

**2024 No. 642**

**ENERGY**

**The Green Gas Support Scheme (Amendment) Regulations 2024**

*Made - - - - at 12:40 p.m. on 14th May 2024*

*Laid before Parliament at 4:45 p.m. on 14th May 2024*

*Coming into force - - 4th June 2024*

The Secretary of State makes these Regulations in exercise of the powers conferred by sections 100 and 104(2) of the Energy Act 2008(a).

In accordance with section 100(7) of that Act, the Secretary of State has obtained the consent of the Scottish Ministers to the making of these Regulations.

In accordance with section 148A of the Government of Wales Act 2006(b) the Secretary of State has consulted the Welsh Ministers before making these Regulations.

**Citation, commencement and extent**

1.—(1) These Regulations may be cited as the Green Gas Support Scheme (Amendment) Regulations 2024.

(2) These Regulations come into force on 4th June 2024.

(3) These Regulations extend to England and Wales and Scotland.

**Amendment of The Green Gas Support Scheme Regulations 2021**

2. The Green Gas Support Scheme Regulations 2021(c) are amended as follows.

**Amendment to regulation 2 (interpretation)**

3. In regulation 2(1)—

(a) at the appropriate places insert—

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(a) 2008 c. 32. Section 100 was amended by section 51 of the Infrastructure Act 2015 (c. 7) and by S.I. 2011/2195. Section 51 was also amended by section 105 of the Energy Act 2008 (parliamentary control of subordinate legislation) and inserted subsections (3A) to (3I) concerning provisions which require the affirmative resolution procedure. By virtue of section 105(3A) to (3I), these Regulations do not attract the affirmative procedure.

(b) 2006 c. 32. Section 148A was inserted by the Wales Act 2017 (c. 4), section 55(1).

(c) S.I. 2021/1335, to which there are amendments not relevant to these Regulations.

““air source heat pump” means a plant<sup>(a)</sup> which generates heat using a thermodynamic cycle by transferring energy stored in the form of heat in the ambient air and uses that energy to heat a liquid;”;

““eligible heat pump” has the meaning given in regulation 8A(8);”;

““ground source heat pump” means a plant (which may or may not use a shared ground loop system) which generates heat using a thermodynamic cycle by transferring energy stored in the form of heat from the ground, including water in the ground or surface water or both, and uses that energy to heat a liquid;”;

““shared ground loop system” means a system in which a ground loop provides heat energy through a hydraulic connection to two or more ground source heat pumps;”;

(b) in the definition of “scheme year”, in paragraph (b), for “2040”, substitute “2042”.

#### **Amendment to regulation 4 (application for tariff guarantee and budget allocation)**

4. In regulation 4—

(a) in paragraph (2)(a), for “30th November 2025”, substitute “31st March 2028”;

(b) for paragraph (7)(b)(ii), substitute—

“(ii) where the application for the tariff guarantee was made before 4th June 2024, after 30th November 2025 and for all other applications, after 31st March 2028;”;

(c) in paragraph (17), in the definition of “relevant financial year”—

(i) omit “and”;

(ii) after “2027/2028”, insert “, 2028/2029 and 2029/2030.”.

#### **Amendment to regulation 6 (determination of application for registration and the central register)**

5. In regulation 6(6)(d), for “30th November 2025”, substitute “31st March 2028”.

#### **Amendment to regulation 7 (treatment of grants from public funds)**

6. In regulation 7(3)(b), for “30th November 2025”, substitute “31st March 2028”.

#### **Amendment to regulation 8 (additional capacity for biomethane production)**

7. In regulation 8(1)(b), for “30th November 2025”, substitute “31st March 2028”.

#### **Regulation 8A inserted (registration of eligible heat pumps)**

8. After regulation 8, insert—

##### **“Registration of eligible heat pumps**

**8A—**(1) An applicant or participant who is using an air source heat pump, or a ground source heat pump in the production of biomethane, may apply to the Authority to have that heat pump registered as an eligible heat pump.

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(a) See section 100(3) of the Energy Act 2008 for the definition of “plant”.

(2) An application for registration under paragraph (1) must be in writing and supported by—

- (a) such of the information specified in Schedule 1A (information required for registration of an eligible heat pump) as the Authority may require,
- (b) a declaration that no grant from public funds has been paid, or will be paid, in respect of any costs of the purchase, installation, or operation of the heat pump, and
- (c) a declaration that the information provided by the applicant or participant is accurate to the best of the applicant's or participant's knowledge and belief.

