

## Reaction to the new recommendations for biogas consumption in EU ETS installations in Spain

The European Federation of Energy Traders (EFET)<sup>1</sup>, along with the co-signatory associations, Asociación Española de Operadores de Productos Petrolíferos (AOP)<sup>2</sup> and Asociación Española De Fabricantes De Azulejos Y Pavimentos Cerámicos (ASCER)<sup>3</sup>, would like to submit their remarks to the new recommendations for biomass and biogas consumption in EU Emissions Trading System (ETS) installations in Spain, issued by the Technical Group on Emissions Trading of the Commission for Climate Change Policy Coordination<sup>4</sup>.

### Key messages

- **To protect the internal market and avoid barriers to trading across borders, it is important that Member States adopt a common interpretation of the rules.** We note that the legislative framework for biofuels, bioliquids and biomass fuels has been mainly established around verified proofs of sustainability (PoS), particularly for target compliance and use towards the EU ETS. However, while legislation is in flux, there are different national approaches to the issue and role of GoOs in recording of biomethane trades.
- The recommendations for EU ETS installations in Spain would go beyond the requirements of the Monitoring and Reporting Regulation. **Its effect would be that certain cross-border trades of certified biomethane would not be recognised under the ETS, because of differing national interpretations.** Specifically, if a GoO was not issued for biomethane produced in one Member State, then it could not be presented when the biomethane was later consumed in another.
- **Until there is pan-EU clarity on the issuance of GoOs, EFET recommends that the Spanish national Guidance should allow for greater initial flexibility in reporting of biomethane consumption – especially in respect of biomethane traded across the internal energy market.** We also recommend that submission of a GoO should be mandatory if one has been issued. This can be done without increasing the risk of double counting.

---

<sup>1</sup> The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent, sustainable and liquid wholesale markets, unhindered by national borders or other undue obstacles. We currently represent more than 140 energy trading companies, active in over 27 European countries. For more information, visit our website at [www.efet.org](http://www.efet.org)

<sup>2</sup> <https://www.aop.es>

<sup>3</sup> <https://portal.ascer.es>

<sup>4</sup> "Recomendaciones del Grupo Técnico de Comercio de Emisiones de la Comisión de Coordinación de Política de Cambio Climático" 25 September 2023 [Link](#)

## Detailed comments

We welcome the series of recommendations regularly published by the Technical Group as far as they facilitate Spanish economic operators to act in accordance with the regulatory framework established in the EU Commission Implementing Regulation (EU) 2020/2085<sup>5</sup>, which updates Regulation 2018/2066 on the monitoring and reporting of greenhouse gas (GHG) emissions in the EU ETS (MRR Regulation).

In this respect, and with reference to the biogas sector, we would like to highlight that the prospective and adopted EU framework is still fragmented and is currently being subject to review and updating<sup>6</sup>.

As EFET, we have identified the reduction of reportable emissions under the EU ETS as one of the incentives for market participants to trade in certified biomethane in the context of our recently launched Biogas Certificates Trade Agreement for trade of biogas certificates on the CEGH GreenGas Platform<sup>7</sup>. For this reason, we consider that national guidance on the implementation of MRR Regulation should encompass the full caseload of options for certified biomethane transfers across EU borders, for biomethane traders to have enough clarity, stability, and predictability to get involved in compliance-driven transactions and preserve market liquidity for the achievement of the EU biomethane targets<sup>8</sup>. Our detailed remarks below are made in this context.

---

<sup>5</sup> [http://data.europa.eu/eli/reg\\_impl/2018/2066/2022-08-28](http://data.europa.eu/eli/reg_impl/2018/2066/2022-08-28)

<sup>6</sup> We note the further interpretation of Regulation (EU) 2020/2085, and its reading in conjunction with Directive (EU) 2018/2001 (recast Renewable Energy Directive – RED II), by the EU Commission itself in its latest EU ETS MRR Guidance Document 03. This Guidance presents a set of general principles for EU ETS operators and further specifies the requirements for the accounting of biomethane against the EU ETS quota. This is because compliance of ETS economic operators with the sustainability and GHG savings criteria under article 29 RED II, also found under article 38(5) MRR, has taken full effect from the start of 2023. Moreover, the EU Commission has consulted the market over the summer on the first batch of MRR amendments in its proposal revising Implementing Regulation (EU) 2018/2066 pursuant to Directive (EU) 2023/959 revising the EU Emissions Trading System (ETS) Directive. Following post-consultation exchanges between EFET and the EU Commission, we understand that a second batch of MRR amendments on both biomethane and renewable fuels of non-biological origin and recycled carbon fuels will be put to consultation in the summer of 2024, once DG ENER and DG CLIMA exchange on the recently adopted RED III. In the coming months, other adaptations are expected to be necessary as a result of the changes linked to the Union Database for tracing gaseous and liquid transport fuels, the Directive (EU) 2023/2413 (RED III) and the uncertain adoption horizon of a second Implementing Act laying down the UDB provisions for all end-uses of all renewable and low carbon gases, as well the draft Hydrogen and Gas Markets Decarbonisation Package.

