

ERGaR

Event

Better Biomass Event

7th Juni 2017



ERGAR ORGANISATION



Basics

- European Renewable Gas Registry
- Established on 28th September 2016
- Aisbl – International no-profit
- Contact Persons:
 - *Attila Kovacs, Secretary General*
 - *Martina Conton, Assistant Secretary General*
- Website www.ergar.org
- Address: Rue d'Arlon 63-65, 1040 Brussels

Members

AT – AGCS Gas Clearing & Settlement AG

BE – European Biogas Association (EBA)

DE – German Energy Agency (dena)

Landwärme GmbH

DK – Energinet.dk

NGF Nature Energy

FR – Gas Réseau Distribution France (GrDF)

IT – Consorzio Italiano Biogas (CIB)

NL – Vertogas

STX Services B.V.

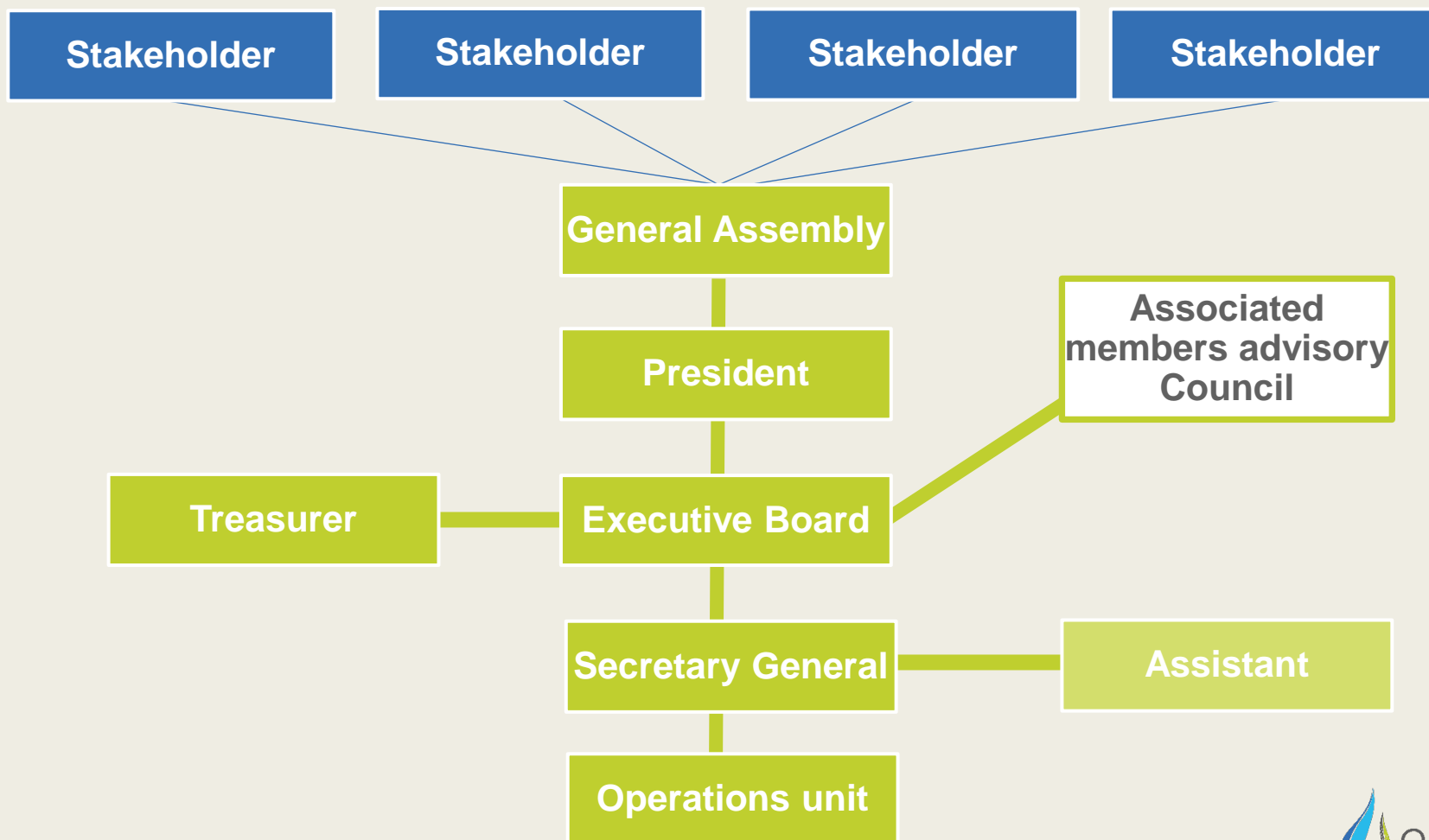
UK – Renewable Energy Assurance Ltd. (REA)

