

# Rules for Biomethane Certificates

Version 1.2

1 January 2017

Non-legally binding translation from Danish

## Table of contents

1	INTRODUCTION .....	4
1.1	<i>EFFECTIVE DATE</i> .....	4
2	DEFINITIONS .....	4
2.1	<i>DEFINITIONS USED</i> .....	4
3	CERTIFICATE REGISTER .....	6
3.1	<i>REGISTRATION AS CERTIFICATE ACCOUNT HOLDER</i> .....	6
3.2	<i>ASSIGNMENT OF BIOGAS FACILITY</i> .....	7
3.3	<i>UPDATES OF THE INFORMATION ON THE CERTIFICATE ACCOUNT HOLDER AND ASSIGNED BIOGAS FACILITIES.</i> .....	8
3.4	<i>DECOMMISSIONING OF BIOGAS FACILITY</i> .....	8
3.5	<i>CLOSURE OF CERTIFICATE ACCOUNT</i> .....	8
3.6	<i>CERTIFICATE REGISTER</i> .....	8
4	BIOMETHANE CERTIFICATES .....	9
4.1	<i>ISSUE OF BIOMETHANE CERTIFICATES</i> .....	9
4.2	<i>ADJUSTMENT OF THE NUMBER OF CERTIFICATES</i> .....	10
4.3	<i>LIFETIME OF BIOMETHANE CERTIFICATE AND TIME LIMIT FOR ISSUE</i> .....	10
4.4	<i>CERTIFICATE TRANSFER</i> .....	11
4.5	<i>CANCELLATION OF BIOMETHANE CERTIFICATES</i> .....	11
5	AUDIT .....	11
6	FEES .....	12
7	PUBLICATION .....	12
8	EXCLUSION OF LIABILITY .....	13
9	GOVERNING LAW AND VENUE .....	13

## Appendices

Appendix 0: Model paper (not legally binding)

Appendix 1: Request for registration as Certificate Account Holder

Appendix 2: Certificate Agreement

Appendix 3: Request for assignment of Biogas Facility to Certificate Account

Appendix 4: Statement of consent

Appendix 5: Audit instructions for Biomethane Certificates

Appendix 6: Audit instructions for the Biomass

The current versions of the appendices can be seen on [Energinet.dk](http://Energinet.dk)'s website.

## Preface

Compared with the Rules for Biomethane Certificates, version 1.1, Rules for Biomethane Certificates, version 1.2, contain the following adjustments:

- As per 1 January 2017 the it-system cmo.grexel.com is the electronic certificate register (Certificate Register) used for registrations, issues, transfers and cancellations of Bio-methane Certificates;
- transfers between Certificate Account Holders made on 31 December 2016 at the latest, will be implemented in the Certificate Register per 1 January 2017. From 1 January 2017 Certificate Account Holders with active Certificate Accounts will only be able transfer active Biomethane Certificates by using the web interface of the Certificate Register;
- the lifetime of the Biomethane Certificates has been specified; and
- clarifications and minor language changes have been made.

## 1 Introduction

A number of participants in the Danish gas market have requested a certificate scheme for Biomethane which is supplied to the Danish gas system and traded on the basis thereof. Rules for Biomethane Certificates specify the provisions for a voluntary certificate scheme which is administered by Energinet.dk in compliance with the Danish Natural Gas Supply Act, section 12 a.

The primary purpose of the issued Biomethane Certificates is that a Certificate Account Holder can document to the end consumer that this person's gas consumption (fully or partially) corresponds to the production of a renewable energy source from an installation which produces Biomethane.

The certificate scheme is based on an electronic and paper-free registration system. Thus, no physical certificates are issued. In addition, the certificate scheme provides the opportunity to declare Biomethane for export.

### 1.1 *Effective date*

These Rules for Biomethane Certificates, version 1.2, will enter into force on 1 January 2017 and thus replace Rules for Biomethane Certificates, version 1.1.

## 2 Definitions

### 2.1 *Definitions used*

Except in the cases where the context dictates otherwise, the words that are specified in this item 2 must have the meaning in Rules for Biomethane Certificates as appears below, when the words are written in capital letters. This applies regardless of whether the words are used in the singular or plural form, respectively, in the definite or indefinite form, unless the context dictates otherwise.

**Working Day** means any day from Monday to Friday, excluding public holidays and closing days, as specified in the Issuing Body's calendar which can be found on Issuing Body's website: [www.energinet.dk](http://www.energinet.dk).

