

Basics of Sustainability Policies for UABIO

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Fachverband Biogas e.V. The German Biogas Association

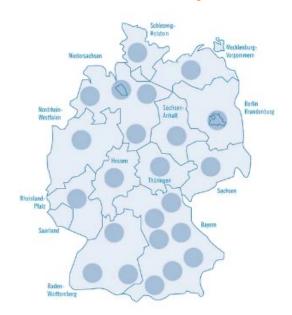
- Operators of biogas plants
- Technology manufacturers
- Research institutions
- Public authorities
- Feedstock providers
- Interested individuals

Main objective: promotion of the biogas sector

- Definition of legal framework and technical standards
- Exchange of information
- Political advocacy at regional, national and European level



4700 members throughout Germany





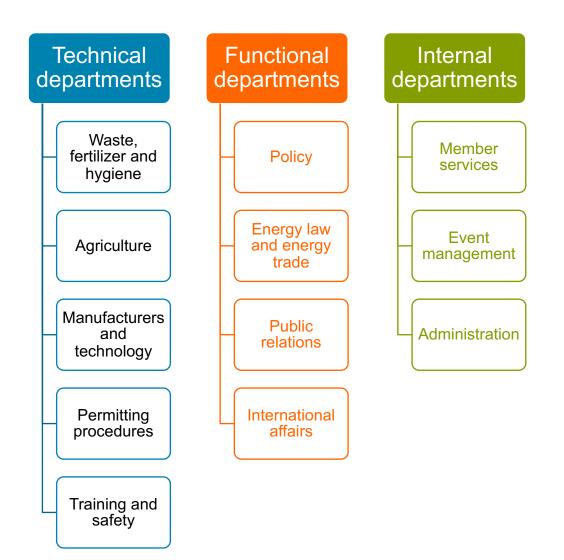




40 employees dedicated to the topic

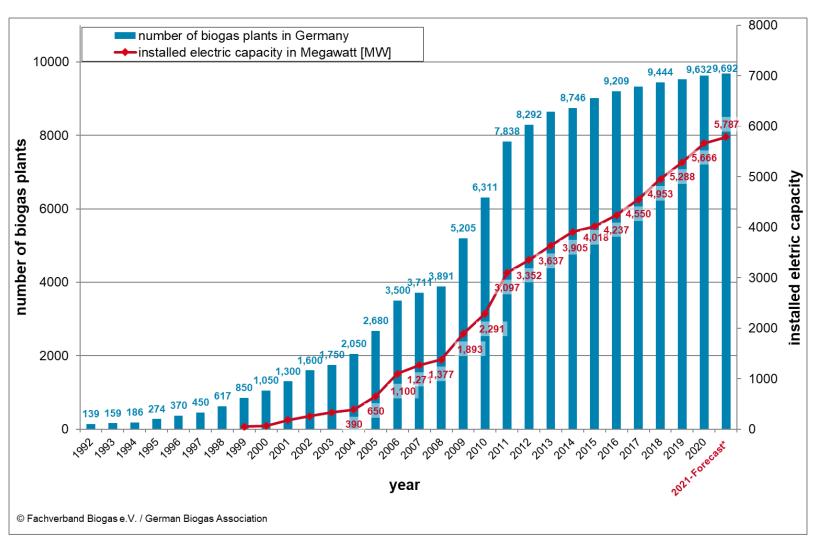
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Development of the German Biogas Sector

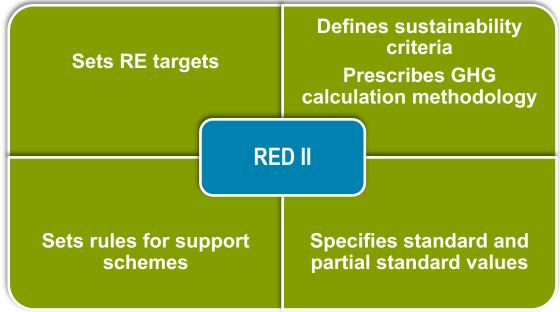




What is RED II and What Does it Regulate?



