

ERGaR Certificate of Origin (CoO) Scheme

Participation Agreement V1.1

12/07/2021

Versioning

Version	Date	Responsibility	Reason for amendment
1.1	12/07/2021	ERGaR	editing

Table of Content

1	Applicable ERGaR Rules	3
2	Definitions	3
3	Obligations of the Operator	4
4	Qualification of the System Participant as a National Biomethane Registry	4
5	Obligations of the System Participant	5
6	Export of CoOs	5
7	Import of CoOs	6
8	Documentation and Risk Management	6
9	Audits and Sanctions	7
10	Payment of Fees.....	8
11	Legal Ownership and Liability.....	8
12	Confidentiality	8
13	Duration of the Agreement and Termination	9
14	Miscellaneous	9
15	Annex 1 to the Participation Agreement for the ERGaR Certificate of Origin (CoO) Scheme	11



**Participation Agreement
for the ERGaR Certificate of Origin (CoO) Scheme**

between

European Renewable Gas Registry (ERGaR) aisbl
Renewable Energy House
Rue d’Arlon 63-67
1040 Brussels
Belgium
(hereinafter referred to as the "Operator")

and

Company name	
Name of registry	
Address (street & number)	
Address (postal code and town)	
Address (country)	

(hereinafter referred to as the "System Participant")

The Operator and the System Participant are hereinafter collectively referred to as the "Parties".

Preamble

The ERGaR CoO Scheme (hereinafter referred to as the "Scheme") facilitates the transfer of CoOs between participating National Biomethane Registries (hereinafter referred to as "System Participants"), who are responsible for the creation of CoOs for biomethane that has been injected into the Natural Gas Network.

CoOs are transferred via electronic Data Packages, structured according to an agreed format, that are uploaded to and downloaded from the ExtraVert Platform.

The following Participation Agreement (hereinafter referred to as the "Agreement") establishes the regulations necessary for the System Participant to join the Scheme.

1 Applicable ERGaR Rules

- 1.1 The System Participant agrees to abide by the terms of the document “ERGaR CoO scheme – Scheme Rules” in its current version (hereinafter referred to as the “ERGaR Rules”). The version of the ERGaR Rules in force at the time of the signing of the Agreement is included as an Annex to this Agreement; however, the ERGaR Rules may also be updated, as per clauses 1.2 and 1.3.
- 1.2 The Operator may update or amend the ERGaR Rules on a regular basis and in line with the applicable European legislation.
- 1.3 Before implementing any updates or amendments to the ERGaR Rules, the Operator will provide the System Participant with a copy of the proposed update and allow the System Participant 30 days to consider the changes, before any changes come into effect.

2 Definitions

- 2.1 Certificate of Origin (CoO)
 - 2.1.1 An electronic document that records information about biomethane injected into the Natural Gas Network. A CoO can be used by a gas consumer to demonstrate their use of a biomethane consignment, in that the biomethane consignment described in the CoO can be set against an amount of gas that the consumer has withdrawn from the Natural Gas Network. System Participants may apply different terminology to the documents they issue at a national level: terms used include biomethane certificates, guarantees of origin and renewable gas guarantees of origin.
 - 2.1.2 Within the Scheme, all such documents will be considered CoOs. CoOs follow the approach detailed in Article 15 of Directive 2009/28/EC on the promotion of the use of energy from renewable sources, including amendments as per Directive (EU) 2015/1513 (also referred to as “RED I”) and Article 19 of Directive 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (recast) – also referred to as “RED II”.
 - 2.1.3 A CoO is a product that can be privately traded between the registered users of each of the System Participants. The ExtraVert Platform shall only be used for transferring the CoO. The price at which the trading of the CoO shall take place is privately arranged by the registered users of the System Participants involved in the transaction. No money transfer takes place through the ExtraVert Platform.
- 2.2 Data Package: is defined as one file, in XML data format, containing information about one or more CoOs that a System Participant wishes to transfer to another System Participant. The Data Package must be uploaded to the ExtraVert account of the sending System Participant. The XML format is provided by the Operator.
- 2.3 ExtraVert account: An electronic account on the ExtraVert Platform, where System Participants upload and download Data Packages which allow them to transfer CoOs.
- 2.4 ExtraVert account holder: A System Participant being a national biomethane registry admitted to the ExtraVert Platform by decision of the ERGaR Executive Board and having signed this Agreement.
- 2.5 ERGaR aisbl (see also “Operator”): An international non-profit organisation established under Belgian law, with its registered seat at 1040 Brussels, Rue d’Arlon 63-65.
- 2.6 ExtraVert Platform: A stand-alone transfer hub developed and owned by Vertogas B.V. under the Development Agreement concluded with ERGaR.

