



REGATRACE

Renewable Gas Trade Centre in Europe

D2.7 Report on setting up the network of national issuing bodies

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1 Aim and background

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 certificate/GO system
- Set-up of national certificate/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

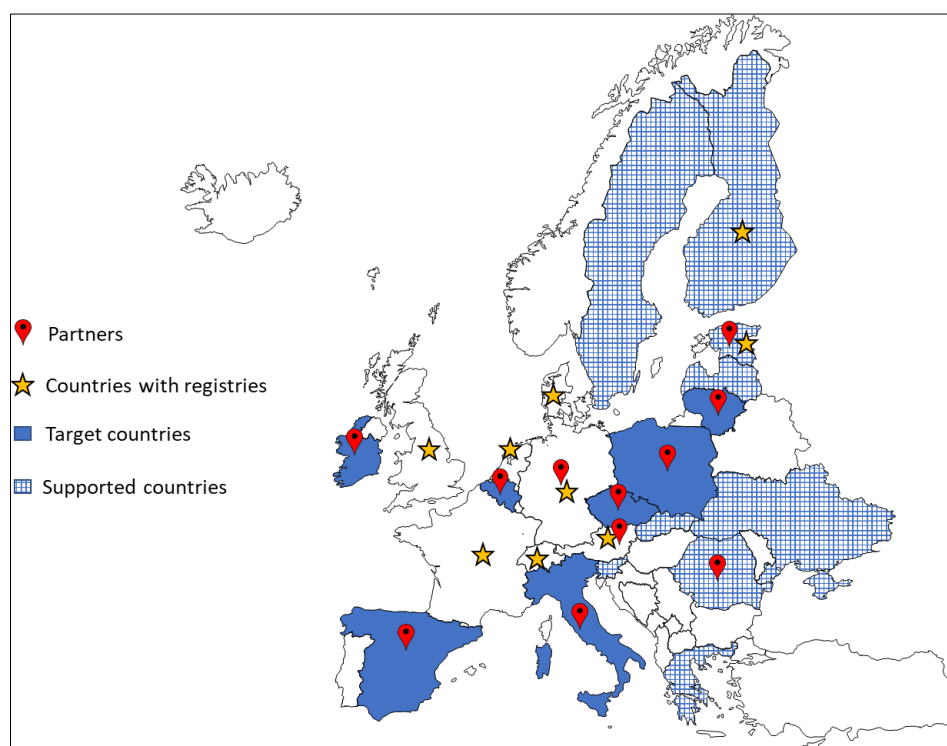


Figure 1: REGATRACE countries and partners

1.2 Aim of report

According to the Grant Agreement of the REGATRACE Project, Task 2.2 of the REGATRACE project is targeted at establishing a dedicated network of issuing bodies. 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 (published in May 2020, <https://www.regatrace.eu/wp-content/uploads/2020/03/REGATRACE-D2.2-new-version.pdf>)
- D2.7 Report on setting-up the network of national issuing bodies (REGATRACE Network).

The present report provides the reader with an overview of the creation process of the REGATRACE Network on the basis of the Memorandum of Understanding as outlined in Deliverable 2.3. Since the REGATRACE Network had its first meeting with interested organisations on 13 April 2021 and was officially launched on 24 September 2021, following the joining of at least nine Network Partners, this report also introduces the outcome of the current work of the REGATRACE Network and provide an outlook on the potential continuation of the Network after the termination of the REGATRACE project in November 2022.

ERGaR is responsible for the REGATRACE Network in the realms of the REGATRACE project (leader of work package 2, as well as of task 2.2) in close cooperation with AIB and is the first point of contact of the REGATRACE Network, while continuing to assist the Network in its administrative tasks.

2 Regulatory framework

Certificates have become an integral part in the sphere of renewable gas trading. Used for the tracking and documentation, while omitting double/multiple counting and allowing for the transparency and fraud-proofing of the documentation of traded renewable gas, such a system can only properly function if based on cooperation of the different involved actors, namely Issuing Bodies, national and voluntary registries, and other market participants. As such, the participating parties engage in an open bilateral discussion under the auspices of national authorities ensuring the proper verification of the regulatory framework. This framework relates mainly to the following:

- Article 19 of the RED II which extends the system of Guarantees of Origin (GO) for consumer disclosure to cover renewable gases. Further, it obligates Issuing Bodies to accept GOs from other Issuing Bodies as outlined in subparagraph 9, wherein member states can only reject a GO if there is reasonable belief about its accuracy, reliability, or veracity. GOs shall be issued in accordance with CEN standard EN-16325, which is currently being revised.

- The Articles 25-30 of the RED II which requires compliance with sustainability criteria for renewable energy use in several sectors (transport sector, heating sector, etc) in combination with counting the renewable value towards the member states renewable energy targets. Here, it is important to note Article 30.1, which states that the sustainability and greenhouse gas emissions saving criteria has been documented through the application of mass balance systems. In addition, the role of Voluntary National and International Schemes is cemented in Article 30.4: based on their certification requirements for biofuel, bioliquids, biomass fuels, and/or other eligible fuels, the certified economic operators can provide accurate data on greenhouse gas emissions savings and demonstrate that the consignments comply with sustainability criteria, which in turn allows them to provide required evidence at the sourcing area level directly. These sustainability declarations are usually referred to as Proof of Sustainability (PoS).
- Article 28.2 of the Renewable Energy Directive II foresees the creation of a Union Database under the auspices of the European Commission. The purpose of the Union Database is outlined as a tool for the tracing of liquid and gaseous transport fuels which are eligible to the numerator. In Article 27.1(b), the numerator is calculated by the energy amount from the renewable sources used in the transport sector. This is for the purpose described as an obligation of each Member State to guarantee the renewable energy share of final energy consumption in this sector results in at least 14% by 2030. The use of the Union Database shall be obligatory for economic operators, while Member States and Voluntary International and National Schemes shall ensure that they enter information on transactions made along with the fuels sustainability characteristics, from production to the market. Simultaneously, a Member State has the option to install a national database, which is linked to the Union Database.
- The Fuel Quality Directive, which refers to sustainable biofuels for the transportation sector, setting specific national and European quotas.
- In relation to the EU Emissions Trading System (ETS), the Monitoring and Reporting Regulation (MRR) stipulates that PoS (Article 38) are required for the compliance for biomethane. Here, it is stated that the operators of industrial installations and aircrafts covered by the EU ETS may refer to a certain amount of natural gas as biogas by applying a methodology as laid out in Article 39. It must be verified that no double counting of the same biogas quantity is done and can determine the biomass amount relying on purchase records equivalent to energy content. Further, Article 39 (4b) states that the operator and biogas producer should be connected to the same gas grid.
- The draft revision of the Gas Directive (COM (2021) 803 final) foresees that energy suppliers shall disclose in their billing the share of renewable and low carbon gas supplied to the final customer. The disclosure of renewable and low carbon gases shall be based on GOs.

While the above-mentioned regulatory framework is further evolving in the upcoming years, stakeholders, who are responsible for the implementation and management of the corresponding databases, tracking systems and certifications schemes, face the challenge of implementing suitable, robust, and trustworthy solutions. Since a broad range of organisations is operating on national and European level on one or more topics related to documentation and certification of renewable gases, collaboration and information exchange amongst those organisations is key to prevent double counting and multiple claiming of the renewable value.



