



D2.3 Memorandum of Understanding among national issuing bodies to set-up the network

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1 D2.3 Memorandum of Understanding among national issuing bodies to set-up the network

1.1 REGATRACE in a Nutshell

REGATRACE (REnewable GAs TRAde Centre in Europe) aims to create an efficient trade system based on issuing and trading biomethane/renewable gases certificates/Guarantees of Origin (GO) with exclusion of double sale.

This objective will be achieved through the following founding pillars:

- European biomethane/renewable gases GO system
- Set-up of national GO issuing bodies
- Integration of GO from different renewable gas technologies with electric and hydrogen GO systems
- Integrated assessment and sustainable feedstock mobilisation strategies and technology synergies
- Support for biomethane market uptake
- Transferability of results beyond the project's countries.

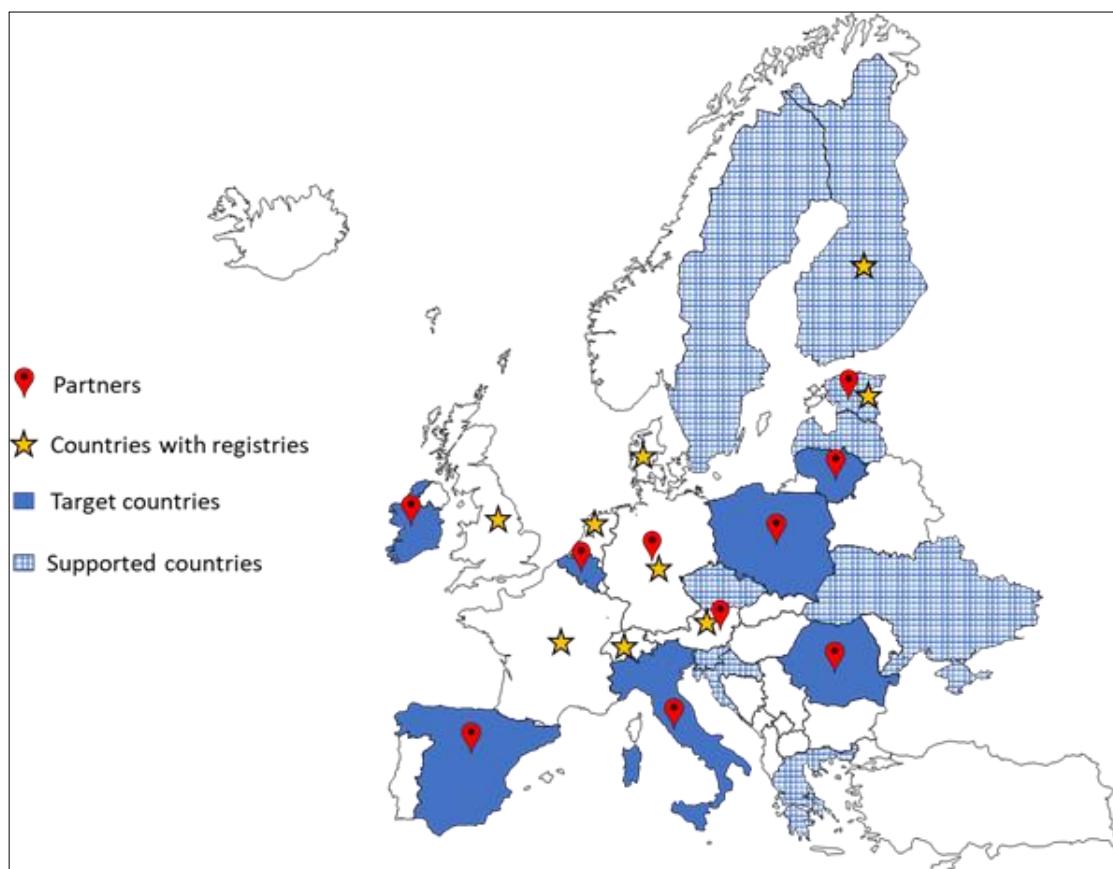


Figure 1: REGATRACE countries and partners



The network of issuing bodies will be established by including existing national biomethane registries (Austria, Denmark, Estonia, Finland, France, Germany, The Netherlands, Switzerland and UK) and by creating issuing bodies in the Target countries of the project (Belgium, Ireland, Italy, Lithuania, Poland, Romania and Spain).