- 2.7 **Natural Gas Network:** The Natural Gas Network is the system operated within the territory of the European Union (EU), the European Free Trade Area (EFTA) and the European Economic Community (EEC), consisting of the natural gas transmission system (as defined in Article 2.3 of Directive 2009/73/EC), together with the natural gas distribution system (as defined in Article 2.5 of Directive 2009/73/EC). Should the United Kingdom of Great Britain and Northern Ireland no longer be part of the EU, EFTA or EEC, it will still be considered part of the Natural Gas Network, unless explicit legal or regulatory exclusions are made to which the Scheme must adhere.
- 2.8 **System Participant:** A System Participant is a National Biomethane Registry admitted to the ExtraVert Platform by decision of the Operator's Executive Board and on signing this Agreement.
- 2.9 **National Biomethane Registry:**
- 2.9.1 An organisation that operates an administration system documenting the chain of custody of injected biomethane from the moment of injection to the moment of withdrawal from the domestic natural gas network. The datasets created will be considered CoOs for the purposes of the Scheme.
- 2.9.2 A National Biomethane Registry is established either by government mandate or by the voluntary cooperation of market participants and is operated in a domestic market.
- 2.10 **Operator:** The Operator of the Scheme is ERGaR aisbl, an international non-profit organisation established under Belgian law, with its registered seat at 1040 Brussels, Rue d'Arlon 63-65.

3 Obligations of the Operator

- 3.1 The Operator will ensure that the ExtraVert Platform is maintained and administered in accordance with the Service Level Agreement it has in place with Vertogas B.V., and that System Participants are notified of planned downtime and maintenance periods.
- 3.2 The Operator will administer and implement the Scheme with reasonable care and skill and in a fair and equitable manner at all times.
- 3.3 The Operator's obligations are limited to those set out in this Agreement and the ERGaR Rules.
- 3.4 The Operator will implement reasonable requests by the System Participant to improve and optimise the ExtraVert Platform. In determining whether a request is reasonable, the following factors will be taken into consideration:
- 3.4.1 the absolute and relative costs incurred in implementing the request;
- 3.4.2 the principle that all System Participants should be treated equally.
- 3.5 The Operator will comply with all relevant laws regarding data protection, including the General Data Protection Regulation as incorporated into Belgian law.

4 Qualification of the System Participant as a National Biomethane Registry

- 4.1 Before the System Participant may participate in the Scheme, pursuant to this Agreement, it must successfully qualify as a National Biomethane Registry in accordance with the ERGaR Rules.

- 4.2 Following successful qualification according to 4.1, the System Participant receives a certificate, issued by the Operator. Thereupon, the System Participant is formally recognised as being a National Biomethane Registry and receives the log-in data necessary to access the ExtraVert Platform and execute transactions.
- 4.3 If the System Participant fails the qualification process pursuant to 4.1, this Agreement is terminated without notice. The System Participant may reapply to participate in the Scheme when the causes of failure have been successfully addressed.

5 Obligations of the System Participant

- 5.1 The System Participant undertakes to comply with all Scheme documents concerning the creation, export and import of CoOs.
- 5.2 In particular, the Operator highlights the following stipulations of the ERGaR Rules:
 - 5.2.1 the System Participant shall adhere to the general requirements set out in sections 4 and 5 of the ERGaR Rules;
 - 5.2.2 the System Participant may only issue CoOs in accordance with section 5 of the ERGaR Rules;
 - 5.2.3 the System Participant must have appropriate risk management procedures in place to identify potential risks arising from its activities within the Scheme.
- 5.3 Should the Operator become aware of circumstances indicating that the System Participant is not or has not been adhering to the ERGaR Rules, or to the terms of this Agreement, or is suspected of any abuse or misuse related to the ExtraVert Platform, the Operator has the right to block the System Participant's account, cancel this Agreement and take any other appropriate action the Operator considers necessary in order to protect or regain the credibility of the Scheme or to protect the rights or interests of economic operators or other System Participants.
- 5.4 The System Participant is required to respond within 9 (nine) days to any reasonable requests relating to the business processes of the ExtraVert Platform, particularly in the case of actions relating to the sending and receiving of Data Packages.
- 5.5 The System Participant will comply with all relevant national and EU laws regarding data protection, including the General Data Protection Regulation as incorporated into Belgium law.

