GGCS - 2027 Scheme Fees

Scheme Administrator Proposal for Fees in 2027 (summary)

1. Trader and Associate membership fees to increase 10% from £500/year to £550/year.

2. Producer membership fees to increase by 10%, from £250/year to £275/year per plant.

3. We will no longer offer the discretionary discount of a 50% fee reduction for plants that are an operators "subsequent plants" e.g. 2nd, 3rd, nth plant on the GGCS.

4. Producers – introduction of an Additional Administration Fee – within their Annual Participation Fee producers will be eligible to submit up to 5 Production Declarations for their production periods e.g. 3 Production Declarations to cover Q1, 2 and 3 and then 2 Production Declarations to split Q4 between calendar years. If they wish to submit further declarations for example to split other quarters on the financial year or to issue ISCC and non-ISCC RGGOs withing the same production period. **We will set this fee as zero for 2027** and assess the level to set it at in 2028 and make our proposal in the Autumn 2027 Oversight Panel.

5. Producers – where an existing biomethane site produces and injects biomethane on site, but also receives biomethane produced at other locations and injects that gas alongside its own (the "Hub and CUB model"), the Annual Participation Fee will apply to the site and to each CUB site referenced in its Production Declarations[1].

6. RGGO Cancellation Fee to increase from £0.11/MWh (11 pence) to £0.12/MWh (12 pence).

7. Import and Export Fees – RGGOs exported to DENA and Pronovo (or any other registry), which currently incur the Cancellation Fee, will instead be charged a separate fee of £0.15/MWh (15 pence).[2] Imports, which currently do not incur a fee, will also be charged £0.15/MWh (15 pence).

The Process

The GGCS Scheme rules state that;

20.1. The fees are set annually and in advance of the start of the calendar year in which they are applied, after consultation with the Oversight Panel, and are published on the Scheme's website.

20.2. There are two fees payable for participating in the Scheme being:

[1] E.g. a site injecting its own biomethane and from 4 "CUB" sites would pay the annual producer membership fee * 5 (£275*5).
[2] For total clarity – exports will no longer incur the Cancellation Fee. Only the Export Fee will be applied.

20.2.1. an Annual Participation Fee; and

20.2.2. a RGGO Cancellation Fee which is a charge levied on the Cancellation of RGGOs to End-Use Consumers or Cancellations made for the purpose of transferring RGGOs to another Scheme.

This consultation will take place through circulation of this paper, followed by discussion at the Oversight Panel meeting on 18 November.

Alongside this paper we are circulating an update to the Scheme Rules which will introduce the concept of the additional administration fee and the import and export fee.

Producers and Traders will receive a contract variation email introducing references to the Additional Administration Fee for producers and the Import and Export Fee for all members.

Members are welcome to submit comments in advance of the meeting via email to info@greengas.org.uk or after the meeting up until November 30th.

After the meeting a formal notice will be given at the start of December 2026, confirming the fee structure for 2027.

Outlook

Producers – the number of producers has continued to rise, with 5–10 new plants joining in 2026. We anticipate that a further 10–15 plants will join in 2027. The complexity and number of Production Declarations received per plant have increased, and we expect this trend to continue.

Traders – after a small decrease in accounts in 2025 we have gained ~5 accounts in 2026. We don't anticipate a significant number of new traders joining in 2027

RGGO cancellations and exports – although we do not yet have the full picture for 2026, RGGO retirements had reached 3,483 GWh by the end of Q3, similar to the full-year totals for 2023 and 2024. We expect to finish the year with around 4,500 GWh of cancellations.

