

Edward Mountain MSP  
Convenor, Net Zero Energy and Transport Committee  
The Scottish Parliament  
Edinburgh  
EH99 1SP

Monday 13 January 2025

Dear Mr Mountain,

**Subject: Environmental Authorisations (Scotland) Amendment Regulations 2025**

I am writing on behalf of Grissan Renewable Energy in response to your request for further evidence regarding the above regulations, initially laid by the Scottish Government in late 2024. Grissan is the UK's largest generator of biomethane and represents the vast majority of non-waste anaerobic digestion (AD) in Scotland. We welcome the Committee's intervention to allow additional time for scrutiny of the proposed reforms, which may significantly affect the delivery of Scotland's Circular Economy and Net Zero targets, as well as Grissan's own operations.

We have previously submitted consultation responses to both the Scottish Government and SEPA on these matters, which are appended as further evidence for your consideration. Given the potential impact on our business and the wider biomethane sector, we would also welcome the opportunity to provide oral evidence to the Committee. For the sake of clarity, I have set out our key concerns below:

**1. Uneven Regulatory Framework**

The proposed regulations risk creating an uneven playing field across biomass technologies. AD offers considerable carbon savings compared to fossil alternatives and direct biomass combustion. It can also be cost-effectively integrated with carbon capture technologies, delivering negative emissions. However, the proposed changes may serve to unfairly benefit other non-waste routes that don't produce the same degree of carbon benefit.

**2. Uncertainty in Regulatory Position:**

Grissan makes up the vast majority of Scotland's non-waste AD sector and we have attempted in good faith to discuss these regulations with SEPA officials on multiple occasions. Concurrently, SEPA have also given indication of their intent to amend the Distillers Materials Position Statement stating that Distillers Materials would not be regulated as wastes, which has been in place since June 2013.

Consequently, Grissan has been left in a position where we are attempting to discern proposals to operate in a new non-waste regulated environment and also in a potential environment where we operate as a processor of wastes. The Scotch Whisky Association have been clear in their view that the Position Statement should not be revoked and we support this position unequivocally.

**3. Lack of Impact Assessment on Climate and Circular Economy Targets**

We would draw the Committee's attention to the supporting Business and Regulatory Impact Assessment which makes no assessment of the cumulative impact of the proposed regulations on either climate or circular economy targets, as is legally required.

We would urge the Government to consider a suitable Life Cycle Assessment for any proposed regulatory changes to consider what the best overall outcome looks like, particularly when compared with the potential for additionality of carbon emissions through a reasonable counter-factual. In the case of distillers' materials application of Best Available Technique could lead to a reversion to previous techniques of management for residues leading to significantly more energy and transport intensive practices.

---

Grissan produces 1.3 TWh of green gas annually, meeting 2–3% of Scotland's gas demand and abating 240,000 tonnes of CO<sub>2</sub>e each year. There is potential for biomethane to go much further in meeting Scotland's future energy needs and any regulatory changes must support, not hinder, these achievements to ensure Scotland remains on track to meet binding Net Zero targets.

Beyond renewable energy generation, AD supports circular economy objectives by processing co-products and producing digestate, a sustainable alternative to artificial fertilisers. These products will be crucial to the cost-effective decarbonisation of Scottish agriculture and supporting the whisky industry's continued growth.

Moreover, there is currently a real sense of drive to significantly boost investment in green gas generation, noting the benefits of biomethane as a secure, flexible and cost-effective alternative to fossil fuels. In 2022, the European Commissions set a target to meet 10% (35 billion cubic metres) of natural gas demand with biomethane by 2030, and in the UK the new Green Gas Taskforce is pushing for similarly stretching targets as a means to meet Clean Power 2030, future carbon budgets and future negative emissions targets economically. SEPA can and should be working in tandem with such organisations to facilitate investment in our energy system and co-design regulation for new sectors from the ground up, without seeking to restrict activities that provide a net positive to the Scottish environment.

The current uncertainty, however, and SEPA's lack of engagement to date on either regulatory matter has driven a position where planned investments which are intended to have significant positive environmental and climate impacts are now being curtailed. We urge the Committee to ensure meaningful engagement between SEPA, the Scottish Government, and industry stakeholders. Clear and consistent regulations are essential for enabling sustainable growth in biomethane production while safeguarding Scotland's environmental and economic goals.

We look forward to the opportunity to address the Committee in detail should they so wish and to working collaboratively to align regulatory changes with Scotland's Net Zero and Circular Economy ambitions.

Thank you for your attention to this matter.

Yours sincerely,

Nic Crowe  
Government Affairs and Development Director  
Grissan Renewable Energy