

Educational workshop on biogas trading - agenda

- **Introduction to EU and national legal frameworks for biomethane trading** – presentation by Anna von Bremen, Osborne Clarke
- **Setting the scene: engaging in real-world cases and challenges** – presentation by David Krott, Landwärme GmbH
- **Biogas trading across Europe: national perspectives**
 - Ukraine – presentation by Vitaliy Radchenko, CMS Kyiv
 - France – presentation by Blaise Farrokhi, European Energy Exchange AG
- **Q&A**

Unlocking opportunities: introduction to EU and national legal frameworks for biomethane trading

**Presentation by Anna von Bremen,
Osborne Clarke**

Biomethane trading

EFET Legal Committee Meeting

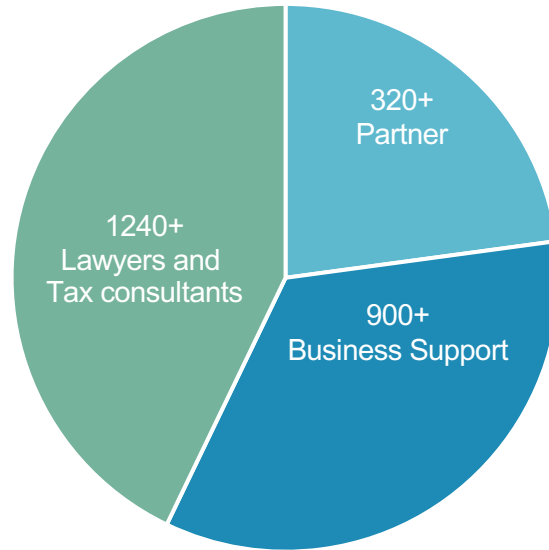
14 December 2023



Osborne Clarke International

2,480

Employees



25

International Locations*

Europe

Belgium: Brussels
Germany: Berlin, Hamburg, Cologne, Munich
France: Paris
Italy: Busto Arsizio, Milan, Rome
Netherlands: Amsterdam
Poland: Warsaw
Sweden: Stockholm
Spain: Barcelona, Madrid, Zaragoza
United Kingdom: Bristol, London, Reading

USA

New York, San Francisco

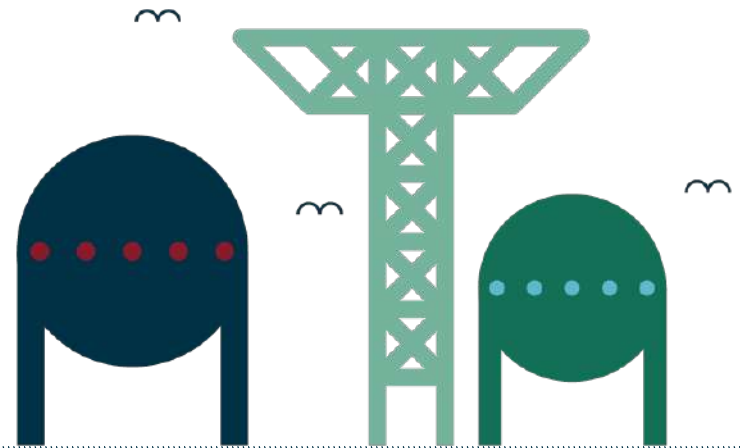
Asia

China: Shanghai
India*: Bangalore, Mumbai, Neu-Delhi
Singapore



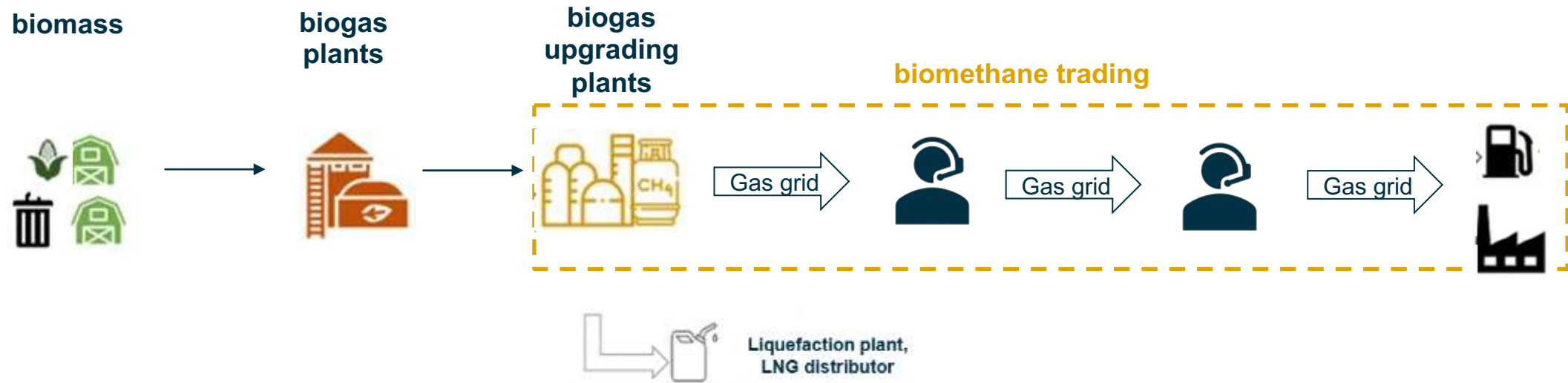
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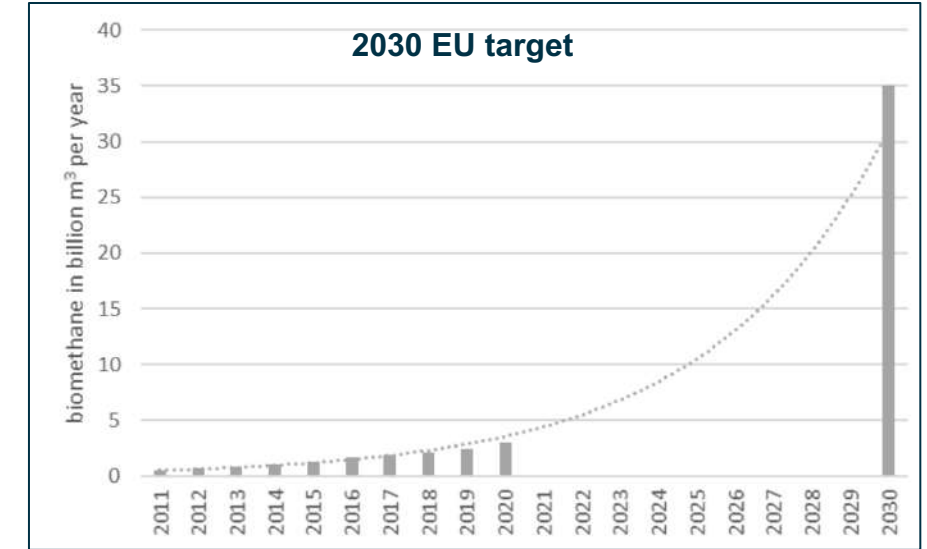
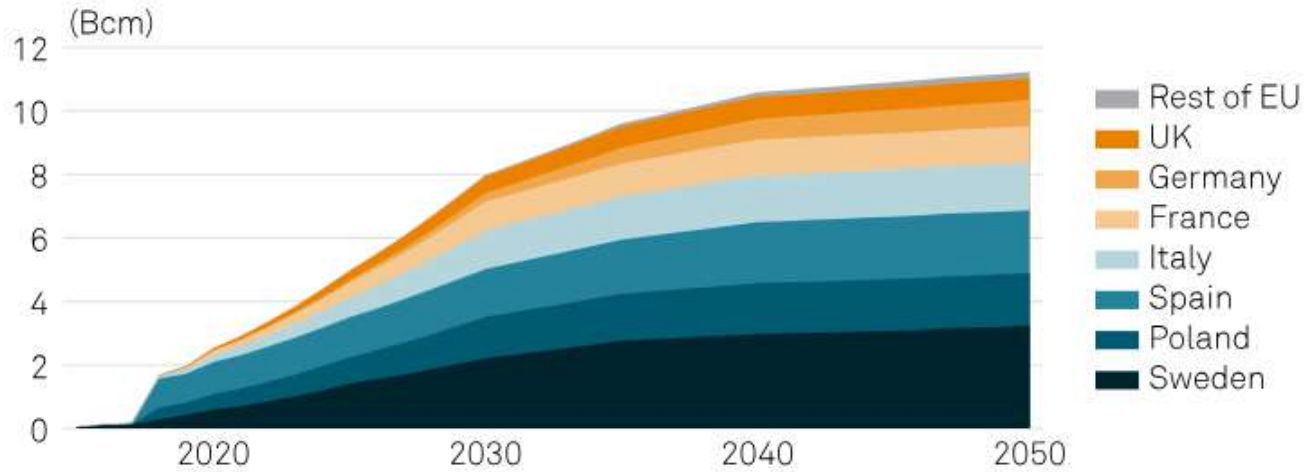
Getting definitions right...

