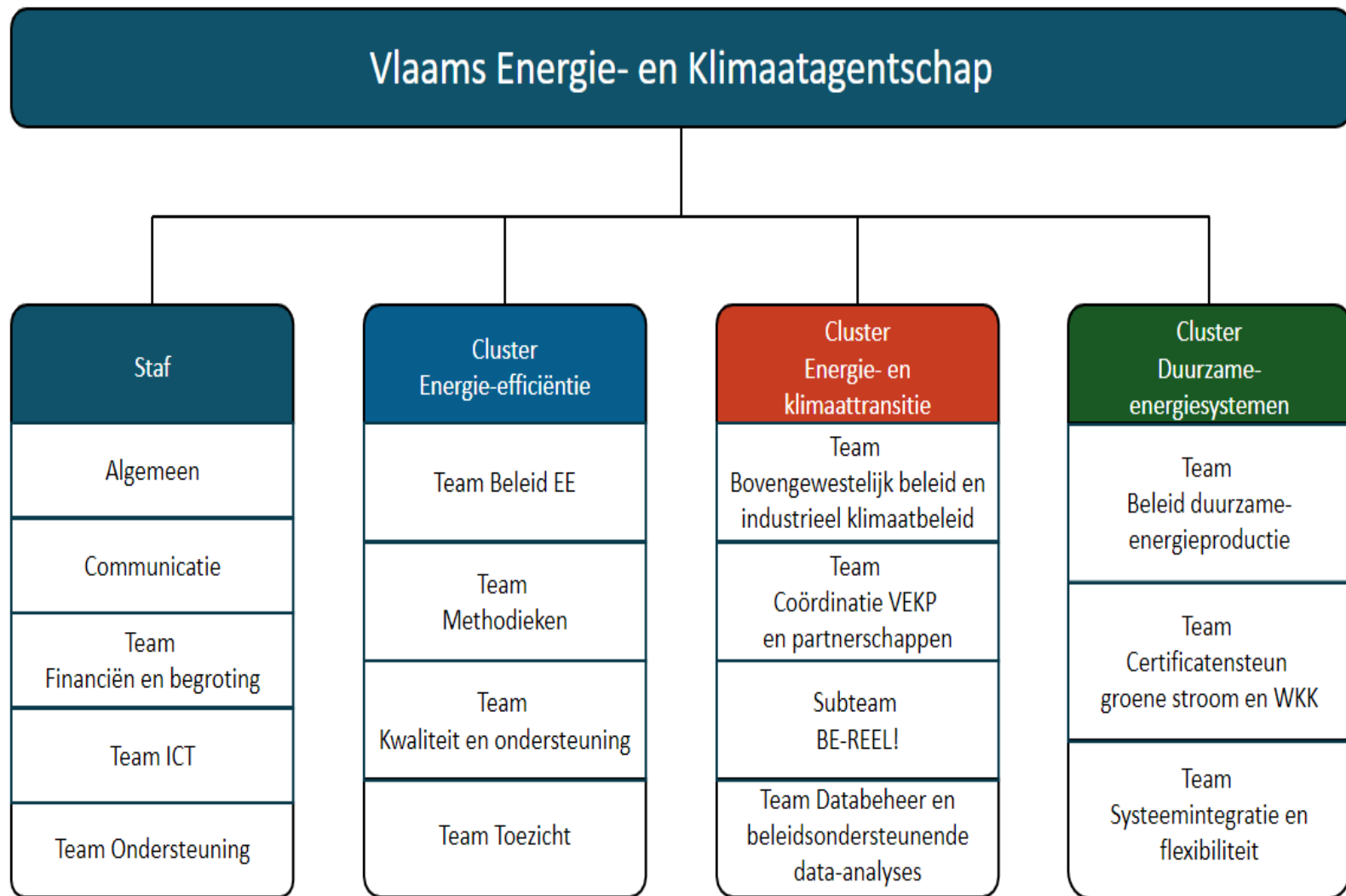


Biomethane for ETS in Flanders

State of play & input for Regatrace



Short about VEKA



- ▶ stands for Vlaams Energie- en Klimaatagentschap (VEKA), i.e. Energy and Climate Agency of Flanders
- ▶ since 1 January 2021
- ▶ on the basis of Flemish coalition agreement
- ▶ purpose: powerful Flemish energy and climate policy
- ▶ at the moment: +/- 150 colleagues
- ▶ more info: <https://www.energiesparen.be/overveka>
- ▶ vacancies: <https://www.vlaanderen.be/werken-voor-vlaanderen/vacatures>

