesses the risk of illegal trade in timber and some elements of

sustainability. OPSS conducts the due diligence and investigates due diligence on the UK timber regulations.

- BSL audits have created quite a few renewals. The new audit process started in July and now has new audit outcomes: Immediate removal, Major (allowing 5 days to close an audit action) and minor (allowing 20 days to close an audit action before being raised to a major).
 - 30% of suppliers audited had fuels removed due to major non-compliance.
- New AP positions were proposed and accepted.

Actions

AP 27-01	Last 5 full quarter reporting needs investigating to the decrease in percentage trend of fuels. [post meeting note: Figures shown were accurate. A quick assessment picked up that figures last year included waste wood with the fuel types, whereas now it is reported separately. BSL admin will show this narrative at next meeting, quarterly reporting has been investigated and found waste figures sewed fuel reporting].	BSL admin
AP 27-02	Helpdesk calls to be investigated due to high average in call duration for Q1 2023.	BSL admin
Ap 27-03	Offline discussion to be held next panel meeting regarding PBN and due diligence for demonstrating sustainability on BSL.	HBF/MG/ GA/DM

6) NDRHI Update

- Secretary of State has confirmed that suspension of fuel quality of pellets will be lifted but is also looking at providing clarification on wording of Schedule 4A.
- REA subgroup on meter recalibration – chaired by GA. Propose use of check meter as an alternative to recalibration/replacement. Early days prior to any change being made.
- The BSL administrator contract has been extended for 1 year and the second year will be at the discretion of DESNZ and will announce if they choose to retender or add another plus 1.
- Compliance visits with Ofgem colleagues
- Work with NRW on illegal felling
- BSL website was nominated as ‘Good’ in terms of cabinet office digital assessment. This has meant that the website and how the site could be improved to ‘Great’. This would be until 2025 timeframe.

5) Biomass Strategy Update

In the absence of Anna Mikis, the report was discussed in general. This included REA strategy briefing report, which is directly related to the work of the Advisory Panel on Biomass Heat.

A brief summary of the REA report was shared with the panel courtesy of PA.

- ☐ 1.1 million homes that are off the gas grid. It thinks that 80% of those are going to be suitable heat pumps.
- ☐ The remaining 200,000, leaving 220,000 other properties, which by my stats find spoilers could provide some of that. That's not necessarily going to be entirely built by VAM as well as they do also mention that renewable fuels like biology, et cetera, but also fill that gap. But given that there are like 12 and a half thousand environment spoilers currently.

- ☒ Air Quality – still clearly a concern but not considering a ban on domestic burning. Perhaps tighten up regulations or reduce pollution. Not considering a ban on domestic burning. Intention is to tighten regulations, reduce pollution.
- ☒ DESNZ – strategy recognises the role of biomass.

7) Strategy discussion implication for biomass heat

- Query by DM and backed by IT:
 - Is there a mistake in the document where the document says they want 100% of the feed stocked to be sustainable where the current requirement is 70% sustainable. That's actually not correct. The current requirement is it's 100% sustainable, but when it comes to certification, it can be 70% certified. There's a huge difference between 70% certified and 100% sustainable. What has actually been said is that they want 100% of the material to be certified, then there's a major issue with that.
 - This standard that has been proposed will have a huge impact on the timber industry. What you're putting in is a standard that's higher than we have for the highest grade construction timber. I think it comes back to the interpretation of category B timber where there are two policy definitions – one in the UK government timber procurement policy for buying timber and one in the Timber standard for electricity and heat. The Category B's aren't exactly the same, and at that point in time that was deliberate because if you try to enforce a category B that matched the government's timber purchasing policy it was hundreds of thousands of tonnes of fuel. This would be hugely disruptive to the system.
 - What you need to remember is that 85% of the timber purchased or sold into the market within the UK is certified, but the time it gets through all the chain of custody and all the people that don't have chain of custody, the quantity of certified timber drops off significantly. This is just down to those being certified to carry that Chain of custody and the number of suppliers who don't have that in place. It's still exactly the same legal and sustainable timber, and for something that's controlled wood it is still traceable back to the forest in exactly the same way as certified Timber is. I don't think we should lose sight of what sustainable and legal means. You don't want to be putting too many barriers in place.
- Government mixed messages – what are the key government concerns about biomass heat. Would it be cost of RHI etc. and air quality – especially domestic burning in cities where there are other sources of biomass. Air quality is a spatial one and should not be used as a blanket
- Chip is by the far the cheapest compared to other fuels. What does make the difference is the cost of the appliance. Better use of biomass within ESG.

