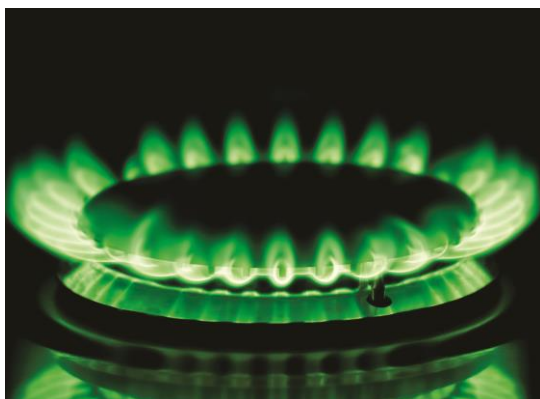


Green@Gas

CERTIFICATION SCHEME

Annual Report

2016



A Word from Our Chair

2016 was an exciting year for the Green Gas Certification Scheme with continued growth, both in terms of the number of plants registering their injected gas with us, and sales of Renewable Gas Guarantees of Origin to end customers.

The executive team and members worked very hard during the year so that our certificates are now recognised for the purposes of emissions reporting under the GHG protocol. We were supported through this process by leading environmental consultancy Ecofys, and made minor changes to the scheme in response to the guidance we received from them. The demand for certificates has increased as a consequence of this development, as corporates look at further opportunities to reduce their climate impact. We also started the process of reviewing our feedstock categories, in order to align them more closely with RHI categories and enable end-use customers better to express their preferences over the type of RGGOs they wish to purchase. The outcome of the feedstock category review will be implemented over 2017 and will also allow producers to register gas for the RTFO.

It has been a pleasure chairing the Oversight Panel, which meets three times a year, in addition to the annual get-together at Biomethane Day. The biomethane sector continues to be a dynamic and exciting sector to work in - with new projects coming on line steadily, growing consumer interest in green gas, new opportunities such as the transport sector opening up, and increased attention by Government and others on the role that biomethane could play to help decarbonise UK gas supplies. We anticipate further positive progress in 2017 and beyond.