3 Status quo issuing bodies for gas

3.1 Implementation of issuing bodies and other biomethane registries

Article 19 of the RED II with the purpose of consumer disclosure states that the transposition of the RED II into the national legislations of the Member States was to be finalised by mid-2021. When this report was written, the implementation of Article 19 was still ongoing and even some Member States had not designated Issuing Bodies for renewable gas GOs.

At least 19 countries have now appointed Issuing Bodies for gas GOs: Austria (E-Control), Belgium Brussels (Brugel), Belgium Flanders (VREG), Belgium Wallonia (SPW), Czech Republic (OTE), Denmark (Energinet), Estonia (Elering), Finland (Gasgrid Finland), Ireland (GNI), Italy (GSE), Greece (Dapeep), Latvia (Conexus Baltic Grid), Lithuania (Amber Grid), The Netherlands (Vertogas), Portugal (REN), Slovakia (SPP Distribucia), Slovenia (AGEN-RS), Switzerland (Pronovo), and Spain (Enagas). Of these, merely the Issuing Bodies in the following countries/regions are currently operating an IT-system for gas GO issuance: Estonia, Belgium-Flanders, Belgium-Wallonia, The Netherlands, and Denmark.

The challenge encountered here can be summarised as the following: different Member States are at different stages in the process of implementing registries at government-mandated Issuing Bodies, while other national registries are voluntarily filling gap in the meantime. More specifically, this means that in certain countries, biomethane registries have been established for other purposes than Article 19 RED II in recent years. Examples of these national registries can be found in Austria (AGCS), Germany (dena), France (GRDF), United Kingdom (GGCS), and Switzerland (VSG). Another reason for this double act is that for a significant share of the European biomethane production other types of certificates than GOs have been issued. This could be be proofs of sustainability (PoS) issued either in accordance with the Voluntary Schemes or by national databases (e.g., nabisy in Germany and eINa in Austria), or other types of certificates with the function of verifying the renewable origin as well as characteristics of biomethane.

Further, the levels of biomethane production installation completion varies greatly in different Member States, with some countries having no such installation thus far, therefore rendering gas GO issuance of little importance in the near future. An aspect which makes the co-existence of Issuing Bodies and national registries even more challenging is the added risk of double counting/claiming, which can occur if for one and the same amount of biomethane is registered by the databases of more than one institution.

Due to this possible overlap in some Member States and other European countries, projects such as the REGATRACE Network become increasingly important, as it not only raises awareness of the issue, informs on the possibilities and lessons learned when installing an Issuing Body/national registry, but for the purpose of exchanging ideas on effective championing through the implementation in different Member States and other European countries. It is the belief of the authors of this report that this added significance should be a motivation to expand the focus of the REGATRACE Network beyond Article 19 and Issuing Bodies, in order to include the given challenges and how to overcome them.



3.2 European Schemes

European Schemes have become a cornerstone of renewable gas trade in Member States, elements of which can be used to attain an eventual Europe-wide solution for cross-border trade. Having its beginnings in bilateral agreements, European Schemes can be considered a steppingstone towards a harmonised approach.

In this respect, there have been a number of initiatives with the goal of establishing European solutions:

- The European Renewable Gas Registry (ERGaR) was founded in 2016. With its ERGaR CoO Scheme, which was launched in June 2021, the organisation now counts four System Participants and two preparing their participation. The ERGaR CoO facilitates the cross-border transfers of gas GOs and other types of renewable gas certificates. It is possible to link the certificates with PoS issued in accordance with voluntary schemes. More information on the Scheme can be found on [ERGaR CoO Scheme – ERGaR](#).
- AIB operates a voluntary standard named the European Energy Certificate System (EECS®), enabling reliable and efficient transfers of energy certificates across borders. As a non-profit association that counts only certificate-issuing bodies among its members, the EECS makes use of an IT-hub open to members to facilitate automated transfers.
AIB and ERGaR have signed a Memorandum of Understanding in August 2019 to allow collaboration and information exchange between the organisations. In 2021 both organisations have started joint activities to intensify collaboration in the field of renewable gas certification and cross-border transfers of GOs and other types of certificates.

Due to the fact that a harmonised approach must lean on already existing Schemes, a collaboration of the two main European Schemes, namely of ERGaR and AIB, is essential. In fact, both organisations signed a Memorandum of Understanding in August 2019 to allow collaboration and information exchange between them. In 2021, they started joint activities to intensify collaboration in the field of renewable gas certification and cross-border transfers of GOs and other types of certificates. The REGATRACE Network aims at keeping all these different types of organisation and developments in its focus, allowing for a multidimensional, practical, and robust approach. More specifically, this refers to the exchange within the REGATRACE Network between Issuing Bodies, Biofuel Registries/Databases, Biofuel/Renewable Gas Registries and other organisations responsible for renewable gas tracking and certification and trading of renewable gases.

Another area of interest is the support of target countries (Belgium, Czech Republic, Ireland, Italy, Lithuania, Poland, Slovakia, and Spain) which are willing to or in the process of creating a framework for their national gas market. While some are not yet members of organisations such as AIB, EBA, or ERGaR, the REGATRACE Network can be a useful forum to inform, support, and exchange ideas. Being part of a specialised niche environment, Network partners will receive useful tools, know-how, and lessons learned that they may not find in other organisations. In such a way, the overall goal of creating a harmonised European solution can be reached through international networking and exchange in the open dialogue that the REGATRACE Network offers. This is also true in the time of setting up the Union Database. The European Commission has announced its goal of creating an IT-tool in which information and data on the cross-border trade of renewable gases can be uploaded and stored in order to omit double counting. During this time, it is vital for the relevant Issuing Bodies, registries,



and involved stakeholders to get more insight into the set-up process of the Union Database, something which the REGATRACE Network provides consistently. In this way, national/local organisations feel more connected to the European process, all while being able to prepare for new developments and changes on the market. For this reason, the REGATRACE Network has progressively established itself as a joint communication platform in which the comprehension, acknowledgement and support of the work of organisations such as ERGaR and AIB is seen and integrated into a system of knowledge sharing.

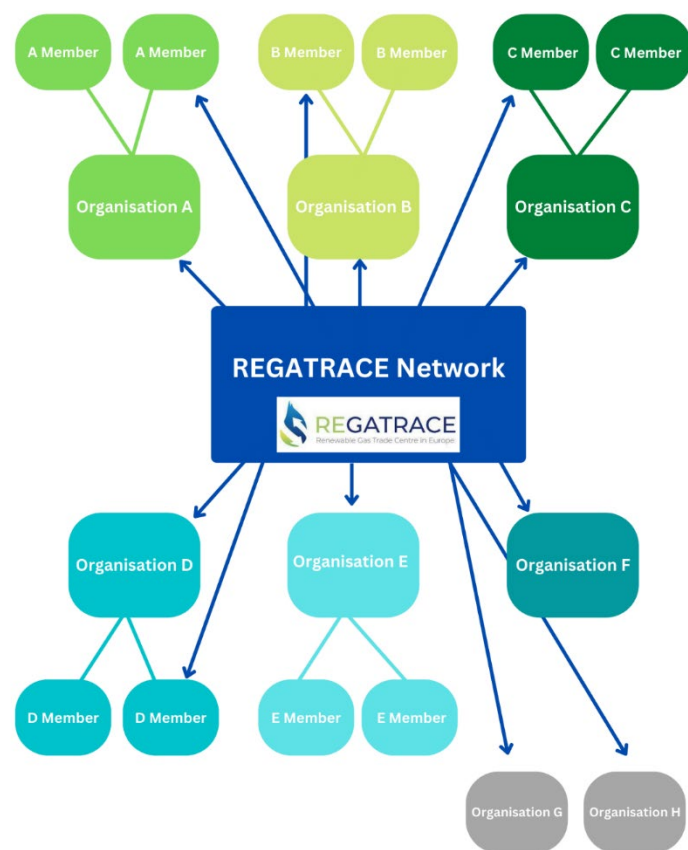


Figure 2: Schematic presentation of an overarching network structure (left-hand side) vs. individual agreements (right-hand side)

