

Response to MITECO preliminary public consultation on the Order establishing the system to promote the decarbonisation of the transport sector

Energy Traders Europe welcome the opportunity to comment on the on the draft Order establishing the system to promote the decarbonisation of the transport sector. Our answers to the Questionnaire issued by MITECO are reported below. We remain available to continue the discussion and provide all required information or clarifications.

Questionnaire – Block 1

CERTIFICATION MECHANISM AND FRAUD PREVENTION SYSTEM

1. Do you consider the generation of provisional certificates to be an appropriate system for monitoring and early detection of fraud for the annual achievement of the targets? If not, what improvements could be made to the current system?

Yes, it is an appropriate system. To ease the workload during the audit stage, while maintaining the frequency of provisional certification and monthly reporting in month M+2, we propose:

- to grant the possibility to resolve detected incidents retrospectively and throughout the current year;
- that at year-end, a verification exercise is carried out on the annual aggregates, taking into account the resolution of deviations, so that the annual audit focuses on unresolved annual incidents and deviations rather than on the monthly ones;
- to provide greater transparency regarding the reasons why an operator's certificates are not recorded in the provisional certification;
- to re-assess the need for a minimum provisional obligation to certain sub-targets, especially RFNBO sub-targets. The RFNBO market is still in a development phase, and facilities are only beginning operational, so the definition of quarterly obligations could be exposed to non-compliance or deviations in the early stages.

2. What minimum certification frequency would be optimal, taking into account market operations? What should be the optimal timeframe for obligated and authorised parties to carry out market transactions involving their renewable fuel certificates?

Given the effort required from operators to report information on a monthly basis, MITECO should make provisional certificates available as swiftly as possible – also on a monthly basis – to enable transfers between parties, with the aim of capturing the full potential benefit of this transactional mechanism. The same approach should apply to certificates issued to authorised entities.

3. What minimum deadlines would be advisable to facilitate the submission of the information required for provisional or final certifications?

See above Q1 and Q2. We suggest:

- making the timelines and information mechanisms for both final and provisional certificates more flexible and streamlined;
- establishing windows or timeframes to justify deviations, non-conformities, or detected incidents.
- consolidating all information at the end of the (annual) period, taking into account the resolution and justification of deviations identified through the Ministry's data cross-checks carried out to verify the system's consistency and accuracy.
- basing the audit on the outcome of the annual consolidation.

4. Articles 14 and 15 of the draft Royal Decree on promoting the decarbonisation of the transport sector and renewable fuels establish flexibility mechanisms to account for surpluses within the proposed target scheme. Taking into account the current limitations of the proposed flexibility mechanism, should additional limits be established on the use of certificates transferred from other obligated entities? If so, what would be an appropriate limit?

We believe that each transport mode should meet its own emission reduction obligations separately, using the renewable energy supplied within that segment, to reduce discrimination between large integrated companies that are active in several segments and other smaller players. We praise the authorities for limiting transferability of tickets across different modes of transport. Moreover, in order to maintain market integrity and stability,

instrumental to upstream investment, it is important to avoid price slumps. Unlimited carry of tickets generated in a given compliance year risks putting excessive pressure on prices jeopardising investment signals and limiting the decarbonisation potential in the long-term. Hence, we welcome, at least, the introduction of limits to the “carry forward” of tickets generated in a given compliance year in subsequent years.

5. Do you agree with the current deadlines for carrying out transfers and allocations? If not, please suggest any improvements.

The current timeline established by the Ministry requires the reporting of certificate transfers before the results of the Annual Audit have been finalised and published. This could lead to situations where, following the Audit, issues are resolved that modify the quantity or type of certificates transferred. One possible solution would be that, after the annual audit, any surplus certificates held by an obligated/authorised party are automatically carried over to the following compliance year.

6. Do you consider the currently requested supporting documentation for issuing certificates to be adequate? If not, what other documentation could be submitted?

