

Green@Gas

CERTIFICATION SCHEME

Annual Report

2017

A Word from Our Chair

2017 was the year where we started to reap the reward for our members' work in raising awareness of the sector, and for our work in getting Green Gas Certificates recognised by the GHG Protocol emissions reporting scheme.

Corporate customers, such as Landsec and Sopra Steria, joined Sainsbury's and Unilever as large corporate green gas consumers. The number of residential green gas tariffs increased, with suppliers such as Npower, Engie and E.ON launching 100% green gas offers. In total there are now approximately 400,000 UK households on green gas tariffs, backed by our Green Gas Certificates.

Increasing customer awareness translated into increasing sales, which were up over 400% from 2016, and in November 2017 we passed 1TWh of green gas sales to date.

In the background we've further improved the Scheme, with a significant upgrade to the way different feedstocks are accounted for, adding value for our producers and providing consumers with clearer information on the green gas they are purchasing.

We also continued to collaborate with our European partners within ERGaR, working towards a system for transferring Renewable Gas Guarantees of Origin (RGGOs) between countries, more details of which are included in this report.

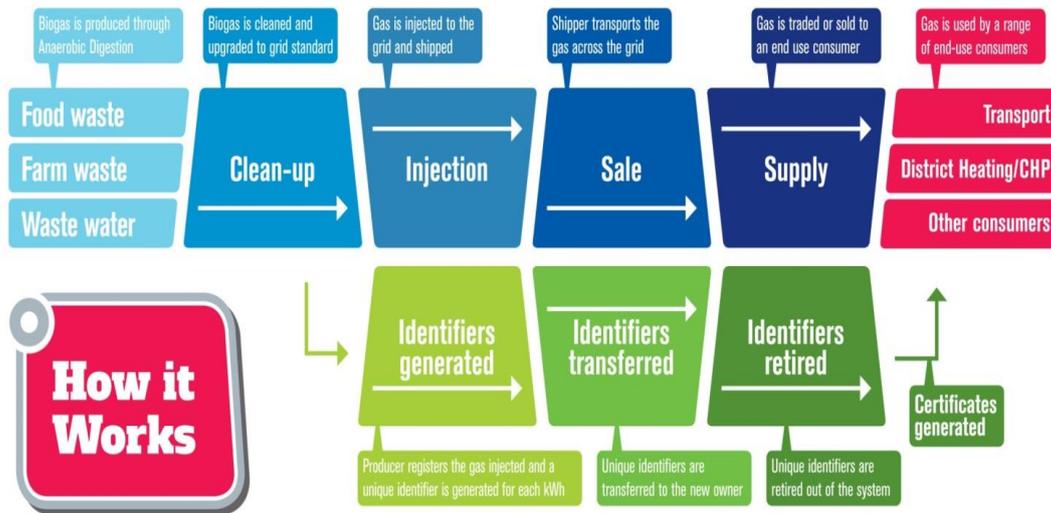
If you're reading this as a member of the GGCS, thank you for helping us to grow over 2017! We look forward to working with you in 2018. If you're a biomethane producer, gas supplier or other interested party and not yet a member, then do get in touch with us – we'd love to hear from you!

Gaynor Hartnell
GGCS Oversight Panel Chair
March 2018



How the scheme works

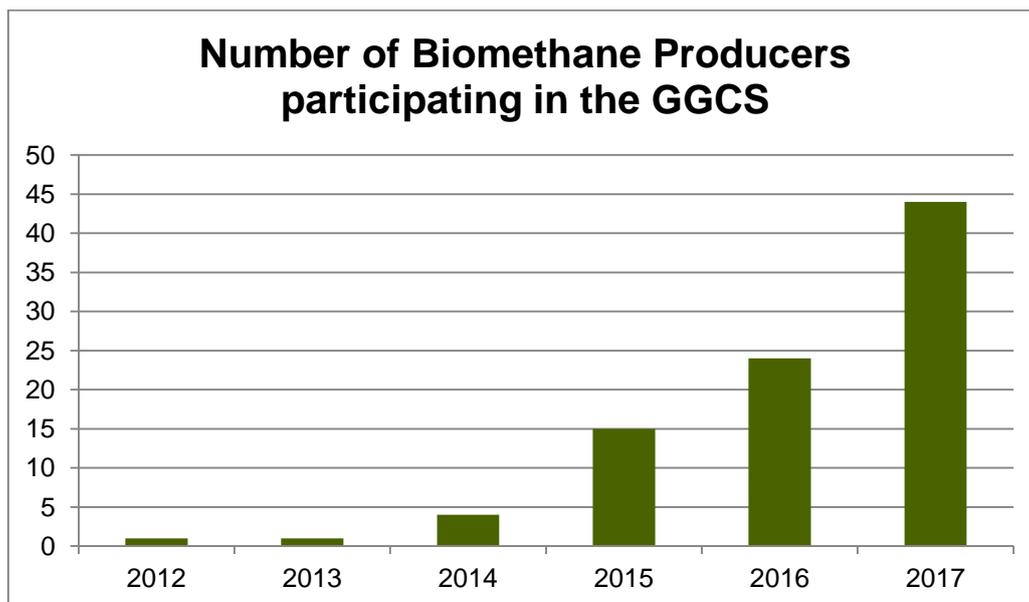
The GGCS issues, tracks and retires Renewable Gas Guarantees of Origin (RGGOs). By purchasing RGGOs gas consumers can show that they are using green gas and report significant GHG savings in comparison to the use of natural gas.