4 Establishment of the Network of Issuing Bodies

4.1 Memorandum of Understanding

4.a.i Preparation of the Memorandum of Understanding

The process of creating the MoU began in June 2019, as part of the REGATRACE Deliverable 2.3 “Memorandum of Understanding among national issuing bodies to set-up the network”. Next to ERGaR as the task leader, the generation of the MoU involved several other organisations: AGCS Gas & Settlement AG (AGCS), the German Energy Agency (dena), Gaz réseau distribution France (GRDF), ISINNOVA, as well as Renewable Energy Assurance Ltd (REAL). Further, contributions to the process were made by the Association of Issuing Bodies (AIB), Amber Grid, Elering, Energigas, Fluxy’s, Nedgia, Nordion Energy, Renewable Gas Forum Ireland (RGFI), and the Union of Producers and Employers of Biogas Industry (UPEBI).

This large-scale operation reflected the multi-faceted and pan-European character that the MoU, and with it, the REGATRACE Network should symbolise, including organisations of different areas of expertise, with the common goal of facilitating an efficient and transparent cross-border trade of renewable gases along with a valuable information exchange forum.

Early in the process, the role of coordinating the REGATRACE Network was allocated to AIB, ERGaR and ISSINNOVA, therefore creating a leadership by organisations with apt knowledge and experience in both membership management while having a technical and organisational background.

Producing the initial MoU took place in several meetings between the participating parties, also involving voting rounds and multiple drafts. The resulting MoU as part of the Deliverable 2.3 was finalised and published on 30 June 2021.

5 Key elements of the MoU

The MoU outlines the purpose, targets, topics of interests as well as description of Network Partners and is an integral part of the admission process to the Network.

As such, the purpose of the Network can be summarised as the creation of a forum of organisations responsible for the documentation and tracking of renewable gas, including Issuing Bodies for GOs, registries/databases on (gaseous) biofuels, Renewable Gas registries (in particular regarding cross-border transfers), to share information on common interests. This process is based on certificates documenting the intrinsic value of renewable gases in line with existing European regulation as defined in both RED I and RED II, along with the Monitoring and Reporting Regulation with regards to the European Emission Trading Scheme and other relevant European legislation.

Upon joining the Network, the REGATRACE Network Partners agree to share information on topics of common interest, cooperate on initiatives with the aim of preventing double/multiple counting of



renewable gases while seeking efficiency in operation, acknowledge existing European legislation regarding the documentation of renewable gas consumption (Article 19 on Guarantees of Origin, as well as Articles 25-30 of RED II regarding Proof of Sustainability), and ensure efficient systems of energy carrier conversion and sector coupling. Further, Network Partners shall acknowledge different existing and developing rules and schemes on the relevant regulations and initiatives on both the European and national level. With cooperation being an integral part of the Network, the Network Partners shall consider the establishment of systems allowing trustworthy, efficient and reliable cross-border transfers of renewable gas consignments one of the priorities. This goes hand in hand with encouraging each other to put in place the necessary structures (i.e., technical, organisational and legal) in their respective countries to make a documentation process possible.

In the realms of communication, Network Partners were asked to select one contact person to take part in the discussions, while their organisation and logo were included on the REGATRACE project website.

The aforementioned topics of common interest were initially set up in the MoU, whilst being constantly updated and also processed throughout the course of the Network meetings. This was done so by applying the ConceptBoard programme, in which Network Partners voted for their preferred topic.

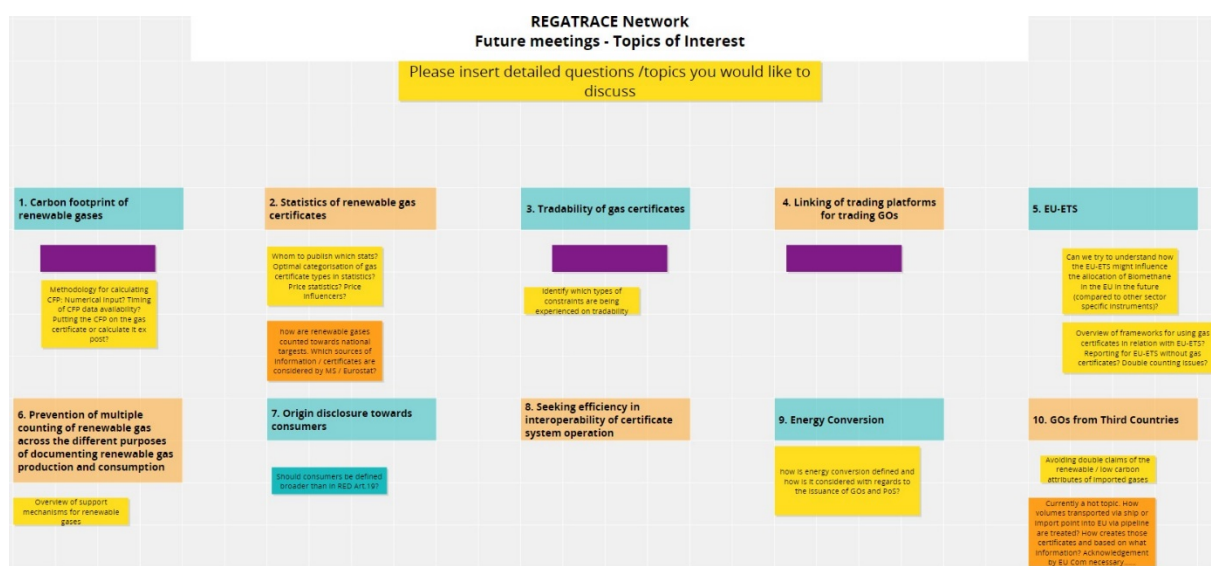


Figure 3: REGATRACE Network Meeting ConceptBoard on topics of common interests for future meetings, 2022

The topics of common interest (Figure 3: REGATRACE Network Meeting ConceptBoard on topics of common interests for future meetings, 2022) can be summarised as activities related to the certification and documentation of renewable gases at both the national and European level:

- Carbon footprint of renewable gases
- Statistics of renewable gas certification
- Tradability of gas certificates
- Linking of trading platforms for trading GOs
- EU-ETS

- Prevention of multiple counting of renewable gas across the different purposes of documenting renewable gas production and consumption
- Origin disclosure towards consumers
- Seeking efficiency in interoperability of certificate system operation
- Energy conversion
- GOs from third countries

This extended to harmonised, legal, technical, and organisational structures and processes for cross-border certificate-transfer of renewable gas, information on statistics, as well as certain regulations and legislative tools (CEN Standard 16325, RED II, Directive 2008/87/EC, Commission Regulation (EU) No 601/2012 on 21 June 2012, etc.).

Finally, the MoU describes the relevant prospective Network Partners, which are defined as types of organisations and institutions responsible for the documentation and tracking of renewable gas. This includes Issuing Bodies for Guarantees of Origin via governmental mandate according to Art 19 of RED II (and those in the process of becoming one), organisations documenting information and data on cross-border title-transfer for voluntary and mandatory/regulated purposes, and renewable gas/biomethane registries who generate tracking documentation. Further, information and data documenting organisations (in the context of renewable gas and biofuel quotas), which also includes renewable gas consignments. Associations representing producers, traders, and/or consumers of renewable gas certificates, along with organisations issuing voluntary/national/European Schemes involved in the verification and documentation in sustainable and renewable gases, and those organisations responsible for the management and maintenance of European gas grids were considered eligible Network Partners.

