



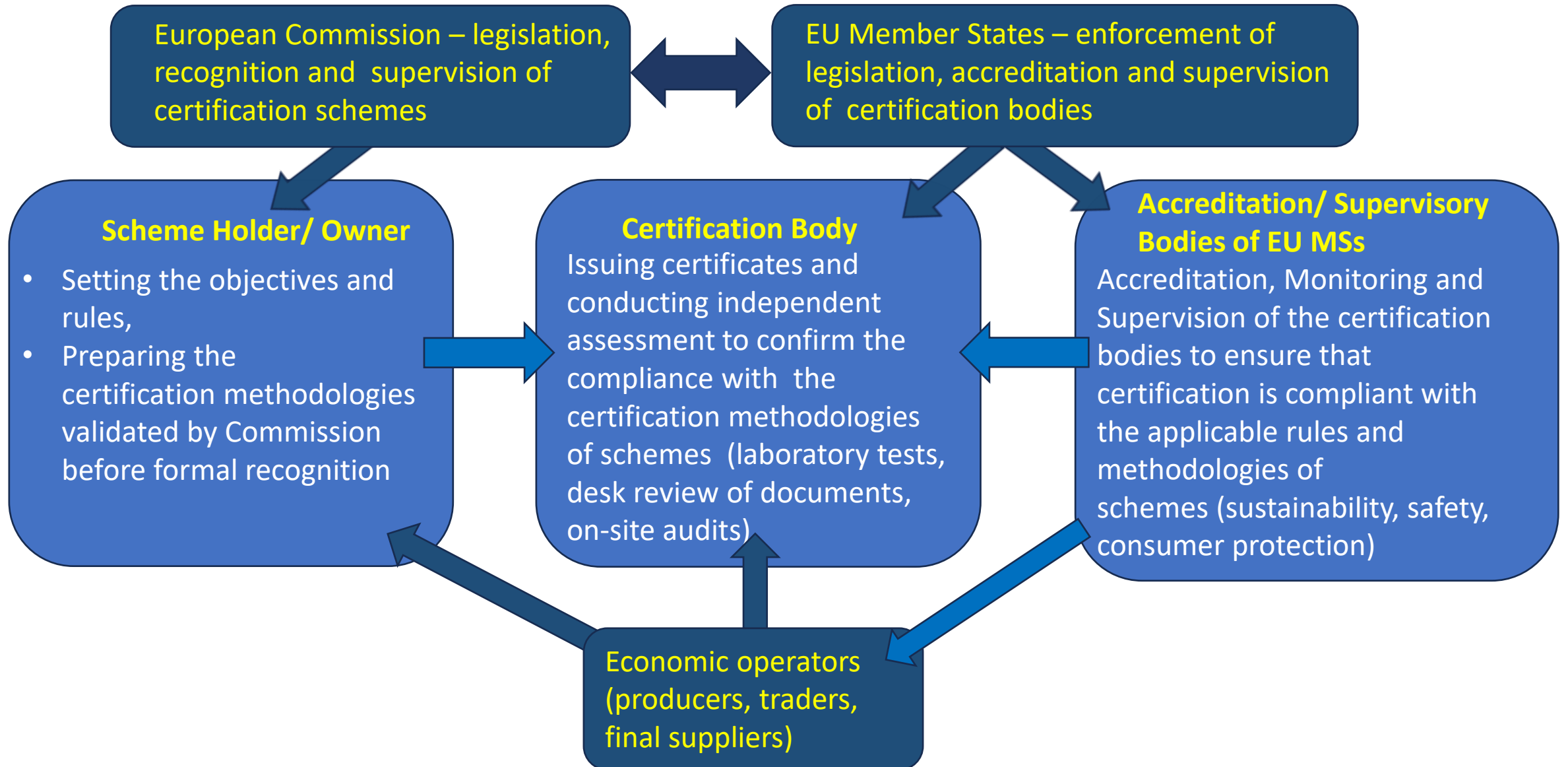
# EU certification and traceability systems for energy sources

DG ENER

April 2024



# Renewable Energy (RED) Certification – how it works



# Demonstrating compliance with the EU sustainability and greenhouse gas emission reduction criteria of Renewable Energy Directive – the basic rules

- **Member States are responsible for implementation of the EU sustainability criteria**
- **Economic operators must submit ‘reliable and third party audited information’ of compliance with the criteria.**

Options are:

- National (government) schemes set up by Member States (recognized or not by the Commission), or
- Voluntary (market based) schemes that have been recognized by the European Commission.
- A **‘mass balance’** chain of custody system must be used (to avoid double counting)
  - Materials with different sustainability characteristics can be physical mixed, as long as **inputs = outputs**
  - Stricter options like ‘physical segregation’ are allowed, but **‘book-and-claim’** (i.e. trading sustainability credits separately from the physical flow of material) **is not allowed.**
- **Auditing:** – Auditors should be ‘external, independent of the activity being audited and free from conflict of interest’
  - Auditors shall establish at least a ‘limited assurance level’ in the context of the economic operator’s activities

## EC recognition of voluntary schemes under RED rules

- **The recognition process consists of 4 steps:**

1. Technical assessment by DG ENER (supported by a contractor)
2. Consultation with other DGs (Inter-service consultation)
3. Consultation with MS (Committee on the Sustainability of Biofuels, Bioliquids and Biomass fuels)
4. Approval by the Commission and publication on EC Transparency Platform (Decision and Scheme docs)

- **Technical assessment uses a publicly available Assessment Protocol template which covers all relevant aspects:** Sustainability requirements, Chain of custody, Audit and Scheme governance.

- **REDII Assessment Protocol** standardizes the approach in applying the sustainability rules from RED II and the strengthened rules of the Implementing Act on sustainability certification.

-

## Key stakeholders in the certification process

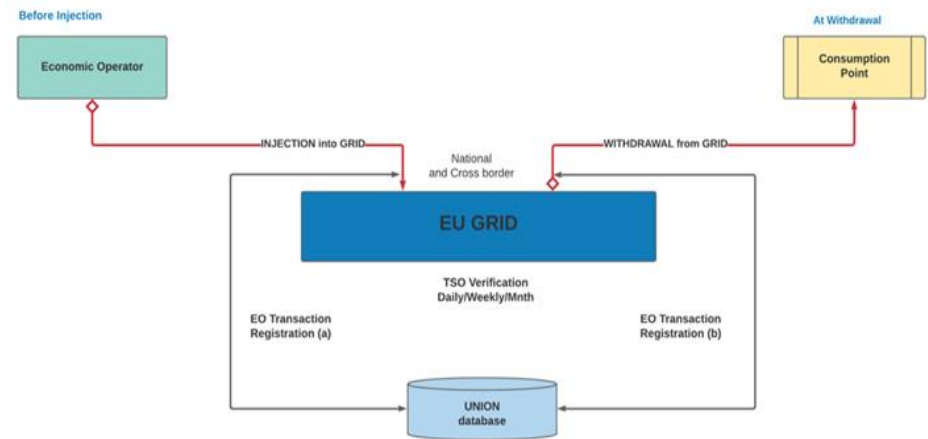
1. The **Economic Operator** is the scheme participant (e.g. processing facility, biogas/ biomethane producer, etc) who receives a certificate following a successful audit;
2. The **independent Certification Body** assesses scheme participant's compliance against the scheme's requirements (*previously approved by the Commission*) in an audit and issues certificates. Auditors work on behalf of the Certification Body;
3. The **Voluntary scheme** is responsible for defining the scheme's rules and requirements (standards) and overall scheme management (including internal monitoring);
4. The **National Accreditation Body of the EU Member States** accredits the Certification Bodies that operate on behalf of the Voluntary scheme (either national or international);
5. The **National Supervisory Competent authorities of the EU Member States** oversees the audit work of the Certification Bodies that operate on behalf of the Voluntary scheme.

