Biomethane

The already existing green element in the gas business!







AGCS Gas Clearing & Settlement AG

AGCS Biomethane Registry Austria



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Basis of our work

- European Gas Law
- Austrian Gas Law (GWG)
- Standard Terms and Conditions
- Renewable Electricity Law (ÖSG)

Our tasks

- Balance Group Coordinator
- Clearing of the Austrian gas market
- Organisation of the balancing market in Austria
- Calculation and settlement of balancing energy
- Tracking of all gas movements and injections in Austria (incl. biomethane)



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Key Facts

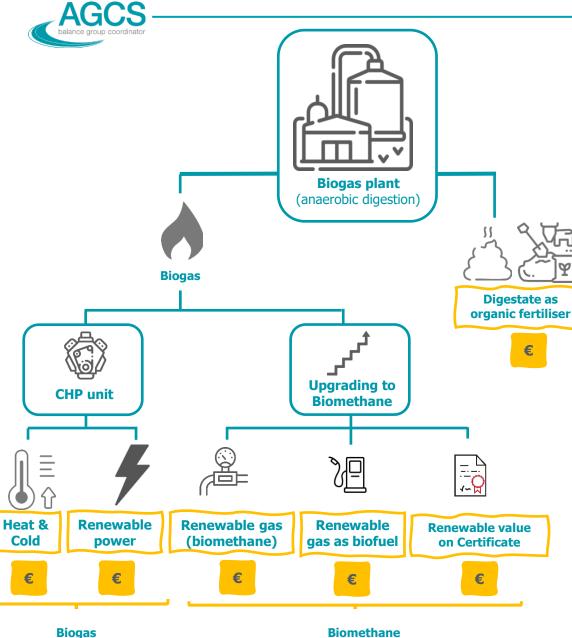
- In operation since July 2012
- All gas market areas covered in Austria
- 41 market participants
 (incl. AustrianGreen Power Settlement Agent (OeMAG),
 Biogas Registry Germany by dena)

Driver for European integration

- Founding and Board Member of ERGaR
- Project Partner in REGATRACE



Biomethane



- Creating revenues for plant operators
 - Biogas plants
 - Renewable electricity
 - Heat & Cold
 - Biomethane plants
 - Renewable gas
 - Renewable gas Certificate representing its green value
 - Digestate as organic fertiliser

- Biomethane does not differ from natural gas
 - Neither in physical nor in chemical properties
- **Biomethane** injection into gas grid
 - Blends of biomethane and natural gas in any ratio
 - Use of existing infrastructure and grids
 - Conventional gas applications
 - Increases diversity of possible application purposes
 - Biomethane can reach every European consumer
 - Separation of biomethane production and gas consumption





Application purposes











Need for secure, trustworthy biomethane certificates

Target Compliance



Union target 32% (Art 3 REDII)



Transport target (Art 25 REDII)



National targets & quotas

Disclosure

Consumer disclosure

Guarantees of Origin (Art 19 REDII)

price premium to be paid by end consumer

Subsidy Schemes

National subsidy schemes

- FiT for electrification
- Biomethane injection
- Tax exemptions €

Market initiatives

Initiatives by society and market

Producers to market the green value of their product

Consumers to increase renewable energy shares

Future markets



? EU ETS
Emission
Trading System



? chemical industry



? Upcoming markets

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Driver for European Gas Market Integration of Biomethane







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Functions, Processes, Attributes

Key facts

- Free choice of market participants to use our IT-solution of the Biomethane Registry for the movements of their biomethane volumes within the Austrian gas grid.
- Trustworthy, transparent and secure documentation provides maximum trust.
- Biomethane certificates are pre-requisite to receive FiT for renewable power from biomethane.
- European cross-border transactions of biomethane certificates via interfaces to ERGaR ExtraVert Platform and German Biogas Registry (dena).