AP 27- 04	TO and IT to take this feedback back to their departmental colleagues.	TO (DESNZ) & IT (FC)
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8) Ofgem update including HAMBS & SR

- Fuel quality – re-installation and re-application of fuel policy requirements for pellets. In accordance with regulations, the requirements is ENplus A1 pellets when the 12 month period lapses from the 23rd November 2023 - all wood pellets used to pay RHI payments must adhere to the requirements to use ENplus A1 pellets.
- Additional requirements from Ofgem, stated the letter of law as it stands, Pellets must be certified by Woodsure. Woodsure is directing people to ENplus, and Woodsure certification recognises Enplus as

the certification scheme. Fuels listed on the BSL will be removed. Ofgem discussions to take place regarding some confusion regarding a paragraph of legislation.

- Need to look at any proposals before going to tender for a new contract. Renewed from July to June. Potential for another plus 1. Another plus once, therefore, won't tend till end 2024 beginning 2025. The panel will take on the work at the next meeting, then it will be clear that the industry is looking at things which would help business in terms of what we're looking at going forward. It's a contractual relationship.

9) Fuel quality and paper traders

- Move to next meeting.

AP 27- 05	Add fuel quality and paper traders to next meeting agenda	BSL admin
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10) Novation – BSL funding?

- Value for money in this service of BSL for suppliers and RHI participants. Business doesn't recoup surplus, as well as don't pay for any losses. Woodsure would be willing to contribute. Both Woodsure and Heats are both nonprofit companies.
- Any surplus is always redirected back into the industry in whatever way. Discussions will take place and contributions decided. Could be generous contributions Malcolm.
- People will clearly contribute, individuals, their time free of charge. See how it develops. Identify estimates.
- Need estimates, hours, costs, expenses etc, need to bring this back for an agreement at the next panel meeting.

AP 27-06	Meeting to be arranged to discuss BSL novation before the next panel meeting (late Oct).	BSL admin
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11) AOB & close

No AOB was brought up.

The chair thanked the panel for their participation and efforts over the last two years. The panel thanked the chair for his work.

Appendix A

Member Name	Organisation
Julian Morgan-Jones (Chair) (JMJ)	South East Wood Fuels Ltd
Avril Jones (AJ)	Woodsure/BSL
Gill Alker (GA)	AMP Clean Energy
Helen Bentley-Fox (HBF)	Woodsure
Lucy Clark (LC)	LC Energy Ltd
Paul Bass (PB)	Ofgem
Tunde Ojetola (TO)	DESNZ
Poppy Airey (PA)	REA
Malcolm Snowie (MS)	Scot Heating Company Limited
Duncan Mackinnon (DM)	DSHwood
Neil Welsh (NW)	OFGEM
Jason Hubert (JB)	Scottish Forestry
Matt Goodwin (MG)	UKPC
Julia Turner (JT)	WRA
Ian Tubby (IT)	Forestry Commission England
Apologies	Organisation
John Westmacott (JW)	Guest (Land Energy)
Anna Mikis	Energy Security
Ross Lowrie	Self supplier
Amy Fielding	Environmental Compliance Solutions Ltd
Dave Marchant	DEM Logs
Bruce Allen	Woodsure/BSL
Steve Arnold (SA)	Effipap Ltd
Richard Coulson	WRA