

# Reliable disclosure for gases while UDB registers sustainability for Target accounting

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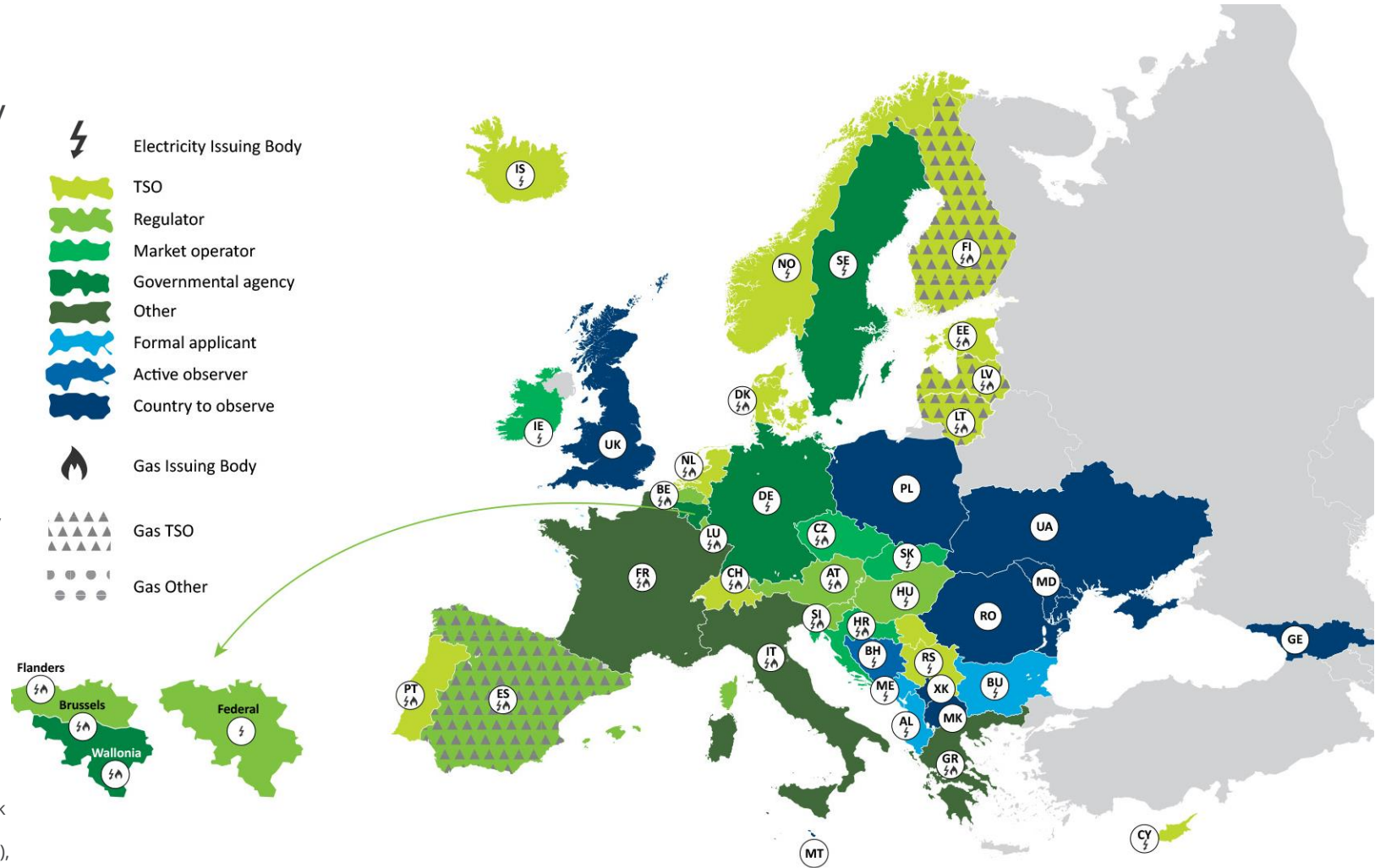


# AIB and its Member Countries / Regions

Mission: Guaranteeing the origin of European Energy

- 29 countries connected (37 members)
- Geographical scope: EU - EFTA – Energy Community
- All current AIB members are issuing bodies for Guarantees of Origin
- Very diverse: regulator, market operator, TSO, ministry, power exchange etc.
- Several members are also competent bodies for the supervision of electricity disclosure
- 32 AIB members issue electricity GOs
- 21 AIB members assigned by their government for issuing gas GO

- Austria (E-Control), Belgium Brussels (Brugel), Belgium Flanders (VREG), Belgium Wallonia (SPW), Croatia (HROTE) Czech Republic (OTE), Denmark (Energinet), Estonia (Elering), Finland (Gasgrid Finland), France (EEX), Greece (Dapeep), Hungary (MEKH) Italy (GSE), Latvia (Conexus Baltic Grid), Lithuania (Amber Grid), Luxembourg (ILR), Netherlands (VertiCer), Portugal (REN), Slovenia (AGEN-RS), Spain (Enagas GTS), Switzerland (Pronovo), more to follow



# Legally appointed gas GO issuing Bodies



Map of EU Member States where a competent body for issuing gas GOs has been appointed.