Certifications under EU-recognised voluntary schemes (e.g. ISCC or REDcert) include an audit system that ensures traceability and transparency throughout the sustainability information chain, in line with European legislation. The requirement to redeem GOs for transport purposes in order to demonstrate “compliance with the sustainability and emissions-reduction criteria established in Royal Decree 376/2022 of 17 May, or any regulation replacing it”, associated with the batch of renewable gas supplied, goes against what is required by the legislation. The requirement to redeem GOs as proof of renewable gas supply for gas suppliers in Spain creates three main problems:

- **Market fragmentation.** Customer suppliers cannot access the European market for renewable gas certified with Proofs of Sustainability (PoS) and without GOs, or with expired GOs (see point 2). While the standard currently used by the GO registry in Spain is also used by nine other EU countries, it potentially limits access to biomethane with PoS from up to 25 connected EU countries (excluding Malta and Cyprus, which are not physically interconnected). Moreover, the GO is a producer prerogative, so its issuance linked to imports does not appear feasible.
- **Expiry of renewable gas attributes.** Unlike PoS, which can be stored, GOs expire 12 months after issuance. As a result, the environmental value of biomethane for use in

CONSULTATION RESPONSE

Spain is reduced, limiting buyer interest to near-term sales and making it more difficult for Spanish players to build long-term supply portfolios.

- **Unequal treatment:** between renewable gases and liquid fuels (for which PoS alone is sufficient) and between Spanish suppliers and European market participants, for whom this limitation would not apply.

For all these reasons, we urgently request that Spanish regulation recognise any renewable gas supply certified solely with PoS in the relevant final-consumption sector. These supplies should be considered valid for compliance with targets and obligations and for use within the emissions trading system (ETS1 and ETS2), in accordance with EU legislation. The use of GOs should apply only to renewable gas batches which do not comply with sustainability and emissions-reduction criteria set out by Directive 2018/2001.

7. What aspects should be taken into account to ensure full integration between the future platform and the current gas guarantees of origin platform? What information would you be willing to consent to be sent directly from the gas guarantees of origin platform to the future platform?

Currently, the economic operators are exposed to using two platforms (SICBIOS and GdOs Registry), which could become three with the implementation of the UDB. Obligated parties should be able to enter their data into a single platform, which is integrated with the UDB (to which the GO registry will also have to be connected). As it should be granted the possibility to register supplies of accredited sustainable renewable gas with PoS but without GOs, the GO registry cannot be, in its current configuration, this single platform, since it does not have functionalities to manage consignments of renewable gas without GO.

CERTIFICATION PLATFORM

14. Do you think the channel for submitting the necessary information could be improved? If so, in which specific aspects could it be improved?

For renewable gases, platform interconnectivity should be improved to avoid reporting the same information across three different platforms – namely SICBIOS, the GO registry, and the UDB. Agents should be able to use a single platform for operations management, which is connected to the others to ensure automatic and simultaneous reporting.

UDB INTERCONNECTION

19. Do you consider it appropriate for the national platform to be responsible for sending information to the UDB?

It is crucial to avoid duplication of management and reporting, avoiding that the same information is entered in different platforms, as stressed above, to reduce administrative burden for operators and ensuring harmonised data transmission.

It is essential that the national platform shares information with the UDB. However, it is also essential that both platforms are fully synchronized and designed in a way that allows “instantaneous” and bidirectional information exchange between them, since there could be operations that might proceed from the UDB to the national system. At present, and for most types of operations, the scope and granularity of reporting is very different:

Coverage of the value chain:

- SICBIOS: producers and suppliers of renewable fuels
- UDB: the entire value chain

Obligated reporting entity:

- SICBIOS: reporting as a business group is allowed
- UDB: Economic Operator

Granularity of information:

- SICBIOS: monthly summary
- UDB: transactions

Sustainability information:

- UDB is more restrictive and requires information on the sustainability batch, whereas
- SICBIOS only reports volumes (sales between operators...)