CH – Swiss Association of Gas Industry (VSG)

Energie 360°



Organisation chart



Board Members

- President – Mr Jeppe BJERG, Energinet.dk (DK)
- Vice President – Mr Jan STAMBASKY, EBA (BE)
- Treasurer & Board member – Mr Michael SCHMID, VSG (CH)
- Board member, Ms Virginia GRAHAM, REA (UK)
- Board member, Ms Kristina HAVERKAMP, dena (DE)
- Board member, Mr Marco MIDDELKOOP, Vertogas (NL)
- Board member, Mr Marco PEZZAGLIA, CIB (IT)
- Board member, Mr Guillaume VIRMAUX, GRDF (FR)
- Board member, Mr Andreas WOLF, AGCS (AT)

Vision and Mission

MISSION

Building on national renewable gas registries to establish an independent, transparent and trustworthy documentation scheme for cross border transfer and mass balancing of renewable gas injected into the European natural gas network securing the exclusion of double sale and double counting

VISION

Renewable gas will be increasingly produced and traded cross border in an integrated European market through the natural grids network reaching all end customer segments

GOAL

To be recognized by the European Commission as a voluntary scheme under the Renewable Energy Directive 2009/28/EC

Membership

Stakeholders are welcome to join:

- National renewable gases registries,
- TSO's DSO's and their related associations,
- Natural and renewable gas industry associations
- Any other natural or legal person, with an interest in the establishment and maintenance of a documentation system to enable the cross-border trade of renewable gases

ERGAR FUNCTIONING



Three pillars of the cross-border biomethane administration

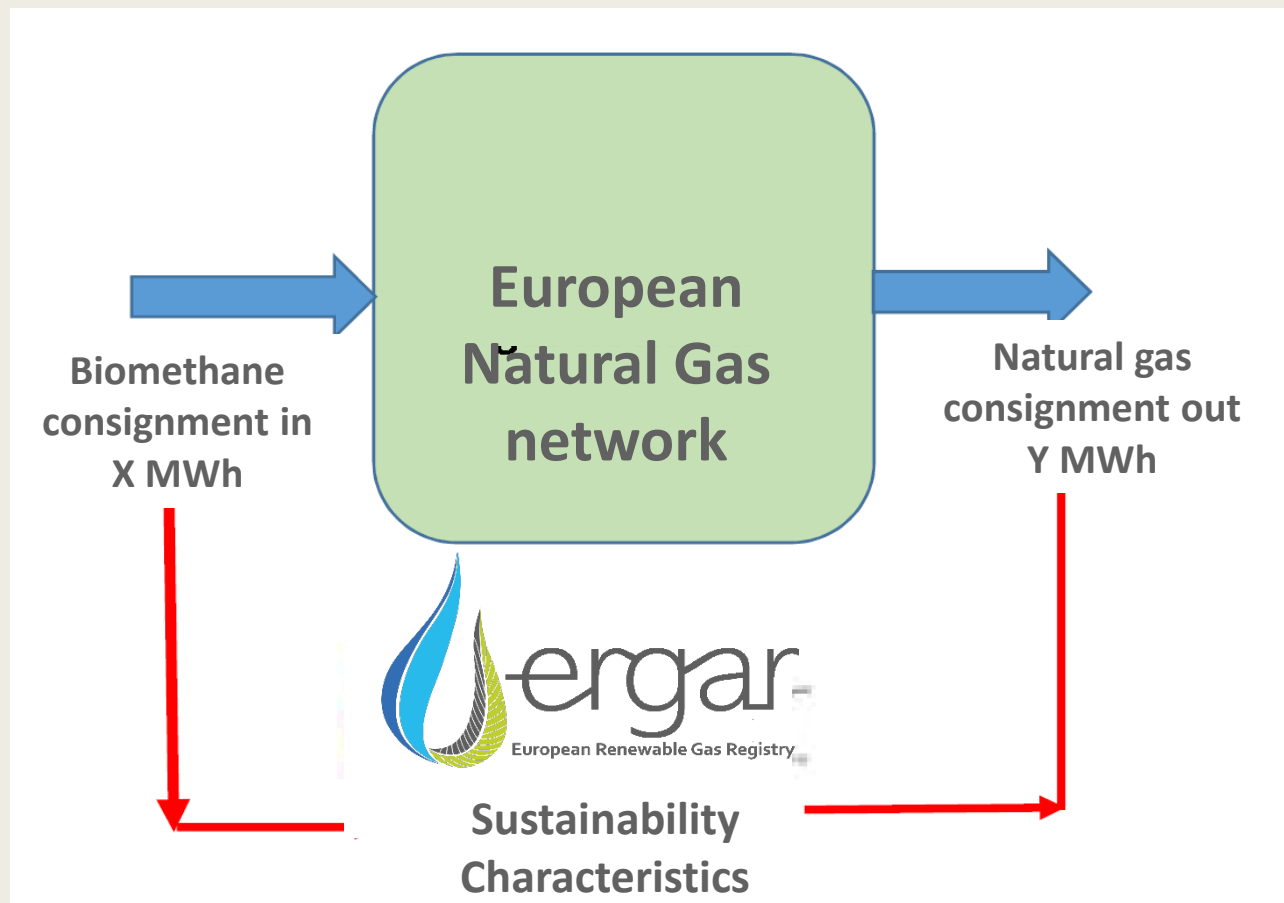
1. **European natural gas network** (consisting of the transmission and distribution systems) **treated as single logistical facility** with regard to injected biomethane.
2. **Mass balancing of injected and withdrawn biomethane consignments** within the European natural gas network.
3. **Sustainability verification** (prior to grid injection) and **cross-border transfer of sustainability claims**.