5.1 The REGATRACE Network

5.a.i Process of setting-up the Network

Following the appointment of ERGaR, AIB and ISINNOVA as administrators of the REGATRACE Network in early 2021, the process of setting up the Network was formally induced.

Due to the fact that three different organisations would be acting in this leading position, a neutral email address (info@regatrace.eu) was installed, which was accessible by all administrative parties.

The next step consisted of identifying and contacting potential Network partners. This was attained by creating a comprehensive invitee list of relevant organisations, based on the input of task partners. In doing so, approximately 30 potential organisations were identified in the following categories:

- Associations (Gas industry, gas TSOs, users of GoOs, biogas and biomass)
- Operator of European Scheme
- Operator of Voluntary Scheme



- Issuing Body for GoO with government mandate (according to Article 19, RED II)
- International organisations (documenting national and European sustainable biofuel quotas, energy transports and climate acquis,
- Management, maintenance, and servicing (gas grid infrastructure in Europe)
- Operator of Renewable Gas Registry with or without government mandate
- Industry forum (supply chain of renewable gases)
- Research institution

On 12 April 2021, a kick-off meeting was organised by ERGaR, AIB and ISINNOVA, welcoming 42 participants who were involved in the development of the European certification system for renewable gases. Here, the aim, scope, purpose, and intention of the Network were introduced. This was followed by a collaborative brainstorming session on topics of common interest, i.e., identifying relevant thematical points that would be interesting for Network partners to discuss, learn more about, and could be used as incentives for future ideas on the development of documentation of renewable gases. The feedback on the topics of common interest can be viewed in Figure 4: REGATRACE Network Meeting ConceptBoard on topics of common interests during kick-off meeting, 2021



Topics of common interest : What to discuss in this network ? - Brainstorming area

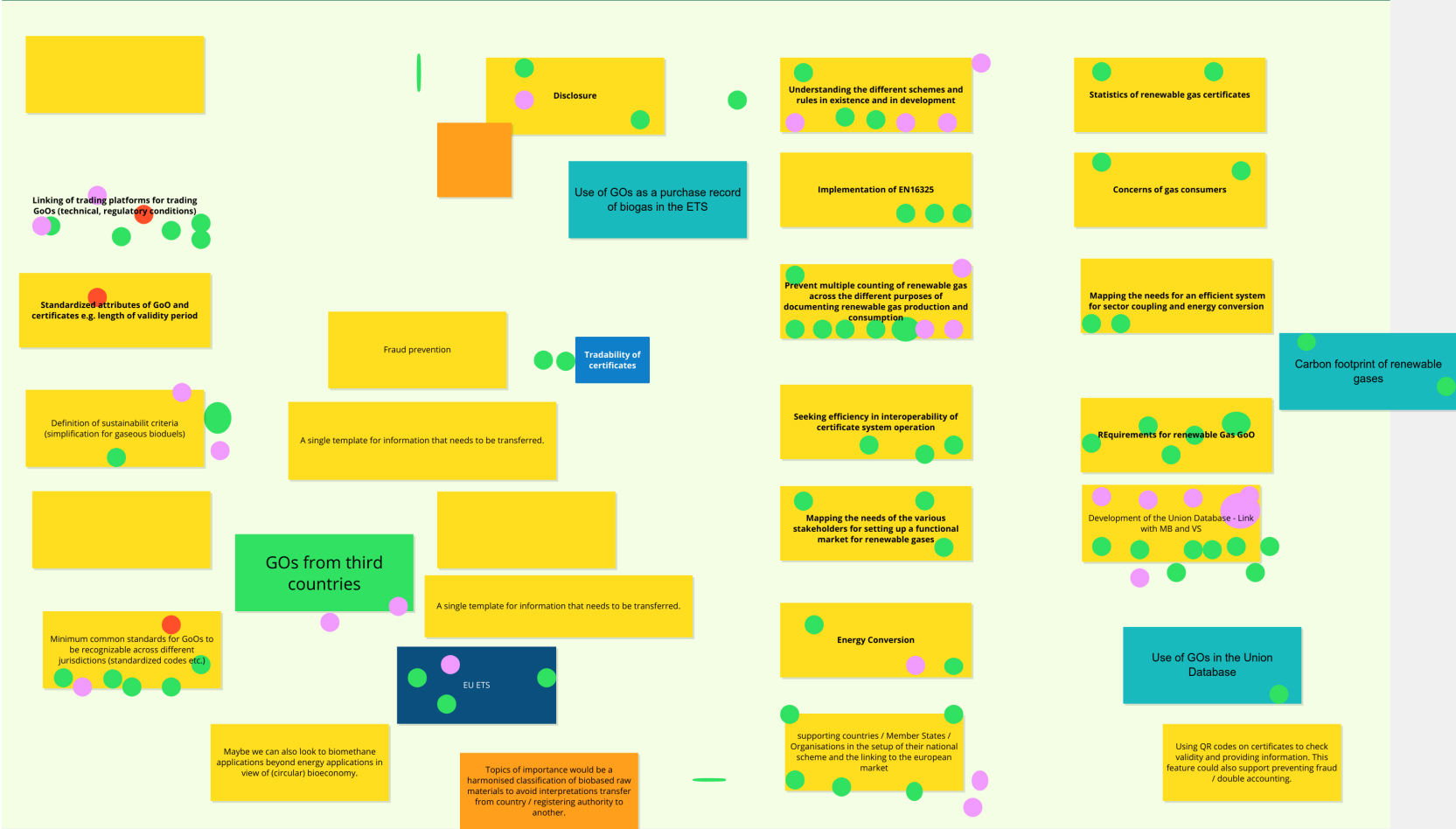


Figure 4: REGATRACE Network Meeting ConceptBoard on topics of common interests during kick-off meeting, 2021



Topics included:

- EU-ETS
- Definition of sustainability criteria
- Standardisation of the GO system (in relation to CEN 16325)
- Development of the Union Database
- Prevention of multiple counting
- Linking of trading platforms for trading GOs
- RED III proposal
- Origin disclosure towards consumers
- Efficiency in interoperability of certificate system operation
- Energy conversion
- Carbon footprint of renewable gases
- Statistics of renewable gas certificates
- Tradability of certificates
- GOs from Third Countries

The kick-off meeting can be considered as an initial gathering to pique the interest of potential Network partners. It was announced during this meeting that in order to become a so-called Network Partner, the aforementioned MoU would have to be completed, signed, and returned to the Network administrators for consideration.

5.a.ii Launch of REGATRACE Network

On 24 September 2021, the REGATRACE Network was formally launched following the official joining of more than 9 Network partners: Amber Grid, AIB, AGCS, Energigas, Energinet, EBA, ERGaR, REDcert, REAL, SPP Distribucia, and UPEBI.

In this respect, it was proposed to extend the scope of the eligible Network Partners as outlined in the MoU to the following:

- 1) Associations who represent producers, traders and/or consumers of renewable gas certificates This would ensure an inclusion of all perspectives present in the chain of custody
- 2) Organisations that have set up or are in the process of setting up issuing bodies for the documentation of renewable gases (such as national or regional energy agencies, national authorities,



biogas organisations) Even if organisations have not yet received a mandate, it remains important to include these in the discussion

3) Voluntary Schemes involved in the certification of renewable gases These operators play a crucial role in the certification of renewable gases and have not yet been covered by the MoU.