<sup>7</sup> [EFET Biogas Certificates Standard Single Trade Agreement – Version 1.1./ June 2023 and Guidance Note](#)

<sup>8</sup> For more details see the [EFET response to the EU Commission consultation on rules for the zero-rating of biomethane emissions under the EU ETS](#).

## The mandatory use of GoOs for zero-emission claims of biomethane withdrawn from the grid is not consistent with the MRR Regulation

We understand that the Technical Group recommends that industrial consumers covered under the EU ETS become obliged to submit both GoOs, and PoS associated with these GoOs, to claim a zero-emission factor resulting from their biomethane consumption. We expect certain fragmentation of national approaches on the carbon abatement aspects of certification in the infancy of the EU biomethane market, in absence of certificate registries with the meaning of mass balance under RED II in all Members States, as per the wording of Guidance 03<sup>9</sup>, and until a full-fledged UDB acts as a common EU-wide mass balance registry. However, trading for compliance purposes of (at least) EU-produced biomethane across borders requires the proof of mass balance at every border and should not be hindered by such approaches.

In accordance with the Article 39(4) of the MRR, for a purchase-based approach, the following conditions are required to be met by the biogas in natural grids: there is no double counting of the same biogas quantity, including through a disclosure of a guarantee of origin, and the operator and the producer of biogas are connected to the same gas grid. Therefore, if, and in line with Guidance 03<sup>10</sup>, a Member State has a GoO system in place, then that Member State must require:

- A) that the biogas producer is not being issued GoOs at all (e.g., if it's not active in the GoO system, as it may occur with installations consuming biogas produced in the same installation)
- B) the operator of an EU ETS installation procures both GoOs and PoS simultaneously, or
- C) to ensure immediate GoO cancellation once the operator claims the biomethane.

We also point to the optionality for a biomethane producer to request the issuance of GoOs, which are, therefore, not sufficient to serve the purpose of a Member State's renewable target accounting<sup>11</sup>, despite their planned upgrade into optionally sustainable documentation under the EN16325 standardisation process<sup>12</sup>. Finally, and as considered in the MRR Guidance Document, consumers under the EU ETS avoid any double counting when no GoO has been issued for the biomethane procured (whether domestically produced or imported).

The treatment and recognition as zero-rated of PoS-certificated output imported into Spain and consumed by installations covered under the EU ETS is only partially covered. The recommendations of the Technical Group would need to cover biogas volumes, which may not necessarily be accompanied by GoOs eligible for registration in the Enagas GTS nor in other GoOs registries, because they haven't been issued at all in the country of origin of the biomethane.

Ultimately, the recast RED III<sup>13</sup> establishes that the EU mass balance system is to be complemented by GoOs, where appropriate, under the pertinent article 31a. GoOs issued and linked to a single PoS ID per MWh of biomethane will not be tradable outside the UDB. With the UDB in force next year, reliance on PoS will remain optimal in terms of RED II compliance. In this respect and given the legal

<sup>9</sup> [MRR Guidance Document No. 3 Biomass issues in the EU ETS Updated version, 17 October 2022](#), sub-section 3.4.5

<sup>10</sup> Guidance 03, sub-section 5.3.4.

<sup>11</sup> See pg. 12 in the [Eurostat SHARES Tool manual](#)

<sup>12</sup> Guidance 03, sub-section 3.4.7

<sup>13</sup> [DIRECTIVE \(EU\) 2023/2413 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 October 2023](#)

definition of the “*interconnected EU infrastructure*” under the soon to enter into force Implementing Regulation (EU) 996/2022<sup>14</sup>, **any national provisions which are introduced as an obligation, bear the risk of diverging from the EU regulatory framework and its operational interpretation by the EU Commission.**

**We call on the Spanish authorities to update its recommendations on the MRR requirements for ETS installations consuming biomethane.**

Overall, we identify a potential undue administrative burden for zero-emission claims of biomethane by EU ETS consuming/ importing installations in Spain, should a producer/ self-consumer be rendered obliged to become part of the Spanish registry for the issuance of GoOs and their cancellation simultaneously with the PoS certified under voluntary schemes approved by the European Commission. Such criteria may pose restrictions to non-registered national production (e.g. self-consumers) as well as to imports into Spain of non-GoO-certificated biomethane output, thus restricting the EU-wide extension of the legally foreseen “interconnected infrastructure”.

We hence recommend to the Spanish authorities to further update the recommendations on the implementation of article 39 (4) MRR to reflect all the supply options compatible with the gas market in accordance with mass balance rules under RED II, RED III and Regulation 996/2022.

---

<sup>14</sup> [Article 2\(18\) and \(19\)](#): A system of infrastructures, including pipelines, LNG terminals and storage facilities, which transports gases, that primarily consist of methane and include biogas and gas from biomass, in particular biomethane, or other types of gas that can technically and safely be injected into, and transported through the natural gas pipeline system, hydrogen systems as well as pipeline networks and transmission or distribution infrastructures for liquid fuels.

## Proposed EFET amendments to the recommendations of the Technical Group on Emissions Trading of the Commission for Climate Change Policy Coordination regarding biogas consumption in EU ETS installations in Spain

DETERMINAR LA FRACCIÓN DE BIOMASA DE GAS NATURAL PROCEDENTE DE UNA RED DE GAS A LA QUE SE HAYA AÑADIDO BIOGÁS (...)