- biomass = biodegradable material (from agriculture, from forestry and waste)
- biogas = 60 % methane, 35 % CO₂, 5 % others
- biomethane = 95 to 98 % methane
- biomass fuels = means gaseous and solid fuels produced from biomass (incl. biogas and biomethane)
- renewable fuels = biofuels, bioliquids, biomass fuels, renewable fuels of non-biological origin

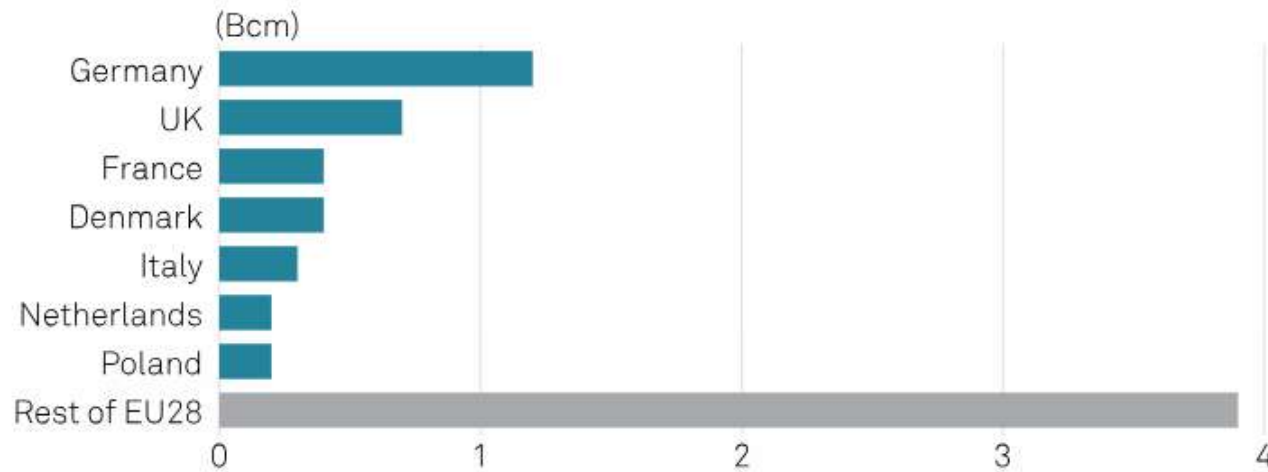


Background – biomethane production in the EU

Biomethane production set to surge in EU but fall short of 35 bcm target by 2030



Biomethane production by country in 2023



The European Union's plan to wean itself off Russian gas - includes a target to ramp up production of biomethane, sourced from agricultural waste and residue, to 35 Bcm by 2030 from 3 Bcm today. (REPowerEU/RED III)

Renewable Energy Directive – Biomethane evolution

RED I (2009)

- Sustainability criteria for **biofuels and bioliquids only**, Art. 5, 17 RED I
- Mass balance system for biofuels and bioliquids, Art. 18
- Guarantee of Origin (GO) as proof towards end customers cover renewable **electricity** only, Art. 15

RED II (2018)

- **Biomass fuels** subject to **sustainability and GHG savings criteria**, Art. 29; exceptions for **installations < 2 MW** thermal input and for **existing plants**
- Mass balance systems for biofuels, bioliquids, **biomass fuels** and others, Art. 30
- GO covers electricity and **gases** serves as proof towards end customers, Art. 19

RED III (2023)

- **Stricter GHG reductions** for existing plants of 80 % after 15 years of operation, 2026 earliest, Art. 29 (10)
- Mass balance system for all renewable fuels, Art. 30
- **Union database** to be set up by 11/2024
- EU gas grid as a single mass balance system (Art. 31a (2))

What are sustainability and GHG savings criteria?

“This Directive establishes [...] sustainability and GHG emissions saving criteria for biofuel, bioliquids and biomass fuels.”

Art. 1 RED II/III – subject matter

Sustainability – Art. 29 (2) – (7)	GHG savings – Art. 29 (10)				
• Cultivated biomass • Arable land from 1.1.2008 on • No conversion from grassland to arable land after 2008 • No area with high biological diversity • No area with high CO₂-concentration (like wet land) • Waste • Proof of origin and characteristics • No artificial propagation	• Creation GHG balance • Calculation with typical or individual calculated values • Fossil fuel comparator 94 gCO₂eq/MJ (Annex V C. Method. No. 19) • Double consideration of advanced biofuels (Art. 25 (1) Annex IX) • Reduction values of GHG emissions				
	Fuels		Electricity		
	Start of operation	Saving	Start of operation	Plant with ≥ 10 MW	Plant with ≤ 10 MW
	Before 10.2015	≥ 50 %	Before 1.1.21	≥ 80 % after 15 years in operation; latest until 2030	≥ 80 % after 15 years in operation
	After 10.2015	≥ 60 %	Between 1.1.21 and 20.11.23	≥ 70 %; ≥ 80 % until 1.1.30	≥ 70 %; ≥ 80 % after 15 years in operation
	After 1.1.2021	≥ 65 %	After 20.11.23	≥ 80 %	≥ 80 %

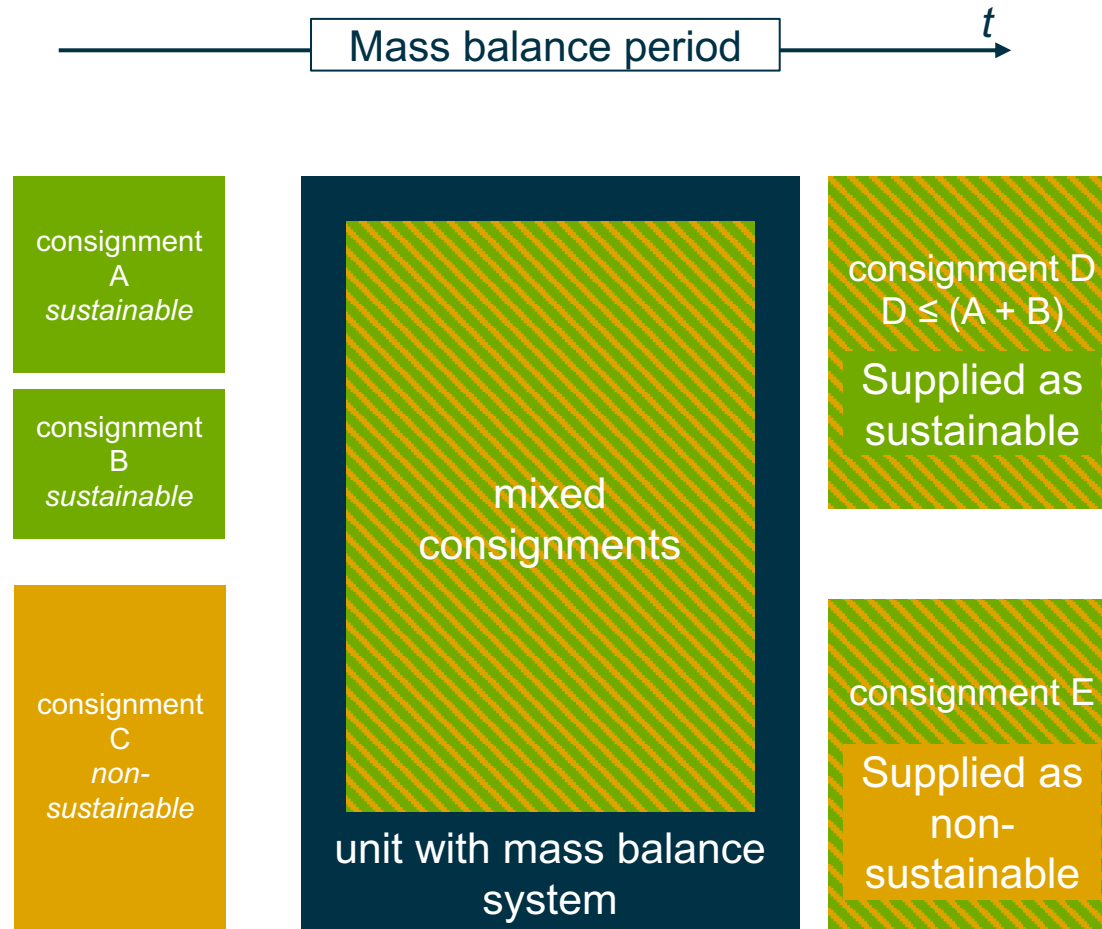
What is a mass balance system (as opposed to GOs)?