Following no objections to the proposal, the MoU was updated and distributed to further potential Network partners.

The news of the formal launch of the REGATRACE Network was communicated in both the REGATRACE Newsletter, as well as the REGATRACE website ([The REGATRACE Network is officially launched – REGATRACE](#)).

5.a.iii Current partners of the Network

The REGATRACE Network is currently composed of the following Network Partners:

NAME	COUNTRY	FUNCTION
Amber Grid	Lithuania	Issuing Body for GoO with government mandate (according to Article 19, RED II)
Association of Issuing Bodies (AIB)	EU-wide, based in Brussels	Association operating the EECS Gas and Electricity Schemes
AGCS Gas Clearing & Settlement AG	Austria	Operator of Renewable Gas Registry
Deutsche Energie-Agentur (dena)	Germany	Operator of Renewable Gas Registry (dena Biogasregister)
European Biogas Association (EBA)	EU-wide, based in Brussels	Association
Energigas	Sweden	Association
Energinet	Denmark	Issuing Body for GoO with government mandate (according to Article 19, RED II)
European Renewable Gas Registry (ERGaR)	EU-wide, based in Brussels	Association and operator of ERGaR CoO Scheme
Nedgia	Spain	Natural gas distributor
Netherlands Standardization Institute (NEN)	The Netherlands	Operator of Voluntary Scheme (RED II)

REDcert	Germany	Operator of Voluntary Scheme (RED II)
RECS International	The Netherlands	Association
Renewable Energy Assurance Ltd (REAL)	United Kingdom	Operator of Renewable Gas Registry
SPP Distribucia	Slovakia	Issuing Body for GoO with government mandate (according to Article 19, RED II)
Unia Producentów i Pracodawców Przemysłu Biogazowego (UPEBI)	Poland	Association
Verband der Schweizerischen Gasindustrie (VSG)	Switzerland	Operator of Renewable Gas Registry

5.2 Meetings and topics of common interest

The initial kick-off meeting on 12 April 2021, taking place virtually, gathered 42 interested participants. The meeting discussed the aim and scope of the Network, the intention and purpose, as well as a first brainstorming session on topics of common interest and ended with the thematical points communication and operation.

The next meeting took place on 16 June 2021 with 29 participants, aimed at informing on the REGATRACE Network and how to become a Network Partner. Further, the European Schemes by AIB, CertifHY and ERGaR were introduced to the audience. Finally, an introduction and discussion ensued on the workings and development of the Union Database.

Following the official launch of the Network and the joining of at least 9 Network Partners, **the 3rd meeting of the REGATRACE Network was held on 24 September 2021**. With 28 participants, the meeting welcomed and introduced newly admitted Network Partners, while also proposing to extend the scope of Network Partners as anchored in the corresponding MoU. This was followed by a presentation on the RED III Proposal by EBA, ending with another discussion on the development of the Union Database, giving the participants the opportunity to better understand the status quo of the project.



The 4th REGATRACE Network Meeting was organised on 19 January 2022, also marking the first meeting which was limited to official Network Partners as previously discussed with the administrators of the task. Here, ERGaR and AIB gave an overview of recent and current policy developments relevant to the documentation of renewable gases, concentrating on the Draft Implementation Act, the Union Database, the Draft Recast of the Gas Directive, as well as the revision of CEN Standard 16325. Finally, participants were given an overview of previously submitted REGATRACE Deliverables in order to attain more understanding of the workings of the project.

On 29 April 2022, the organisers welcomed 14 participants to the 5th REGATRACE Network Meeting. Kicking off the meeting, the guest presenter German Biomass Research Centre (DBFZ) showed their main findings on their recently submitted Work Package 5 integrated assessment. The aims of the work package included the identification of promising concepts for biomethane and power-to-methane synergies, along with potential hotspots for both technologies to be physically linked. Further, it includes the analysis of open question and potential barriers for power-to-methane concepts. Following this presentation, AIB and ERGaR continued to inform on recent policy developments, focusing on concerns of the European Commission Gas Package, as well as the European Parliament ITRE Proposal on Promotion of Energy from Renewable Sources. Towards the end of the meeting, participants were asked to actively engage via ConceptBoard (see Figure 5: REGATRACE Network Meeting ConceptBoard on voting on future of network, 2022) in order to manifest their preferences for topics of common interest to be discussed next, while also voting on their opinions regarding a possible future of the REGATRACE Network after the end of the REGATRACE Project in November 2022.



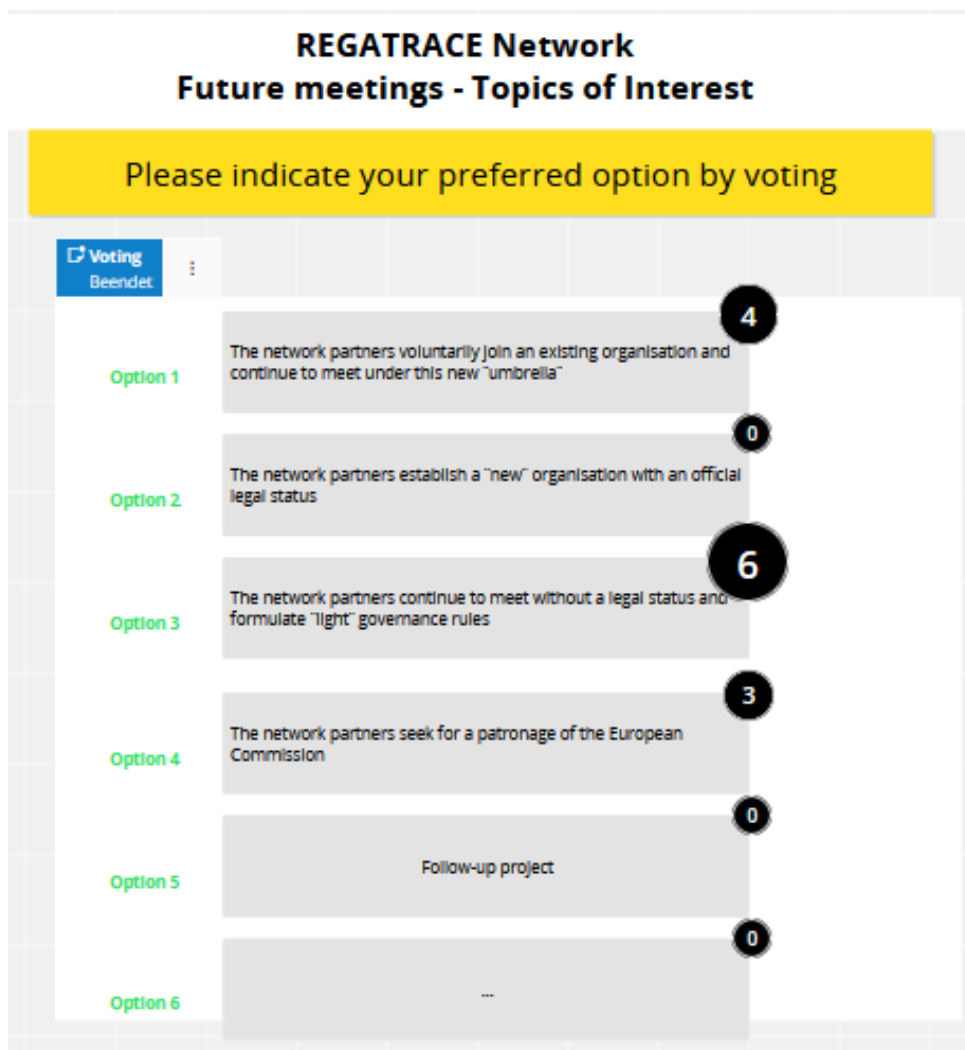


Figure 5: REGATRACE Network Meeting ConceptBoard on voting on future of network, 2022

Through the vote, it quickly became clear that interest in a continuation of the REGATRACE Network was strong, an aspect that was followed-up on by the task administrators.