Functions of the biomethane registry

- Web-based registry system with personalised accounts
- Roles of users: biomethane producers, CHP plant operators, auditors, traders/utilities; (registry operator AGCS)
- Centralised database for biomethane certificates with direct link to gas clearing system
- Separated handling of physical value (gas) and intrinsic, green value (biomethane certificates)
- Documentation of sustainability criteria (biofuels in transportation sector)

Business Processes

- By registry operator (AGCS)
 - Monthly issuing of biomethane certificates based on clearing data from network providers
 - Creation of cancellation documents for final consumption of biomethane
- By market participants
 - Transferring certificates
 - Splitting certificates
 - Cancelling of certificates for consumption



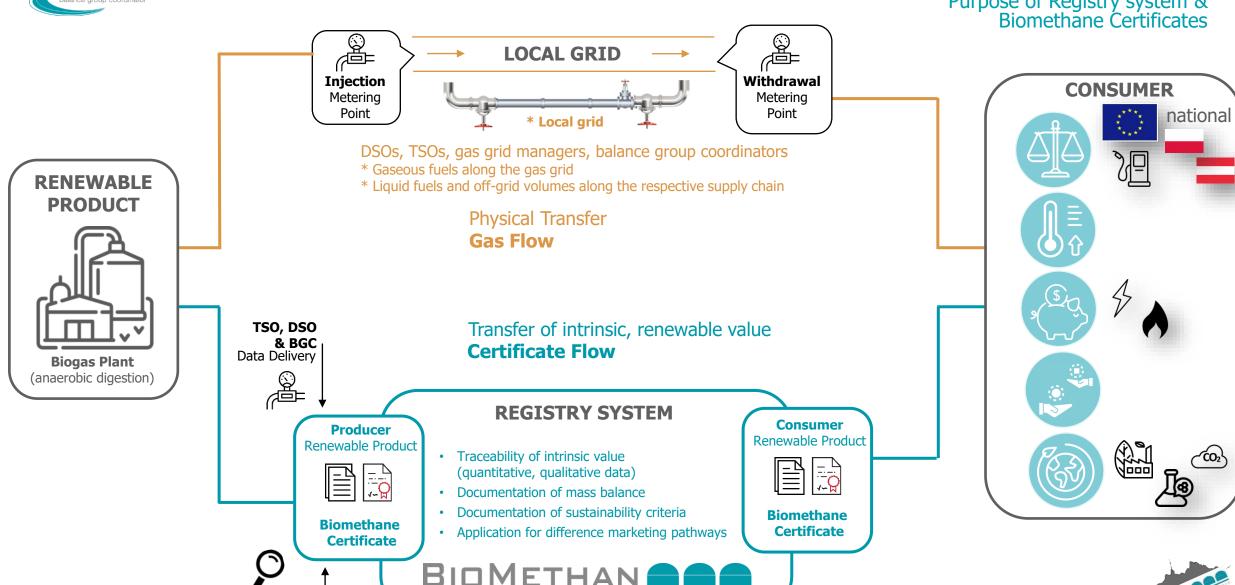


Auditor

Data Delivery

AGCS Biomethane Registry Austria

Purpose of Registry system & Biomethane Certificates



BIOMETHAN REGISTER AUSTRIA





AGCS Biomethane Registry Austria

Renewable Gas Certificate and its attributes

Renewable Gas Certificate

Level 1

Plant specific

- Static data
- Third-party audit
- Country, metering point, plant type;

Level 3

PoS audit report





Substrate specific

- Third-party audit
- Substrates, processes, GHG emission mitigation
- Sustainability criteria (REDcert, ISCC)



Source: Biomethane Certificate by Biomethane Registry Austria (example provided by AGCS)

Level 2

Gas specific

- · Dynamic data
- Quantitative data
- audit: registry-specific; first-level audit most often
- Gas volumes (metering/clearing data)

Level 4

Transfer specific

- Does NOT contribute information to the renewable gas product
- Enables IT-processes for title transfer