	Guarantee of Origin	Mass balance system
Function	Providing evidence to a final customer that a given share or quantity of energy was produced from renewable sources, Art. 2 no. 12	- Counts towards renewable sources target set in Art. 3, 7 RED II/III - Measuring compliance with RE obligations - Eligibility for financial support, Art. 29 (1) RED II/III
Transfer	GO and physical amount are separated	Certificate and physical amount are coupled
Complete trace back to origin	Not possible because of separation	Possible
Issue	- National authority - Federal environmental agency in Germany	EU-COM approved certification systems: REDcert, ISCC, SURE, ...
	<pre> graph LR Substrate --> Biogas Biogas --> Upgrading Upgrading --> Gas[Gas] Gas -- Gas grid --> Distributor Distributor --> EndCustomer[End customer] Upgrading --> GO[GO] GO --> EndCustomer </pre>	<pre> graph LR Substrate --> Biogas Biogas --> Upgrading Upgrading --> Gas[Gas] Gas -- Gas grid --> Distributor Distributor --> EndCustomer[End customer] Biogas -- R --> Biogas Upgrading -- R --> Upgrading Gas -- R --> Gas Distributor -- R --> Distributor EndCustomer -- R --> EndCustomer Biogas -- PoS --> Gas Upgrading -- PoS --> Gas Gas -- PoS --> Distributor Distributor -- PoS --> EndCustomer </pre>

PoS = proof of sustainability

R = registration of market participants and audit of sustainability criteria, mass balance, GHG reductions

Mass balance system



Mass balance system, Art. 30 RED II / III

- Mass balance period = period after which input and output must be balanced. Within this period, imbalances are allowed.
- Current period: Quarter
- Storage and positive (im)balances are permitted
- Proof via delivery notes, excel tables, self-declarations
- Unit (operator) is audited once per year
- The (ISCC/REDcert/...) auditor conducts spot checks to ensure that the mass balance is maintained

Biomethane trading contracts



Classical Gas Supply Contract

- Volume and duration
- Price
- Delivery Point (Entry/VTP)
- Min-/Max-Take
- Billing
- Clause for charges and levies
- Change in law clauses



Biomethane Supplement (MBS)

- Guarantee of REDcert / ISCC / ... certification and adherence to scheme documents
- Assurance that upstream suppliers fulfil their obligations
- Assurance of sustainability and GHG reduction criteria
- Price premiums and discounts depending on GHG reduction / advanced fuels
- Quarterly transfer of evidence (PoS)
- Contractual penalties in the event of late transfer or evidence (PoS)
- Compliance with any requirements under national subsidy schemes (EEG)
- Allocation of imbalance flex



Biomethane Supplement (GO)

- Obligation to transfer the certificate to account of buyer
- No double selling of sustainability criteria
- Pooling in case of non-availability of the plant
- Waiver of possible price subsidies (not in Germany, but e.g. Denmark)

Use cases for imported biomethane in Germany

EEG Renewable Energies Sources Act

- Sec. 44b (4) EEG provides that the biogas has to be fed into the natural gas grid **elsewhere in Germany**



BImSchG, 38. BImSchV Immission Control Act

- Sec. 37a, 37b BImSchG
- Customs regulations (-); Berlin Fiscal Court (+)



BEHG German fuel emissions trading act

- Biomethane may be deducted from BEHG levy
- Sec. 8 (2) EBeV 2030



TEHG Greenhouse Gas Emissions Trading Act

- DEHSt/UBA: If biomass is used in an installation subject to emissions trading, the operator can deduct the biogenic emissions in the emissions report, Art. 38, 39 Regulation (EU) 2018/2066



GEG Building Energy Act

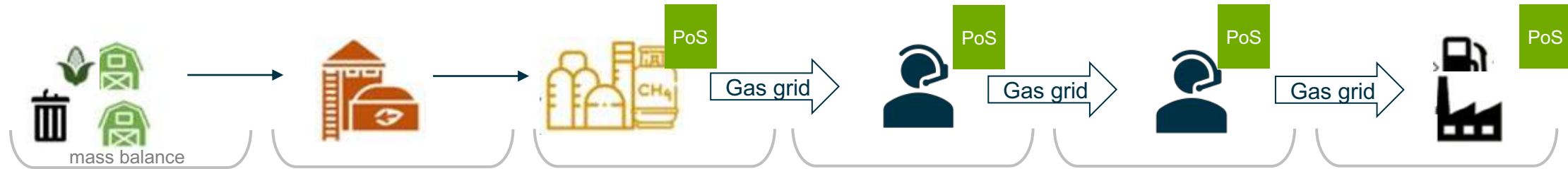
- Sec. 40 GEG
- No restriction on feed-in to the German market



Challenges to international biomethane trading

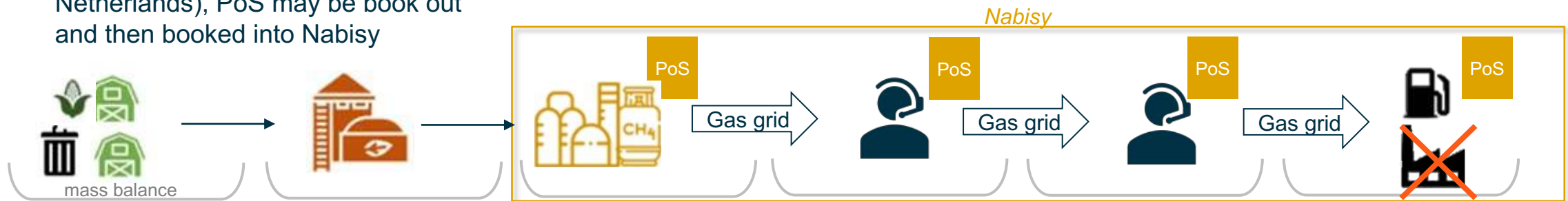
ISCC System (e.g. UK)

- Proof of sustainability (PoS) is forwarded (by E-Mail) between traders and ultimately submitted to the competent authority



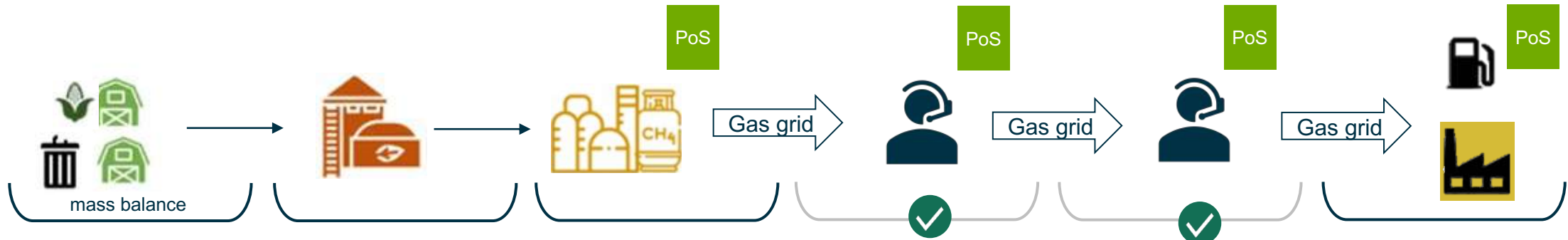
Nabisy (Germany)

- PoS may only be transferred within Nabisy system. Nabisy may not be used for the electricity market. The existing Biogasregister (dena) tailored for the electricity market does not track sustainability and GHG reductions. Certificates need to be “booked out” of Nabisy and then booked into Biogasregister
- Nabisy does not communicate with other registers, international cooperations like ERGAR only communicate with Biogasregister
- Workaround: REDcert/ISCC certified actors from outside Germany can open an account in Nabisy. With few foreign registries (e.g. Netherlands), PoS may be book out and then booked into Nabisy



Union database (UDB) for biofuels (Art. 30a RED III)

- Set up until 21 November 2024
- Traces transactions, sustainability characteristics and GHG emissions
- Interconnected gas system “shall be considered to be a single mass balance system”; data on injection and withdrawal and on whether support has been provided shall be provided in the Union database
- National databases still allowed, however must be linked to UDB



For trading biomethane within the European gas grid, the UDB effectively comes down to a “book and claim” system

Any questions? Please feel free to contact me



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Thank you for your attention

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Setting the scene: engaging in real-world cases and challenges

**Presentation by David Krott,
Landwärme GmbH**



CROSS-BORDER TRADE WITH BIOMETHANE

David Krott | Legal Department | Landwärme GmbH
EFET Legal Committee Meeting | 14 December 2023

AGENDA



01

DEFINITIONS & PRINCIPLES

02

FAIR MARKET

03

FREE TRADE ACROSS THE BORDERS

DEFINITIONS WITHIN THE BIOMETHANE MARKET



BIOMASS

A biodegradable fraction of products, waste and residues from agriculture of biological origin (including animal and plant substances), forestry and related industries, including fisheries and aquaculture.