The 6th REGATRACE Network Meeting brought together 19 participants on 30 June 2022. Based on the results of the previous ConceptBoard (Figure 5: REGATRACE Network Meeting ConceptBoard on voting on future of network, 2022), the task administrators decided to dedicate this meeting mainly to the developments of EU-ETS. Following a brief introduction on the policy framework, the Network Partner dena presented on the subject of biomethane in the ETS and non-ETS situation, delving into the documentation of cross-border transfers with the dena Biogas registry to comply with national stipulations, as well as national emissions trading. This was supplemented by guest presentations by the German Emission Trading Authority, Federal Environment Agency of Germany (UBA) and the Flanders Energy and Climate Agency (VEKA). The former gave the participants an insight into the progress of implementing the MRR on both the German and EU-level. This included the following points: biomethane and current enforcement practice in Germany, recognition of biomethane from a gas grid, the EU ETS Guidance Document 3 on biomass, as well as the current state of play in Europe.

The latter allowed participants a more specific look into how the Flemish region of Belgium has applied and adapted to ETS developments. Here, he also alluded to the MRR and what Flanders was planning short-term to develop this system.

Following the policy section of the meeting, the topic of a possible future of the REGATRACE Network was once again discussed. As it had been decided to continue without a legal status and light governance rules, the next steps of the process were discussed, which included updating elements of the MoU, preparing a proposal for the Network administration, as well as appointing a law firm to support the preparation of relevant documents and concepts.

Finally, participants were again asked for their input on possible future topics of interest (Figure 6: REGATRACE Network Meeting ConceptBoard on topics of common interest for upcoming meeting, 2022).



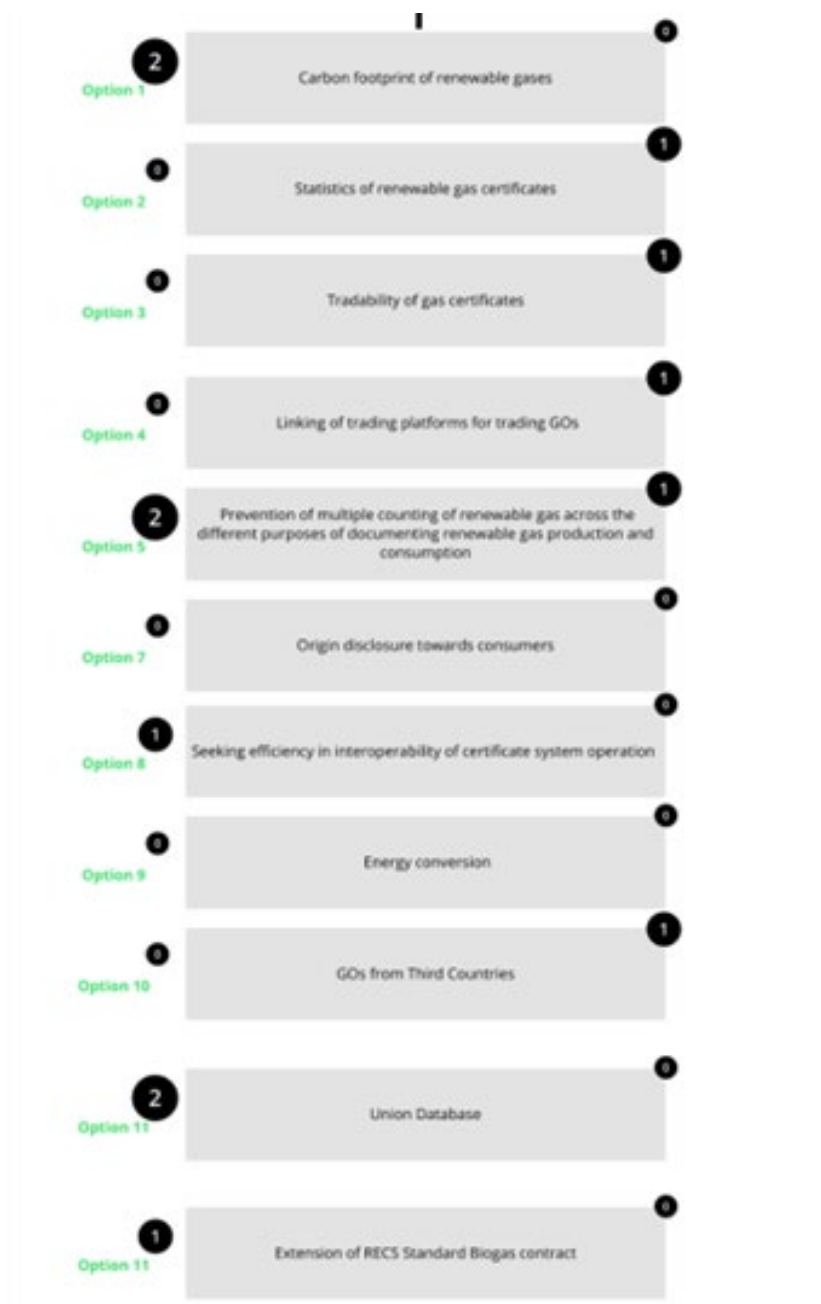


Figure 6: REGATRACE Network Meeting ConceptBoard on topics of common interest for upcoming meeting, 2022

The 7th REGATRACE Meeting was held in hybrid format in Madrid on 15 September 2022. This saw a special emphasis on the Union Database, offering the participants different points of view on the development of the European tool. The meeting was kicked off with a presentation on the concept of the Union Database by DG ENER, European Commission, giving the audience an opportunity to ask for clarifications and raise their questions directly to the organisational body. This was followed by an intervention by the law firm AssmannPeiffer, delving into the target counting of biomethane in

combination with the Union Database. The German Energy Agency followed up by talking about the integration of the Union Database into the chain of documentation, while doing a live simulation of the tool. The second part of the Network Meeting was concluded by offering the points of view of an economic operator and a national Issuing Body for gas. The former was presented by the Danish firm Nature Energy, raising comments and concerns on the planned mode of reporting to the Union Database. The latter was presented by the Lithuanian Amber Grid, tackling the question of linking PoS and GOs.

The second half of the Network Meeting was dedicated to the future of the Network. Here, AssmannPeiffer presented different models for a potential continuation from a legal point of view, which was followed by a debate. (*see 5c ii*)

No conclusion was reached on the future of the Network, but discussions were planned to be continued.

5.3 Continuation of the Network

5.c.i Rationale for continuing the Network

During the course of 2021/2022, the REGATRACE Network meetings had become an appreciated series for participants to be informed about relevant policy developments and encouraged to engage in discussion on the theme of documentation of renewable gases. In such a way, the series had morphed into a unique and highly specialised forum. As the policy framework, along with the geopolitical implications in 2022 and its subsequent increased interest in biomethane are quickly developing and gaining further traction, a more coordinated exchange amongst stakeholders responsible for the issuance, transfer and cancellation of gas GOs, PoS and other types of renewable gas certificates is becoming ever more relevant and necessary. This goes hand in hand with more need for harmonised rules for the handling of gas GOs and issuance of PoS for gaseous energy carriers, along with an interlaced framework between competent authorities and responsible parties on European and national level.