6 Export of CoOs

- 6.1 In order to export a CoO or CoOs, the sending System Participant creates a Data Package according to the format provided by the Operator and uploads it to their ExtraVert account. This Data Package contains a request to the receiving System Participant to generate within their registry a CoO or CoOs, representing the amount of characteristics of the biomethane described in the Data Package.
- 6.2 The sending System Participant is responsible for the accuracy of the information within the Data Package.
- 6.3 The internal process of translating the information from a CoO into the format required for a Data Package must comply with the ERGaR Rules. In particular, the System Participant is not entitled to change any data and may only transfer existing content into the correct format for the Data Package.
- 6.4 Where data from a CoO cannot be included in the Data Package, the System Participant must communicate the reasons for with the omission to the Operator.

- 6.5 At the point when a Data Package is uploaded by a System Participant to their ExtraVert account, they must ensure that the CoO or CoOs represented in that Data Package have been made unavailable to system users in their registry. The CoOs must remain unavailable until either
- 6.5.1 the sending System Participant has received confirmation from the receiving System Participant that the transfer has been accepted, at which point the sending System Participant will cancel the relevant CoO or CoOs and mark them as “cancelled because of transfer via ERGaR CoO Scheme”; or
 - 6.5.2 the sending System Participant receives notification from the receiving System Participant that the transfer has been rejected, at which point the sending System Participant will make the CoO or CoOs available for further use.
- 6.6 Cancellation statements created by the sending System Participant must be made available to the receiving System Participant.

7 Import of CoOs

- 7.1 The receiving System Participant must be notified by the sending System Participant that they have been sent a Data Package via the ExtraVert Platform. This Data Package must conform to the format required by the Operator and contain information about the CoO or CoOs being exported.
- 7.2 The Data Package constitutes a request to the receiving System Participant to generate a CoO or CoOs representing the amount and characteristics of the biomethane described in the Data Package. Multiple Data Packages can be transferred, but each Data Package is defined by a separate transfer process.
- 7.3 The internal process of translating information from the Data Package into a CoO or CoOs must comply with the ERGaR Rules. In particular, the receiving System Participant is not entitled to change or add any data and may only translate the content of the Data Package into the appropriate national terminology, particularly with regards to language and the handling of biomass coding schemes. It is a priority of the transfer process that no information shall be lost during the export and import of Data Packages.
- 7.4 The receiving System Participant may reject the import of a Data Package and refuse to issue the relevant CoOs, if issuing the CoOs would violate the ERGaR Rules or national legislation, or such violation appears possible. This is particularly the case if the information provided in the Data Package is incomplete or suspected of being incorrect.
- 7.5 Should the Operator become aware of circumstances indicating that the import or exports of CoOs has been incorrectly processed or do not comply with the ERGaR Rules, the Operator has the right to declare Data Packages invalid, at which point the receiving System Participant must remove any related CoO or CoOs from their registry.

8 Documentation and Risk Management

- 8.1 The System Participant must document all relevant steps and all authorised persons involved in the issuing of CoOs, and in the export or import of CoOs via Data Packages exchanged over the ExtraVert Platform.
- 8.2 The System Participant must ensure that biomethane installations provide all necessary documentation of the injection of biomethane into the gas grid.

- 8.3 If the System Participant identifies or becomes aware of missing documentation, it must inform the Operator as soon as possible. The System Participant must take all necessary measures to recover the missing documentation. The System Participant must provide the Operator with the missing record or information as soon as possible.
- 8.4 If the sending System Participant identifies or becomes aware of possible errors in a CoO or CoOs it has exported, it must inform the Operator without delay. Thereupon the Parties will agree on a process to correct the error, which may include the cancellation of the CoO or CoOs by the receiving System Participant, or the reversal of a transfer carried out via the ExtraVert Platform.
- 8.5 The sending System Participant is entitled to withdraw Data Packages uploaded to its ExtraVert account or request that a receiving System Participant cancel any resulting CoOs or reverse a transfer, if this is in line with the ERGaR Rules and national legislation.
- 8.6 Where a Data Package is withdrawn or the transfer process is reversed, the sending System Participant must provide the Operator with adequate reasons for the withdrawal or reversal.
- 8.7 Reversal of transfers is only possible if the respective CoOs are still available and have not been cancelled by the receiving System Participant and allocated to a gas consumer.
- 8.8 The System Participant must remain alerted to potential risks and be engaged in identifying and analysing potential risks for all operations relating to the Scheme.