Biodegradable part of waste from industry and households also counts as biomass.



BIOGAS

A mixture of methane, CO₂ and small quantities of other gases produced by anaerobic digestion of organic matter in an oxygen-free environment.

The precise composition of biogas depends on the type of feedstock and the production pathway.



BIOMETHANE

A near-pure source of methane produced by “upgrading” biogas or through the gasification of solid biomass followed by methanation integration of local renewable sources.

Can be fed-into the grid.

*Definitions of these terms could vary in different countries (Scandinavian terminology).

PRINCIPLES OF THE EU BIOMETHANE MARKET



FAIR MARKET CONDITIONS

subsidy schemes are crucial to reach
35 bcm EU production target



both production subsidy and
demand-oriented subsidy are eligible
to scale-up the production



selection instead of discrimination



distortions are to be excluded
(double subsidization, price-distortion,
overcompensation)



FREE TRADE ACROSS THE BORDERS

no legal & administrative barriers
which hinder the cross-border trade

no discrimination against biomethane coming from
another EU member state

no discrimination between the ways of
the transportation (gas grid vs. trucks)

EU gas grid as one single
mass-balancing system

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FREE TRADE ACROSS THE BORDERS

THE EU BIOMETHANE MARKET – A FAIR MARKET



JUDGEMENT T-626/20 „SUBSIDY“ – THE CASE I.



- Danish biomethane certificates were exported to Sweden
- in DK biomethane received production subsidy and a second subsidy in form of a tax exemption in SWE
- price was distorted as no produce could keep up with the low prices resulting from this scheme
- potential overcompensation/double subsidization
- DG COMP was provided by a market development study indicating this problem
- one SWE government protocol also admitted the potential distortion as well as some relevant publicly available studies
- still DG COMP approved the SWE scheme again without checking the cross-border effects

JUDGEMENT T-626/20 „SUBSIDY“ – THE CASE II.



- verdict of the European General Court – (21 December 2022, T-626/20)
- the EU COMMs decision on the two Swedish subsidy schemes were annulled completely
- EU COMM is in charge of controlling the possible interplay of different schemes of different member states
- this role is obligatory and based on the EU Treaty (primary law)
- administrative vs. “real content” decision
- no revision was filed
- if such indications are available (information was disclosed with DG COMP or publicly available study, document)

JUDGEMENT T-626/20 „SUBSIDY“ – AFTERMATH



The EU Commission cannot close its eyes anymore, concerning the control of the cross-border effects. It is still looking for its new role in the shape of the biomethane market.

The member states are also in charge (of establishing measures to avoid overcompensation and distortive effects, adjusting the reporting mechanism).

CZ – 2023

- production subsidy or Guarantees of Origin – approved, but not yet available

SWE – 2023

- still no publicly available information on the re-notification process
- in-depth analysis has to be conducted + exclusion of possible distortive effects

DK – 2023

- (potential) production subsidy or Guarantees of Origin – ongoing public hearing
- on a voluntary basis pay-back of subsidy was already possible (2017/18)

FAIR MARKET – POSSIBLE SOLUTIONS

PRODUCTION & DEMAND ORIENTED SUBSIDIES ARE NEEDED

- proven ways to enable investments in renewable energies / green gas production shall be continued

SUBSIDY OR GoO PRINCIPLE

- the clearest way to avoid any distortions after the production

ADJUSTMENT OF SUBSIDY SCHEMES

- with the market value of the GoO on a yearly basis
- cross-border aspects matter, not only the domestic ones

PAY-BACK MECHANISM

- member states with production subsidy have to establish a pay-back mechanism, in case of export the GoO shall be cancelled and at the same time the subsidy has to be paid back
- member states with tax exemptions allowing import have to establish a control mechanism to accept certificates only if the subsidy was paid back in the country of origin (selection instead of discrimination)

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01

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FREE TRADE ACROSS THE BORDERS

ARE LEGAL BARRIERS ALLOWED TO HINDER THE
FREE MOVEMENT OR TRADE OF BIOMETHANE?



WHAT ROLE DO THE AUTHORITIES OF THE MEMBER STATES PLAY IN
THE FACILITATION OF AN OPEN EU-WIDE BIOMETHANE MARKET?

JUDGEMENT FBB 1 K 1168/20 – THE CASE I.



CASE C-549/15, E.ON. BIOFOR SVERIGE AB VS STATENS ENERGIMYNDIGHET

judgement of the ECJ of 22 June 2017

§

GER biomethane was imported into SWE
via gas grid, SWE preferred the
acceptance via grid but not via gas
trucks

§

ECJ: member states retain discretion to
define additional criteria for the mass
balance systems, still,
member states have to ensure that any
additional requirement to verify
renewable gas compliance to the
sustainability criteria does not violate
Article 34 TFEU (i.e. free movement of
goods)

§

LANDWÄRME CASE

§

HU biomethane was imported to GER via
gas grid and was used as biofuel in GER

§

no production subsidy in HU

§

exclusion of multiple-selling/subsidization

§

voluntary scheme-based verification of
sustainability criteria

§

no exclusion of biomethane import by law
(biofuels)

§

Federal Custom Office rejected the
acceptance via grid but not via gas trucks
based on an internal manual

JUDGEMENT FBB 1 K 1168/20 – THE CASE II.



- § verdict of the fiscal court of Berlin Brandenburg on 15 March 2023, 1 K 1168/20 regarding the import of biomethane to Germany
- § action under § 100 Finanzgerichtsordnung (FGO)
- § decision of the Federal Custom Office was amended, that the GHG emission reductions generated by the imported biomethane shall be accepted
- § the decision of the defendant dated 20.03.2020, for the calendar year 2018 in the form of the objection decision of 19.11.2020, **is amended** to the effect that a further -76,581.82 kg of carbon dioxide equivalent for the year 2018 **is to be offset by XY AG as quota acquirer** pursuant to Section 37a (6) of the Federal Immission Control Act (BImSchG)
- § such rejection of acceptance of biomethane imported via gas grid from other EU Member State violate Article 34 TFEU (i.e. free movement of goods)
 - as it was not excluded by law so the practice of the Federal Custom Office was unlawful and a breach against EU Law
 - case is almost the same as the E.ON case
- § no revision was filed by the Federal Custom Office

Responsibilities of relevant authorities cannot go beyond some limits

TO DOS OF THE MEMBER STATES BASED ON THE CURRENT CASE LAW TENDENCIES

- remove the current trade practices, which limit the formation of a European renewable gas market
- market players shall ensure
 - no multiple sale/subsidization
 - relevant sustainability criteria have to be verified for the imported biomethane exactly to the same extent it is required for domestic biomethane
- ministries and authorities shall ensure
 - to exclude multiple sale/subsidization (via administrative cooperation, EU-wide register, etc.)

JUDGEMENT FBB 1 K 1168/20 – AFTERMATH II.



6 months after the FBB decision the relevant manual of the German Federal Custom Office still was not adjusted

HOW WOULD THE ECJ RULE IN CASE OF CHALLENGING A NEW SECTOR
(ELECTRICITY GENERATION) WHICH EXCLUDES BY LAW THE IMPORT OF
BIOMETHANE FROM OTHER EU MEMBER STATES?



COULD BIOMETHANE COMING FROM A NON-EU MEMBER STATE BUT MEMBER OF
THE ENERGY COMMUNITY QUALIFY FOR THE SAME STATUS REGARDING
THE BIOFUEL SECTOR AS IT WAS STATED IN THE FBB CASE?



BIOMETHAN
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Biogas trading across Europe: national perspectives - Ukraine

**Presentation by Vitaliy Radchenko,
CMS Kyiv**

Export of Ukrainian biomethane to the EU

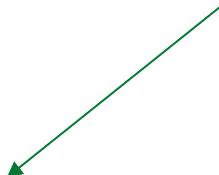
CONTENT

- I. Biomethane export
 - 1.1 Biomethane export
 - 1.2 Ban on natural gas (biomethane) export
 - 1.3 Lack of procedure for customs clearance of biomethane
 - 1.4 Draft Law No. 9456
- II. Recognition of Ukrainian biomethane sustainability
 - 2.1 Directive 2023/2413
 - 2.2 Biomethane register in Ukraine
 - 2.3 Independent audit of biomethane facilities in Ukraine
 - 2.4 Recognition of Ukrainian GoOs
 - 2.5 Union database
 - 2.6 Cross-border transfer of certificates of origin
 - 2.7 Voluntary schemes

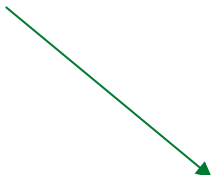
I. BIOMETHANE EXPORT

1.1 Biomethane export

Barriers to export Ukrainian biomethane to the EU:



1. Ban on natural gas (and biomethane) export



2. Lack of procedure for customs clearance of biomethane

1.2 Ban on natural gas (biomethane) export (1)

Regulation by the Cabinet of Ministers of Ukraine dated 27 December 2022 No. 1466 “On the approval of lists of goods, the export and import of which are subject to licensing, and quotas for 2023” specifies no quota for export of natural gas for 2023.