**Biogas** is gas, which is formed by anaerobic decomposition of biomass.

**Biogas Facility** is the facility producing Biogas.

**Biomass** is the biodegradable fraction of products, waste and residues from biological origin from agriculture (including vegetal and animal substances), forestry and related industries including fisheries and aquaculture, as well as the biodegradable fraction of industrial and municipal waste.

**Biomethane** is Biogas upgraded so as to meet the quality requirements for natural gas in Denmark and is supplied to the Danish Gas System.

**Biomethane Certificate** is an electronic certificate for a given quantity of Biomethane.

**Certificate Agreement** is an agreement between the Issuing Body and the Certificate Account Holder, which contains the terms and conditions that physical or legal persons must comply with to act as Certificate Account Holder in the Certificate Register.

**Certificate Account** is an electronic statement of Biomethane Certificates.

**Certificate Account Holder** is any natural or legal entity which is registered in the Certificate Register and can act in conformity with the Rules for Biomethane Certificates.

**Certificate Register** is the central IT registration system for registration and administration of Biomethane Certificates.

**The Danish Gas System** comprises the transmission system, the distribution grid and the storage facilities in Denmark.

**GSRN** (Global Service Relation Number) is the number which each Metering Point for Price Supplement must have with a view to identifying the metering point.

**Metering Point for Biomethane** is the metering point, where the energy and the quality of Biomethane delivered to the Danish Gas System is metered. The Metering Point for Biomethane will be identical to the Metering Point for Price Supplement if no adjustment is made to the calorific value of the Biomethane.

**Metering Point for Price Supplement** is the point where the energy and the quality of Biomethane, forming the basis for the payment of a Price Supplement

pursuant to section 35 c of the Danish Natural Gas Supply Act (*Naturgasforsyningsloven*) and the issue of Biomethane Certificates in this respect, are metered. The Metering Point for Price Supplement will be identical to the Metering Point for Biomethane if no adjustment is made to the calorific value of the Biomethane.

**Grid Owner** is the owner of the gas company establishing the connection of the Upgrading Facility to the Danish Gas System. The Grid Owner may be a distribution company or the transmission company (Energinet.dk).

**Upgrading Facility** is the facility for upgrading of Biogas to Biomethane.

**Upgrading Facility Owner** is the physical or legal person owning the Upgrading Facility.

**Rules for Biomethane Certificates** are these Rules for Biomethane Certificates, including appendices, in the version in force from time to time.

**Issuing Body** is Energinet.dk that issues the Biomethane Certificates on the basis of metering data from Metering Point for Price Supplement supplied by Grid Owner.

### **3 Certificate Register**

#### *3.1 Registration as Certificate Account Holder*

A Certificate Account Holder must be registered in the Certificate Register. A request for registration as Certificate Account Holder is made by filling in Appendix 1 and submitting it to the Issuing Body by email to [gascertifikat@energinet.dk](mailto:gascertifikat@energinet.dk).

The following information about the Certificate Account Holder must be provided:

- Name, address, postcode, town and country
- CVR number
- Contact details (name, telephone number and email address of contact)
- Contact details of the user on [cmo.grexel.com](http://cmo.grexel.com) (name, mobile number and email address of contact)

The Issuing Body will prepare a Certificate Agreement, see Appendix 2, on the basis of the information provided in the request. The signed Certificate Agreement must be received by the Issuing Body five (5) Working Days before a change of

month at the latest to enable the Certificate Account Holder to be registered in the Certificate Register for the subsequent month. The signed Certificate Agreement in PDF format is sent by email to [gascertifikat@energinet.dk](mailto:gascertifikat@energinet.dk).

If the requirements for being registered in the Certificate Register are met, and all of the above information has been submitted, the Issuing Body will be able to complete the registration in five (5) Working Days and the Certificate Account Holder will receive its log-in information for the Certificate Register.

### 3.2 *Assignment of Biogas Facility*

A Certificate Account Holder's request to have a Biogas Facility assigned to its Certificate Account is made by filling in Appendices 3 and 4 and submitting them in PDF format by email to [gascertifikat@energinet.dk](mailto:gascertifikat@energinet.dk).

In order for a Biogas Facility to be assigned to a Certificate Account, the Biogas Facility must produce Biogas which is upgraded to Biomethane and fed to the Danish Gas System.

The following information about the Biogas Facility must be stated:

- Address, postcode, city, country and CVR number of the Biogas Facility
- Capacity of the Biogas Facility in kWh/year
- Start-up date of the Biogas Facility
- Type of the Biogas Facility:
  - Unspecified
  - Based on land fill gas
  - Based on sewage gas
  - Based on agricultural gas
  - Based on gas from organic waste digestion
  - Process gas
- GSRN in Metering Point for Price Supplement..