Dark green countries indicate where separate Issuing Bodies for electricity and gas have been appointed, but both are members of AIB.

Pale green countries have a competent body, that has not yet become a member of AIB.

The remaining green countries have the same Issuing Body for gas and electricity, and that organisation is a member of AIB.

# Project



Funded by  
the European Union



→ Formal project reference: N° ENER/2023/MVP/0010

**"Technical assistance to develop methodologies compliant with disclosure obligations on RES gases"**

# REGADISS

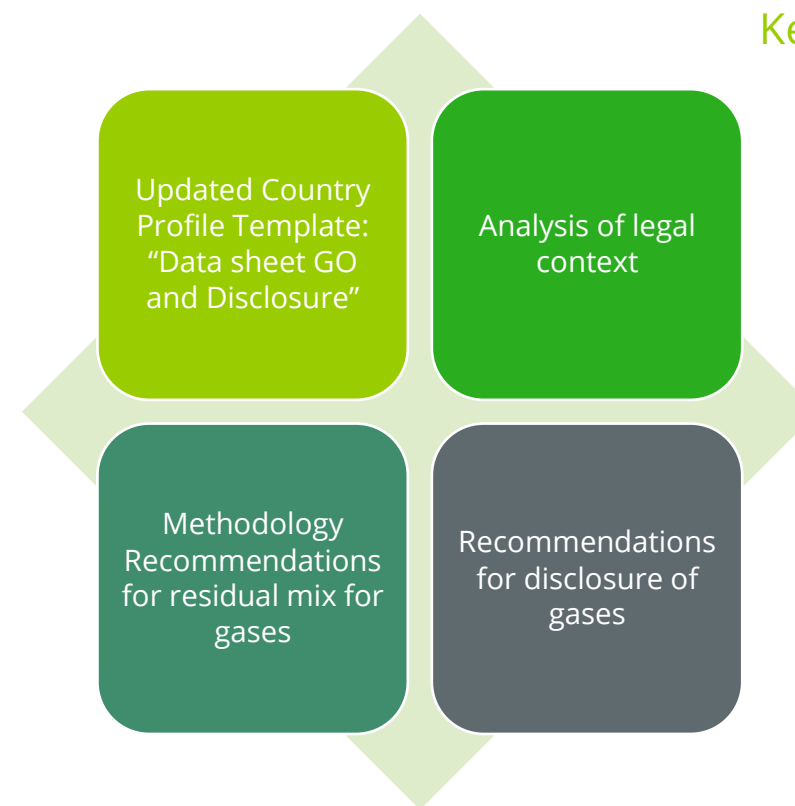
→ Operational project name :

**"REliable GAs DISclosure System"**

→ Project nature

- Service Contract to DG ENER
- 1 year
- Started on 28/12/2023

Key outputs



Project webpage: [www.aib-net.org/REGADISS](http://www.aib-net.org/REGADISS)

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# Key principles for reliable disclosure

while UDB traces sustainability and GHG

# Key Principles

## Reliable disclosure

### **Only GO is equipped to claim the ownership of renewable gas characteristics for consumption**

- IF other Instrument would entitle for green claims THEN this should be :
  - Explicitly acknowledged by *relevant* authority, and
  - Excluded in the residual mix calculation

### **Disclosure process = part of design of UDB-GO interaction**

- as GO purpose = Disclosure of origin to consumers

### **Member states control** recognition and cancellation criteria of GO in their country

- whether in their registry or in the UDB

# Central <-> national responsibilities

GO cancellation must take place under the control of the country where the RES consumption is claimed