9 Audits and Sanctions

- 9.1 The System Participant must declare to the Operator the scope of the audits to which it is subject in activities outside the scope of the Scheme. This includes providing annually all available audit reports and notifying the Operator within one month of any problems identified by the auditor.
- 9.2 The System Participant must take immediate measures to remedy any problem identified during such auditing. Shortly thereafter a follow-up audit or inspection must be carried out to determine whether the violation has been successfully addressed.
- 9.3 The Operator reserves the right to commission its own audit of the System Participant, in accordance with the ERGaR Rules. The aim of any audit is to confirm that the actions and procedures of the System Participant complies fully with the Operator's requirements and the ERGaR Rules. Such audits cover only those parts of the System Participant's activities that are relevant to the Operator.
- 9.4 The Operator bears the cost of any audit conducted under clause 9.3. The System Participant must be informed by the Operator about the scope and timing of the audit, and the identity of the appointed auditor, at least 30 [thirty] days before the scheduled audit start date.
- 9.5 The Operator will inform the System Participant in due course if the System Participant has successfully passed an audit carried out under clause 9.3. Where violations of the ERGaR Rules and/or non-compliance with the regulations of this Agreement occur, the System Participant must take immediate measures to remedy the identified problem. Shortly thereafter a follow-up audit or inspection must be carried out to determine whether the violation has been successfully addressed.
- 9.6 The System Participant agrees to the sanction system classifying the levels of violation of the ERGaR Rules and the associated sanctions as stipulated in Section 8 of the ERGaR Rules.

10 Payment of Fees

- 10.1 The Operator charges all amounts due under this Agreement, in accordance with Annex 1, by means of invoices issued quarterly.
- 10.2 Invoices must be paid by the System Participant within 30 [thirty] days of the invoice date, by transferring the amount due to a bank account specified by the Operator. For each day that the payment term is exceeded, interest is charged at the rate of 3% (three percent) per annum.
- 10.3 Disputes about a part or all of the invoiced amount will not result in suspension of the payment obligation. The Parties will immediately enter into consultation.
- 10.4 Invoiced amounts must be paid in full and not offset against other invoices exchanged between the Parties.
- 10.5 All costs incurred in connection with the collection of amounts owed, both judicial and extrajudicial and including expenses for legal assistance, are to be covered by the System Participant.

11 Legal Ownership and Liability

- 11.1 Neither the System Participants nor the Operator will acquire any legal ownership of, or title to, the biomethane represented by CoOs being imported or exported. The Operator and the System Participant merely provide a documentation and verification system that has no influence on the legal ownership of the commodity.
- 11.2 Irrespective of the legal reason, the Parties are liable for damages with the following conditions:
 - 11.2.1 In the event of malicious intent or gross negligence by a Party, its legal representatives, employees or agents, liability is unlimited.
 - 11.2.2 In the event of culpable violation of fundamental contractual obligations by a Party, its legal representatives, employees, or agents, without malicious intent or gross negligence, liability is limited to 25,000 € (twenty-five thousand euros). Contractual obligations are fundamental, if they are central to the Agreement and their fulfilment may reasonably be expected by each party.
 - 11.2.3 In all other cases the liability of the Parties is excluded unless liability is required by mandatory legal provisions.
- 11.3 The limitation of liability according to 11.2 shall not apply to damages resulting from injury to life, body or health.

12 Confidentiality

- 12.1 The Parties are obliged to treat as strictly confidential the content of this Agreement and all information, business secrets and data disclosed or handed over and/or otherwise made accessible during the enacting of this Agreement. In particular, such confidential information shall not be shared wholly or in part with third parties. Measures that execute the purpose of this Agreement shall be permitted.
- 12.2 The confidentiality obligation shall not apply to information which
 - 12.2.1 was already known to a Party prior to the conclusion of this Agreement;
 - 12.2.2 is public, unless such fact has become public due to the culpable breach of a confidentiality obligation under this Agreement; or
 - 12.2.3 has been explicitly designated as not confidential.