(3) Upon receiving an application under paragraph (1) the Authority must—

- (a) determine whether the heat pump meets the criteria for an eligible heat pump,
- (b) if satisfied that the heat pump does meet the criteria for an eligible heat pump, register that heat pump as an eligible heat pump, and
- (c) notify the applicant or participant (as appropriate), in writing, of the Authority's determination.

(4) Where the Authority determines that the heat pump does not meet the criteria to be registered as an eligible heat pump, it must provide reasons for the Authority's determination.

(5) A deduction for heat derived from an eligible heat pump under regulation 27(2)(c)(i) and 27(2)(d), and electricity supplied to an eligible heat pump under regulation 27(2)(e) cannot be applied before the date of receipt by the Authority of the application under paragraph (1) in which, in the Authority's opinion, all the information required in respect of that application has been provided.

(6) The Authority may review a registration of an eligible heat pump, and where the Authority determines that a heat pump that is registered as an eligible heat pump—

- (a) did not meet the criteria for an eligible heat pump at the time of the Authority's determination under paragraph (3), or
- (b) no longer meets the criteria for an eligible heat pump,

the Authority must remove the registration of that heat pump as an eligible heat pump.

(7) Where the Authority makes a determination under paragraph (6), it must notify the participant in writing within 28 days of making the determination, and it must provide reasons for the Authority's determination.

(8) In this regulation—

“eligible heat pump” means an air source heat pump, or a ground source heat pump (which may or may not use a shared ground loop system), or both, that—

- (a) was first commissioned on or after 1 April 2023,
- (b) is fitted with an electricity meter capable of measuring the electricity supplied to the heat pump,
- (c) has been granted necessary planning permission,
- (d) has not had a grant from public funds paid in respect of any of the costs of the purchase, installation, or operation of the heat pump, and
- (e) is not powered by, or does not derive heat from a fossil fuel, gas or oil boiler;

“grant from public funds” means a grant made by a public authority or by any person distributing funds on behalf of a public authority, except for a grant that offers a discount on the unit price of electricity.”

**Amendment to regulation 9 (ongoing participant obligations: biomethane)**

9. In regulation 9(10)—

(a) omit the “and” after sub-paragraph (d); and

(b) after sub-paragraph (e)—

(i) insert “, and”

(ii) insert—

“(f) the kWh of electrical input supplied to any eligible heat pump.”

**Amendment to regulation 10 (ongoing participant obligations: general)**

10. In regulation 10, after paragraph (1)(g), insert—

“(ga) they must notify the Authority if they have installed a ground source heat pump or air source heat pump or both for use in the production of biomethane within 28 days of the heat pump being installed.”

**Amendment to regulation 14 (review of registration following notification of a change in circumstances)**

11. In regulation 14(1)(a) after “regulation 10(1)(d), (g)”, insert “, (ga)”.

**Amendment to regulation 15 (change of producer of biomethane)**

12. In regulation 15(4), for “grants from public finds”, substitute “grant from public funds”.

**Amendment to regulation 17 (interpretation of this part)**

13. In regulation 17, in the definition of “assessment date”, for “30th November 2025”, substitute “31st March 2028”.

**Amendment to regulation 22 (calculation of initial tariffs and tariff review)**

14. In regulation 22(3)(a), for “and 2025”, substitute “, 2025, 2026 and 2027”.

**Amendment to regulation 27 (periodic support payments to participants)**

15. In regulation 27—

(a) for paragraph (2), substitute—

“(2) In this regulation, “eligible biomethane” means the amount in kWh of all biomethane or the notified proportion of biomethane injected in a quarter determined in accordance with the following formula—

$$(C - (D + E + F + G)) \times H$$

where—

(a) C is the lower of—

- (i) the amount in kWh of all biomethane or the notified proportion of biomethane injected in that quarter, and
- (ii) the amount in kWh of biomethane the participant is entitled to supply for injection in that quarterly period under the network entry agreement,

provided that the sum of the values for C in respect of a scheme year may not exceed the sum of the kWh equivalent of the maximum initial capacity specified under regulation 6(3) (determination of application for registration) and any maximum additional capacity specified under regulation 8 (additional capacity for biomethane production),