Moreover, REGATRACE will prepare the ground for setting-up national biomethane registries in other 7 Supported countries (Croatia, Czech Republic, Greece, Latvia, Slovenia, Sweden, and Ukraine).

Using a participatory process involving several stakeholders, REGATRACE will develop strategic visions and national roadmaps to boost the biomethane market.

1.2 Target of REGATRACE Task 2.2

According to the Grant Agreement of the REGATRACE Project, Task 2.2 of the REGATRACE project is targeted at establishing a dedicated network. The results of the work under REGATRACE task 2.1 dedicated to determining the content and attributes of European Renewable Gas Certificates and further rules and regulations for operating the network will be reflected in the deliverables of task 2.2. These deliverables comprise:

- D2.3 Memorandum of Understanding among national issuing bodies to set-up the network (included in the present report);
- D2.7 Report on setting-up the network of national issuing bodies (due in February 2022).

The present report shall provide the preparatory work to elaborate a Memorandum of Understanding which shall contain the agreed basic principles for establishing, operating and joining the network and a plan for actions needed to complete the establishment of the network. The REGATRACE Network will be established within 24 [twenty-four] months from the start of the project in case minimum 9 [nine] Network Partners will be ready to join, leaving the option of later entry for others. ERGaR, being responsible for the REGATRACE Network within the REGATRACE project (leader of work package 2 and of task 2.2), is the first contact point for the REGATRACE Network and shall be assisting the Network in administrative tasks.

1.3 The REGATRACE Network

Renewable gases are flexible energy carriers, which can be applied for different applications. In relation to the renewable characteristics of the gas, the producer of renewable gas may decide to sell this renewable value for a broad set of purposes. However, any double/multiple applications of the renewable value shall not be possible. The tracking and documentation of the production, title transfer and consumption of the renewable value of such renewable gases is performed via certificates. Different purposes require specific characteristics regarding the certification of the whole chain of custody. Some purposes directly derive from European and national framework conditions, others are market driven:

- Article 19 of the RED II, which extends the system of Guarantees of Origin (GO) for consumer disclosure to cover renewable gases.
- The Articles 25-30 of the RED II, which extend sustainability criteria for renewable energy use in several sectors (transport sector, heating sector, etc) in combination with target compliance.



- The Fuel Quality Directive which refers to sustainable biofuels for the transportation sector, setting specific national and European quotas.
- Consumption of renewable gases for marketing purposes e.g. in chemistry and other applications.
- Self-commitment of consumers and industry to use a certain share of energy from renewable resources or to reduce greenhouse gas emissions.

All these mentioned purposes for the application of renewable gases and newly evolving purposes in the future, require secure, trustworthy, and transparent, Europe-wide tracking systems. Such different purposes require renewable gases to be documented via different certificate types and there are a broad range of organisations operating on national and European level fulfilling the related tasks for the documentation. To prevent double/multiple counting and track renewable gas in a secure, trustworthy and transparent manner, a European system for cross-border transfer is required and solutions are necessary as soon as possible.

Currently, several different organisations are operating with the responsibility for tracking and documenting renewable gas for specific purposes on national level.

- According to Article 19 of the RED II, with the purpose of consumer disclosure: Presently, the transposition of the RED II into the Member States' national legislation is ongoing and the governments' decisions on designating bodies for issuance of renewable gas GOs are pending in most Member States. Decisions have already been taken in AT, BE (Flanders & Wallonia), DK, EE, FR, IT, LT, NL.
- According to the Fuel Quality Directive, which refers to sustainable biofuels for the transportation sector, setting specific national and European quotas. To track the chain of custody of sustainable biofuels and to allocate the used energy amounts towards the national biofuels quotas, several Member States have established a dedicated database or registry system, among them AT, DE, EE, NL, SK, UK.
- Biomethane registries have been operating in several countries to track biomethane/renewable gases. They are operated for different purposes, e.g. to provide certificates as proof for national subsidy schemes (different forms possible: investment/production/consumption subsidies) or on market initiatives to fulfil the purpose of self-certification. Such registries are established in AT, CH, DE, DK, EE, FI, FR, LT, NL, UK.