A Biogas Facility which is assigned to a Certificate Account must not in any other way sell the original value of the produced Biomethane.

### 3.3 *Updates of the information on the Certificate Account Holder and assigned Biogas Facilities.*

The Certificate Account Holder is obliged to continuously update the information on the Certificate Account Holder and Biogas Facilities assigned to the Certificate Account Holder's Certificate Account (and, where appropriate, submit an updated statement of consent, see Appendix 4). No later than five (5) Working Days before a change of month, the Certificate Account Holder must notify the Issuing Body of the changes to be registered in the Certificate Register for the following month.

The updated register enters into force on the first day of the subsequent month.

### 3.4 *Decommissioning of Biogas Facility*

If a Biogas Facility will no longer be assigned to a Certificate Account, it is the relevant Certificate Account Holder's responsibility to send a written notification to the Issuing Body by email to [gascertifikat@energinet.dk](mailto:gascertifikat@energinet.dk). The decommissioning of the Biogas Facility must take place before the end of the relevant month.

### 3.5 *Closure of Certificate Account*

A Certificate Account Holder may at any time close its Certificate Account by giving ten (10) Working Days' notice. Before the Certificate Account is closed, all active Biomethane Certificates must either be transferred to another Certificate Account Holder or be cancelled.

When the Certificate Account no longer contains active Biomethane Certificates, the Certificate Account is rendered inactive, as the closed Certificate Account is not deleted in order to preserve the certificate history.

### 3.6 *Certificate Register*

Biomethane Certificates are issued from an electronic Certificate Register chosen by the Issuing Body based on its own assessment. The Certificate Account Holder bears its own costs associated with access to and maintaining access to the Certificate Register. The Certificate Account Holder is solely responsible for sufficient IT security in connection with its access to and use of the Certificate Register.

The Issuing Body is entitled to limit or prevent the Certificate Account Holder's access to the Certificate Register in the event that the Certificate Account Holder misuses its Certificate Register access or fail fulfil any of its obligations under the Certificate Agreement or Rules for Biomethane Certificates.

Expected system uptime for the Certificate Register is 99.5 percent per year, excluding scheduled downtime. The Issuing Body aim to give Certificate Account Holders reasonable notice of scheduled downtime.

The Issuing Body reserves the right to suspend, interrupt, limit or terminate the Certificate Register without notice, for instance to perform critical system updates.

## **4 Biomethane Certificates**

### **4.1 *Issue of Biomethane Certificates***

Only Certificate Account Holders with an active Certificate Account for an associated Biogas Facility may be issued Biomethane Certificates.

By the end of each month, the Issuing Body issues Biomethane Certificates on a monthly basis and in a standard size of 1 MWh based on measurements from the Grid Owner in the Metering Point for Price Supplement.

If several Biogas Facilities supply the same Upgrading Facility, the Grid Owner's distribution of the measurement in the Metering Point for Price Supplement must form the basis for the issue of Biomethane Certificates for the individual Biogas Facility.

If other gas is added, including propane, in order to adjust the calorific value of the Biomethane, this supply of energy must be measured by the Grid Owner in the Metering Point for Biomethane.

If production in a given month is less than 1 MWh, a Biomethane Certificate will be issued for a subsequent month when production amounts to 1 MWh or may be applied as a correction; see item 4.2.

The date of issue for Biomethane Certificates is the 10th Working Day in the month of issue when they are assigned to the Certificate Account.

For each Biomethane Certificate, the following is registered:

- CVR number of the Biogas Facility
- Location of the Biogas Facility
- Capacity of the Biogas Facility in kWh/year
- Start-up date of the Biogas Facility
- Type of the Biogas Facility
- GSRN for Metering Point for Price Supplement
- Issuing body
- Date of issue
- Country of issue
- Identification number of certificate
- Unit used in the certificate (1 MWh)
- Production period for the Biomethane
- Expiry date (12 months after date of production).

#### 4.2 *Adjustment of the number of certificates*

The Issuing Body regularly receives updated/corrected metered data from the Grid Owner. The number of issued Biomethane Certificates is adjusted monthly in arrears on the basis of corrected metered data from Grid Owner. Corrections are made 12 months back in time (in relation to the date of production) unless the Issuing Body deems that special conditions apply.

In connection with corrections, the existing difference after the issue of Biomethane Certificates at the end of the month is written up or down. The difference is written up or down depending on the correction. If the correction is of such a magnitude that the difference is negative, the correction is recognised before Biomethane Certificates are issued in the subsequent month.