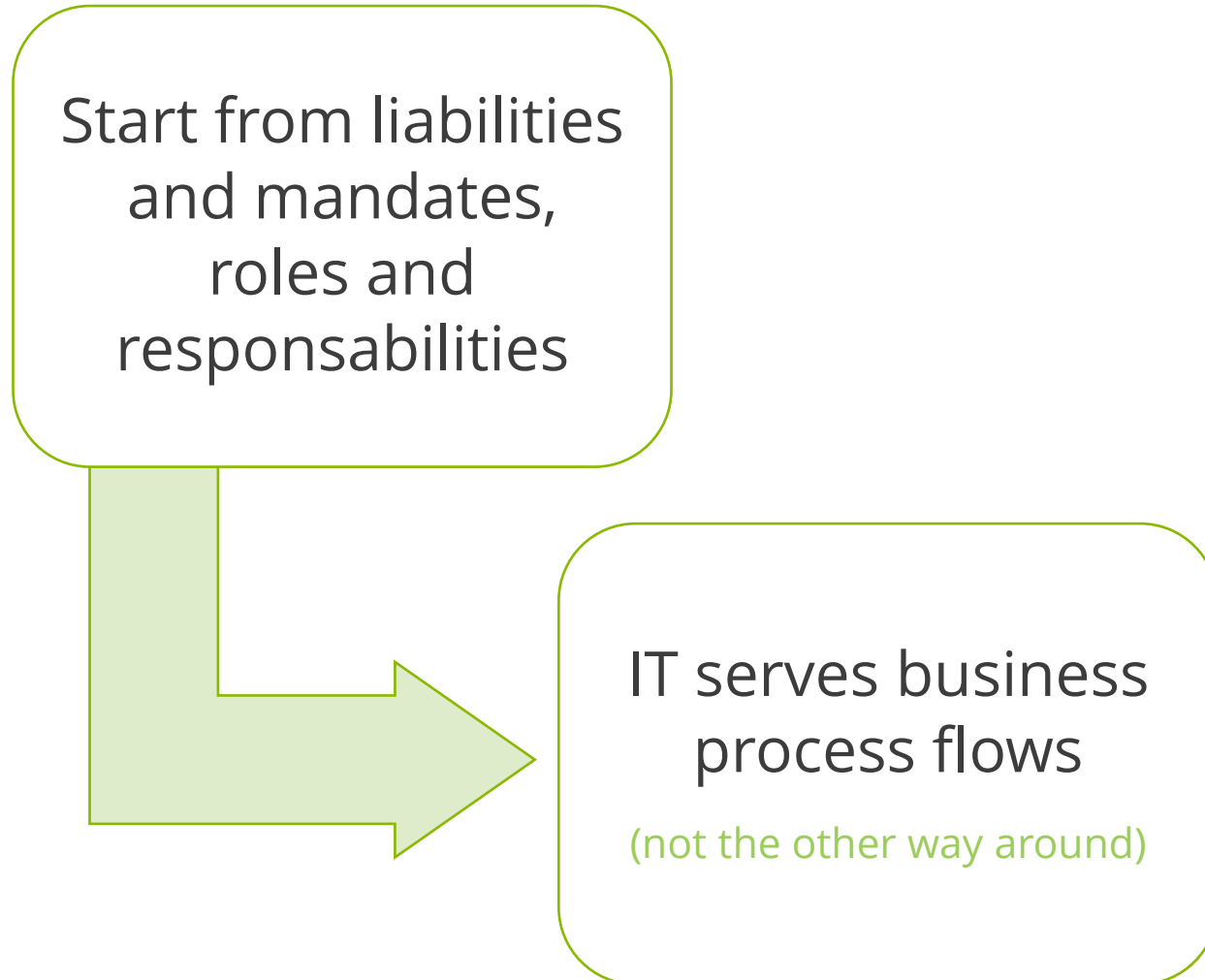
## EU Central administration

- Supply chain tracking of sustainability characteristics (PoS, GHG)
- Monitor eligible quantities for Targets

## National responsibilities

- Ensure the origin of RES can be guaranteed (REDIII)
- Issue GOs on request of producer (REDIII),
- Ensure the same unit of RES is counted only once (REDIII),
- Calculate residual mix (REDIII),
- Ensure that used gas GOs correspond to “network characteristics” of gas consumption (REDIII),
- Supervise reliable disclosure (Draft Gas Directive),
- Ensure substantiated green claims (Green Claims Directive),
- National support systems (REDIII),
- Require EO to show criteria are met for target accounting (REDIII),
- Adhere to EN16325 GO standard (REDIII), ...

Source: REDIII, Draft revision of Gas Directive, CSRD – ESRS, Green Claims Directive





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# Upcoming Gas Disclosure obligation

# General principles for disclosure of supplied / consumed gas

→ Gas Directive (draft\*): legal disclosure obligation on suppliers



→ Corporate Sustainability Reporting Directive (CSRD): legal disclosure obligation on Corporates

- Sources
- Emissions (market based AND location based)



Only renewable if clearly defined in the contractual arrangements with suppliers (renewable power purchasing agreement, standardised green electricity tariff, market instruments like Guarantees of Origin)

\*Source: Result from Trialogue between the European Commission, Parliament, and Council from December 2023 [16516/23](#), built on interinstitutional file 2021/0425(COD)

# Origin claims: GO or Residual Mix

[Note this does not say: "or excluding other reliable tracking systems acknowledged by the Member State"]

→ Residual Mix in REDIII

- Art. 2: Residual Energy Mix: total annual energy mix for a Member State, excluding the share covered by cancelled GOs
- Art.19.8 Residual Mix = for non-tracked commercial offers
- Art. 19.4 Member States shall ensure that the data on their residual energy mix are published on an annual basis
- Art. 19.3 MS shall include expired GO in their Residual Mix

