

## **ENTSOE/GIE Workshop on Guarantees of Origin**

**7 May 2019, Brussels**

**Input to Recommendation Topic 2:**

***“Need for one standardized GO for renewable, low carbon  
and decarbonized gases”***

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- 1. One standardised GO for “renewable”, “low-carbon” and “decarbonised” gases must form the basis for developing the traded market for GOs. Such GO should be based on the minimum requirements of article 19 of RED II; and (2) upcoming CEN 16325 standard on renewable, low carbon and decarbonised gases.**
- 2. This upcoming CEN 16325 standard should be developed in cooperation with AIB, Certifhy, ERGaR and, if any, other issuing bodies. We encourage all parties to present a first draft as soon as possible, preferably by the next Madrid Forum in October 2019**
- 3. It should be possible to add additional information on top of the standardised GO and offer more sophisticated products to target specific customers**

## One standardised GO for “renewable”, “low-carbon” and “decarbonised” gases must form the basis for developing the traded market for GOs

- The increasing customer awareness for renewable and low carbon/decarbonised solutions help drive the energy transition by supporting the development of new technologies.
- GOs are essential to demonstrate the renewable/low-carbon/decarbonised nature of gases injected into the system
- However, robust markets for GOs are essential to retain customer interest.
- Existing challenges for developing the (wholesale) market;
  - Limited number of sellers and buyers – but low barriers to entry
  - GOs are “rare”. Maximum equivalent of 2 BCM (EU total ~490 BCM)\*.
  - Fragmented and national markets\*
  - Limited price discovery (and access to information) and no reference price
- What’s needed for the market to develop:
  - Regulatory oversight of national registries/issuing bodies to avoid possible fraud and support market trust.
  - Establishment of reference price (s) based on a mutually and easily recognised standard. Hence, **one standard GO for “renewable”/ “low-carbon”/ “decarbonised” gas.**

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**Such GO should be based on the minimum requirements of article 19 of RED II; and (2) upcoming CEN 16325 standard on renewable, low carbon and decarbonised gases.**

- The reference price(s) must be based on mutually agreed criteria. RED II – and CEN 16325 - defines these criteria for power GOs.
  - Information on plant (type, legal entity etc), country of origin, date of issue, date of expiry, certification issuer, certification number and subsidies received
- Power GOs have an established market with good liquidity and reference price(s) based on a mutually and easily recognised standard. As for power, gas GO should be based on the minimum requirements of article 19 of RED II.
- However, the work on defining the minimum standard for renewable or low carbon is just starting. Hence, the GO should be based on the upcoming CEN 16325 standard on renewable, low carbon and decarbonised gases.

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**This upcoming CEN 16325 standard should be developed in cooperation with AIB, Certifhy, ERGaR and, if any, other issuing bodies. We encourage all parties to present a first draft as soon as possible, preferably by the next Madrid Forum in October 2019.**

- Establishing the minimum standard is the first crucial step in establishing the standard product (s) and reference price (s).
- As demand-pull is growing in a limited market, it is imperative that key stakeholders quickly establish the basic lay out for a well functioning market. The standard is at the very centre of this work.
- Hence, this upcoming CEN 16325 standard should be developed in cooperation with AIB, Certifhy, ERGaR and, if any, other issuing bodies. We encourage all parties to present a first draft as soon as possible, preferably by the next Madrid Forum in October 2019.

It should be possible to add additional information on top of the standardised GO for renewable, low carbon and decarbonised gases to offer more sophisticated products serving different segments/types of customers.

- We see a growing demand of customers also requiring additional information, e.g. sustainability criteria for documenting the additional requirements in transport.

### Specifications available on ENDK certificates and REDcerts for biomethane, respectively

#### ENDK certificates

1.	<b>Information about plant</b> (legal entity, production site, VAT number, type of plant, etc.)
2.	<b>Issuing country</b>
3.	<b>Date of issue</b>
4.	<b>Certificate administrator</b>
5.	<b>Certificate number</b>
6.	<b>Production period</b>
7.	<b>Quantity</b> (MWh <sub>high</sub> )
8.	<b>Expiration date</b>
9.	<b>Whether the upgrading unit has received any subsidies</b>

#### REDcerts

1.	<b>Information about plant</b> (legal entity, production site, etc.)
2.	<b>Product country of origin</b>
3.	<b>Delivery period</b>
4.	<b>Type of certificate</b> (REDcert EU)
5.	<b>Certificate number</b>
6.	<b>Quantity</b> (Nm <sub>3</sub> / MWh <sub>high</sub> / MWh <sub>low</sub> )
7.	<b>Type of feedstock</b>
8.	<b>Country of origin for feedstock</b>
9.	<b>CO<sub>2</sub> savings</b> (%)
10.	<b>Land use</b> (yes/no)
11.	<b>Cross compliance</b>

# Recommendation 3 (cont')

It should be possible to add additional information on top of the standardised GO for renewable, low carbon and decarbonised gases to offer more sophisticated products serving different segments/types of customers.

- In power GOs, we see that different products are made based on the standard GO. This is important to meet customers needs for clean energy solutions.
- Going forward, the underlying systems should support the upgrading of standard GOs for renewable, low carbon and decarbonised gases into new products, for instance:



- Hence, it should be possible to add additional information on top of the standardised GO to offer more sophisticated products serving different segments/types of customers.

**THANK YOU FOR YOUR ATTENTION**