- (b) D is the amount of propane in kWh contained in C,
- (c) E is—
  - (i) the heat in kWhth delivered in the relevant quarter to every anaerobic digester which produced the biogas from which the biomethane is made, except any heat contained in feedstock used to produce that biogas, or derived from the combustion of that biogas, or derived from a registered eligible heat pump, or
  - (ii) such proportion (as may be chosen by the participant and agreed by the Authority) of that heat provided that the proportion is no less than—

$$\frac{X}{Y}$$

where—

- (aa) X is the energy content of the biogas contained in biomethane, and
- (bb) Y is the energy content of all the biogas produced by that anaerobic digester,
- (d) F is the amount in kWhth of heat supplied to the biomethane production process in that quarter from any heat source, other than heat generated from the combustion of biogas produced in every anaerobic digester that produced the biogas from which the biomethane is made, or derived from a registered eligible heat pump,
- (e) G is, the total amount in kWh of electricity supplied to a registered eligible heat pump in that quarter, and
- (f) H is, subject to regulation 9(6) and paragraph (8), the proportion of biomass contained in the feedstock used in that quarter to produce that biogas.”;

- (b) after paragraph (10), insert—

“(11) In this regulation—

“registered eligible heat pump” means an eligible heat pump that is registered by the Authority under regulation 8A.”.

**Schedule 1A inserted (information required for registration of an eligible heat pump)**

- 16.** After schedule 1, insert—

**Information required for registration of an eligible heat pump**

1. This schedule specifies the information that the Authority may require of an applicant or participant to determine whether a heat pump is an eligible heat pump.
2. The information is (as applicable to the applicant or participant)—
  - (a) the heat pump manufacturer and model,
  - (b) the commissioning date of the heat pump,
  - (c) the system design of the heat pump,
  - (d) the energy input and heat output of the heat pump,
  - (e) installation certifications for the heat pump,
  - (f) markings on schematic diagrams of the heat pump,
  - (g) metering information, including any heat loss, provided in a metric as requested by the Authority,
  - (h) electrical metering information,
  - (i) photographs of the installation of the heat pump,
  - (j) documentation expressing the coefficient of performance of a heat pump, with supporting calculations,
  - (k) planning permission evidence for the heat pump, and
  - (l) any further information which the Authority may require.
3. Information specified in this Schedule must be provided in such a manner and form as the Authority may reasonably request.
4. The costs of providing the information specified in this Schedule are to be borne by the applicant or participant.”.

At 12.40 p.m. on 14th May 2024

*Callanan*  
Parliamentary Under Secretary of State  
Department for Energy Security and Net Zero

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations, which apply in Great Britain, amend the Green Gas Support Scheme Regulations 2021 S.I. 2021/1335 (“the 2021 Regulations”), which established the Green Gas Support Scheme (“the GGSS”). The GGSS is a renewable heat incentive scheme to facilitate and encourage the production of biomethane by anaerobic digestion, for injection into the gas grid. These Regulations make amendments to extend the scheme, providing for a new scheme closure date of 31 March 2028.

Amendments are also made to provide that heat supplied by certain eligible heat pumps is exempt from deductions to eligible biomethane to provide biomethane producers with an incentive to use heat pumps in the production of biomethane.

Regulations 4, 6, 7, 8, 17 and 22 are amended to extend the operation of the scheme so that the last date that an applicant may be registered as a participant is 31 March 2028. This means that biomethane injected into the gas grid by participants will be eligible to receive tariff payments until 31 March 2043.

New regulation 8A is inserted to introduce a new concept of an “eligible heat pump”, and outline the process for registration of, or review of a registration for an eligible heat pump by the Authority.

Regulation 9 is amended to introduce a new obligation on participants to inform the authority of electrical input supplied to any eligible heat pump. Regulation 10 is amended to introduce a new requirement to notify the Authority if a participant has installed a ground source, or air source heat pump for the production of biomethane.

Regulation 27 is amended to update the definition of “eligible biomethane” to ensure that heat that is derived from an eligible heat pump is able to be deducted from the calculation. A new value was added to the formula to ensure that electricity that is input into an eligible heat pump is also deducted from the calculation.

Schedule 1A is inserted to provide detail of the information that the Authority may require of an applicant or participant to determine whether a heat pump is an eligible heat pump.

A full impact assessment has not been produced for this instrument as no significant impact on the private, voluntary or public sectors is foreseen.

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£8.14

<http://www.legislation.gov.uk/id/uksi/2024/642>

ISBN 978-0-34-826154-7



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