Corrections are not available from the Issuing Body before the 10th Working Day in the following month, and any corrections will therefore not appear on the statement of certificate account for the subsequent month.

#### 4.3 *Lifetime of Biomethane Certificate and time limit for issue*

Any use i.e. transfers or cancellation of a Biomethane Certificate must take place within 12 months from the month of production. The Issuing Body automatically

changes the status of issued Biomethane Certificates that are not cancelled within this period. They are marked as expired and cannot be transferred or cancelled.

The lifetime of Biomethane Certificates is 12 months. Consequently, any request for the issue of certificates must be submitted no later than the 10<sup>th</sup> Working Day 12 months after the calendar month in which production took place. Example: A certificate request for the May 2015 production must be made no later than the 10. Working Day of May 2016.

#### 4.4 *Certificate Transfer*

Transfers between Certificate Account Holders, made on or before 31 December 2016 and in compliance with Rules the for Biomethane Certificates, version 1.1, will be implemented in the Certificate Register as of 1 January 2017.

From 1 January 2017, Certificate Account Holders may transfer active Biomethane Certificates among themselves The Issuing Body only by using the web interface of the Certificate Register.

#### 4.5 *Cancellation of Biomethane Certificates*

Once a Biomethane Certificate has been registered as used, it is cancelled. The Certificate Account Holder initiates the cancellation process in the Certificate Register. A cancelled Biomethane Certificate cannot be transferred but only serves as documentation for the consumption of a specific amount of energy by an end consumer. A document may be generated from the Certificate Register which the Certificate Account Holder can use to prove cancellation of Biomethane Certificates.

##### 4.5.1 Special information on cancellation for export

The Issuing Body does not control and is not responsible for ensuring that Biomethane Certificates cancelled for export are allocated to the relevant transit point. The Issuing Body is solely responsible for monitoring that the Biomethane has not been consumed by an end consumer in Denmark.

## **5 Audit**

To ensure the necessary credibility of the certification scheme, the Issuing Body has prepared audit instructions, which apply for all Certificate Account Holders with

issued, transferred or cancelled Biomethane Certificates the previous year (1 January – 31 December), see Appendix 5. On the basis of this, the auditor must prepare an auditor's opinion which must be submitted to the Issuing Body on or before 1 July of each year. If the auditor's opinion is not delivered on time, the Certificate Account Holder's access to the Certificate Register will be suspended, including the ability to transfer and cancel Biomethane Certificates.

Once a year, the owner(s) of the Biogas Facility that has been issued Biomethane Certificates must report data to the Issuing Body about the type and weight of the Biomass used for production of Biomethane in that Biogas Facility during the previous year (the information must be continuously registered in a log and made available for periodic control).

The report must be submitted no later than 1 September and contain information that covers the period from 1 August of the previous calendar year until 31 July of the current calendar year.

The report must be certified by the owner(s) of the Biogas Facility and include an auditor's opinion by a certified public accountant or registered public accountant that confirms conditions related to the biomass used and production and delivery of Biomethane, see appendix 6.

## **6 Fees**

The Issuing Body will not charge an administrative fee for use of the certificate scheme. The Issuing Body reserves the right to introduce a small administrative fee in the event that the Issuing Body incurs significant costs in connection with the administration of the certification scheme.

## **7 Publication**

The Issuing Body will treat all information received from Certificate Account Holders as confidential information. The Issuing Body is, however, entitled to publish a list of all registered Certificate Account Holders and Biogas Facilities assigned to the Certificate Account of the individual Certificate Account Holder. The Certificate Account Holder must therefore ensure that the Issuing Body is entitled to publish information about the Biogas Facility.

## **8 Exclusion of liability**

The Issuing Body administers the certification scheme at the sole request of gas market participants, and the Issuing Body is not able to validate received metered data.

Any use of the certification scheme, Biomethane Certificates etc. is therefore the Certificate Account Holder's own responsibility and at his own risk, and the Certificate Account Holder, owners of the Biogas Facility, Upgrading Facility Owners, end consumers etc. are not entitled to raise any claims against the Issuing Body as a result of the certification scheme or use of same.

## **9 Governing law and venue**

These Rules for Biomethane Certificates are subject to Danish law.

The parties must seek to resolve any dispute concerning the Rules for Biomethane Certificates or the issue, transfer, cancellation of Biomethane Certificates etc. through negotiation.

If the parties are not able to resolve the dispute by negotiation within 20 Working Days from the date on which a request for negotiation was made, the dispute will be settled by The Danish Institute of Arbitration (Copenhagen Arbitration) according to the rules adopted by the Danish Institute of Arbitration thereon, applicable at the initiation of the arbitration case.