Reporting deadlines:

- UDB: 15 days to report sales and 10 days to approve purchases.
- SICBIOS: monthly report in month n+2.

Type of information:

- SICBIOS: information on volumes of fossil and renewable fuels placed on the market.
- UDB: information only on renewable fuels.

CONSULTATION RESPONSE

To ensure that economic operators are only required to report the same information on a single platform, we reiterate the importance that both platforms are fully synchronized “in real time” and that their systems are fully compatible/identical regarding the generation and management system of PoS sustainability information.

Questionnaire – Block 2

ORDER ESTABLISHING THE RENEWABLE ELECTRICITY CREDIT MECHANISM

We note that the Draft Royal Decree allows to use GOs for electricity to generate electricity credits granted for electricity supplied through publicly accessible charging points, which then can be used to generate renewable fuel tickets. We fear that without adequate boundaries, this mechanism could erode the value of the tickets, weakening the investment signal for advanced renewable fuels, biomethane and other solutions suitable for hard-to-abate sectors but with higher marginal costs. We also remind that as per RED III, GOs cannot be used to claim renewable electricity at charging points, as this is only possible through direct connection.

Therefore, we strongly recommend that clear limits to this mechanism are set up front, rather than being deferred to a subsequent Ministerial Order. These should include, for instance, clear eligibility criteria, quantitative limits (such as annual caps and limits per actor or channel), rules on data transparency and governance, and clear provisions on compatibility with the RED III framework.

Questionnaire – Block 3

ORDER AMENDING THE GO SYSTEM FOR R&LC GASES

The national regulatory framework must recognize all renewable gas supply accredited solely with PoS for the purposes of meeting emission reduction targets and the sub-targets for advanced biofuels, biogas, and RFNBOs, for gaseous fuels. The system must accept that the Proof of Sustainability (PoS) is the certification instrument that verifies sustainability and emission savings, and it can be accompanied by the GO only if this has been issued. Establishing the GO as proof of compliance introduces a series of limitations for Spanish renewable gas marketers and consumers.

CONSULTATION RESPONSE



- First, it limits access to the EU renewable gas market that does not have a GO (either not issued or expired), or that does not use the standard employed in the Spanish system.
- Second, given the storability of renewable gas accredited as sustainable with PoS, the GO imposes an expiration on the renewable character of the gas (12 + 6 months for redemption without the possibility of trading), which reduces the value of biomethane – at least for use in Spain – and makes it difficult to build long-term renewable gas supply portfolios.

Exceptionally, the GO for gases may be required in cases where the national regulation of the producing country does not require the issuance of a PoS, and therefore the Guarantees of Origin system is necessary for traceability and disclosure of the renewable character.

The renewable gas registry should be unique, simple, and request only proportionate and necessary information, avoiding redundant verifications or additional bureaucratic burden. It does not seem reasonable to require information beyond what is necessary under the mandatory European framework to obtain sustainability and emission reduction certification under a voluntary scheme. If additional data is required by regulation, it should be uploaded directly to the platform without the need for supplementary documents.

To ensure efficient operation and avoid unnecessary delays, the issuance of the GO must be automatic and optional for fuels that have a PoS (i.e., only if the producer wishes to obtain it). The existence of a PoS recognized by the European Commission should directly enable the issuance of the GO, without requiring additional procedures or duplicate verifications that delay certification or the use of fuels in the transport sector.

Effectively integrate the platforms (SICCRE, GO System, and UDB). Currently, operators must enter information into multiple platforms, which can generate errors, inconsistencies, and inefficient use of resources. To ensure traceability, data consistency, and compliance with the requirements of Title VI of the RD and Ministerial Order 728/2024, it is necessary to consolidate reporting into a single operational gateway that connects with the UDB platform, where consistency of criteria between liquid and gaseous fuels is also ensured, eliminating additional burdens for operators.

Contact

Stefano Grandi
Manager Gas Committee
s.grandi@efet.org