

# CONSULTATION RESPONSE



## Response to MITECO's consultation on the national certification system for the verification of sustainability and GHG emissions reduction for biofuels, biogas and gaseous fuels

*Energy Traders Europe* welcome the opportunity to comment on MITECO's questionnaire on the establishment of a national certification system for the verification of GHG emissions reduction and sustainability criteria for biofuels, biogas and gaseous fuels. Our answers are reported below. We remain available to continue the discussion and provide all required information or clarifications.

### Questionnaire – Block 2

#### NATIONAL SYSTEM FOR SUSTAINABILITY VERIFICATION OF BIOGAS AND GASEOUS FUELS

In this block, information related to the following aspects must be included:

#### 4. Do you consider it necessary to develop a national verification scheme in the field of biogas and gaseous fuels produced and consumed in Spain?

As a general rule, for the verification of compliance with sustainability criteria and greenhouse gas emissions reduction requirements for biogas and other gaseous fuels, **we do not consider it necessary to develop a national scheme.**

Voluntary schemes recognised by the European Union, already widely used by economic operators in accordance with the applicable EU legislation, constitute a sufficiently robust and harmonised system.

Additionally, **the Union Database**, to which Member States will have access, **will enable the competent authorities to carry out monitoring and data verification**, ensuring the integrity of the chain of custody. On a transitional basis, and until the Union Database becomes operational, monitoring and control may be complemented by additional reporting (e.g. renewable gas sales by traders), specifying the final consumption sector (industry, transport, heating and cooling, power generation) and distinguishing the volumes of renewable gas supplied with or without Guarantees of Origin (GOs).

**The definition of an additional national scheme different from those used within the EU and recognised by the Commission**, particularly if it were to incorporate criteria diverging from existing ones, **would likely add complexity and confusion** for producers, hinder the entry of market participants already familiar with prevailing voluntary schemes,

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and potentially delay third-country recognition of sustainability and emissions reduction proofs for production in Spain (if not recognised by the EC).

Even for biogas and gaseous fuels falling outside the scope of Article 29 of the RED Directive, the use of a national scheme would result unnecessary. Indeed, in such circumstances, registration in the GO registry could be required, allowing to demonstrate the renewable origin of gas (but not the compliance with RED criteria) even in absence of the Proof of Sustainability (PoS).

Therefore, should an alternative national scheme for biomethane be considered, it should comply with the following **principles**:

- **A scope focused on the certification and monitoring of specific cases** such as those described (biogas exempt from general requirements); in such cases, though, it should be assessed whether the renewable gas GOs may be sufficient.
- **Alignment to the requirements established at EU level** (Implementing Regulation 2022/996, RED II/III).
- **Compatibility with other schemes that have been officially recognised by the European Commission.** As established in the Directive, economic operators cannot be required to provide additional proof of compliance for elements already covered by a Commission-recognised scheme. More specifically:
  - If the system is opened to traders, **all renewable gas supplies supported solely by Proofs of Sustainability (PoS) in the relevant final consumption sector should be recognised.** These supplies should be considered valid for the fulfilment of targets, obligations and their use under the EU Emissions Trading System, in accordance with EU legislation.
  - **Voluntary participation:** producers certified under an EU-recognised voluntary scheme should be free to decide whether to participate in the national scheme. Where registered, they should not be subject to duplicate or additional audits, administrative procedures or information requirements, and recognition should be automatic.
  - **Traders certified under an EU-recognised voluntary scheme** – and therefore possessing the technical and control capabilities to register and operate sustainability certificates – **should be automatically eligible** to manage certificates issued under the national system, without being required to undergo additional audits or unnecessary administrative procedures.

- Alignment of data, operations and traceability with the Union Database and with the provisions of Directive (EU) 2018/2001.

## 5. Which stages of the value chain, identified in the Union Database (UDB) – raw materials module, production, placing on the market – should this national system cover?

If introduced, and provided that the conditions under Q4 are met, the national system should mirror the Union Database (UDB), covering all stages of the value chain identified within the UDB.

## 6. The submission of proposals for certification of the Virtual Tank Balance of the Gas System is appreciated.

The certification of an Economic Operator (EO) or installation under voluntary schemes ensures sustainability, traceability and GHG emissions reduction in the production of biomass, biofuels and circular feedstocks. **Under current certification schemes it is not possible, nor necessary to certify a virtual platform such as the Virtual Balancing Tank (VBT).** At present, duly certified EOs can convert biomethane into bioLNG by applying the relevant methodology and conversion factors. In addition, they may rely on the conversion services offered by regasification terminal operators, which have obtained individual certification and included their facilities within the scope of their certified activities, thereby enabling them to provide PoS management services to third parties.

Rather than considering the certification of a virtual platform – and the potential need for a dedicated national certification system – it may be more relevant to advocate, at European level and in particular in the context of the revision of Regulation (EU) 996/2022, that **regasification terminals should not be required to obtain certification**, and that market participants be allowed to apply mass balance at these facilities, recognising the reliability of their metering systems. Regasification terminals represent a critical component of gas market infrastructure; they are subject to continuous operational monitoring due to their regulated nature and third-party access requirements, as well as to metrological control. In this sense, they could be treated in a manner equivalent to transmission or distribution networks, which do not require specific certification, thereby allowing certified EOs to withdraw bioLNG without the need for plant-level certification.

## 7. What should be the periodicity of audits to prevent fraud in the sector?

Annual. The audit frequency and control regime applied by voluntary schemes to Economic Operators are defined and implemented consistently across the EU, and are widely considered robust, reliable and already proven in a European renewable gas market significantly larger than the one currently existing in Spain. The forthcoming launch of a single EU-wide registry platform (the UDB) is also expected to strengthen oversight and monitoring of potential fraudulent practices.

## 8. What type of training should be required of auditors?

The same provided for EU recognised voluntary schemes' auditors.

## 9. What difficulties or currently existing barriers could this national system resolve?

We are concerned this system, if not carefully designed and if disconnected from EU recognised voluntary schemes, **would create new barriers rather than resolving existing ones**. If not recognised at EU level, producers of renewable gas injected into the grid would need to obtain dual certification (e.g. under an EU-recognised voluntary scheme) in order to market their gas outside Spain. **This should be avoided**.

It should be assessed whether a dedicated national registry is truly necessary, or whether these functions could instead be covered by the renewable gas GO system.

## 10. What advantages do you think it can provide for economic operators marketing gaseous fuels and for the rest of the supply chain?

See above.

## 11. What elements or procedures should the national verification system include in order to be able to adapt to the specificities of the Union database?

As a general principle, participation in and operation of the system should be voluntary, and it should recognise the transactions and consignments of operators that are recorded directly in the UDB. The system must be compatible with schemes that have been approved by the Commission and therefore open to biomethane certified according to such schemes.

Accordingly, economic operators should not be required to provide additional proof of compliance for elements already covered by a Commission-recognised scheme.

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For biogas certified under the national system, data, operations and traceability should be aligned with the Union Database and with the provisions of Directive (EU) 2018/2001.

If the GO system is used to monitor the relevant production, we strongly advise that the limitations associated with this instrument – particularly the validity period of GOs (12 months plus 6 months for redemption, with no trading allowed thereafter) – do not lead to the loss of renewable gas value when demonstrating compliance towards targets or other purposes (e.g. EU ETS compliance). In other words, compliant renewable gas meeting RED criteria should never expire.

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