For this reason, and after a discussion and conduction of a vote with other Network Partners, the REGATRACE Network has decided to seek for options to continue the format of the Network after the official ending of the REGATRACE project in November 2022.

5.c.ii Outlook

In a first step of initiating the continuation process of the REGATRACE Network following the official ending of the REGATRACE project in November 2022, requests were sent to different law firms in order to provide legal advice on the legal requirements of establishing and maintaining such a network and to prepare a suitable governance and rules for the collaboration between the network partners.

In its request to law firms, the aim of the continuation of the REGATRACE Network was defined as the following:



- The partners of the REGATRACE Network wish to continue the exchange of information and expertise after the termination of the REGATRACE project.
- A legal status of the network is not the main interest.
- For the administration of the Network governance rules shall be formulated and documents for the admission process and working rules shall be prepared.
- It is envisaged that the Network is administered by the membership associations which are partner of the REGATRACE Network.
- The Network Partners shall “share” the responsibilities of administering the Network.

After having received three offers of prospective legal candidates, Assmann Peiffer, a law firm specialising in energy law and based in Munich, Germany, was selected. The results were presented at the 7th REGATRACE Network Meeting in Madrid:

- 1) Legal status: AssmannPeiffer presented a comparison between a legal entity and a contractual cooperation. While the former requires statutes, rules of procedure, etc., the latter would suffice with governance rules and an admission form. It was suggested to define the REGATRACE Network as a contractual cooperation, due to the fact that it would be more informal in character and allow more leeway in its organisation while experiencing less administrative efforts and less of lengthy decision-making process.
- 2) As a contractual cooperation, following elements would have to be defined: purpose, scope, potential confidentiality, obligations of members, consequences in cases of non-compliance, compliance with GDPR, potential Chatham House rules, communication (internal and external), admission of new members.

This was followed by a debate of the present Network partners. While there was an obvious preference for a contractual cooperation rather than a legal entity, no decision could be reached at the time. As a third option, the continuation of the Network on the basis of Memorandum of Understanding (MoU) was suggested. It was agreed that this third option shall be further explored as well.

The new draft MoU was updated by AssmannPeiffer in the following ways:

The regional scope of the Network was set to EU27, EFTA, the Energy Community, along with the United Kingdom.

In order to ensure a continuation of the Network, it was decided to include a minimum of participants, although at this stage, the amount was left open for the time being. Their membership is subject to a pre-evaluation by the responsible Network Partner (see below), following by a decision by the Network Partners consortium.

In the area of voting, it was suggested to add that while a consensus should always be strived for, a qualified majority vote remains the alternative and definitive option.

The point of a confidentiality clause was added, supporting the notion of rules for the use of personal data attained. This is further supported by deciding on Chatham House Rules for internal communication. As for external communication, a formulation was suggested which clarifies that the

Network does not exclusively communicate externally but can reach and communicate a decision and/or position openly and externally when needed.

Further, the aspect of responsibilities was more specifically explored in the MoU. It was suggested that the following roles should be allocated to a Network Partner during the first meeting for the period of one year: coordination of meetings, writing and preparation of minutes, pre-evaluation of potential new Network Partners, collection and organisation of MoUs, along with any other roles not yet specified but with the possibility of them to be allocated during the first meeting.

The draft MoU can be found as an annex to this document. Once minor details of the MoU text have been agreed upon, existing Network partners and other suitable organisations can be approached for joining the Network and signing the revised MoU.

6 Conclusion

While the formation of the REGATRACE Network began as part of Work Package 2, it has since transformed into a regular forum valued by its Network partners. Having access to policy developments, best practices and insights from other countries and its relevant registries has rendered the REGATRACE Network a place of exchange in which knowledge sharing is a definite added value for participants. With REGATRACE being a European project, the response has equally been a European one. For this reason, it was only natural to grasp the opportunity of continuing this formation even beyond the REGATRACE project. The cross-border trade of renewable gases can be viewed as a niche environment, making a dedicated network even more important for its overall development. As policy on the subject is still being developed, the REGATRACE Network and its partners would profit from its equally developing formation and continuance, allowing for more understanding and valuable exchange.



Annex

Draft Memorandum of Understanding (MoU) on the Continuation of the REGATRACE Network

Preamble

This MoU is concluded by several organizations that are active in the documentation and tracking of renewable gases traded and transported cross-border (hereinafter: the **“Partners”**). By concluding this MoU the Partners want to set up a successor network (hereinafter: the **“Network”**) to the REGATRACE Network, which has ended formally in November 2022.

The REGATRACE Network was established in April 2021 within the framework of the EU-funded project REGATRACE (“REnewable GAs TRAdE Centre in Europe”). The purpose of REGATRACE was to share information on topics of common interest between organizations 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.

After the termination of the REGATRACE project the Partners want to continue the exchange of information and expertise. In order to do so, the Partners conclude this MoU. The development and drafting of this MoU has been supported by funding from the European Union’s Horizon 2020 Framework Programme for Research and Innovation under Grant Agreement no. 857796.

1. Formation of the Network

- 1.1. By signing this MoU in accordance with this no. 1. the Network will be established between all signatories to the MoU (the **“Partners”**). With its signature each Partner confirms that it fulfills the preconditions stipulated in no. 3. and that it will support the Network according to the principles laid down in this MoU.
- 1.2. This MoU will be concluded with the consent of all Partners indicated at the end of this document. However, it is not necessary that all Partners give their signature on one single document. The Partners agree that [...] (the **“Secretariat”**) shall be responsible



for administrating the signing process of this MoU. The organization acting as Secretariat is also Partner of the Network. The Secretariat will in particular:

- (a) collect from all Partners the originally signed copies of this MoU that constitute the Partners' binding **offers** to conclude this MoU. The Partners herewith grant power of attorney to the Secretariat for receiving the offers of other Partners on their behalf.
- (b) inform all Partners as soon as the Secretariat has received binding offers from all Partners. This information constitutes the binding **acceptance** of all Partners' offers. The Partners herewith grant power of attorney to the Secretariat for declaring acceptance towards other Partners on their behalf. The information according to this lit. (b) also constitutes the acceptance on behalf of the Secretariat itself.
- (c) Keep all originally signed copies of this MoU (including the copy signed by the Secretariat) as long as the Network continues to exist. On the request of every Partner the Secretariat will produce electronic copies (scans) of the signed documents and send them to the requesting Partner.

- 1.3. The Network is deemed to be created as soon as the Secretariat has received binding offers from all Partners and has send the binding acceptance to all Partners.
- 1.4. The Network does not constitute a legal entity and may not hold own rights or own obligations. There is no common liability between the Partners of the Network. No obligations to pay or to act will arise out of this MoU.

2. Admission of new members; withdrawal of members; Duration of the Network

- 2.1. Appointing new members to the Network requires the consent of all Partners then member to the Network. The appointment of new members to the Network will formally be executed by signing this MoU by all Partners that are already member and the joining new member. For the signing process no. 1.2. applies. The signing process will be administered by the Secretariat.
- 2.2. Only organizations that fulfill the preconditions laid down in no. 3. may be appointed as member to the Network. Compliance with these preconditions will be assessed according to no. 6.2. lit. (d).
- 2.3. The Network is established for unlimited duration. Partners may, however, always withdraw from the Network by terminating this MoU. For executing this right, the withdrawing Partner shall address its declaration of termination to the Secretariat as stipulated in sec. 1.2. The Secretariat will forward the declaration of termination to all other Partners. In this case the Network will continue to exist between the remaining Partners. However, the Network will only continue to exist as long as it has at least [...] members.