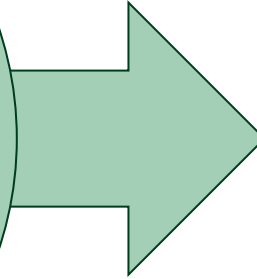
Since the export of natural gas is subject to licensing, establishment of zero quotas for natural gas is treated as ban on natural gas export.



UA Energy Customs treats pipeline biomethane as natural gas due to its similar characteristics and importance for energy system during war.

1.2 Ban on natural gas (biomethane) export (2)

Ban on natural gas
export hinders
biomethane export as
well.



A clear provision that
such restriction on
natural gas export
will not hinder the
export of biomethane
is required.

1.3 Lack of procedure for customs clearance of biomethane (1)



“The List of goods, the customs clearance of which is carried out by the Energy Customs of the State Customs Service of Ukraine” (the “**List**”) approved by Decree by the Ministry of Finance dated 20.04.2015 №448 :

- contains a table with respective columns for names of goods and their code in accordance with UCT ZED.
- among other goods, the List includes codes for such commodities as natural gas, fuel, crude oil.

1.3 Lack of procedure for customs clearance of biomethane (2)



Under UCT ZED there are two codes for biomethane:

- 2711 29 00 00 for gaseous biomethane;
- 2711 19 00 00 for liquefied biomethane.

Only the code for liquefied biomethane is in the List.

The code for gaseous biomethane under UCT ZED needs to be added to the List.

1.3 Lack of procedure for customs clearance of biomethane (3)

To allow biomethane export the amendments are needed to the following legal acts:

- the Customs Code of Ukraine (Article 232)
- "Procedure and Terms of Customs Control and Customs Clearance of Goods Transported by Pipeline Transport" approved by Decree of the Ministry of Finance of Ukraine No. 629 dated 30.05.2012
- "The List of goods, the customs clearance of which is carried out by the Energy Customs of the State Customs Service of Ukraine" approved by Decree by the Ministry of Finance No. 448 dated 20.04.2015

1.4 Draft Law No. 9456 (1)



Draft Law No. 9456 “On making amendments to the Customs code of Ukraine on customs clearance of biomethane” dated 03 July 2023 (“**Draft Law No. 9456**”) provides for:

- customs control and customs clearance of biomethane shall be carried out in accordance with the procedure provided for natural gas.
- customs clearance of biomethane shall be carried out on the basis of information on volumes of biomethane.

! Draft Law No. 9456 aims at resolving the issue of biomethane export. Still amendments to legal acts from the previous slide are needed.

1.4 Draft Law No. 9456 (2)

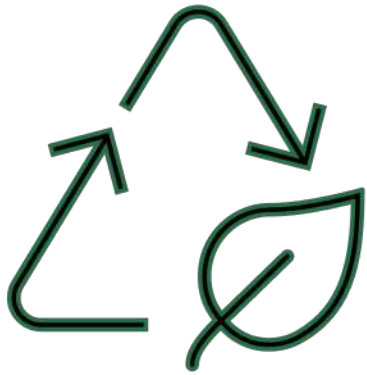


Draft Law No. 9456, prepared for the second reading, provides as well:

- customs clearance is carried out only for biomethane that **meets the requirements** of the Law “On alternative types of fuel”
- only biomethane producers that have an account in **UA biomethane register** can export biomethane;
- allow the export of biomethane only in the amount that is fully produced in the customs territory of Ukraine and with a **guarantee of origin** for respective volume;
- customs authorities carry out customs formalities for biomethane export based on a **guarantee of origin** received from **SAEE** (State Agency for Energy Efficiency of Ukraine) using the "single window" mechanism under the Customs code of Ukraine.

II. RECOGNITION OF UKRAINIAN BIOMETHANE SUSTAINABILITY

2.1 Directive 2023/2413 (1)



Directive 2023/2413 (known as RED III Directive) provides for a requirement to comply with the sustainability and greenhouse gas emissions saving criteria “*regardless of whether renewable fuels and recycled carbon fuels are produced within or are imported into the Union*”.

2.1 Directive 2023/2413 (2)

To demonstrate to final customers (i) the share of energy from renewable sources in energy mix and (ii) compliance with the sustainability and greenhouse gas emissions saving criteria

Directive 2023/2413 requires:

- guarantees of origin (Article 19)
- certification by voluntary schemes (Article 29, 30)

In the end, the EU customer shall receive:

- physical commodity (biomethane)
- guarantee of origin
- certificate from a voluntary scheme (also regarded as proof of sustainability)

2.2 Biomethane register in Ukraine (1)



Resolution № 823 of the CMU dated 22 July 2022 “On approval of the Procedure for Operation of the Biomethane Register”:

- required the establishment and functioning of a biomethane register by 27 January 2023
- approved the Procedure for operation of the biomethane register

- ! The biomethane register is not yet operational as of end of 2023.

2.2 Biomethane register in Ukraine (2)

Key elements of the biomethane register functioning under the Procedure for operation of the biomethane register:



- SAEE is a holder, administrator and public registrar of the biomethane register
- the order for account creation in the biomethane register
- the order for formation, transfer and cancellation of a guarantee of origin (“**GoO**”) and information required for that
- in case of consumption of entire volume of biomethane, the GoO shall be cancelled
- the content of the guarantee of origin
- biomethane volume is measured in energy units (MWh)
- the validity period of the guarantee of origin is one year.

2.3 Independent audit of biomethane facilities in Ukraine

Resolution № 823 of the CMU dated 22 July 2022 “On approval of the Procedure for Operation of the Biomethane Register” provides the notion of independent auditor.

The independent auditor should have permits for the right to conduct an independent audit, including a certificate under a voluntary sustainable biofuel certification system recognised by the European Commission.

The independent auditor conducts independent audit of (i) the activities related to the production of biomethane and (ii) biomethane production facilities in case of:

- creation of a biomethane producer account in the register
- modernisation of a biomethane production facility.

2.4 Recognition of Ukrainian GoOs



Article 19 (11) of Directive 2023/2413 provides that to recognise **GoOs** from third states (Ukraine), the following conditions must be accomplished:

- conclusion of an **agreement on mutual recognition of GoOs** between the EU and the third state
- compatible GoOs system in the third state
- direct import or export of energy

2.5 Union database (1)

- Union database shall be set up by 21 November 2024 under Directive 2023/2413.
- Economic operators are required to enter data into the Union database on the transactions and the sustainability characteristics of the fuels.
- Guarantees of origin for renewable gas must be transferred to the Union database.
- In each Member State a national database, linked with the Union database, can be used by economic operators for entering and transferring the data into the Union database.
- Directive 2023/2413 does not specify whether database of the third states (Ukraine) can be linked with the Union database and clarification in this regard is needed.

2.5 Union database (2)

According to Directive 2023/2413, Article 31a, (2):

“For the purpose of entering data into the Union database, the interconnected gas system shall be considered to be a single mass balance system. Data on the injection and withdrawal of renewable gaseous fuels shall be provided in the Union database.”

Ukraine’s gas pipeline system has cross-border interconnection points with the systems in Poland, Hungary, and Slovak Republic.

Consequently, (i) biomethane can be safely injected into the Ukrainian gas system and transported to the EU, (ii) data on the injection of biomethane to the Ukrainian gas network shall be provided in the Union database.