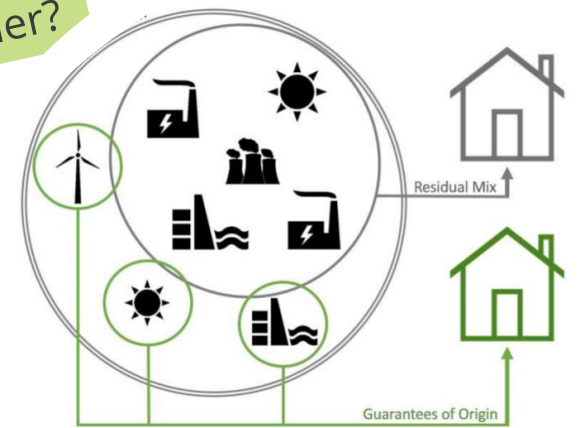
→ Claiming Green gas consumption without GO = double counting as these RES-gases are also in the residual mix

→ PoS that is not linked to GO : risk for double claim through

- residual mix calculation, and
- Separate sale of GO and PoS for the same volume

→ Challenge: preventing misperception of PoS

To prevent double claims, only one of the 2 yellow markings can apply!  
Should UDB display which registered gas consignment entitles for origin claims to consumer?



03

# UDB interaction with Disclosure framework

# GO transfer to UDB - REDIII

REDIII Art. 31a§4

*“Where GOs have been issued for the production of a consignment of renewable gas,*

*MS shall ensure that those **are transferred to UDB** at the moment when a consignment of renewable gas is registered in the UDB and*

*are cancelled after the consignment of renewable gas is withdrawn from the Union’s interconnected gas infrastructure.*

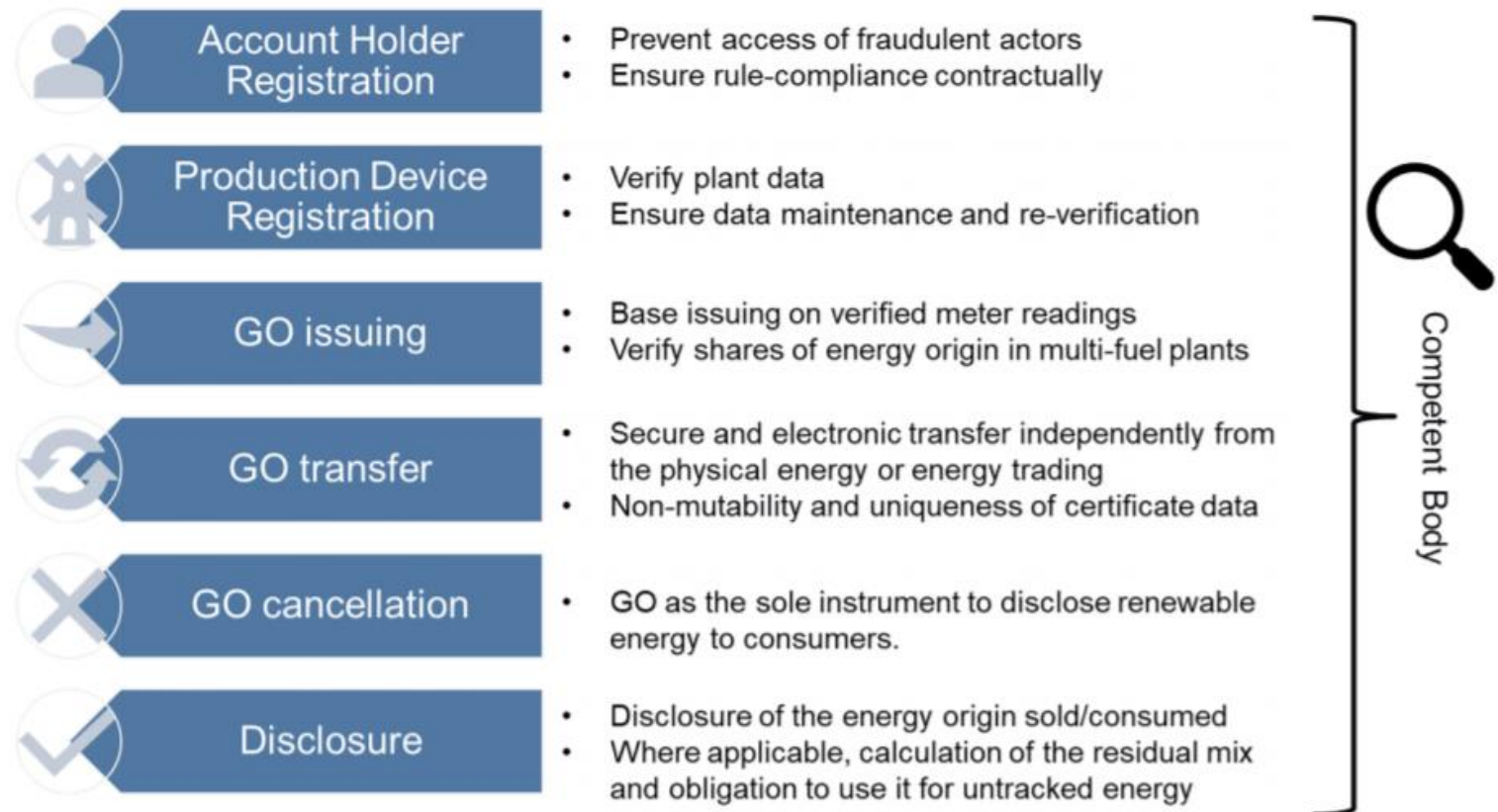
*Such GOs once transferred, shall not be tradable outside the UDB”*