3. Requirements for Members to the Network



- 3.1. All types of organizations and institutions responsible for the documentation and tracking of renewable gases may become members to the Network, in particular:
- (a) Organizations 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;
 - (b) Organizations documenting the information and data on the cross-border transfer of renewable gas certificates for voluntary and mandatory/regulated purposes;
 - (c) 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 support mechanisms;
 - (d) Organizations 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);
 - (e) Organizations responsible for the management and maintenance of the national and European gas grids and organizations providing services to them, e.g. Transmission System Operators, Distribution System Operators or Balancing Group Coordinators.
 - (f) Voluntary Schemes, National Schemes and European Schemes which provide certification schemes in sustainability and greenhouse gas emissions of renewable gases.
 - (g) Associations who represent producers, traders and/or consumers of renewable gas certificates.
- 3.2. Organizations and institutions as defined in no. 5.1. shall have their registered office in the area of the
- (a) European Union (EU27),
 - (b) European Free Trade Association (EFTA),
 - (c) Energy Community or
 - (d) the United Kingdom (UK)

4. Purposes of the Network

- 4.1. The primary purpose of the Network is to share information and expertise between the Partners on the following topics of common interests:
- (a) Documentation of renewable gases at national and European level, including documentation for consumer disclosure, biofuel quota obligations, national subsidy schemes and other relevant market pathways.



- (b) Elaborating on harmonized, legal, technical, and organizational structures and processes for cross-border title-transfer of renewable gas.
 - (c) Agreements on pro-actively preventing any risks for double/multiple counting of renewable gas.
 - (d) Information and statistics on renewable gas and its related documentation.
 - (e) Progress and developments of the EN 16325 standard and its implementation.
 - (f) Progress and developments in the biofuels sector, especially referring to gaseous, sustainable biofuels.
 - (g) Progress, developments, and status of the implementation of the RED II by EU Member States.
 - (h) 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.
- 4.2. The Partners of the Network will regularly hold meetings (at least quarterly) highlighting aforesaid topics of common interest.
- 4.3. The Network does not appear to third parties, but the Partners are free to commonly compose and publish statements or other publications.

5. Acknowledgement; Mission

- 5.1. By signing this MoU the Partners acknowledge the legislation on European and national level regarding renewable gases in particular Art 19 RED II (Guarantees of Origin) and Art 25-30 RED II (Proof of Sustainability).
- 5.2. The Partners support to development of methods to overcome possible double/multiple counting of the same renewable characteristics of the respective renewable gas consignments.
- 5.3. The Partners shall facilitate efficient systems of energy carrier conversion and sector coupling.
- 5.4. The members encourage each other to establish the necessary structures (technical, organizational, legal) in their domestic country for the documentation of renewable gas where those structures are not already in place.

6. Administration; Communication

- 6.1. All tasks necessary of administrating the Network may be conferred to one or more Partners by Resolution taken according to no. 8. These tasks may also be conferred to



the Secretariat as defined in no. 1.2. Unless agreed otherwise such conferral will be valid for a period of one year. As soon as possible after the start of the Network according to no. 1.3. the Member will hold a first meeting in which they will discuss and decide on the distribution of administrative tasks.

- 6.2. The tasks of administration that may be conferred to one or more Partners may include inter alia (not limited to):
- (a) Acting as Secretariat according to no. 1.2. By Resolution taken according to no. 8. the Partners may transfer the role of the Secretariat from one Partner to another Partner.
 - (b) Preparing and coordinating Network meetings in presence or virtually. Arranging locations for Network meetings in presence. Composing and circulating protocols of Network meetings.
 - (c) Administrating the process or rendering resolutions according to no. 8.
 - (d) Assessing candidates for becoming members of the Network as to their compliance with the requirements according to no. 3.
 - (e) Setting up and managing the points of contact according to no. 6.3. and forwarding the information and messages received on behalf of the Network.
- 6.3. The Network will set up points of contact (e.g., e-Mail-address, website), under which the Network is reachable for external communication. All further issues in this respect, such as issues of Corporate Identity, methods of communication, etc. will be determined by Resolution taken according to no. 8.

7. Admission and exclusion of members

- 7.1. The admission of new members to the Network requires unanimity of all Partners which will be established by the procedure laid down in no. 2.1. The Partner appointed according to no. 6.2. lit. (d) may provide a report on its assessment whether the candidate fulfills the requirements according to no. 3.
- 7.2. Every Partner can be excluded from the Network by resolution according to no. 8., if there is an important reason. In particular the following circumstances may be considered important reasons:
- (a) It turns out that the Partner in question does not fulfill the preconditions laid down in no. 3.
 - (b) The Partner in question has violated the stipulations of this MoU.
 - (c) The Partner in question is subject to state of official investigations or charges were brought against it or it was sentenced, and the incrimination raises doubts as to its reliability.

8. Partners' Resolutions

- 8.1. Unless stipulated otherwise the Partners to the Network may render Resolutions with a qualified majority of 2/3rd of all Partners. Each Partner counts one vote.



- 8.2. Every Partner to the Network may apply for a Resolution. Applications must be directed to the Partner appointed according to no. 6.2. lit. © and must contain a sufficient reasoning. The Partner appointed according to no. 6.2. li©(c) will forward the application to the other Partners and arrange an appropriate procedure for discussing the issue and rendering the decision (e.g., by way of personal meeting). The Partner appointed according to no. 6.2. lit. (c) will compose a protocol of the voting and notify all other Partners on the outcome.
- 8.3. Should no Partner be appointed according to no. 6.2. lit. (c) the applying Partner must send its application to all other Partners, collect the votes of the other Partners and notify the other Partners on the outcome.

9. Confidentiality

- 9.1. No Partner may disclose to third parties any information, material or other matter received from the other Partner in connection with the cooperation or correspondence within the Network. An information is not confidential, if it was already publicly known or became public knowledge thereafter.
- 9.2. The information gained in connection with the Network may only be used in the interest of the Network.
- 9.3. The confidentiality obligation out of this no. 9. continues to exist for five more years after the termination of this MoU.

10. Chatham House Rule

Under due compliance with the confidentiality obligation according to no. 9. the Partners may use the information received within the Network or notify third parties about the positions taken within the Network. When doing so, the Partners must however neither reveal the identity nor the affiliation of the Partner or person who has taken the position or opinion within the Network.

11. Data Protection

Partners acting as Secretariat according to no. 1.2. and Partners fulfilling administrative tasks according to no. 6. might process personal data. When doing so it is the exclusive responsibility of each Partner to comply with all obligations resulting out of the relevant data protection regulation, in particular the European General Data Protection Regulation.

12. Miscellaneous

- 12.1. Verbal side agreements do not exist. Amendments or additions to this MoU must be made in writing.
- 12.2. Should one or more provisions of this MoU 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 which reflects as closely as commercially possible the spirit and purpose of the invalid or unenforceable provision.

- 12.3. This MoU shall be governed by Belgian Law excluding conflict of law rules.
- 12.4. All disputes arising from or in connection with this MoU 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 [...]
represented by [...]

place, date [...]
represented by [...]

place, date [...]
represented by [...]