Requirements on Renewable Gas Certificates

- Legal requirements are fulfilled:
 - Art 15 para 6 RED I
 - Art 19 para 7 RED II
 - Optional: Art 25 RED II (sustainability)
- Comprehensive and conclusive attributes
- Versatile and flexible design to fulfil legal requirements
- Harmonised design of attributes to enable IT-processes behind title transfers

Interaction of different competent bodies Sustrian Example Collaboration of Biomethane Registry as Data Registry and other Competent Authorities as Application Registries via cooperation agreements, interfaces and versatile design of **Certificate of** Origin (CoO) **INTERFACES** physical transfer vs. certificate transfer * incl. mass balancing * **European exchange** National subsidy schemes Sustainable New applications Applications/ Transport sector & market initiatives Disclosure biofuels Market (chem. Industry) **Marketing paths** initiatives (FiT for electrified of renewable gases biomethane) New legislative acts FOD (AT: KVO), RED II Art 19, RED I & RED II ÖSG; Austrian Market **Legal Backgrounds** Market initiatives (ATSteuerreformG2020) RED II (Art 25-30) Renewable Electricity Act (AT: G-KenV) initiatives (Art 25-30) 'New' technologies **ERGaR Hub OeMAG**[₹] umweltbundesamt^o (PtG) **Competent Body** // ergar European > 'New' energy carriers **Registry for** E-CONTROL **Renewable Gas** (Application Registry) (Hydrogen, Propane) sustainable Clearing agency for **Issuing Body Biomethane Registry** biofuels renewable power Registry THE STATE OF THE S **Challenges Ahead** elNa (covered via Types of versatile CoO and CoO PoO & PoS elNa electronic **Evidence** CoO Biomethane secure Interfaces) GoO Guarantee **Proof of Origin &** Certificate of CoO Biomethane sustainability Certificate of Origin **Documents** of Origin Sustainability Origin Certificate of Origin certification system





Under Development

4. Trade

3. European Transfers

ERGaR Schemes ExtraVert Platform: central, Europe-wide IT-solution

2. Registry cooperation (bi-/multilateral trade)

1. Registries

- Current trading possibilities: bilateral trades, OTC;
- Outlook
 - **REGATRACE** efficient trade system based on issuing and trading biomethane/renewable gases Certificates.
 - **ERGaR**: ExtraVert Platform may be **connected to a trading platform**.

Cross border transfers via ERGaR

- Connection between biomethane registries
- Single and central interface for biomethane registries
- Settlement processes handled by biomethane registries
 - Registration of producers and traders at biomethane registries
 - Closing of Mass Balance by registries
 (market participants and traders do not have to deal with it)
 - Registries as fundament for integrated market
- Creation, transfer and cancellation of certificates
- Enable biomethane trade
 - Harmonisation of requirements
 - Standardisation of processes

Establishment of a domestic renewable gas registry

REGATRACE Support to UPEBI & Poland





Recommendations for countries establishing their biomethane market



REGATRACE TARGET

Establish national Renewable Gas Registry as one centralised clearing agency for renewable gases in each European country.

to cover

- All types of renewable gases
- All types of application purposes
- All types of certificates: documentation/proofs with flexible and comprehensive attribute lists

to provide

- Maximum trust and transparency
- Simplicity for market participants
- Reduced costs for market participants

REGATRACE Knowledge Base

<u>for organisations engaged in</u> <u>establishing national registries</u>

- ✓ D6. 1 Mapping the state of play of renewable gases in Europe
 - ✓ D3.1 Guidelines for establishing national biomethane /renewable gas registries
 - ✓ D2.1 Content and attributes of European Biomethane Guarantees of Origin
- ✓ D2.2 Report on content and attributes of GoO
- √ T2.4 Working paper: Establish communication interfaces between National Organisation and European Scheme
 - ✓ T3.3 Provisional IT-system for start-up of registries



T3.3 Provisional IT system for start-up of registries BE, ES, IE, IT, LT, PL, RO; SE