In some countries, organisations are responsible for one specific purpose, while in some countries, organisations are appointed to take responsibility for several purposes. In the case of different responsible, national organisations being entrusted with the documentation of renewable gases for different purposes, cooperation agreements may be implemented with the goal to facilitate information exchange on the respective energy amounts and quality of the energy carrier in order to remedy any possible double/multiple counting. National organisations being responsible in different countries (Biomethane Registries), specifically documenting the injection and title transfer of renewable gas, referring to Biomethane Certificates, have been connected via several bilateral agreements. Such agreements are particularly in place for renewable gas consignments between operators of biomethane/renewable registry systems in AT <-> DE, DE <-> DK, DE <-> UK. Bilateral agreements in the biofuels sector exist between the operators of national biofuels registries between AT <-> DE.



Currently numerous bilateral agreements, networks and membership organisations are ongoing. Some of which overlap in content and function. However, there is no single network through which the renewable gas sector shares knowledge and cooperates on topics of a common interest (as set out in chapter 2.4.1). The common and overarching target of all responsible organisations shall be information exchange to align existing systems, develop new systems in coherence and reducing, in fact preventing, the risk of double/multiple counting of renewable gas.

On European level, the same risk level of multiple counting, as on national, should be strictly avoided to establish a robust and trustworthy European renewable gas market. Different cooperation agreements are necessary on national and European level to secure the prevention of multiple counting. A long-term solution shall be to replace existing bilateral and multilateral agreements by harmonised European cooperation, considering all responsible organisations and stakeholders and all possible purposes for renewable gases.

Several initiatives have also been formed between European organisations to work on this long-term solution:

- The European Biogas Association (EBA), was a main driver for the founding of the European Renewable Gas Association (ERGaR) in September 2016. EBA has been an active member of ERGaR ever since and has been holding an ERGaR Board seat.
- AIB and ERGaR have signed a Memorandum of Understanding in August 2019 to allow collaboration and information exchange between the organisations.
- CertifHy and ERGaR have an ongoing, informal agreement to exchange information on ongoing projects and activities. A Letter of Intent has been prepared and is ready for signature.

Such bilateral agreements, networks and membership organisations are very important to facilitate collaboration and information exchange and they shall be complemented by the establishment of an overarching and neutral network, complementing existing membership organisations and existing initiatives, referring but not limited to the ones mentioned above. This will ensure a direct connection between all Issuing Bodies, Biofuel Registries/Databases, Biofuel/Renewable Gas Registries, and other organisations responsible for renewable gas tracking.

One of the main tasks of the REGATRACE project is to support target countries in establishing the necessary framework for their domestic renewable gas market. Organisations responsible for this task are not all yet members of a membership organisation (such as AIB, EBA or ERGaR). The REGATRACE Network may provide them with a level of support that they would not receive otherwise. When establishing national Issuing Bodies and/or National Biomethane Registries, the documentation provided, and the mentioned advantages of an overarching network will pay-off immensely in simplifying all necessary steps and reducing the related costs.

The REGATRACE Network shall be a complementing and overarching solution to several bilateral or multilateral agreements, bringing all organisations responsible for the documentation of renewable gas on one table which is yet unique in Europe. Figure 2 illustrates the overarching nature of the REGATRACE Network which shall guarantee the connection of all involved organisations to provide them a joint communication platform, compared to a system of individual system. The REGATRACE Network shall ensure that members of already established membership organisations understand, acknowledge, and support the work of other membership organisations. Also, those institutions who are not members of any membership organisations, shall be still integrated into a system of knowledge



sharing. The REGATRACE Network shall allow information exchange between responsible organisations and ongoing initiatives revolving around the documentation of renewable gas.