2.6 Cross-border transfer of certificates of origin

To exchange GoOs between registries such exchange schemes may be used:

AIB

- 
- A voluntary standardized system for certificates exchange
 - EECS Gas Scheme
 - SAEE holds an observer status to EECS Electricity and Gas Scheme

ERGaR CoO Scheme

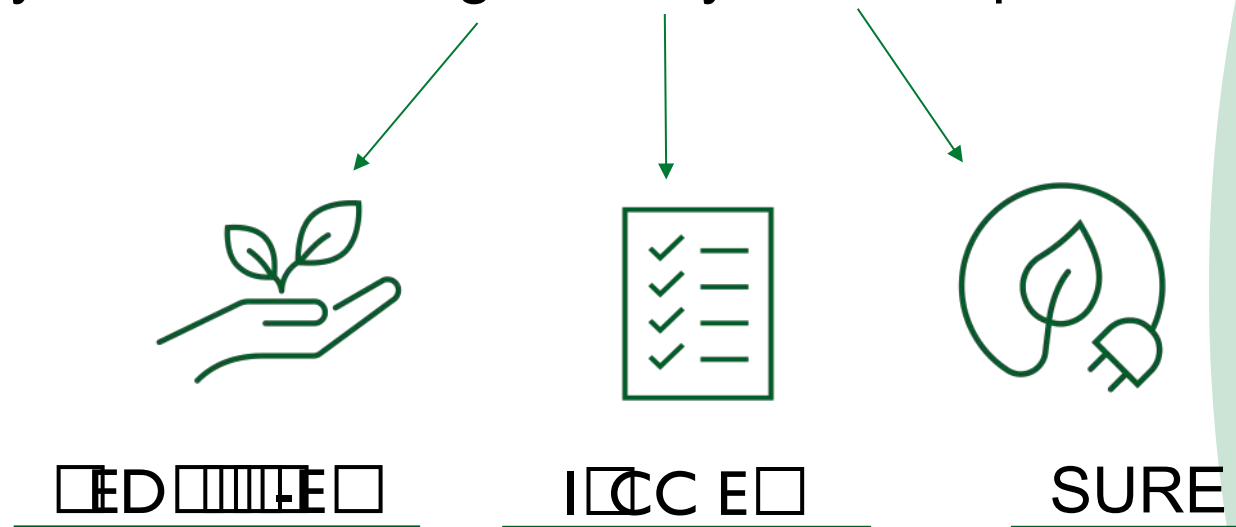
- 
- The European Renewable Gas Registry
 - Documentation system for cross-border transfer of CoOs
 - Participants - national biomethane registries

2.7 Biomethane voluntary certification schemes

By means of voluntary schemes the producer can prove its compliance with sustainability and greenhouse gas emissions saving criteria (Article 30, Directive 2023/2413).

Compliance with sustainability and greenhouse gas emissions saving criteria must be verified by independent and transparent audits of voluntary schemes.

Popular voluntary schemes recognized by the European Commission:



Thank you!



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Kyiv - 30593483.15

Biogas trading across Europe: national perspectives - France

**Presentation by Blaise Farrokhi,
European Energy Exchange AG**



EEX – France perspectives EFET

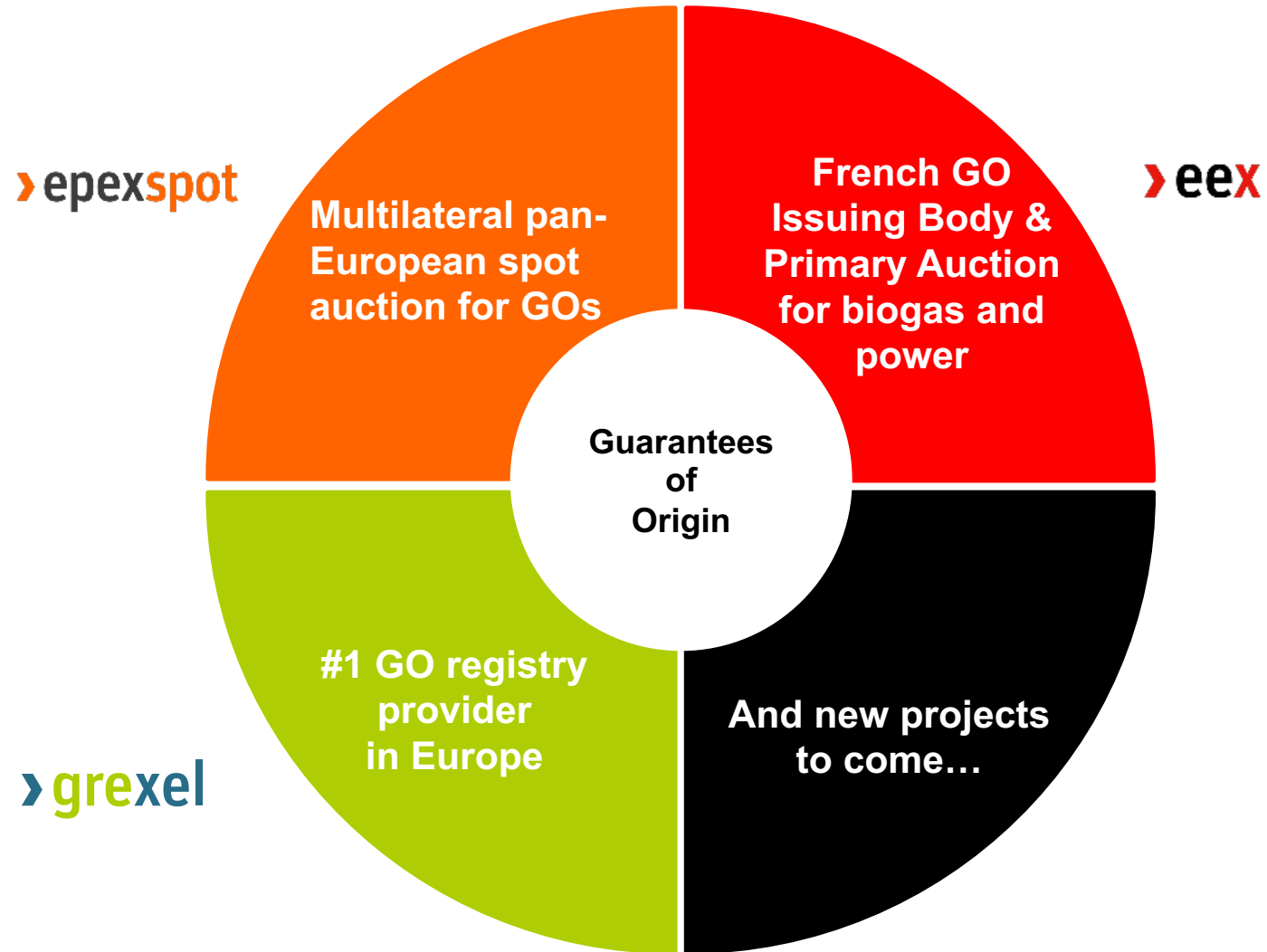
14th December 2023

› eex

part of eex group

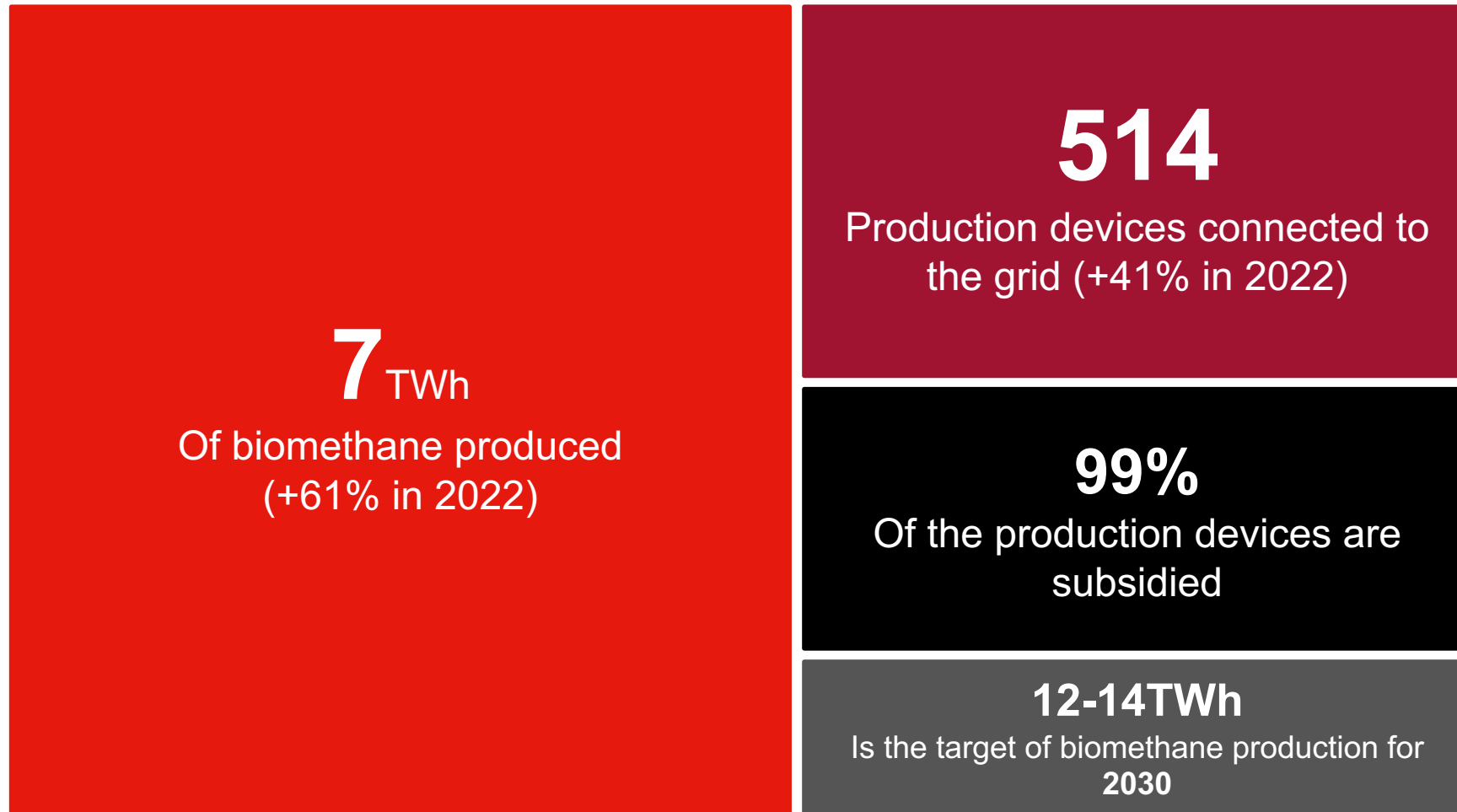
EEX group activity on Guarantees of Origin