Proposed solution for cross-border mass balancing and transfer of sustainability claims

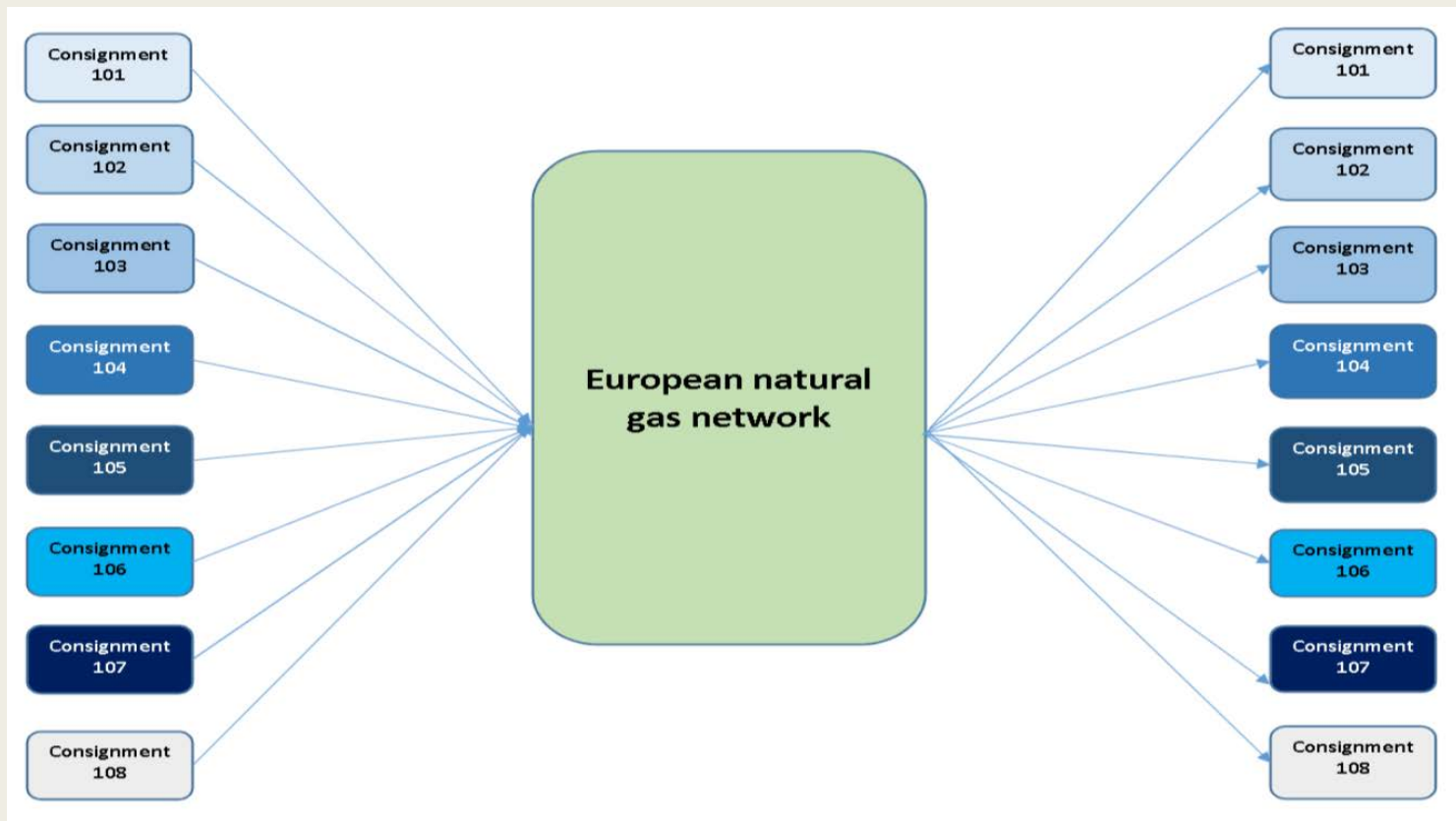
ERGaR (European Renewable Gas Registry)