Reason

- Amendment of Article 39 of the Implementing Regulation (EU) 2018/2066 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council
 - => Provision to enable the greening of natural gas taken from the natural gas grid if certain conditions are met:

'4. The operator may determine the biomass fraction using purchase records of biogas of equivalent energy content, provided that the operator provides evidence to the satisfaction of the competent authority that:

- (a) there is no double counting of the same biogas quantity, in particular that the biogas purchased is not claimed to be used by anyone else, including through a disclosure of a guarantee of origin as defined in Article 2(12) of Directive (EU) 2018/2001;
- (b) the operator and the producer of the biogas are connected to the same gas grid.

For the purpose of demonstrating compliance with this paragraph, the operator may use the data recorded in a database set up by one or more Member States which enables tracing of transfers of biogas.';

Purpose

- demonstrate (by explaining the possible relevance for ETS) the importance of initiatives to link and harmonise guarantees of origin of renewables gases in Europe
- ensuring that ETS installations all over Europe have the same opportunities for greening natural gas taken from the grid (given that availability across EU is not uniform)

One step back: how does ETS works?

- Since 2005, installations report emissions and surrender allowances based on verified emission reports (since 2013 verified by accredited verifiers)
- CO₂ emissions resulting from the consumption of natural gas taken from the grid are being calculated based on activity data, calorific values and emissions factors
- Biomass fraction for natural gas taken from the grid can be introduced if certain conditions are met (cfr. above), so that resulting ETS emissions go down, and less allowances need to be surrendered
- Holy principle of ETS = equal treatment of installations across EU (a tonne is a tonne)

Currently different applications of the provision

- Still waiting for harmonisation at EU level
- Means by which harmonisation can be pursued: via clear interpretation of the Article in European guidance
- Guidance documents from the COM (DG CLIMA) on how MRR needs to be read, are published on https://ec.europa.eu/clima/eu-action/eu-emissions-trading-system-eu-ets/monitoring-reporting-and-verification-eu-ets-emissions_en#ecl-inpage-435 (under the heading “Monitoring and Reporting Regulation (MRR): Guidance and templates)
- The relevant guidance that needs to be updated (and should also include guidance on biogas injected into the natural gas grid), is Guidance Document Nr. 3 – Biomass issues (current version is of 27 Nov 2017)

What did Flemish Region in the meantime?

- Because of the lack of European guidance, together with stakeholders and VREG, a guidance note was elaborated in 2^{de} half of 2021, resulting in the below note (19-Nov-21):

[Practical aspects treatment of green gas in ETS in Flanders](#)

(EN courtesy translation)

- Three conditions (based on MRR) have been introduced (before being able to apply biomass fraction for natural gas from the grid):
 1. purchasing records of biogas
 2. biogas injected meets RED II sustainability and GHG savings criteria (postponed for ETS)
 3. cancellation of Green Gas GO (only in MS where there is an issuing body for GO Green Gas)

How did it work in practice?

- A lot of interest from market players and ETS installations
- Condition with respect to “purchasing records of biogas” not easy to adhere to
- Ex-domain cancellations proves a practical solution in the absence of linked databases
- Relative low concrete applications, but certainly from a lot of players:
 - Willingness to work further on this issue
 - Request to put this issue more on EU tables, so indeed harmonisation can be pursued

Next steps

To be continued

- Update of the GD3 Biomass issues
- Further work within FL
- Linking GO databases
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MORE INFO

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