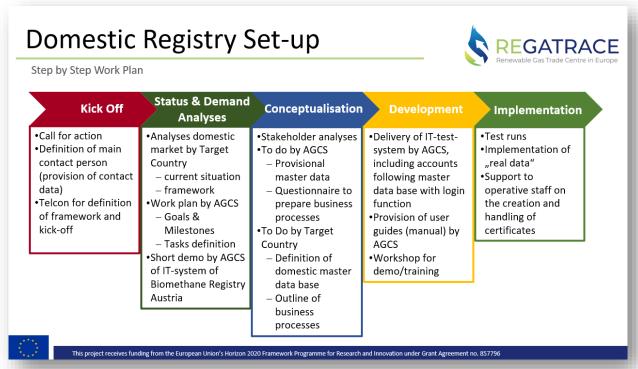
Support to target countries for their domestic registry set-up

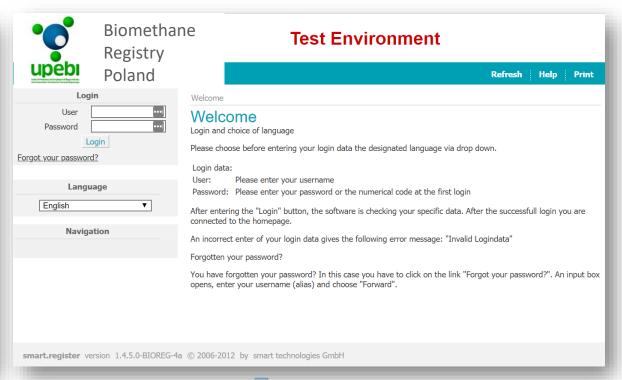
- Detailed work plan
- Template for stakeholder analysis
- Template for set-up of master database
- Support to draw-up business processes



Delivery of IT-test-system for their domestic registry

- Web-based application with personalised, password-secured logins
- Personalised logo and colour scheme
- Integration of master data base
- Training sessions and manuals, first-level support











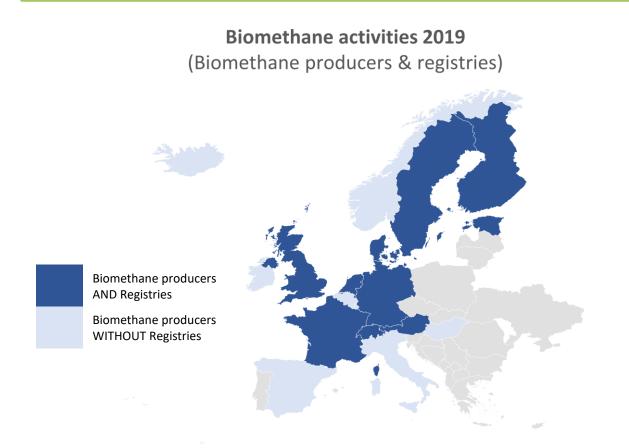


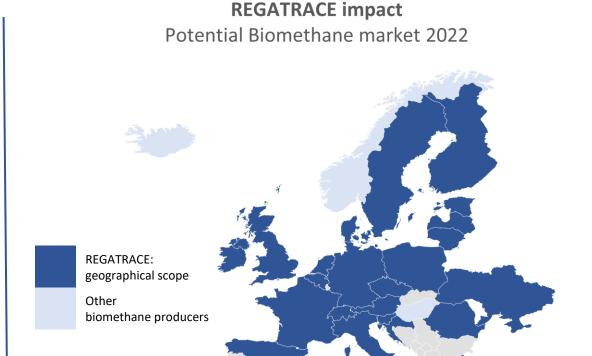
OUTLOOK



Potential development of the European biomethane market 2022 (final objective)







The geographical scope of the EU-funded REGATRACE project will enable the development of a European biomethane market with the potential to cover whole Europe.

REGATRACE aims at creating an integrated European renewable gases market by 2022.



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