- ✓ ERGaR aisbl (non-profit international organisation) established 28th September, 2016 in Belgium
- ✓ ERGaR BM - biomethane specific voluntary scheme established and operated by ERGaR aisbl
- ✓ Function: mass balancing of biomethane distributed along the European natural gas network
- ✓ Core documents: Biomethane Proof of Origin issued by the national biomethane registries
- ✓ ERGaR BM seeks recognition by the European Commission under the RED currently in force (2009/28/EC)

Function of mass balancing by ERGaR



Mass balancing consignment by consignment



SUSTAINABILITY TRANSFER



Why do we need the transfer of sustainability characteristics?

The **principal answer** is in the RED which makes it mandatory:

“Biofuel production should be sustainable. Biofuels used for compliance with the targets laid down in this Directive, and those that benefit from national support schemes, should therefore be required to fulfil sustainability criteria.”

The **business reasoning** is also formulated in the RED:

*“Sustainability criteria will be effective only if they lead to changes in the behaviour of market actors. Those changes will occur only if biofuels meeting those criteria command a **price premium** to those that do not.”*

Cross Border Transfer of Sustainability Claims

The **sustainability verification** for biomethane injected into the European natural gas network for export purposes should consist of **two steps**:

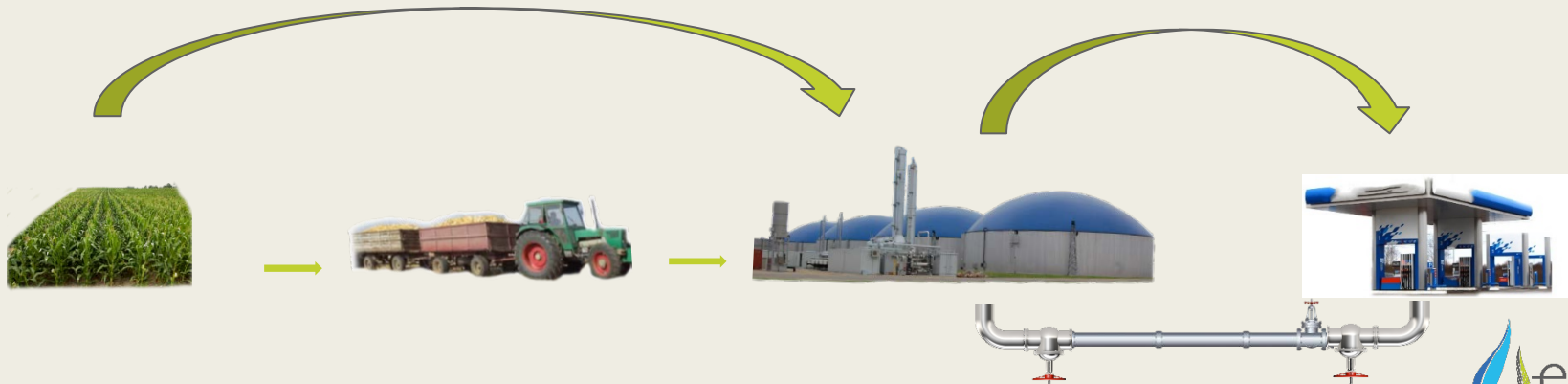
1. The **first part of the chain of custody** – *from raw material supplies through production/upgrading to grid injection* – will be covered by one of the established sustainability verification procedures, exactly like in case of liquid biofuels.
2. The **second part of chain of custody** – *from the moment of grid injection to the withdrawal by the end-user* – will be covered by the new voluntary scheme applying the mass balancing methodology.

Chain of Custody for Biofuels

Liquid biofuels:



Biomethane:



LEGISLATIVE OUTLOOK



RED II on renewable gas GoO

As described in the RED II impact assessment page 158

“[...] all Member States would need to establish GOs for biomethane. Furthermore, these national GO certification systems would need to recognise the whole European gas grid as a single mass balance system and be able to properly account for biomethane in another national registry to avoid double counting. Further developing the mass balance approach would mean that GOs for biomethane could not be traded in isolation from the physical gas”

ERGaR and RED II

ERGaR will:

- ✓ treat the European gas grid as a **single logistical facility**
- ✓ **rely on national biomethane registries** as issuing bodies for guarantees of origin
- ✓ apply the **mass balance approach** for transferring sustainability characteristics of biomethane consignments
- ✓ **avoid double counting**
- ✓ expect the national biomethane registries joining the scheme to **mutually recognise the GoOs** issued for biomethane consignments intended for export.

THANK YOU

Name

Daniël Pol

European Renewable Gas Registry

www.ergar.org



Single logistical facility

