

[courtesy translation in English]

Practical aspects treatment of green gas in ETS in Flanders

(for the benefit of ETS companies, green gas producers, green gas suppliers and verification bodies)

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This note describes how green gas should be treated in the MP (monitoring plan) and the AER (annual emissions report), and, where relevant, what necessary supporting evidence is to be presented. The note is a practical translation of existing European guidelines/guidance on the subject¹.

The practical aspects below apply to the MP (monitoring plan) and the AER (annual emission report) on emissions from the year 2021 onwards, with the exception of the sustainability and greenhouse gas emissions saving criteria which apply only to the MP and the AER on emissions from the year 2023 onwards. The procedures regarding ex-domain cancellations of GO Green Gas (as further described in this note) are only valid up to and including reporting year 2023 (on emissions 2022), with the possibility of extension.

The natural gas grid referred to in this note concerns the entire natural gas grid of Europe.

This note describes 2 situations:

- 1) green gas is directly combusted in a combustion unit of an EU ETS installation
- 2) green gas is indirectly taken via the natural gas grid (where it was previously injected)

¹ Included in MRR Guidance Document No. 3 "Biomass issues in the EU ETS.", available at https://climate.ec.europa.eu/system/files/2022-10/gd3_biomass_issues_en.pdf.

	Monitoring plan of EU ETS installation	AER of EU ETS installation	Evidence for MP and/or AER
Situation 1: green gas is directly combusted in a combustion unit of an EU ETS installation	<p>Green gas ("biogas" or any other name for the source stream chosen by the EU ETS installation) shall be included in the MP of the EU ETS installation.</p> <p>Accuracy requirements depend on the size of the source stream (can be: regular analysis, can also be: annual analysis, etc.)</p> <p>The MP (from the year 2023 onwards) will also need to explain how it will be proven (or has been proven) that the sustainability and greenhouse gas emissions saving criteria as laid down in Article 29 (2) to (7) and (10) of Directive (EU) 2018/2001 are met (including the frequency with which this "proof" is provided). Proof must be provided through "Proofs of Sustainability" (PoS) based on certificates issued by voluntary schemes recognised by the European Commission and officially published on the website https://energy.ec.europa.eu/topics/renewable-energy/biofuels/voluntary-schemes_en#approved-voluntary-schemes (more information on this in the (Flemish) "Toelichting bij de RED II criteria voor het gebruik van biomassa onder ETS").</p>	<p>Biomass fraction of the source stream green gas (or other name) is determined annually according to the rules included in the MP (on accuracy and demonstrating compliance with sustainability and greenhouse gas emissions saving criteria)</p>	<p>- Normal way of working: depends on MP</p>
Situation 2: green gas is indirectly taken via the natural gas grid (where it was previously injected)	<p>No need to include a specific statement in the MP (reason: company can choose to "green" the natural gas one year, not the next, etc.). Determination of the biomass fraction for natural gas is a general rule, of which "proof" will have to be provided via the AER</p>	<p>The biomass fraction of the natural² gas source stream is determined by taking into account the share of purchased green gas (in energy terms MWh or TJ, etc.) in the total quantity of natural gas purchased (and in so far as sufficient</p>	<p><u>For all:</u></p> <p>1) Demonstrate, using purchase records of biogas of equivalent energy content, that the x TJ of green gas injected into the natural gas grid in the year to which the AER relates, was purchased by the EU ETS installation.</p> <p>This proof can be provided by the producer of the green gas or by an intermediary. In any case, it must be clear</p>

² If needed, possible necessary conversions will be added in this note. In exceptional cases, the source stream of natural gas is not always applicable (e.g. when the natural gas that is consumed is mixed with own produced residual gases). In this case, a transparent "modus operandi" will be agreed in consultation with VBBV and VEKA.