▪

# GOs shouldn't be detached from the ownership of the renewable characteristics they represent

→ Strength of GO = uniquely represent the renewable Attributes

→ Because of full GO ecosystem management



# Reliable disclosure principle

Only GOs (or RM) entitle for informing customers on the origin of the gas

**Proposed UDB criterion :**

Registering cancelled GOs in the UDB

How?

2 options (GSG):

- 1) GO registries send info on cancelled GOs to UDB (rejected by DG ENER)
- 2) Import living GOs to UDB upon registration of PoS in UDB

Who?

EO – original  
GO owner

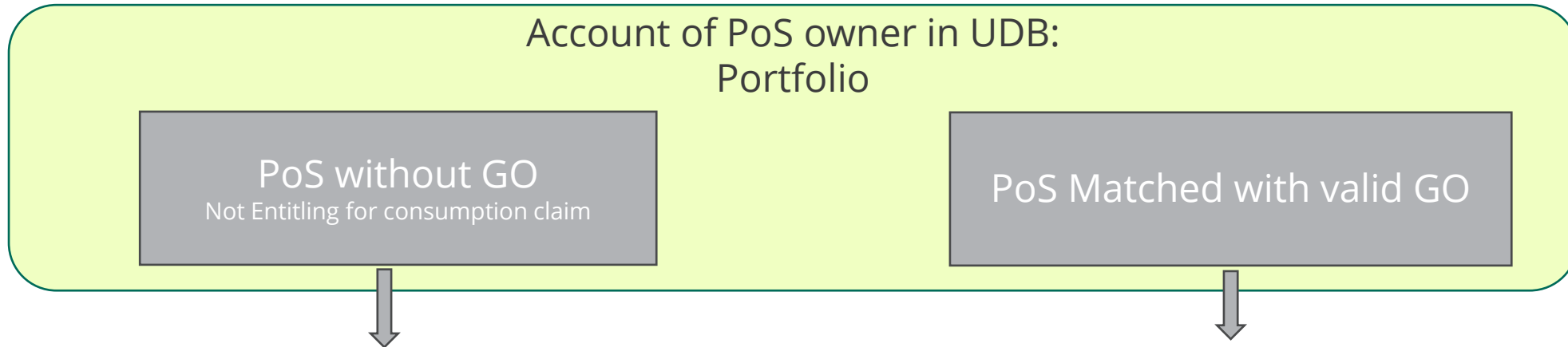
(Economic Operator  
imports GO to UDB)

How?

From EO account in GO  
registry directly into  
account in UDB (just like  
GO-to-GO registry import)

*All scenarios need fraud prevention measures for the case where EO reports to UDB that no GOs are issued*

# Conditions for renewable claims through UDB tracking



→ Cancellation statement needs explicit warning:

**NOT allowed to claim** this consignment as energy consumption from renewable sources!!!



→ Cancellation statement should state:

**Conditions for Claiming** this consignment as energy consumption from renewable sources:

MS control needed on GO cancellation criteria in UDB

Country of consumption's recognition criteria are met:

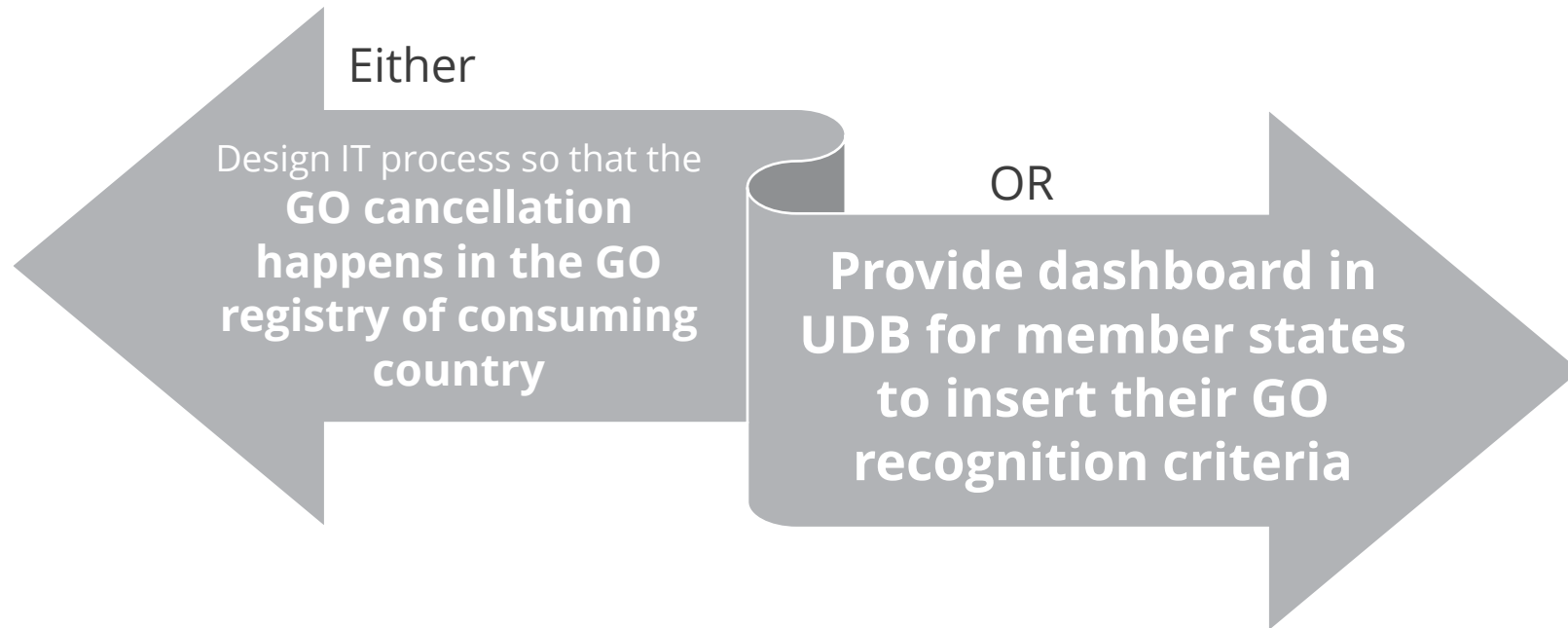
- GO not expired in country of consumption (varies between 12-18 months)
- GO considered reliable, accurate, verifiable
- Used GO ~ Network Characteristics
- Accounted in the national consumption statistics
- ~...

Assumption: GO Matching to PoS Technically successful !?



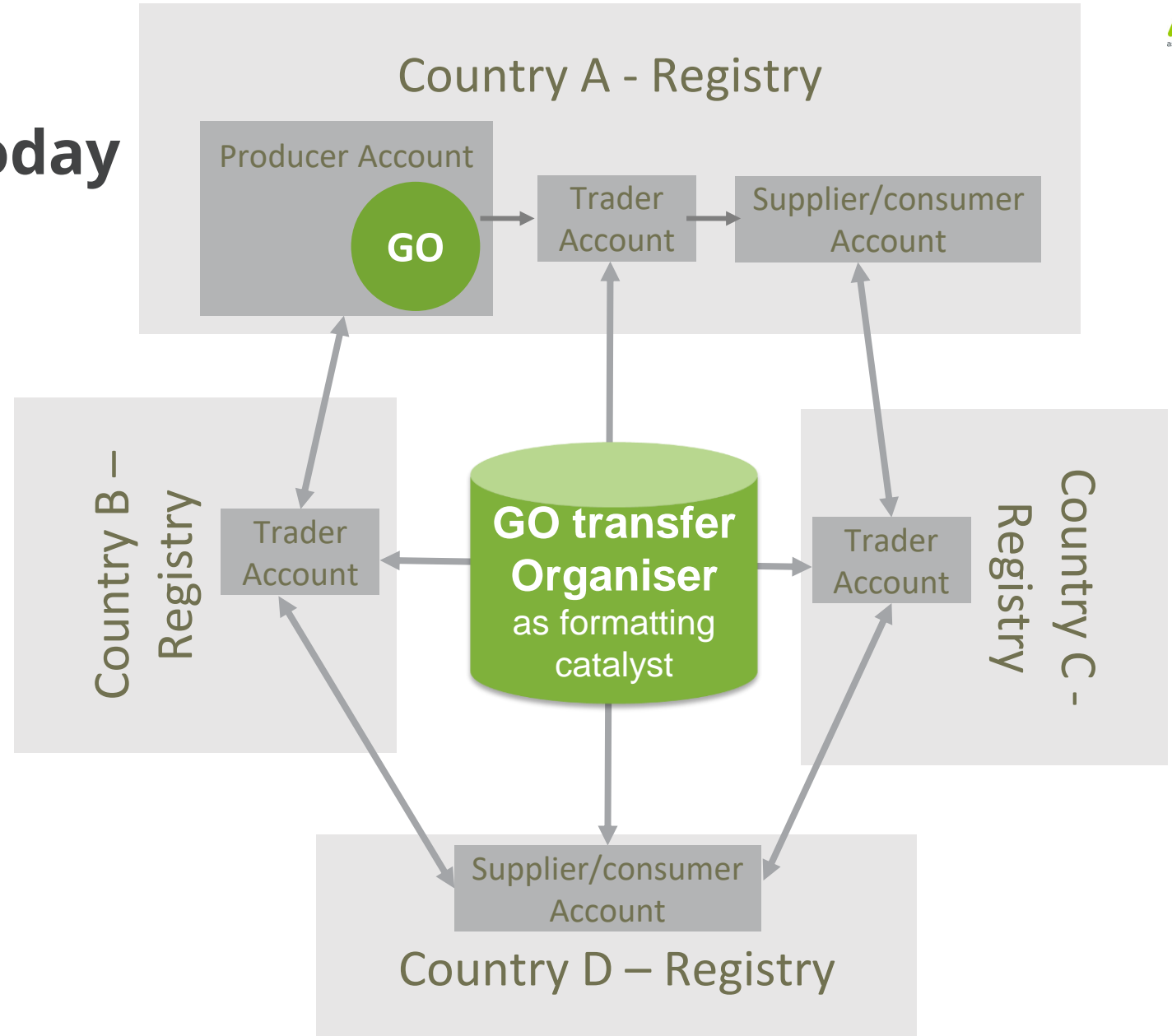
# Who is liable when false green claims made based on UDB info?