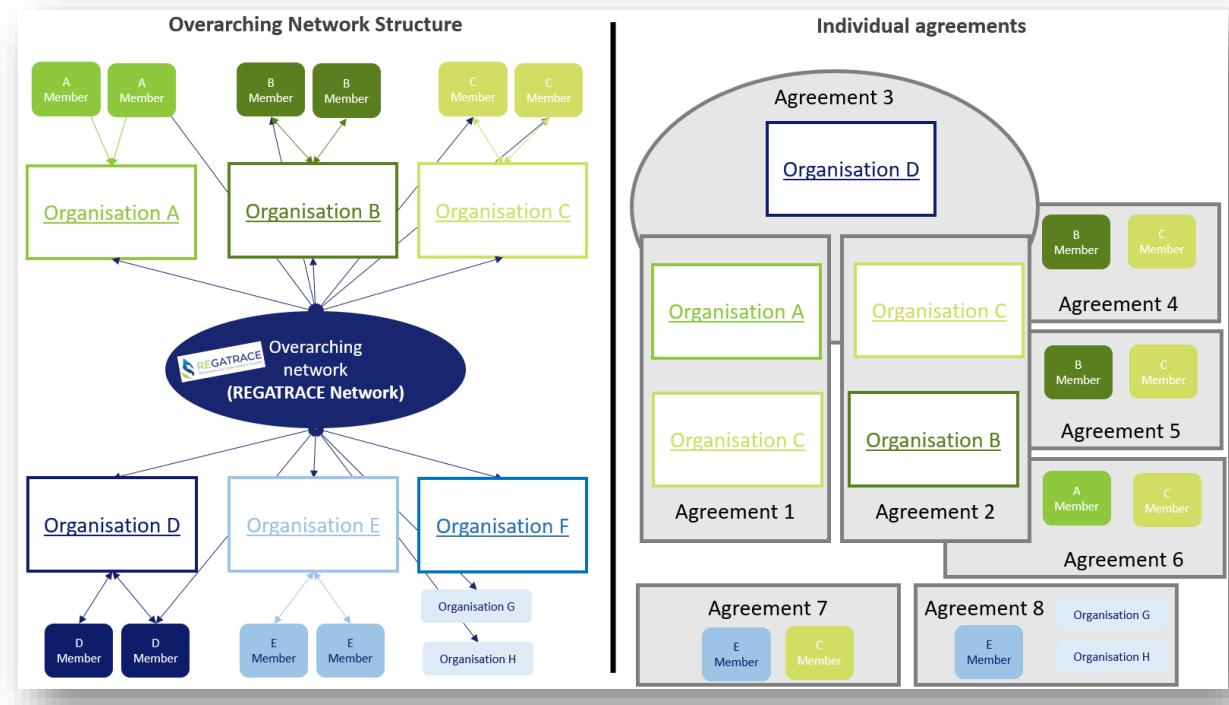


Figure 2: Schematic presentation of an overarching network structure (left-hand side) vs. individual agreements (right-hand side)

1.4 Glossary

Association of Issuing Bodies (AIB)

AIB is an international non-profit organisation established under Belgian law registered in Belgium as aisbl with office in Koning Albert II-laan 20 bus 19 B-1000 Brussels. The Association of Issuing Bodies (AIB) operates the European Energy Certificate System (EECS), a multipurpose and multi-energy carrier certificate system facilitating standardised cross border transfer of energy certificates. This system was in 2019 complemented with the EECS Gas Scheme. Early 2020 AIB reorganised to facilitate independent decision making by respectively electricity and gas issuing bodies for all topics that relate to either electricity or gas specifically. Guarantees of Origin under REDII art.19 can be issued under the EECS Gas Scheme.

Authorised Issuing Body

A body operated under governmental mandate, responsible for the issuing of GO according to Art 19 RED II and the respective national implementation.



Certificate (Renewable Gas Certificate)

An electronic document that records (quantitative and qualitative) information about a renewable gas consignment, injected into the Natural Gas Network. A Certificate may be used by a renewable gas producer to market the green value of their related renewable gas consignment. A Certificate may be used by a gas consumer to demonstrate their use of a renewable gas consignment, in that this consignment described in the Certificate can be set against an amount of gas that the consumer has withdrawn from the Natural Gas Network. Certificates 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”.

CertifHy

CertifHy is a project, funded by the Fuel Cells and Hydrogen Joint Undertaking (FCH JU) of the European Commission. It is dedicated to developing a European framework for the generation of Guarantees of Origin for green hydrogen.

Double/Multiple Counting

Renewable energy consignments are eligible to be applied for different market pathways and to be allocated towards national and EU energy, climate and GHG emission mitigation targets. Renewable gases may especially be consumed for heating and cooling (consumer disclosure), sustainable biofuels, national subsidy schemes and other relevant market pathways. Prevention of double/multiple counting refers to fact that each renewable energy consignment may only be consumed and allocated to one specific application. If a renewable energy consignment has been counted towards meeting one application target, then the respective renewable energy consignment is not eligible for a second/multiple allocation to other applications.