		"proof" is provided, cf. opposite). Via this method, tier 2 is reached (GD 1)	that the EU ETS installation is the sole purchaser of the green gas quantity in question.
2A: injection happened in Flanders			<p>2) Demonstrate that the x TJ of green gas injected and purchased in the year to which the AER relates meets the sustainability and greenhouse gas emissions saving criteria laid down in Article 29(2) to (7) and (10) of Directive (EU) 2018/2001. Proof must be provided through "Proofs of Sustainability" (PoS) based on certificates issued by voluntary schemes recognised by the European Commission and officially published on the website https://energy.ec.europa.eu/topics/renewable-energy/biofuels/voluntary-schemes_en#approved-voluntary-schemes (more information on this in the (Flemish) "Toelichting bij de RED II criteria voor het gebruik van biomassa onder ETS").</p> <p>Demonstrate that for the x TJ purchased quantity of Green Gas a corresponding quantity of Green Gas GOs have been cancelled for the specific EU ETS installation (to be obtained from the VREG). At the moment of the cancellation of the GO, the "registry installation ID", the "NIMs installation ID" and the name of the relevant GHG installation must be specified in the "remarks field" (all available at https://www.vlaanderen.be/veka/energie-en-klimaatbeleid-in-cijfers). In case a cancellation refers to more than one EU ETS installation, these must be clearly distinguished in the comment field (including the number of cancelled GOs related to each EU ETS installation).</p> <p>This must also show that the cancelled Green Gas GO relates to an amount of green gas that was injected into the Flemish natural gas network in the year to which the AER relates.</p>
2B: injection happened in a Member State where there is an issuing body ³ for GO Green Gas (excl. UK)			Demonstrate that for the x TJ purchased quantity of Green Gas, a corresponding quantity of GO Green Gas has been

³ Member States where there is already an officially appointed issuing body for green gas GOs: Austria: E-Control, Belgium (VREG for VL, SPW Energie for WALL and Brugel for BR), Czech Republic: OTE Denmark: Energinet, Estonia: Elering, Finland: Gasgrid Finland, France: Gaz Réseau Distribution France (GRDF), Greece: DAPEEP, Italy: GSE, Latvia: Conexus Baltic Grid, Lithuania: Amber Grid, Netherlands: Vertogas, Portugal: REN, Slovenia: AGEN-RS, Spain: Enagas GTS, Switzerland: Pronovo.

			<p>cancelled for the specific EU ETS installation (to be obtained from the relevant issuing body⁴).</p> <p>When cancelling the GO, the "registry installation ID", the "NIMs installation ID" and the name of the related EU ETS installation must be specified in the "remarks field" (all available at https://www.vlaanderen.be/veka/energie-en-klimaatbeleid-in-cijfers). In case a cancellation refers to more than one EU ETS installation, these must be clearly distinguished in the comment field (including number of cancelled GOs related to each EU ETS installation). This must also show that the cancelled Green Gas GO relates to an amount of green gas that was injected into the natural gas network in the year to which the AER relates.</p>
<p>2C: injection happened in a Member State where there is no issuing body for GO green gas⁵</p>			<p>For the time being, there are no good unambiguous rules, so this is not facilitated.</p>

Verification is done as always:

- In case of items to be included in the MP (in case of a separate source stream "biogas") (incl. how it will be proven (or has been proven) that the sustainability and greenhouse gas emissions saving criteria are met): first verification by VBBV, then approval by VEKA
- In case of items to be included in the AER (in case of "greened natural gas"): verification by external verification body (accredited for ETS activities)
 - o For the verification of the "cancelled" GO green gas (originating from a Member State where there is already an officially appointed issuing body): the verification body must first consult with VEKA and VREG.
 - o Verification of the sustainability and greenhouse gas emissions saving criteria set out in Article 29(2) to (7) and (10) of Directive (EU) 2018/2001: no prior consultation with VEKA required.

⁴ In a transitional period, pending the roll-out of an EU platform, this can be done via an "ex-domain" cancellation statement, whereby it is clarified in the remarks field that the final buyer of the GO is the Flemish EU ETS installation in question. In case of an ex-domain cancellation, VREG must always be informed by the operator: 1) in advance, about the intention of the ex-domain cancellation and 2) when the cancellation statement is obtained about the amount of cancelled GOs, from which register and for which installation. As soon as import of GOs from the country where the biogas was injected to the VREG platform is possible, the proof of deposit has to be requested from VREG and ex-domain cancellation in the country/domain of injection is no longer possible.

⁵ Countries where green gas certification is possible, but no official issuing body for GOs yet: Germany, Ireland (Gas Networks Ireland).

Version management of this note

Version	Date	Description
1	19-Nov-21	Initial note
2	1-Dec-22	Updates relating to 1) Reference to MRR Guidance Document No. 3 "Biomass issues in the EU ETS" dated 17 October 2022, 2) Update list of Member States where there is already an officially designated issuing body for green gas GOs (footnote 2), 3) Explicit reference to Proofs of sustainability (POS) and the new (Flemish) "Toelichting bij de RED II criteria voor het gebruik van biomassa onder ETS", 4) Update of references to web pages of VEKA, 5) Change/clarification that verification of sustainability and greenhouse gas emissions saving criteria in case of 'green natural gas taken from the grid' does not require prior consultation with VEKA, 6) Textual adjustments in the introduction of the document