→ What if UDB doesn't prevent false green claims?

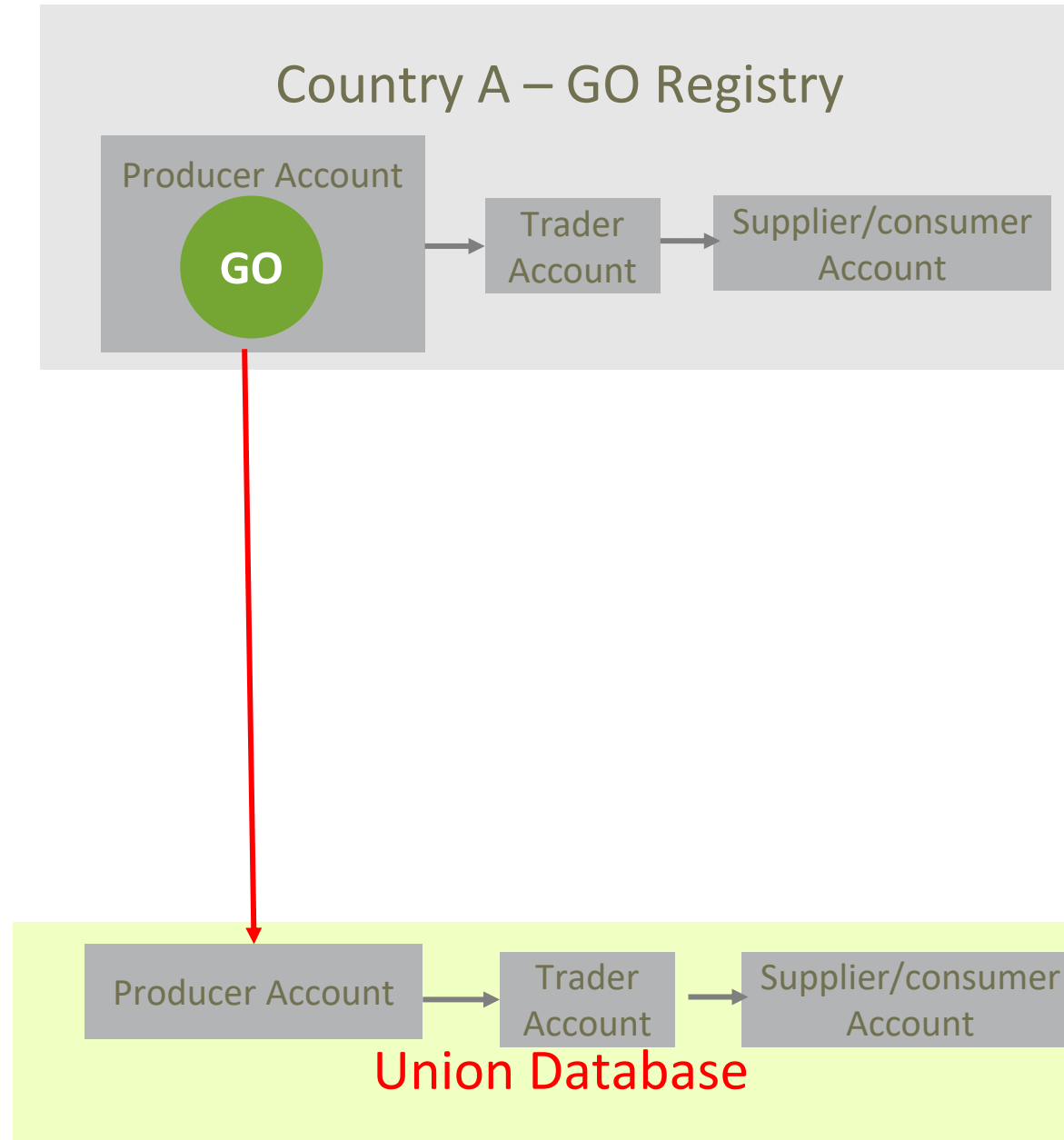


# Transfer of GO Account to Account - Today

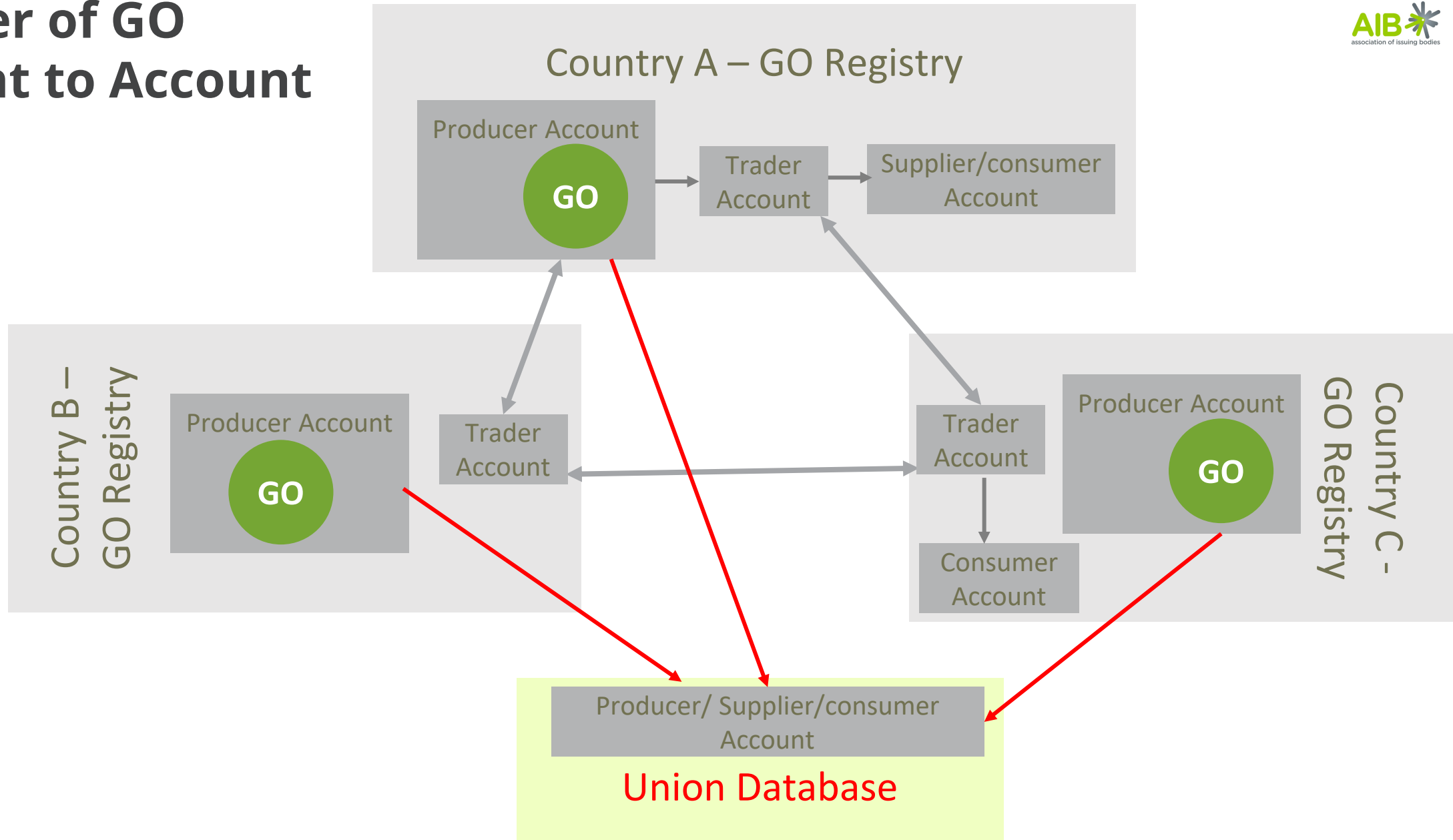
- Standardized
- Jointly operated by GO issuers
- Automated
- High volume of transfers



# Transfer of GO Account to Account



# Transfer of GO Account to Account



# Key Principles

## Reliable disclosure

### **Only GO is equipped to claim the ownership of renewable gas characteristics for consumption**

- IF other Instrument would entitle for green THEN this should be :
  - Explicitly acknowledged by relevant authority, and
  - Excluded in the residual mix calculation
    - (reporting lines & procedures to be established)

### **Disclosure process = part of design of UDB-GO interaction**

- as GO purpose = Disclosure of origin to consumers

### **Member states control over recognition and cancellation criteria of GO in their country:**

- whether in their registry or in the UDB

# Welcoming interaction!



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