*“Así, a la hora de notificar las emisiones de gases de efecto invernadero, si una instalación invoca el consumo de biogás inyectado en la red de gas natural, deberá presentar durante la verificación la siguiente documentación para demostrar el consumo de biogás inyectado a la red que pueda computar un factor de emisión igual a 0:*

~~*–Garantías de Origen por la cantidad de biogás cuyo consumo solo es invocado por la instalación ETS. Con esta documentación se prueba que no hay doble contabilidad por el consumo de dicho biogás.*~~

*- Pruebas de Sostenibilidad para cada una de las partidas de biogás consumido, que permitan la verificación del cumplimiento de los criterios de sostenibilidad y de la reducción de emisiones de GEI de acuerdo con los medios definidos en el artículo 8 del Real Decreto 376/2022, de 17 de mayo, asociadas a las Garantías de Origen por las cuales se invoca el consumo de dicho biogás. Con esta documentación queda demostrado el cumplimiento de los Criterios de Sostenibilidad y de reducción de emisiones de la RED II y por tanto el uso de un Factor de Emisión igual a 0.*

~~*- Si las hubiera, Garantías de Origen asociadas a las partidas de biogás consumido, por la cantidad de biogás cuyo consumo sólo es invocado por la instalación ETS. Con esta documentación se prueba que no hay doble contabilidad por el consumo de dicho biogás.”*~~

CONSUMO DE BIOGÁS DIRECTAMENTE POR LA INSTALACIÓN ETS

*“El Real Decreto 376/2022, de 17 de mayo, por el que se regulan los criterios de a sostenibilidad y de reducción de las emisiones de gases de efecto invernadero de los biocarburantes, biolíquidos y combustibles de biomasa, así como el sistema de garantías de origen de los gases renovables, establece en su artículo 19.3.b) y 19.3.c) que las Garantías de Origen:*

**a) Serán expedidas al productor de gas procedente de fuentes renovables, cuya instalación deberá estar previamente inscrita a solicitud del productor en el Registro de instalaciones de producción de gas procedente de fuentes renovables que se habilite a tal efecto por la Entidad Responsable. Podrán ser gestionadas tanto por el titular de la instalación como por un tercero actuando en su nombre siempre que ostente poder de representación suficiente.**

*c) Deberán ser válidas para todo el gas renovable producido, incluyendo el gas renovable no inyectado en red vendido a terceros y el autoconsumido. Las garantías de origen expedidas para gas renovable autoconsumido serán autocanceladas y por tanto no serán susceptibles de transferencia.*

*Por tanto, se ha establecido un Registro de Garantías de Origen en España: <https://www.gdogas.es/>, para el registro de todo el biogás de origen renovable producido en España. En dicho registro se pueden dar de alta los productores de biogás y los tenedores de GdO (intermediarios y consumidores).*

Así, a la hora de notificar las emisiones de gases de efecto invernadero, si una instalación ETS ha consumido biogás directamente, deberá presentar durante la verificación la siguiente documentación para demostrar el consumo de biogás inyectado a la red que pueda computar un factor de emisión igual a 0:

~~–Garantías de Origen por la cantidad de biogás cuyo consumo solo es invocado por la instalación ETS. Con esta documentación se prueba que no hay doble contabilidad por el consumo de dicho biogás.~~

- Pruebas de Sostenibilidad **para cada una de las partidas de biogás consumido, que permitan la verificación del cumplimiento de los criterios de sostenibilidad y de la reducción de emisiones de GEI de acuerdo con los medios definidos en el artículo 8 del Real Decreto 376/2022, de 17 de mayo,** asociadas a las ~~Garantías de Origen por las cuales se invoca el consumo de dicho biogás~~. Con esta documentación queda demostrado el cumplimiento de los Criterios de la RED II, en caso de que le sean de aplicación, y por tanto el uso de un Factor de Emisión igual a 0.

- **Garantías de Origen asociadas a las partidas de biogás consumido, por la cantidad de biogás cuyo consumo solo es invocado por la instalación ETS en el caso de que la instalación estuviera dada de alta en el Registro de Garantías de Origen en España.** Con esta documentación se prueba que no hay doble contabilidad por el consumo de dicho biogás.”

Teniendo en cuenta la puesta en marcha del Registro de Garantías de Origen en España, los consumidores de biogás autoproducido **cuyas instalaciones estén dada de alta en el Registro de Garantías de Origen** deberán presentar Garantías de Origen antes del 31 de diciembre de 2023. Hasta dicha fecha, podrán utilizarse las metodologías de seguimiento de biogás autoconsumido aprobadas por la autoridad competente con anterioridad.

Con esta documentación podrá demostrarse que el biogás consumido cumple con todos los requisitos de MRR para contabilizar un factor de emisión igual a 0.

En relación con el biogás quemado en antorchas definidas como de seguridad en la Autorización de Gases de Efecto Invernadero, para dicha cantidad de biogás se darán por cumplidos los criterios de RED II”