A key player increasing its offers to meet market need



2022 : Key numbers - French biomethane market

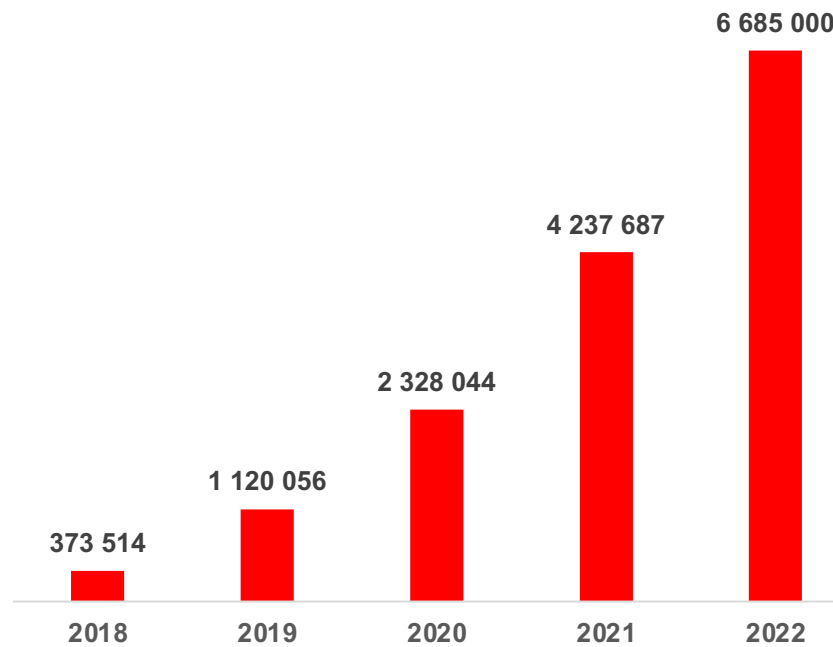
Continuous growth on the activity



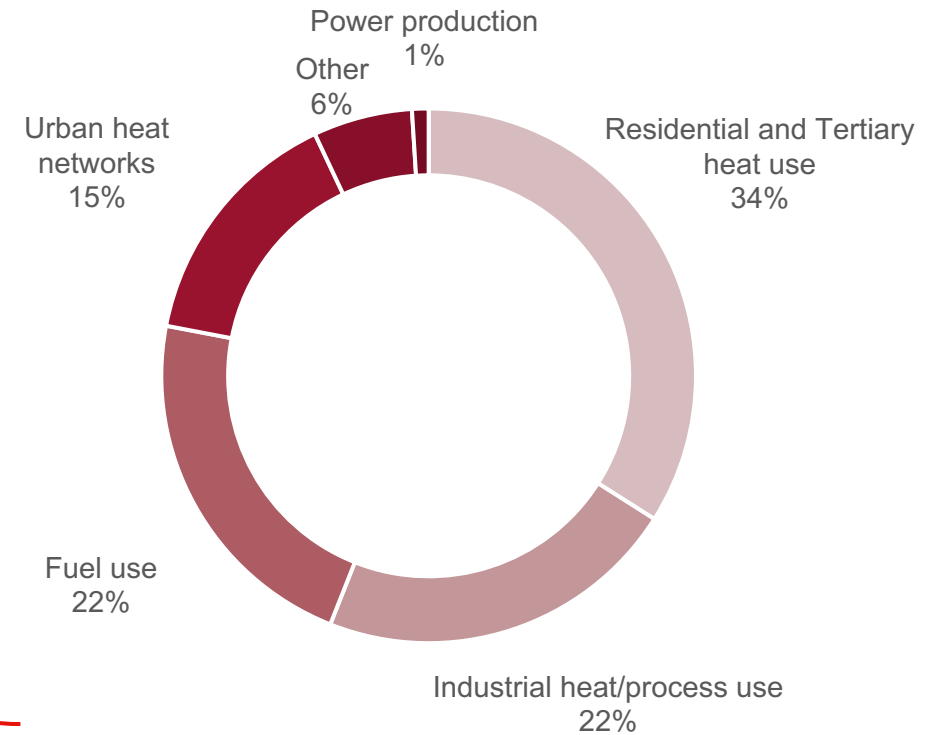
End uses and issuance of GOs

Growth in the issuance and different end uses

Issuance of GOs since 2018
(MWh)



Distribution of end uses in 2022



Guarantee of origin (Biogas)

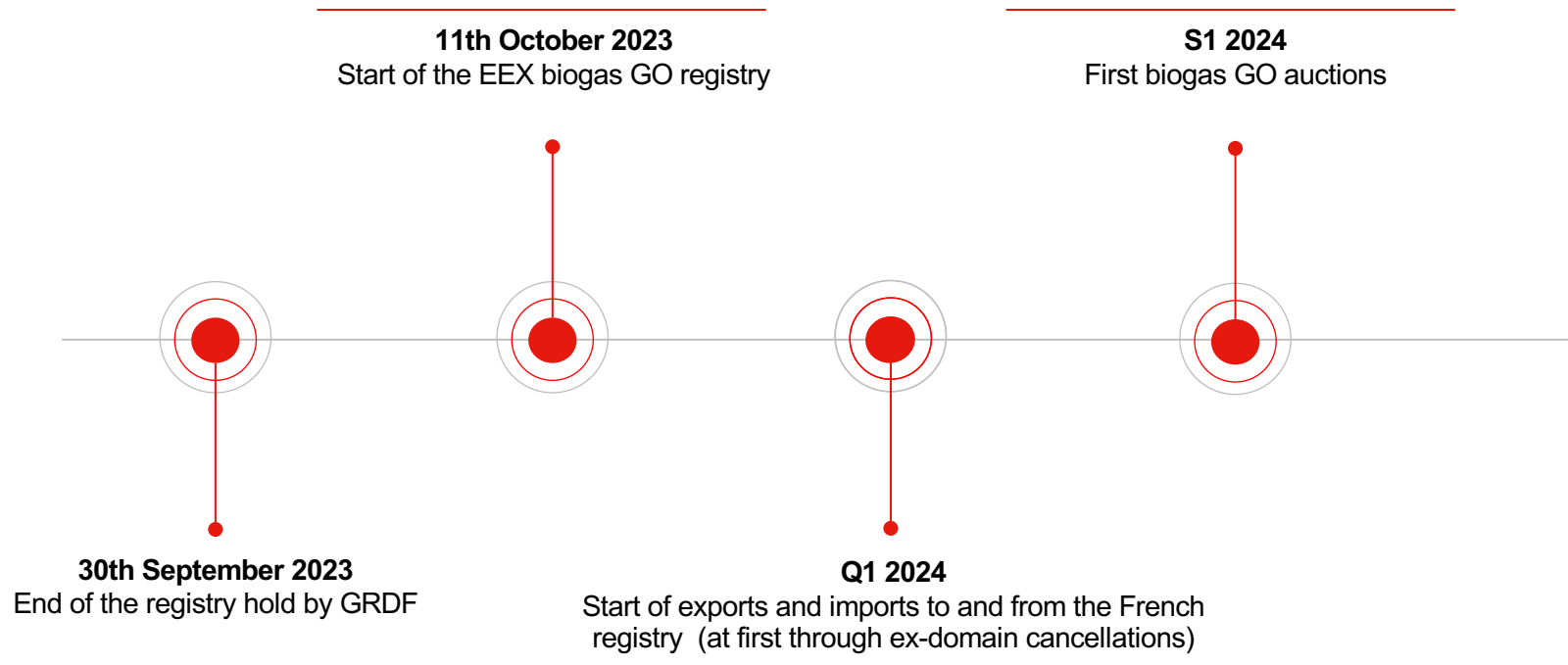
Role of EEX as registry and auction operator

Issuing Body in France since 1st of October 2023

- Designated after a public tender and a decree by the French Ministry of Energy (DG Energy and Climate) for 5 years
- Q1 2024 Start of exports and imports to and from the French registry

Mandated by the French State to organize the GO auction

- Auction of GOs issued and selected by the French State (GO from subsidized production devices)
- EEX is organizing auctions since September 2019



What is a French biogas GO ?

