

Gas goes green as UK takes another step toward net zero

- Consultation launched on a Green Gas Levy to reduce emissions from the gas grid and help the UK reach its net zero target by 2050
- new levy will be applied to gas suppliers in Scotland, Wales and England, and will be used to increase green gas production to help decarbonise the gas grid
- committed to building back greener, these new measures could prevent 21.6 million tonnes of CO₂ from entering the atmosphere – the equivalent of planting 71 million trees

Supported by the new Green Gas Levy, the UK government is helping people across Great Britain go green on their energy supplies, with plans to scale up green gas production to heat around 230,000 homes.

Green gas – or biomethane – is produced from environmentally-friendly organic waste products. Using more of this gas from renewable sources to power boilers in homes, or in industrial processes in factories, will help to lower carbon emissions and protect the environment without hitting consumers' pockets.

With the potential to prevent as much as 21.6 million tonnes of CO₂ entering the atmosphere, the Green Gas Levy will result in only minimal costs for consumers – starting at just 11 pence per month – yet will see climate gains equivalent to planting over 71 million trees.

Energy Minister Kwasi Kwarteng said:

Reaching net zero means reducing emissions across our entire energy system, including the way we heat our homes and businesses.

This new funding will support an ambitious scheme to decarbonise the gas grid that will prevent millions of tonnes of carbon dioxide from entering the atmosphere – another step towards reaching net zero by 2050 at minimal cost to UK bill payers.

The Green Gas Levy was first announced in the 2020 Budget earlier this year, and today's announcement launches a consultation which invites views on how the final initiative will be designed and implemented.

The levy will play a key role in supporting the government's UK-wide green economic recovery by funding the Green Gas Support Scheme, which will help bring investment into rural areas of Great Britain and support jobs in this sector.

More biomethane plants will be built as a result of the funding from the

levy, leading to more biomethane being injected into the grid. This will also benefit society by boosting our carbon savings, and making an important contribution to the UK's efforts to mitigate the impacts of climate change. The launch of the consultation has been welcomed by the gas industry.

Charlotte Morton, Chief Executive of the Anaerobic Digestion and Bioresources Association (ADBA) said:

Fully deployed, the biomethane industry could deliver a 6% reduction in the UK's greenhouse gas emissions by 2030 and provide heating for 6.4 million homes, creating tens of thousands of jobs and boosting energy and food production security.

As biomethane is already compatible with our current gas grid, it is also a particularly cost-effective way to decarbonise the UK's heating infrastructure. We welcome this consultation and the commitment shown by BEIS to integrate biomethane into the government's net zero strategy. With the right policy support, there is much more this industry could contribute to the green economy and to achieving the UK's 5th Carbon Budget, over the next decade, but this represents a significant step in the right direction.

Today's consultation is the latest measure designed to fight climate change and help the UK reach its net zero target. Last month the government announced the £2 billion Green Homes Grant, which will fund up to 2 thirds of the cost of upgrading the energy performance of homes – impacting more than 600,000 homes in England and saving households up to £600 a year on their energy bills.

- The [consultation](#) for the Green Gas Levy is now live
- more information about the £2 billion Green Homes Grant can be found at the [Simple Energy Advice website](#)
- gas suppliers will pay the cost of the levy to Ofgem, who will use the funds to pay biomethane producers for the green gas they inject into the gas grid