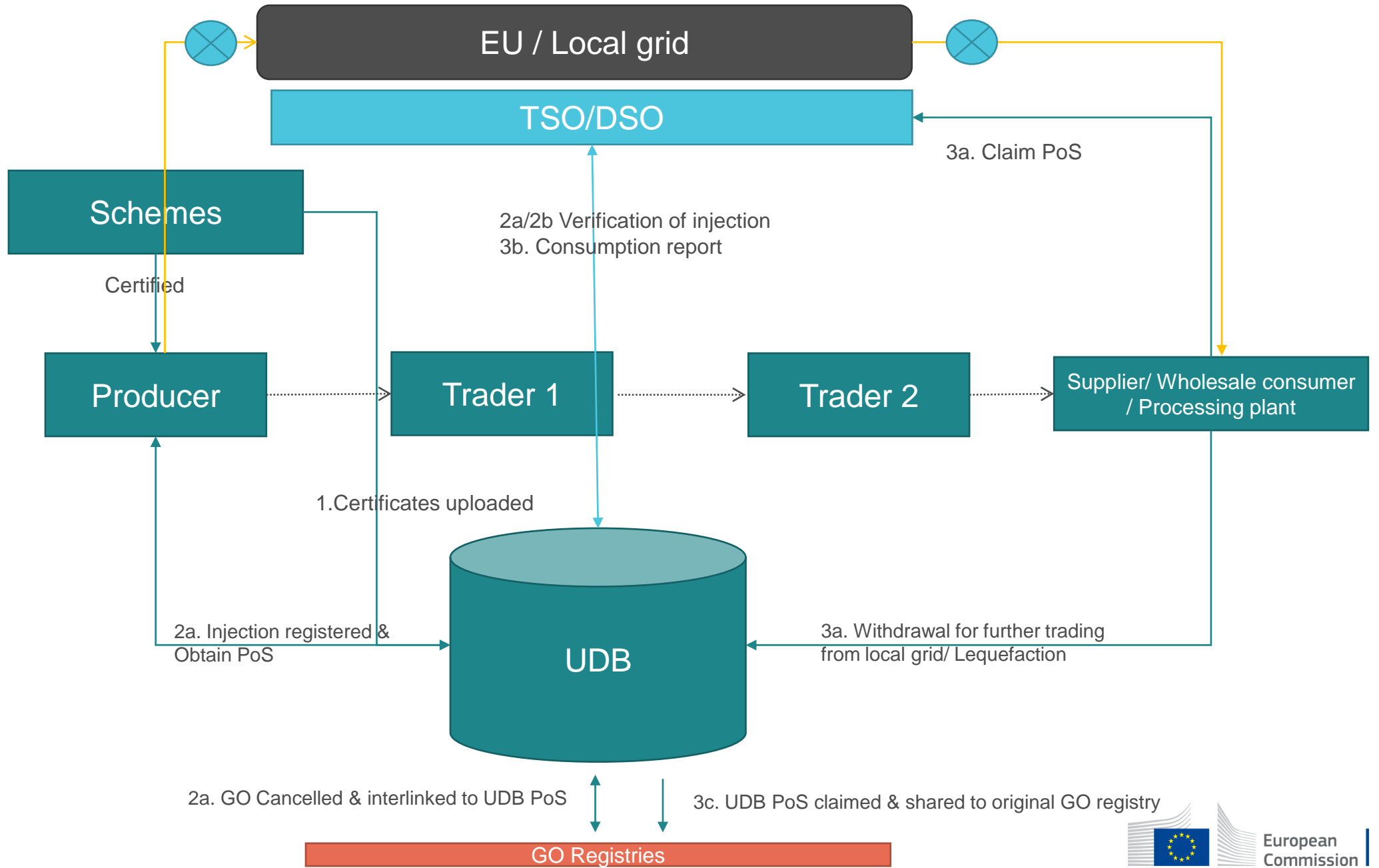
## Specific rule for certifying and tracing gaseous fuels

1. **Individual sustainability certification** of producing/ injecting installations is mandatory;
2. Application of the “mass-balancing rules”: an **integrated interconnected grid** is considered as **one single mass-balancing space**;
3. The new traceability tool developed and put into operation by the Commission under the empowerment of the RED II “**the Union Database**” is designed to ensure the net mass-balancing of injected and consumed gaseous units in the integrated grid;
4. The **off-grid gas trade** is traced by the Union database through individual transactions.
5. The **Union database was put into operation on 15th January 2024** to trace **transactions of liquid fuels** and will be fully operational to **trace also gaseous fuels as from end November 2024**.

# Concept of Union Database (UDB) for gaseous fuels (based on article 31(a) of RED and IR on Sustainability certification)

- EU Grid as a single logistical facility from mass-balance perspective.
- Separate mass-balancing system (MBS) for local grids. Any trades between grids to be reported to UDB as a trade transaction.
- If GOs are issued for the same energy unit - transfer to UDB;
- Diverging practices in EU MSs in terms of GOs/ PoS policy, including option of opting in or out of a GOs system,
- Support an EU market approach and cross-border trade.
- Avoid any risk of double counting/ disclosure.







# 2024 – UDB Roadmap

Q1 2024

Q3 2024

Q2 2024

Q4 2024

- Open for certified EO
- Improvements to Liquid fuel
- Approve Service Provider who demonstrate quality criteria

- Open for non-certified EO ( Fuel supplier / Obligated party)
- Gas – Proof of Concept (PoC) for non-GoO
- Design for Aviation – Pilot group

- PoC Aviation continued + Testing with pilot group of airlines
- Consumption reporting for Liquid fuel value chain
- Member States access to reports
- Gas – finalize, non-GO

- October: Go Live: Gas non-GO
- Airlines consumption reporting

# Thank you



© European Union 2020

Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

Slide xx: [element concerned](#), source: [e.g. Fotolia.com](#); Slide xx: [element concerned](#), source: [e.g. iStock.com](#)