Further growth in registered production capacity

20 biomethane plants joined the Scheme in 2017 taking our annual capacity to over 2TWh across 44 producers, representing approximately 75% of the capacity of biomethane plants operating in the UK.

By the end of 2017 RGGOs had been generated for approximately 2.5TWh of biomethane registered with the GGCS.



Relationship to the wider biomethane to grid market

82 biomethane plants were fully accredited with Ofgem under the Renewable Heat Incentive (RHI) at year-end but a significant number of these were still to be fully commissioned. As those plants come online during 2018 we anticipate many of them will look to join the Scheme.

The Government's promised increase in biomethane RHI tariffs was delayed repeatedly through 2017, which held back the development of new projects. We anticipate they will come into effect early in 2018 and over 30 new projects will be bought forward over the next two years as a result.

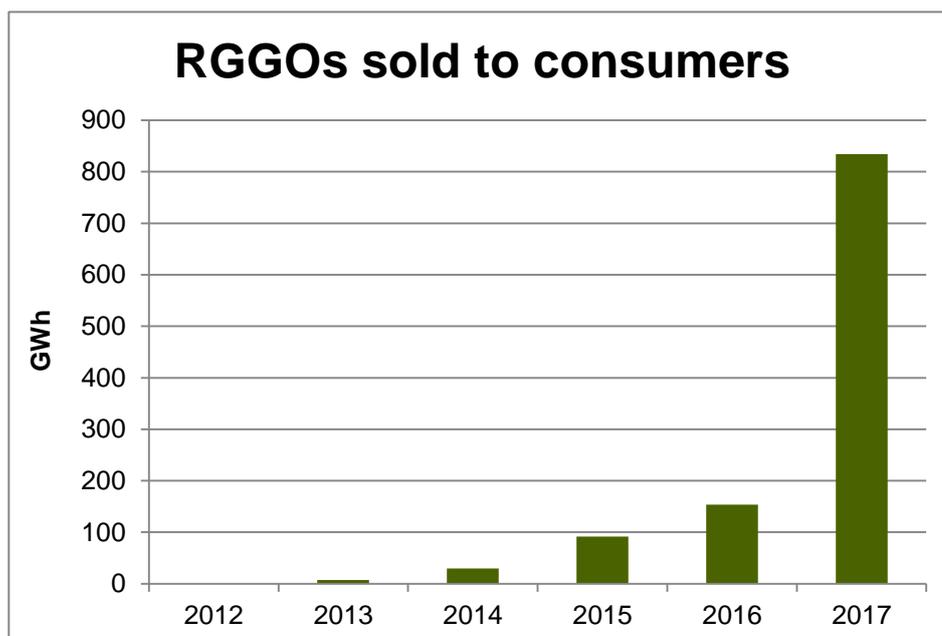
Increasing number of suppliers using the GGCS

The range of suppliers participating in the Scheme increased. 9 of the 10 suppliers with the largest market share of gas supply to both small and large consumers are now members, as well as a broad range of companies outside the UK who are building a market for UK green gas in the Netherlands, Germany, France and elsewhere.

In the domestic market there are now nine GGCS members - Bulb, Ecotricity, E.ON, ENGIE, Good Energy, Green Energy UK, Npower, Tonik and Solarplicity - offering a variety of green gas tariffs. Together these suppliers reach approximately 400,000 households.

Increasing volumes of RGGOs sold

Total sales of green gas to consumers during 2017 where 832GWh, a 440% increase as compared with 2016. In November we saw total sales since the Scheme began pass 1TWh, a milestone highlighted by industry trade press.



Market developments

In 2016 GGCS Green Gas Certificates were recognised by the GHG Protocol (GHGP), the most influential global standard in greenhouse gas emissions' reporting. This has meant that they are now being used to support business's reporting of onsite (Scope 1) GHG emissions which has driven sales to corporate customers, who accounted for 75% of total sales in 2017.

Sales outside the UK were also strong. Customers in Germany and the Netherlands in particular provided a valuable market for UK biomethane producers to sell into. Barrow Shipping and Essent completed the first trade that saw both gas and RGGOs exported together while two transfers of RGGOs were made from the GGCS into the DENA biomethane registry in Germany.

GGCS continued to be an active member of the [European Renewable Gas Registry \(ERGaR\)](#) group which in November 2017 submitted an application to the European Commission to be recognised as a voluntary scheme for mass balancing biomethane across borders.