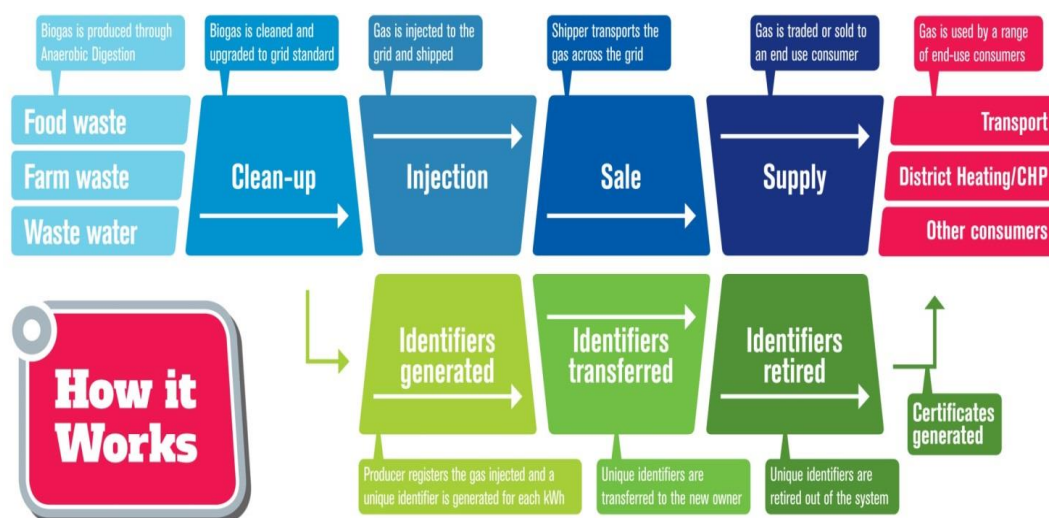
Gaynor Hartnell

GGCS Oversight Panel Chair



How the scheme works

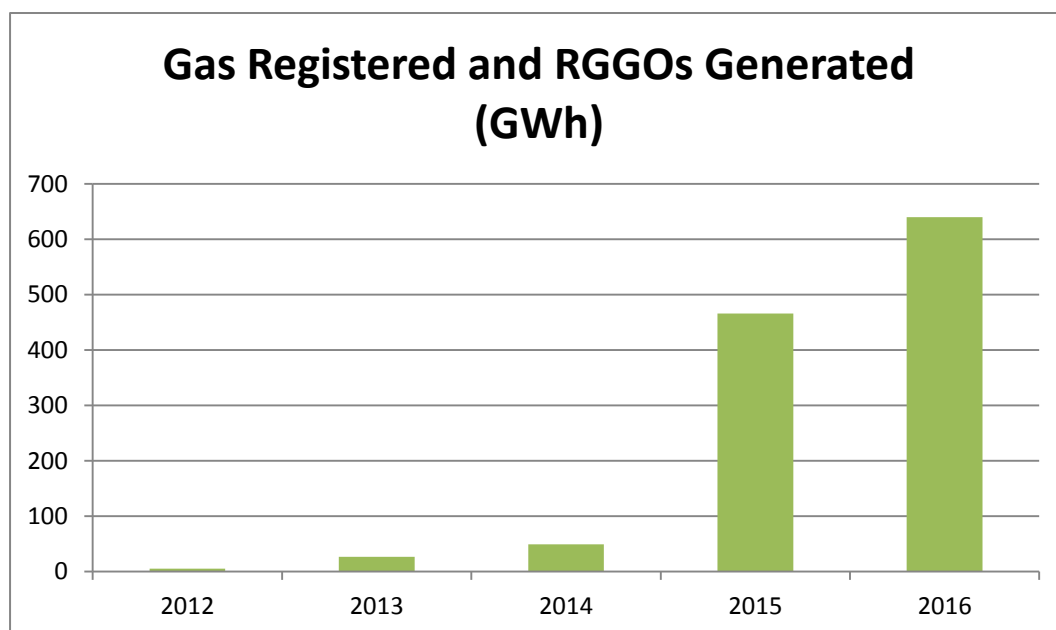
The following flow diagram provides a summary of how the Green Gas Certification Scheme operates.



Increasing numbers of producers using the GGCS

Nine more biomethane plants registered with the GGCS during 2016, taking the total to 26 producers with the ability to create RGGOs for the biomethane they inject into the grid. These producers have an annual production capacity of approx. 1,150 GWh p/a, 35% of the total UK installed biomethane production capacity at year end.

During the year our producers registered 630 GWh of green gas with the GGCS, a 56% increase on 2015, taking the total amount of gas registered on the GGCS since its inception to 1.18 TWh.



Relationship to the wider biomethane market

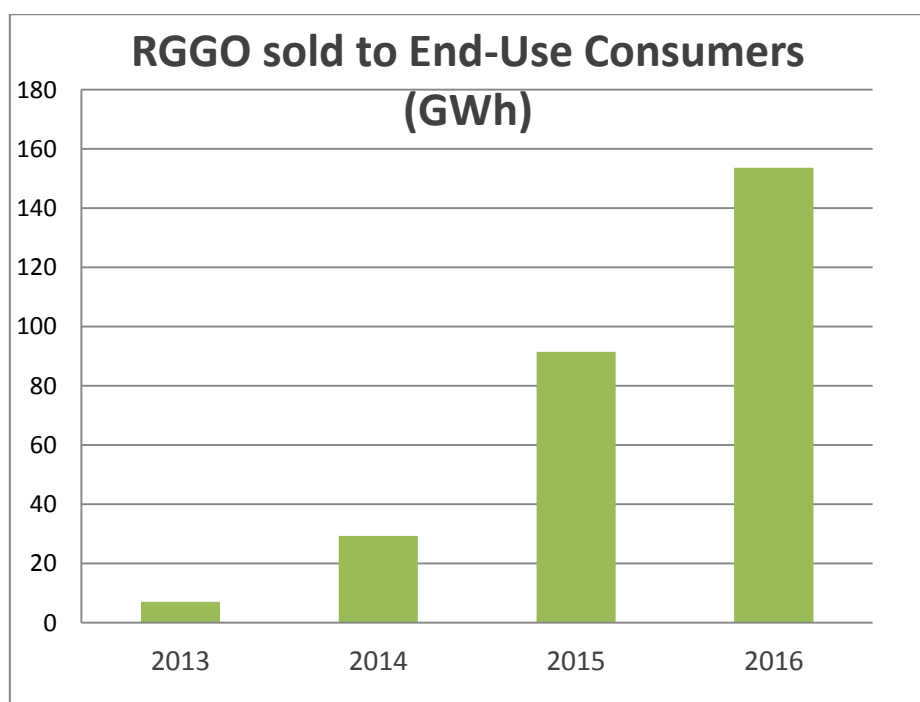
Around 80 biomethane plants were in operation in the UK by the end of 2016, providing significant room for the GGCS to expand within the current market. To date in 2017 seven¹ more plants have joined the Scheme and we anticipate a further 20 plants will register in the near future, adding more than 1TWh/year of production capacity onto the 2016 total, accounting for another 36% of the UK market. Of the remaining unregistered plants there are around 20 that have yet to express an interest, but which we are actively encouraging to join the GGCS in 2017.

Increasing number of suppliers using the GGCS

More energy suppliers joined the scheme in 2016, representing a range of utilities and traders operating in the domestic and commercial supply sector, with the number active in selling RGGOs to customers rising from six to eleven. All of the GGCS producer and supplier members are listed on the final page of this report.

Increasing volumes of RGGOs sold

The increasing numbers of producers and suppliers using the Green Gas Certification Scheme were matched with increasing market demand. There was a 58% increase in the volume of RGGOs sold to end-use consumers, totalling over 150 GWh. The number of consumers also increased from 14 in 2015 to 22 in 2016. The majority of RGGOs were sold to corporate customers and domestic energy suppliers, with a small proportion sold to customers in the transport sector.