EBA aisbl

EBA (European Biogas Association) aisbl is an international non-profit organisation established under Belgian law with its registered seat in Rue d’Arlon 63-65, 1040 Brussels. EBA is the voice of renewable gas in Europe. Founded in February 2009, the association is committed to the active promotion of the deployment of sustainable biogas and biomethane production and use throughout the continent. EBA counts today on a well-established network of over 100 national organisations, scientific institutes and companies from Europe and beyond.

ERGaR aisbl

ERGaR (European Renewable Gas Registry) aisbl is an international non-profit organisation established under Belgian law with its registered seat in Rue d’Arlon 63-65, 1040 Brussels. ERGaR was founded in September 2016 as a cooperation between national renewable gas registries in Europe to enable cross



border transfer of renewable gas certificates among the member registries. The association currently counts 26 members from 14 European countries comprising established biomethane/renewable gas registries, gas distribution and transmission system operators, biogas associations and other major stakeholders of the European biomethane market.

Fuel Quality Directive (FQD)

Directive 2009/30/EC of the European Parliament and of the Council of 23 April 2009 amending Directive 98/70/EC as regards the specification of petrol, diesel and gas-oil and introducing a mechanism to monitor and reduce greenhouse gas emissions and amending Council Directive 1999/32/EC as regards the specification of fuel used by inland waterway vessels and repealing Directive 93/12/EEC (Text with EEA relevance). The FQD introduces sustainability criteria for applied biofuels and requires a reduction of the greenhouse gas intensity of transport fuels by a minimum of 6% by 2020.

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Guarantee of Origin (GO)

The RED II¹ defines the purpose of Guarantees of Origin as follows (recital 55):

"Guarantees of origin issued for the purposes of this Directive have the sole function of showing to a final customer that a given share or quantity of energy was produced from renewable sources."

Specifically, according to Article 19 RED II, a **Guarantee of Origin (GO)** is an electronic document certificate, containing the purpose of the GO, issued by:

- (a) a Designated Competent Bodies; or
- (b) by a Member acting as the duly authorised agent on behalf of a Competent Authority, under the laws of a State

as a guarantee of the nature and origin of energy for the purpose of providing proof to the final consumer of energy that a given share or quantity of energy, as the case may be:

- (i) was produced from the energy source to which the guarantee relates; and/or

¹ *The Directive (EU) 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)*



- (ii) was produced by the specified technology type to which the guarantee relates; and/or
- (iii) has, or the Production Device(s) which produced it has (or have), other attributes to which the guarantee relates.

MoU

A MoU (Memorandum of Understanding) is building a consensus between two or more parties. It illustrates the overlapping targets, convergence of will, common line of understanding and terms of collaboration.

National Biomethane/Renewable Gas Registry

An organisation that operates an account-base administration system which documents the chain of custody of injected biomethane/renewable gas consignments from the moment of injection until the moment of withdrawal from the domestic natural gas network. A National Biomethane Registry may be established either through government mandate or by voluntary cooperation of market participants and is operated on a domestic territory.

Renewable Energy Directive (recast) – RED II

Directive (EU) 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).



2 Memorandum of Understanding: Establishment of the REGATRACE Network for organisations responsible for the tracking of renewable gas

2.1 Purpose of the REGATRACE Network

The purpose of the REGATRACE Network is to share information on topics of common interest between organisations responsible for the documentation and tracking of renewable gas, including particularly Issuing Bodies for GOs, registries/databases on (gaseous) biofuels, Renewable Gas Registries, especially when related to cross-border transfers. The market uptake of exchanging renewable gases shall be particularly based on certificates documenting the intrinsic value of renewable gases in line with existing European regulation as set in RED I and RED II, Monitoring Regulation and other European legislation.

2.2 Targets of the REGATRACE Network

The REGATRACE Network Partners intend to:

- Join the REGATRACE Network.
- Share information within the REGATRACE Network on the topics of common interest (as listed in 2.4.1).
- Be ready to cooperate within the Network on initiatives that help preventing double/multiple counting of renewable gases and seek efficiency in operation.
- Acknowledge different European legislation on documenting renewable gas consumption in particular Art 19 (Guarantees of Origin) and Art 25-30 of RED II (Proof of Sustainability) and in parallel develop methods to overcome possible double/multiple counting of the same renewable characteristics of the respective renewable gas consignments.
- Facilitate efficient systems of energy carrier conversion and sector coupling.
- Acknowledge the different rules and schemes in existence and in development, based on different regulations and initiatives on European and national level.
- Be ready to cooperate within the Network towards the aim of establishing systems which allow optimal cross-border allocation of renewable gas consignments.
- Encourage Network Partners who are involved in establishing the necessary structures (technical, organisational, legal) in their domestic country for the documentation of renewable gas where those structures are not already in place.
- Accept the manners of communication within the REGATRACE Network (as set out in 2.4.2).
- Acknowledge the contribution of the REGATRACE project consortium.
- Name one contact person by providing name and E-Mail address. Any contact data will not be made public at any point as the only purpose of naming the contact data is to ensure communication flow within the Network; the REGATRACE Network will comply to the rules set out in the General Data Protection Regulation (EU) 2016/679.
- Agree to publish the name and logo of the organisation joining the Network on the REGATRACE project website.



2.3 Adhesion: joining the REGATRACE Network

Organisation	
Organisation Name	
Address	
Role/Scope of the Organisation	
Contact Person	
Name	
Company	
Department	
E-Mail	
Phone	

Place, date [Organisation aspiring to join the REGATRACE Network]

Represented by [Contact Person]



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2.4 Annex: Explanatory Notes on the REGATRACE Network

2.4.1 Topics of common interest of the REGATRACE Network

The following ones are considered topics of common interest of the REGATRACE Network, relevant to sharing information within the Network:

- Activities related to the documentation of renewable gases at national and European level, including documentation for consumer disclosure, sustainable biofuels, national subsidy schemes and other relevant market pathways.
- Elaborating on harmonised, legal, technical, and organisational structures and processes for cross-border title-transfer of renewable gas.
- Agreements on pro-actively preventing any risks for double/multiple counting of renewable gas.
- Information and statistics on renewable gas and its related documentation.
- Progress and developments of the EN 16325 standard and its implementation.
- Progress and developments in the biofuels sector, especially referring to gaseous, sustainable biofuels.
- Progress, developments, and status of the implementation of the RED II by EU Member States.
- Any amendments of European legislation relevant for the documentation of renewable gas tackling climate change e.g.:
 - ◆ DIRECTIVE 2003/87/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC;
 - ◆ COMMISSION REGULATION (EU) No 601/2012 of 21 June 2012 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council.

2.4.2 Communication within the REGATRACE Network

- The REGATRACE Network can be addressed via the e-mail address: network@regatrace.eu
- The REGATRACE Network will be maintained over the course of the project lifetime (until May 2022) to communicate on topics of common interest (see chapter 2.4.1) and may be maintained beyond to continue the communication of the involved partners.
- Continuation of the REGATRACE Network will be performed upon evaluation and decision by the Network at the end of the REGATRACE project.
- The Network partners share the intention of communicating regularly (at least quarterly) highlighting topics of common interest (see chapter 2.4.1).
- Network partners will be invited to relevant events, e.g. the final conference of the REGATRACE project, upcoming REGATRACE Workshops or any European events or conferences related to renewable gas.



2.4.3 REGATRACE Network partners

All types of organisations and institutions responsible for the documentation and tracking of renewable gas may become Network partners free of charge. In particular:

- Organisations admitted as Issuing Body for Guarantees of Origin via governmental mandate according to Article 19 of the Renewable Energy Directive (recast), or whose status of becoming Issuing Body is pending or who are in process of becoming Issuing Body.
- Organisations documenting the information and data on the cross-border title transfer of renewable gas for voluntary and mandatory/regulated purposes.
- Renewable Gas/Biomethane Registries generating documentation for the tracking for renewable gas/biomethane, especially documenting the energy amounts from renewable gases injected into the national/European gas grids, for purposes including but not limited to consumer disclosure, such as the mass balancing of biofuels or national subsidy mechanisms.
- Organisations documenting the information and data on the cross-border title transfer of renewable gas consignments for voluntary and mandatory/regulated purposes.
- Organisations documenting information and data on national and European sustainable biofuel quotas.
- Organisations fulfilling the tasks of documenting and tracking renewable gas consignments, such as consumer disclosure and sustainable biofuels following the definitions of RED II, in countries, beyond the geographical scope of the European Union (such as the Council of Europe, European Free Trade Area EFTA).
- Organisations responsible for management and maintenance of the national and European gas grids and organisations related to provide services to them, e.g. Transmission System Operators, Distribution System Operators or Balancing Group Coordinators.

