ADBA | Anaerobic Digestion and Bioresources Association

Sir Keir Starmer MP
Prime Minister
10 Downing Street
London
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16th March 2026

Dear Prime Minister,

British biomethane can help cushion UK households and businesses from the impact of the Iran crisis

As the war in Iran and the Middle East continues to place pressure on global energy markets, the United Kingdom faces the prospect of continued volatility in gas prices and potential disruption to international supply. While our thoughts remain with those affected by the tragic loss of life in the region, it is already clear that the conflict could have significant implications for British energy costs and security of supply throughout this year and into next winter.

The UK remains exposed to movements in international gas markets. Although domestic production from the North Sea still provides around a third of our needs, declining output means that the UK now relies heavily on imports, particularly during the winter months. Liquefied Natural Gas (LNG) cargoes are highly mobile and can easily be diverted to the highest bidder in global markets. Even where the UK's direct dependence on gas transiting the Strait of Hormuz is limited, international price shocks will inevitably feed through to British households and businesses.

The British biogas sector can and should help shield the country from this crisis, but government action is needed to remove the production caps and regulatory barriers that currently artificially constrain output.

In this context, there is an opportunity for a rapid and practical domestic response. Biomethane is produced through anaerobic digestion of organic materials such as food waste, agricultural residues and crops grown in rotation. Once upgraded, it is interchangeable with fossil natural gas and can be injected directly into the existing gas grid supplementing natural gas.

At present, the UK biomethane sector supplies roughly 7 TWh of gas annually into the grid, providing the equivalent of heating for around three quarter of a million homes. With targeted policy adjustments, production could increase to approximately 9 TWh within months by allowing existing plants to operate at their peak capacity. This relatively modest increase alone would be enough for the sector to displace the entirety of the LNG imports the UK received from Qatar in 2024.

More importantly, such an expansion could be achieved quickly and at minimal cost to the Exchequer. Unlike new offshore gas developments, which can take a decade to reach production, existing biomethane facilities could increase output almost immediately if regulatory constraints were removed. New plants can also be built relatively quickly, typically reaching operation within 18 to 36 months.

It is worth noting that the expected public cost of enabling additional biomethane production is broadly comparable to the increase in gas costs that the UK is likely to face if international prices rise sharply in the coming months. In such circumstances, the Government has already said that it is ready to intervene to shield households and businesses from higher energy bills, as it did during the 2022 crisis. Without additional domestic supply, that support would in effect subsidise higher prices in international gas markets and benefit overseas producers. By contrast, encouraging greater production of British biomethane would retain that expenditure within the UK economy, supporting domestic investment, employment, farmers and tax revenues while simultaneously strengthening energy security.

Current policy arrangements unintentionally constrain the sector's ability to respond. Production caps within the Green Gas Support Scheme and Renewable Heat Incentive mean that some biomethane facilities cannot increase output even when they have the

ability to do so. In some cases, producers are financially discouraged from operating above a certain level. Removing these caps would allow the existing fleet of plants to maximise production during a period of heightened national need.

Similarly, certain restrictions within gas injection agreements limit the volume of biomethane that can enter local networks even where spare capacity exists. Allowing producers to inject up to the safe technical limits of the system would ensure that domestically produced renewable gas is prioritised during a period of global uncertainty.

There are also several regulatory barriers that unnecessarily raise costs or slow expansion. For example, current regulations require biomethane injected into the grid to have fossil propane added to increase calorific value. This requirement reflects assumptions from earlier decades of gas system operation and is not applied in other European countries. Removing this rule would reduce operational costs for producers and increase the volume of renewable gas entering the grid.

Looking beyond the immediate crisis, the sector also faces delays in planning and permitting for new facilities. Bringing larger biomethane projects within the Nationally Significant Infrastructure Projects regime, alongside clearer national planning guidance, would help ensure that strategically important energy infrastructure can be delivered in a timely and predictable way.

Taken together, these modest regulatory changes could unlock a meaningful increase in domestic energy supply at a time when it is urgently needed. They would also help ensure that more of the money currently spent on imported gas is retained within the UK economy, supporting British jobs, farmers and supply chains.

In the longer term, biomethane could become a major pillar of the UK's energy system. Analysis suggests that the sector has the potential to deliver around 120 TWh of gas annually by 2050 - close to half of expected demand and making the sector as important to energy independence as nuclear. This would substantially reduce reliance on imported LNG and strengthen the resilience of the UK energy system against future geopolitical shocks.

Our sector comprises more than 750 facilities across the country processing organic wastes that would otherwise release methane into the atmosphere. With the right policy framework, these facilities can simultaneously strengthen energy security, reduce emissions and support British agriculture through the production of biofertiliser.

At a moment when international events threaten to drive up energy bills once again, the industry is keen to help. By removing unnecessary production caps and regulatory barriers, the Government could allow the sector to deliver additional domestic gas quickly and affordably.

We would welcome the opportunity to discuss these proposals with you or your officials at the earliest convenience.

Yours sincerely,

Chris Huhne

Chair

Anaerobic Digestion and Bioresources Association (ADBA)

CC – Ed Miliband MP, Secretary of State for Energy Security and Net Zero;

Lord Alan Whitehead, Minister of State DESNZ;

Michael Shanks MP, Minister of State DESNZ;