

## Hybrid workshop on Union Database concept

11 April 2024 | 10:00 – 15:25 CEST

### CONCLUSIONS

The workshop was well attended (more than 50 present in the conference room + more than 250 online on Teams). This shows the market interest and need for continued information exchange regarding the Union Database (UDB), which aims to track the contractual path of renewable and low-carbon gases from production (or import) to EU consumers.

#### **1. Stakeholders dialogue**

The event organisers (Energy Traders Europe, Eurogas, EBA, ERGAR, GIE and ENTSOG) support the concept and goal of the UDB. However, we urge the European Commission to run **robust stakeholder consultation and dialogue on its operational design in order to better inform market players and ensure future-proof solutions**. We are ready to provide constructive comments to the upcoming recast Implementing Act on the scope of the UDB, as well as to the UDB manual. The practical experience from the future users can contribute to an improved system.

#### **2. Harmonisation and simplification required**

National certification and traceability practices remain already in place, and will continue being introduced, depending on applicable national law and additional national fuel quotas, fulfilled with national certificates and often closed to imported biomethane from other Member States. **In order to enable the creation of a real EU-wide biomethane market, we expect a full-fledged UDB to bring harmonisation and simplification.**

#### **3. Call for a Target Model**

To get there, a **clear roadmap to a “target model”** should thus be established, moving from a plurality of national solutions towards a harmonised target model **that will facilitate cross-border compliance transactions** across the EU.

The outcome of the workshop suggests the following steps:

- **Guarantee of Origin (GO) and Proof of Sustainability (PoS) should be linked where they are both issued for the same energy unit.** Either in a GO registry acting as a national database (as recommended by 51% of the stakeholders who voted) and/or in the UDB

(as proposed by the Commission and recommended by 28% of the stakeholders who voted).

- **The case where the Proof of Sustainability is alone should also be dealt with, ensuring its validity for accounting for policy targets at national level.**
- **In the intermediary phase** before reaching the target model, with connection of GO registries to the UDB expected by May 2025, **it would still be the Economic Operator responsible for ensuring that no double counting occurs.** This means that the Economic Operator will be responsible for ensuring that a GO, if issued for a given PoS-certificated unit registered on the UDB, remains in/ gets cancelled in the GO registry (after being transferred through the AIB/ ERGaR system or via ex-domain cancellation<sup>1</sup>).
- **The UDB is not a trading platform.** It is a tracking system used by the Economic Operator to demonstrate that their sustainable gas is mass-balanced within the interconnected gas system and beyond. The transfer of PoS certificates between counterparties will have to be registered in the UDB, once a trade is performed outside the UDB.
- **Disclosure of renewable gas consumption should be possible with a GO or a GO+PoS registered in the UDB.** Furthermore, for statistical reasons which are Member State responsibility, the UDB must provide the Member State where the gas is consumed (i.e., to its competent disclosure authority) with both a GO cancellation statement and a formal consumption claim of the PoS. At the same time the GO expiry within 18 months should not limit the PoS lifetime/tradability in the same way it is not limited for the liquid fuels.
- **National registries should cooperate with the UDB to facilitate and to acknowledge cross-border transfer of certificates.**

As a follow-up, the GO Prime Movers will organise a second UDB workshop in June 2024. The agenda will at least address :

- The case of imports into the EU, especially when no GO is available and
- The treatment of bio-LNG.

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<sup>1</sup> **Ex-domain Cancellation** means cancellation made in one country's registry for use in another country, but without transfer of the guarantees of origin to the other country's registry.