Market developments

Work by the GGCS led to the GHG Protocol (GHGP), the most influential global standard in greenhouse gas emissions' reporting, accepting that a GGCS Green Gas Certificate linked to the production of grid injected biomethane, can now support an organisation's reporting of Scope 1 (onsite) CO₂ emissions. This presents a significant opportunity in the green gas

market, as over 250 large UK companies with ambitious carbon targets report against the GHGP standard. Over 70 people attended a November 2016 GGCS workshop discussing the opportunities for companies to meet their GHG emission reduction targets with the use of green gas, and the opportunities for producers and suppliers to help them do so.

Other 2016 highlights

- GGCS contributed to the Renewable Energy Association's *Use of gaseous fuels in transport* report¹ which highlighted the significant role that biomethane can play in reducing transport sector emissions.
- GGCS continued to work with partners in Europe to develop a European Renewable Gas Registry (ERGaR)²
- National Grid, the Energy Networks Association and the Energy and Utilities Alliance all released reports supporting the increased production of green gas as an important component to decarbonising the UK's gas network.
- With the Renewable Energy Association, the GGCS contributed a chapter to Labour's *Green Gas Book* on the potential for the biomethane to grid sector³.
- The Governments RHI consultation response (in Jan 2017) was received positively by the sector⁴.
- Over 75,000 UK households, (customers of GGCS members Good Energy, Loco2, Green Energy UK and Bulb) were supplied with green gas, while a poll showed that 84% of people would like to use green gas at home.
- Sainsburys continued to lead the way with significant purchases of RGGOs and were they were the first company to use GGCS Green Gas Certificates to report against their emissions within their annual report.
- CNG Fuels opened the first CNG filling station connected directly to the high-pressure gas network, which is being used by high profile customers John Lewis, Waitrose and Argos to operate new fleet of biomethane-fuelled HGVs.

¹ http://www.r-e-a.net/upload/rea_use_of_gaseous_fuels_in_transport_report- april 2016- final.pdf

² www.biosurf.eu/wordpress/wp-content/uploads/2016/10/ERGaR-press-release-final.pdf

³ <https://alansenergyblog.wordpress.com/2016/07/14/the-green-gas-book/>

⁴ <https://www.r-e-a.net/news/heat-decarbonisation-reform-a-step-in-the-right-direction>

A word from our members...

bulb

At Bulb we offer our households and businesses customers a single renewable tariff that consists of 100% renewable electricity and 10% green gas, at prices that don't cost the Earth. All the biomethane we source is certified by the Green Gas Certification Scheme. This ensures our green gas is tracked from production to end use, is indeed renewable, and comes with a Green Gas Certificate which lets us prove our gas fuel mix.

- Andrew Schein
Energy Specialist, Bulb.



Generating and selling our Renewable Gas Guarantees of Origin is another way we can add value to our business and we're happy to have had our plants participating in the Green Gas Certification Scheme since 2015.

- Stephen Hollock
Technical Manager, Strutt and Parker (Farms) Limited.

Full Membership List

Producer Members (as of May 2017)	Supplier Members (as of May 2017)
<p>Adnams Bio Energy Limited Bishops Cleeve Biogas Plant Cannington Enterprises Ltd Condate Biogas Limited Dwr Cymru Welsh Water Ellough AD Ltd Emerald Biogas Limited Euston Biogas Limited Fairfield Bio Energy Limited Fraddon Biogas Limited (Greener For Life) Gorst Energy Limited (Greener For Life) Gravel Pit Biogas Ltd Grissan Carrick Limited Helmdon Blackpits Power Limited Icknield Gas Limited JV Energen LLP Leeming Biogas Ltd Northumbrian Water Limited Peacehill Gas Limited Pretoria Energy Company (Chittering) Ltd Pretoria Energy Company (Mepal) Ltd ReFood UK Limited Riverside Bio Ltd Rotherdale Farm S&P Biogas Limited Severn Trent Water Springhill AD Sustainable Energy Generation Ltd (GfL) United Utilities (Davyhulme) Wessex Water Enterprises Limited Wight Farm Energy LLP Wyke Farms Ltd Yelspa Ltd</p>	<p>ACT Commodities B.V. AFS Energy B.V Axegaz S.A.S. Barrow Shipping Limited Bulb Energy Ltd Ceres Energy Ltd Corona Energy Retail 2 Limited Dong Energy Sales UK Ltd E.ON Energy Solutions Ltd Engie Power Limited Essent Sales Portfolio Management BV GO2-markets GmbH Good Energy Gas Ltd Green Energy (UK) Plc Hudson Energy Supply UK Limited LoCO2 Energy Supply Ltd Natural Capital Partners Europe Limited Npower Commercial Gas Limited Regent Gas Ltd Renewable Energy Services B.V. STX Services B.V. The Renewable Energy Company Limited Tonik Energy Ltd Total Gas & Power Limited Wessex Water Enterprises Limited Yelspa Ltd</p>

For further information please visit

www.greengas.org.uk

or contact Jesse Scharf, GGCS Certification Manager

020 7981 0853 / jscharf@greengas.org.uk

Twitter: @GreenGasCert