- 12.3 The Parties shall share confidential information only with those employees, group entities or independent advisors who are concerned with the completion of this Agreement and must therefore be aware of the information. Each Party must ensure that such persons are similarly obliged to maintain confidentiality, unless such persons are bound by a professional confidentiality obligation, as in the case of an attorney, tax advisor or auditor.
- 12.4 In the event that one Party or its representatives is required by any court or legislative or administrative body to disclose any confidential information (by oral questioning, interrogatories, requests for information or documents, subpoena, civil investigation demand, or any similar process), that Party shall provide the other Party with prompt notice of such a requirement, in order to afford the other Party, the opportunity to seek an appropriate protective order. If a Party is nonetheless legally compelled to disclose such confidential information, it may furnish that portion of the confidential information that is legally required and will exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such confidential information.
- 12.5 After termination of this Agreement, each Party shall, excluding the information they have recorded in their National Biomethane Registry, return all data received, notes and copies thereof, if any, in due course, unless a compulsory retention period exists.
- 12.6 This confidentiality obligation remains in force for 12 {twelve} months after termination of this Agreement.

13 Duration of the Agreement and Termination

- 13.1 This Agreement is concluded for a minimum duration of 24 [twenty-four] months. Thereafter, the Agreement automatically renews on a yearly basis, unless it is terminated by either Party, observing a notice period of three months. Apart from that, the right to ordinary cancellation is excluded for both Parties.
- 13.2 The right to extraordinary cancellation shall remain unaffected. The Operator may terminate the Agreement on extraordinary grounds – in particular,
- 13.2.1 in the event of severe violation of the ERGaR Rules at Sanction Level 3, as stipulated in the ERGaR Rules;
- 13.2.2 if the System Participant submits misleading, wrong, or fraudulent information to the Operator; or
- 13.2.3 in the event of unusual or extraordinary activity by the System Participant.
- 13.3 Any cancellation must be in writing. After a cancellation, the Parties will inform their respective users and take all necessary measures to ensure an orderly resolution of the Agreement.

14 Miscellaneous

- 14.1 No verbal or written side agreements may exist. Amendments or additions to this Agreement must be made in writing.
- 14.2 Should one or more provisions of this agreement be or become invalid or unenforceable, this shall not affect the validity and enforceability of the remaining provisions. In place of the invalid or unenforceable provision, such legally valid and enforceable provision shall apply as reflects as closely as commercially possible the spirit and purpose of the invalid or unenforceable provision. The same applies to any gaps in the agreement.
- 14.3 This agreement is governed by Belgian law.

14.4 All disputes arising from or in connection with the present agreement shall be conclusively settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules. The place of arbitration shall be Brussels (Belgium) and the arbitration shall be conducted in English.

Place, date European Renewable Gas Registry (ERGaR) aisbl
represented by [...]

Place, date [System Participant]
represented by [...]

15 Annex 1 to the Participation Agreement for the ERGaR Certificate of Origin (CoO) Scheme

- 15.1 This annex sets out the fees payable to the Operator for each System Participant's use of the ExtraVert Platform.
- 15.2 The following fees will be charged to each System Participant:
- 15.2.1 Fixed Connection Fee;
 - 15.2.2 Transaction Fee.
- 15.3 The Fixed Connection Fee payable by every System Participant is agreed at 5,000 € (five thousand euros) (excluding VAT) for a full calendar year. In the event that the ExtraVert Platform begins operation and/or the Participant gets connected after 01 January, the Fixed Connection Fee is to be reduced pro rata on a monthly basis.
- 15.4 The Transaction Fee is calculated quarterly according to the following formula:
- 15.4.1 total MWh value of CoOs sent and received by the System Participant during the quarter;
 - 15.4.2 divided by the total MWh of CoOs sent and received across the ExtraVert platform by all System Participants during the quarter;
 - 15.4.3 multiplied by 10,000 € (ten thousand euros).
- 15.5 Regardless of the calculation in clause 15.4, the maximum Transaction Fee payable during a calendar year will be 5,000 € (five thousand euros) for each System Participant.
- 15.6 The Operator will issue an invoice for the Transaction Fee within 30 (thirty) days of the end of each calendar quarter.
- 15.7 The Operator will produce a yearly report on the payments invoiced to the System Participants, to be issued by 15th February of the following year.
- 15.8 In the event that the total amount received by the Operator from all System Participants does not reach 65,000 € (sixty-five thousand euros) (excluding VAT) for a full calendar year, the Operator will cover any shortfall owed to the ExtraVert Platform service provider from its general operating budget.
- 15.9 The Fixed Connection Fee and the Transaction Fee can be changed by mutual written agreement between the Operator and System Participants.



European Renewable Gas Registry aisbl
Rue d'Arlon 63-65
BE - 1040 Brussels
info@ergar.org
www.ergar.org