Within the UK GGCS members have been looking at the potential for biomethane in the transport sector and a successful event with the REA was held in December 2017 bringing together key market participants. While there remain some bureaucratic hurdles at the government level, the GGCS has developed its internal processes to be ready to support producers and suppliers looking to operate in this market.

Other highlights

- CDP published an [updated technical note](#) on GHG reporting which includes reference to the use of green gas certificates for corporate emissions reporting.
- [Utility Week](#), [ENDS report](#), [Bioenergy Insight](#) and the [EUA magazine](#) all featured articles about green gas.
- The Renewable Transport Fuel Obligation's process guidance announced that green gas certificates could be a route to evidencing mass balance of biomethane through the grid.
- Biomethane was reported in the [Government's Digest of UK Energy Statistics \(DUKES 2017\)](#) report for the first time.
- The Parliamentary Office of Science and Technology (POST) [published a note](#) on 'Decarbonising the Gas Grid' which supported increased production of green gas.
- John Lewis Partnership increased the size of its biomethane-fuelled truck fleet and CNG Fuels appeared on the One Show.
- Gas distribution network operator Cadent [published analysis](#) which suggested a potential for 150TWh of biomethane and bio-SNG by 2050 (approximately 30 times current total production levels).
- ReFood opened a major state of the art biomethane plant in Dagenham, East London, with Deputy Mayor for London, Shirley Rodrigues, whose brief is Energy and Environment, providing the keynote speech.

A word from our members...



"We're proud to have led the development of this exciting new market in the UK. The Green Gas Certification Scheme offers a clear, credible and transparent system for our customers to know we are supplying them with green gas that has been securely tracked through the supply chain"

- **Chryssa Tamvaki**
Corona Energy



"The GGCS allows us to track the gas we produce from the food waste we collect and show that it's being used to power our collection vehicle, the Bio-Bee. The project has been a huge success in raising awareness of potential for biomethane in transport."

- **Charlotte Stamper**
Wessex Water

GGCS Membership List

| Producer Members (as of March 2018) | Supplier Members (as of March 2018) |
|--|---|
| <p> AB Agri Ltd Adnams Bio Energy Limited Bishops Cleeve Biogas Plant Burton Agnes Renewables Cannington Enterprises Ltd Condate Biogas Limited (Ixora Energy) Dwr Cymru Welsh Water Ellough AD Ltd Emerald Biogas Limited Euston Biogas Limited Fairfield Bio Energy Limited Fraddon Biogas Limited Gorst Energy Limited (Ixora Energy) Grissan Carnside Grissan Carrick Limited Helmdon Blackpits Power Limited Icknield Gas Limited JV Energen LLP Lake District Biogas North Moor AD (Rockscape Energy) Northumbrian Water Limited Olleco Peacehill Gas Limited Pretoria Energy Company (Chittering) Ltd Pretoria Energy Company (Mepal) Ltd ReFood UK Limited ReFood UK Ltd (Dagenham) Riverside AD Riverside Bio Ltd Rotherdale Farm S&P Biogas Limited Severn Trent Green Power Ltd (Derby) Severn Trent Green Power Ltd (Roundhill) Severn Trent Green Power Ltd (Stoke Bardolph) Severn Trent Green Power Ltd (Strongford) Severn Trent Water Springhill AD Sustainable Energy Generation (Ixora Energy) Tamside AD United Utilities (Davyhulme) Wessex Water Enterprises Limited Wight Farm Energy LLP Willand Biogas LLP Wyke Farms Ltd Yelspa Ltd </p> | <p> ACT Commodities B.V. AFS Energy B.V Axegaz S.A.S. Barrow Shipping Limited BP Gas Marketing Limited British Gas Trading Ltd Bulb Energy Ltd Ceres Energy Ltd Contract Natural Gas Limited Co-operative Energy Ltd Corona Energy Retail 2 Limited Crown Gas and Power Ltd ECOHZ AS ENGIE Gas Limited EON Energy Markets UK Ltd Essent Sales Portfolio Management BV Gazprom Marketing and Trading Retail GO2-markets GmbH Good Energy Gas Ltd Green Energy (UK) Plc Hudson Energy Supply UK Limited Landwärme GmbH Natural Capital Partners Europe Limited Neas Energy A/S Npower Commercial Gas Limited Olleco OrangeGas BV Orsted Sales (UK) Ltd Ovo Energy Ltd Regent Gas Ltd Renewable Energy Services B.V. SmartestEnergy Limited Solarplicity Energy Ltd South Pole Group SSE Energy Supply Limited STX Services B.V. The Renewable Energy Company Limited Tonik Energy Ltd Total Gas & Power Limited Wessex Water Enterprises Limited WINGAS GmbH Yelspa Ltd </p> |

For further information please visit

www.greengas.org.uk

or contact Jesse Scharf, GGCS Scheme Manager

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