32 flags are present by law requirement on the biogas GO

4 categories :

1

The origin (country of issuance, name of the production device, type, Commissioning date etc)

2

The contract (type of subsidies, date of the signature, duration)

3

The interaction with the EU ETS (may be or not counted into the EU ETS)

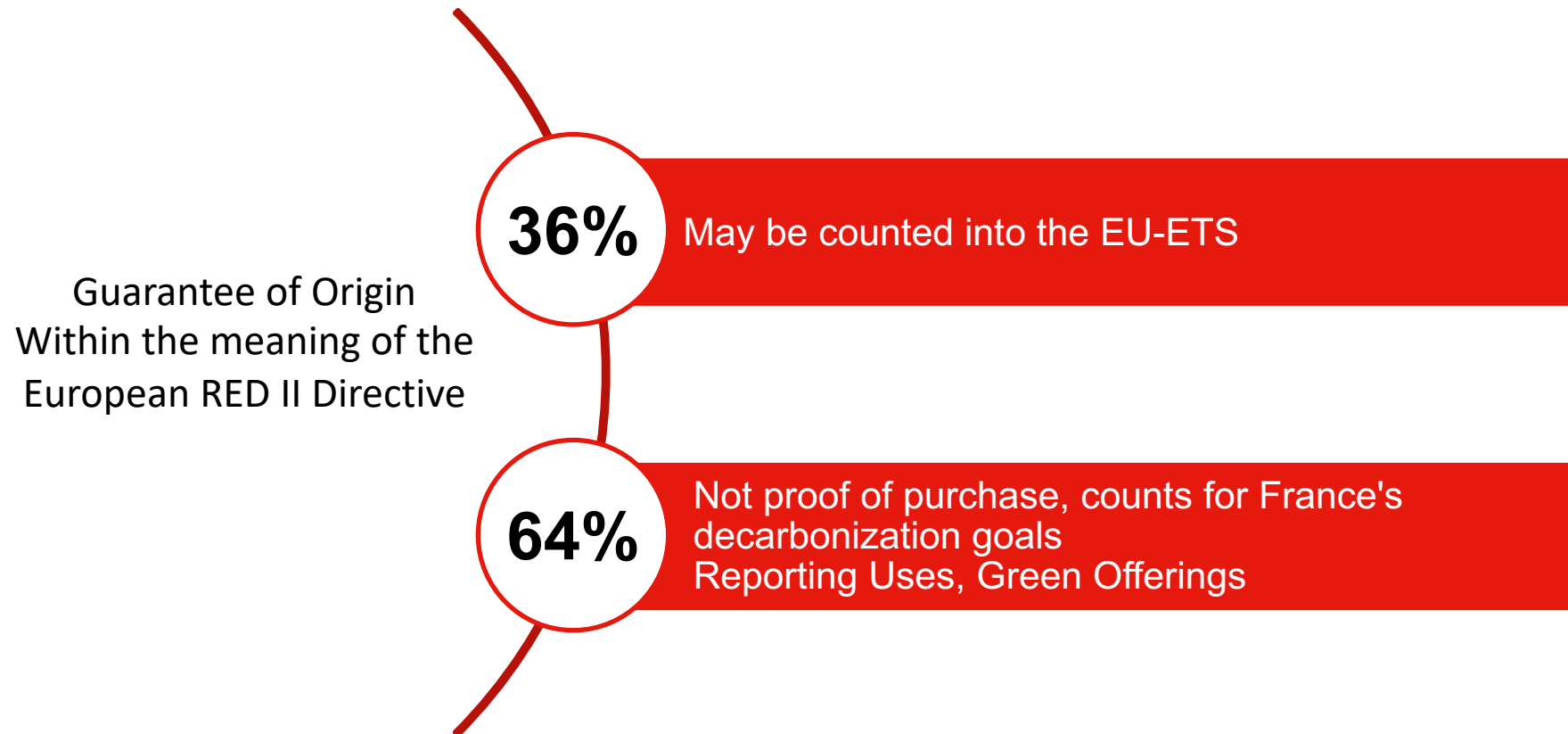
4

The owner (the issuer, date of cancellation/exportation etc)

Clarification on the EU ETS framework

Procedure & Value 2023

Possibility of recovering the production of state-subsidised biomethane in European decarbonisation schemes (Decree No. 2022-1540 of 8 December 2022)



Hubs and European transfer/cancellation

Imports / exports

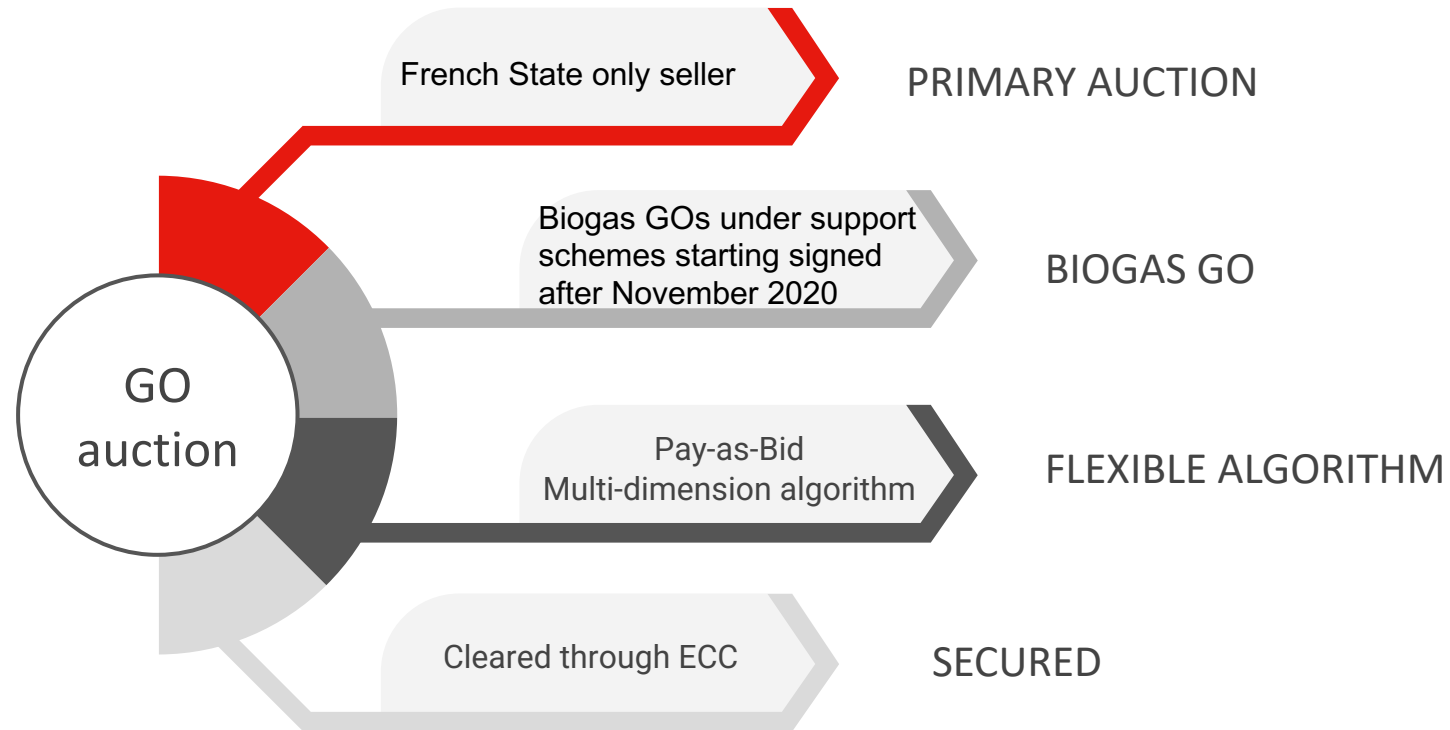
Discussions with AIB and/or Ergar to facilitate imports/exports via an electronic hub

- Ongoing discussions on the possibility of joining one or both associations
- Timing still uncertain but planned **for Q1 2024**

Ex-Domain Cancellation

- A procedure is being carried out in order to manage out-of-domain uses
- In order to accept Ex-Domain Cancellation, an agreement with foreign registries is required (both on import and export side)

First cleared GO biogas auction based on the French power GO auction



An aerial photograph of a large, cylindrical industrial storage tank. The tank's surface is metallic and reflects the warm, orange and red colors of a sunset sky. The tank is situated in an industrial area with other structures and pipes visible in the background. The text "Thank you for your attention!" is centered over the tank's surface.

Thank you for your attention!

Q&A session