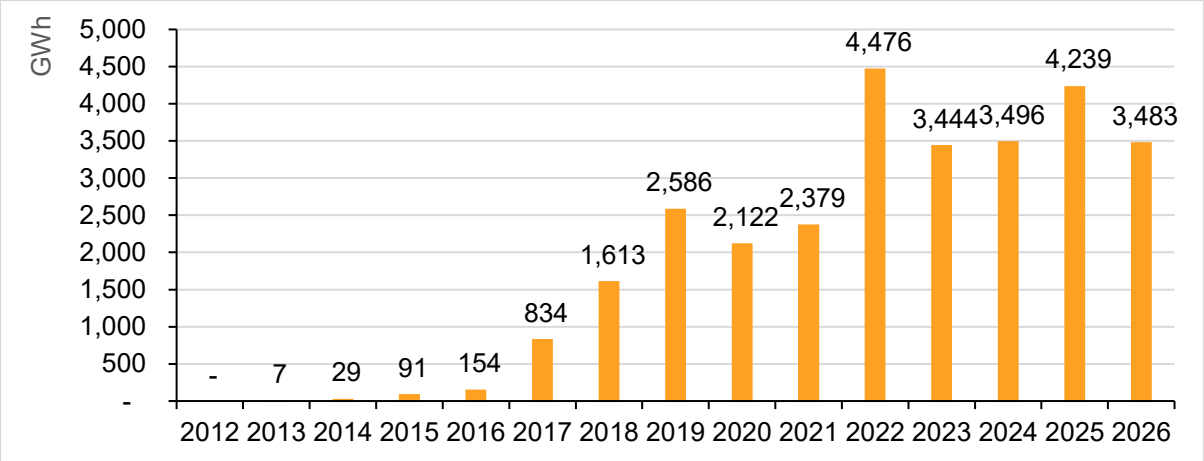


Figure 1 – RGGO retirement figures at the end of Q3 2026

Explaining the proposed fee changes

We have reviewed the resources needed to administer our various processes. The proposed changes seek to recover more directly the costs of reviewing Production Declarations and importing and exporting RGGOs, apply inflationary increases to membership fees, and increase Scheme's revenue through the Cancellation Fee while keeping that fee marginal relative to the value of an RGGO.

1) **Trader and Associate membership fees to increase 10% from £500 to £550.**

   This is the first increase in fees since the scheme was started in 2012.

2) **Producer membership fees to increase by 10%, from £250 per year to £275 per year.**

   This is the first increase for several years, and the fee remains below its previous level of £500 per year. The increase also reflects the growing number and complexity of Production Declarations being submitted.

3) **We will no longer offer the discretionary 50% fee reduction for plants that are an operator's subsequent plants, for example, the second, third or any further plant registered on the GGCS.**

   We have not found any efficiencies in administering plants that are part of a group.

4) **Producers – introduction of a potential Additional Administration Fee (to be set at £0 in 2027).**

   Within their Annual Participation Fee, producers will be eligible to submit up to five Production Declarations for their production periods; for example, three Production Declarations covering Q1, Q2 and Q3, and two Production Declarations splitting Q4 in a calendar year. The Additional Administration Fee will apply if they wish to submit further declarations, for example, to split other quarters in the financial year or to issue ISCC and non-ISCC RGGOs within the same production period.

   This gives us the ability to recover the costs incurred of administering particularly complex plants e.g. where they are splitting by ISCC and non-ISCC feedstocks. We will set this fee at zero for 2027 and assess the appropriate level for future years in the next 12 months. Any proposal to increase the fee from a zero rating would be presented to the Oversight Panel at our Autumn meeting.

5) **Producers – where an existing biomethane site (that produces biomethane on site and injects on site) receives biomethane produced at other locations from other sources and injects that gas along with its own (Hub and Spoke or Hub and CUB**

models) – the Annual Participation Fee will be applied for the site and each CUB site that is referenced in its Production Declarations.

Significant additional resources are needed to administer plants with this set-up. To recover the costs of deploying these resources the simplest approach is to apply additional fees to the Hub site.

6) **RGGO Cancellation Fee to increase from £0.11/MWh (11 pence) to £0.12/MWh (12 pence).**

A modest increase in fees that supports the income of the Scheme and the Scheme Administrator, while maintaining fees at a level that remains a marginal cost in relation to the value of an RGGO.

7) **Import and Export Fees – RGGOs exported to DENA and Pronovo (or with any other registry), which currently incur the Cancellation Fee, will be charged a separate fee of £0.15/MWh (15 pence). Imports, which currently do not incur a fee, will also be charged £0.15/MWh (15 pence).**

GGCS incurs a direct cost of approximately £15,000 per year to participate in the ERGaR CoO Scheme, as well as dedicating significant staff time to administering imports and exports and engaging with the ongoing development of the scheme.