

3rd PMG GO workshop on the Union Database

30 January 2025 | 10:00 – 15:50 CEST

CONCLUSIONS

Stakeholders' interest in the topics presented by the GO PMG (Prime Movers Group) has once again been notably high. The workshop gathered over 60 physical and more than 330 virtual attendees. This confirms the need for continued information exchange on the Union Database (UDB), in particular with the European Commission.

1. UDB Timeline

In the opening presentation, the European Commission confirmed the 21 May 2025 deadline for the transposition of RED III in EU Member States, as being the latest deadline for Member States to mandate the use of the UDB. In other words, no transitional period is foreseen between the implementation of RED III and the mandatory use of the UDB and an earlier deadline for mandatory use could be agreed by the Member States.

The European Commission is aiming to have a fully functional IT system by the end of Q1 2025. Regarding the link with national and GO registries – the preferred option of the EC would be a direct link with the UDB – but this is not mandated by RED III and will therefore not be compulsory. PoSs must be traded together with the consignment, otherwise it will not fulfil requirements of mass balance system.

Currently, the European Commission is working on finalising the delegated act extending the scope of UDB to raw materials, which should be published before May 2025. For this, the European Commission is engaged in talks with Member States. The European Commission also confirmed that work on amending of the Implementing Regulation 2022/996 has begun. The scope is currently being discussed and the process will consist of internal consultations, external consultations and a vote. The European Commission aims to open a public consultation on the draft Implementing Act by Q2 2025 and to publish the Implementing Act by the end of the year.

GO PMG recommendations:

- **The EC should provide clarity on key topics regarding the implementation of the UDB before the use of the UDB is mandated. The market needs certainty regarding deadlines and steps to take. A functional and robust system is of higher value for the market than a quick but inoperative solution.**
- **Strive for harmonised or at least interoperable transpositions of RED III by MSs: inconsistencies persist on the implementation of the RED, which further fragment the EU market. This is to be combined with notable delay in its transposition. In particular, for biomethane, issues remain on the alignment of reporting rules for**

imported/exported biomethane in national statistics for RED compliance and on the alignment of the GHG calculation methodology, for example on co-digestion.

- **The EC and Member State should align and communicate clearly and well in advance when and under which conditions the use of UDB will become legally binding for certified economic operators and will replace paper/PDF PoSs. Economic Operators should not be liable for late transposition of RED III and trade should still be possible under the current framework (i.e. before RED III transposition).**
- **The shortages identified during the UDB testing should be resolved, such as for example the verification of injected volumes. GO Issuing Bodies should be invited to test the UDB in order to facilitate the interface between the UDB and GO registries.**

2. Integrating the feedstock supply chain into the UDB

The current draft of the Delegated act extending the scope of the UDB to raw materials has been discussed. Issues and possible remedies have been presented by the panellists.

The Delegated Act may imply significant IT development for Voluntary Schemes and adaptation for economic operators, especially small waste collectors and farmers acting as first gathering points.

The European Commission is working on a combination of tools to implement a unique identification of points of origin (PoO). According to the draft Delegated Act, PoO that are individually certified should be onboarded on the UDB; but it was clarified that this requirement should be applied to companies acting as both PoO and collecting points.

GO PMG recommendations:

- The EC should further discuss the requirements of the DA with representatives of the industry, as well as with Voluntary Schemes, to ensure the DA matches with technical constraints and business practices of Schemes and operators. This particularly relevant for the trigger points for transaction reporting, reporting timeframe, automatic suspension of EO and handling of GHG data.
- Transaction reporting times should be extended to fit business practices.
- The EC should clarify whether biogas plant operators are within the scope of the Delegated Act
- The EC should consider co-developing with the industry a wide and effective campaign to inform and prepare market operators to comply.

3. Revision of the Implementing Regulation 2022/996

GO PMG underlined the importance of identifying the core issues to be changed in the Implementing Regulation 2022/996. The European Commission informed that they have already

done some initial mapping and the outcome was presented lately to Member States. Participants asked the European Commission to share this list with them.

The market has identified key elements to be included in the revised Implementing Regulation 2022/996:

1. Issues related to liquefaction of biomethane

Following up on the discussion from previous workshop PMG GO the question was raised whether there is a need to define different paths, for physical liquefaction of biomethane versus reverse flow based liquefaction services – if so, then clarification is needed as for the method to be used for such definition.

2. To clarify whether non-certified traders will have access to the UDB

There is a clarity needed whether only certified or all traders will be accepted into the UDB and how the mass balance rules regarding a link between POS and gas should be understood when applied within the boundaries of the interconnected gas infrastructure.

3. Clarification regarding biomethane transported cross-border via pipeline

It should be clarified that it is not compliant with RED II if MSs do not accept biomethane arguing that it is impossible to track the molecule origin within the interconnected European gas system.

4. Clarification related to certification of terminals

It is essential to provide clarity as soon as possible on the rules for certification of LNG terminals by Voluntary Schemes.

5. Rules for cooperation with 3rd countries

Market participants are also looking forward to clarification on how it would be possible to export/import biomethane to/from third countries – both directly connected via pipelines and having no direct pipeline connection with the EU. Of particular interest is a publication of the requirements the EC deems essential to be met by partner countries in order to allow for Economic Operators to inject and transport biomethane within their interconnected gas systems.

4. Cross- border trading of subsidized biomethane

GO PMG together with the European Commission representative discussed the role of subsidies in the development of biomethane market in Europe. It was underlined that while support schemes are currently playing a key role in facilitating the uptake of biomethane, they can contribute to market distortions, and potentially lead to the fragmentation of EU biomethane market.

On the issue of cumulation of subsidies, market asked for clear guidelines on when the cross-border trade of biomethane is allowed, as well as more transparency and exchanges of information across the EU on the support schemes implemented by Member States.



5. Certified versus non certified traders

There was a discussion on the need for all traders that have access to the UDB to be certified by a voluntary scheme. The European Commission has not reached a conclusion on whether they will allow non-certified traders to register to the UDB; they confirmed that they would welcome further feedback on the pros and cons of such option by market participants. During the workshop, the legal arguments justifying that all the EO active in the UDB should be certified by a voluntary scheme was presented.

Next step

The event organisers (Energy Traders Europe, Eurogas, EBA, ERGAR, GIE, ENTSOG and RECS) will consider organising a fourth workshop after the RED III implementation deadline to exchange further on those on-going topics.