

Top 10 – Updates, strategies and policies to look out for in 2022

Welcome to 2022! At NNFCC, we thought we'd start this new year with a short list of policies, strategies and projects updates to look out for (and forward to) in 2022. At Y-28 to the country's Net Zero target, the government is expected to lay out new directions for industrial stakeholders and lawmakers to follow in the years to come.

Biomass Strategy – This year, the government will release its 2022 Biomass Strategy detailing sustainable biomass availability in the country, and giving pointers as to its best uses in the development of industrial and economic applications that will take the UK closer to its 2050 Net-Zero target. This is to be expected in the third quarter of the year.

CCS Updates – This year will also no doubt bring some updates on the two CCS projects shortlisted for funding by the UK government in October 2021. A few months ago, the BP-led East Coast Cluster and the Eni-led Hynet projects were selected as part of the government's CCS cluster sequencing process, which will grant £1 billion in funding for the storage of CO₂ emissions from industry. The two clusters can now enter into Task-1 negotiations to assess their value for money for the consumer and the taxpayer. Final decision on whether they will receive funding will be given by Ministers. A third cluster, the Scottish Cluster, was kept as "reserve" should these first negotiations fall through, therefore, we might expect some updates on that front as well.

RTFO Update – The RTFO scheme will be updated to align with RED II regulations. The new changes will include a new fossil comparator system and an update of the GHG saving criteria. In addition, a new statutory instrument is coming into force this month establishing new default values and new carbon credit for methane avoidance when using biomethane derived from manures. There are also ongoing discussions regarding including Recycled Carbon Fuels into the RTFO, as well as ongoing debate on treatment of grid derived renewable energy for use in RFNBO production. Overall, 2022 might bring a lot of changes to the scheme.

SAF Mandate – In July 2021, the government opened a consultation for the establishment of a Sustainable Aviation Fuel (SAF) Mandate, to be calculated on a GHG savings basis, rather than a volumetric basis. The aim of the proposed Mandate is to drive SAF uptake in the UK and to reduced GHG emissions from the sector. The consultation includes a range of SAF uptake scenarios thanks to which the country will reach 10% SAF incorporation by 2030, and

75% by 2050. The consultation is expected to close later this year, with results being published in the back of it.

Environment Bill Update – Following the UK’s pledge to become carbon neutral by 2050, the government introduced its 2021 Environment Act. The Act was the latest instalment in the long process through which the UK’s Environment Bill was developed, a process that first began in 2019. In its current form, the Bill identifies four priority areas: biodiversity, air quality, water and waste, and is designed to tackle both climate change and biodiversity loss. By the end of October 2022, new legally-binding targets will be added to the Bill. It is expected that at least one “strong and meaningful” target will be set per priority area, and that these will be time-bound and numerical.

Clean Air Strategy – In early 2019, the UK Clean Strategy came into force. Since its launch, the main objective of this bill has been to reduce all sources of pollution to make the air we breathe healthier, to protect nature and to boost the economy. This year, a Consultation on requirements for digestate storage and spreading will be published. This Consultation will then result in an add-on to the original bill.

Low Carbon Fuels Strategy – As part of its Decarbonisation Plan, the Department for Transport (DfT) is expected to release its Low Carbon Fuels Strategy during the third quarter of the year. No more is known so far as there have been no further official publications on the matter.

Technical Consultation on Plastic Packaging Tax – From the 1st April 2022, the new Plastic Packaging Tax will come into force in the UK. The tax will apply to plastic packaging produced in, or imported into the UK that does not contain at least 30% recycled plastic. In early 2021, HM Revenue & Customs launched the Technical Consultation on Plastic Packaging Tax, which set out to gather feedback from stakeholders on aspects relating to the administration of the tax. In the months leading up to April, HM Revenue & Customs is expected to publish its response to the consultation, which should provide more details ahead of the tax’s official launch.

Consultation on Consistency in Household and Business Recycling in England – In May 2021, Defra published a consultation to gather feedback on a number of potential policies designed to increase consistency in recycling collected from households, businesses and other organisations. The consultation focused on the materials being included in each waste stream, as well as exemptions, statutory guidance and transition timelines for local authorities and businesses. The consultation closed in July 2021, and Defra’s response is expected this year.

Consultation on Extended Producer Responsibility for Packaging – In March 2021, Defra also published its Consultation on Extended Producer Responsibility for Packaging. The consultation focused on specific policy proposals for the introduction of packaging Extended Producer Responsibility, which aims to incentivise producers to design packaging that is easy to recycle and ensure that they pay the full net cost of managing this packaging once it becomes waste. The consultation included questions relative to the scope of full net costs, producer obligations, scheme governance, regulation of the scheme, and packaging waste recycling targets. The consultation having closed in June 2021, Defra’s response is expected this year.