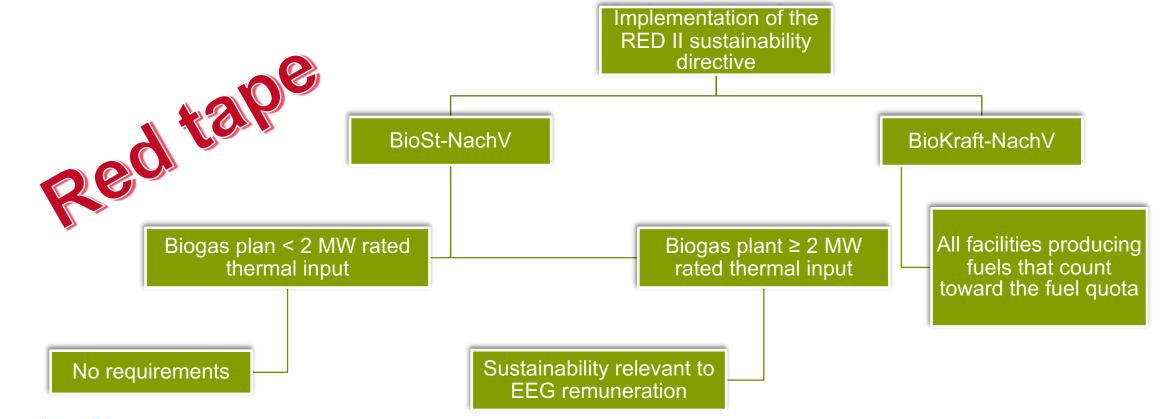
- The Renewable Energy Directive (2009/28/EC) (RED I) forms the legal framework for the EU's renewable energy policy since 2009.
- RED I was revised comprehensively by Directive (EU) 2018/2001 RED II
- RED II had to be implemented into national legislation by June 30, 2021. RED I expired as of July 1, 2021. Objectives:
 - Overall EU target: 32% contribution of RE by 2030.
 - Biomass energy qualifies for the 32% target only the sustainability criteria are met. With RED II, now also applies to electricity, heating and cooling.
 - Exemptions: Plants below 2 MW rated thermal for biogas or below 20 MW rated thermal biomass.



RED II – Scope of Application



- German government implements RED II requirements almost to the letter
- Implementation of sustainability requirements by 2 regulations (**BioSt-NachV**/*Biomass Energy Sustainability Regulation* and Biokraft-NachV/*Biofuels Sustainability Regulation*)



Sustainability – a Key Factor for the Economic Viability of Biogas/Biomethane



- EEG remuneration or crediting to fuel quota only if requirements according to §4 §6 are met.
- §4 Agricultural biomass requirements
 - Biomass must not come from the following areas: High biodiversity areas (forests, nature reserves, grasslands); High carbon stock areas (wetlands, forests); peat lands.
 - For biomass from waste and agricultural residues (e.g., straw), compliance with monitoring and management plans must be demonstrated to avoid degradation of soil quality and carbon stocks
- §5 Forestry biomass requirements
- §6 GHG Mitigation

Commissioning	Traffic	Power, Heat, Cooling
before 05.10.2015	≥ 50%	
06.10.2015 – 31.12.2020	≥ 60%	
from 01.01.2021	≥ 65%	
01.01.2021 – 31.12.2025	-	≥ 70%
from 01.01.2026		≥ 80%

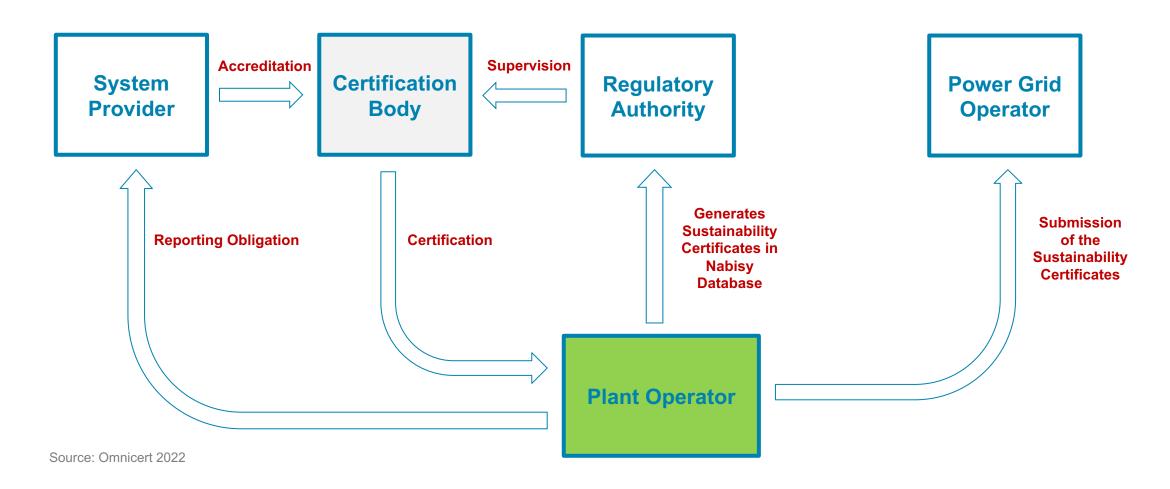
Relevance for the Industry



- All "fuel facilities" require sustainability certification (some incl. proof of GHG performance)
- There are two different cases for "EEG" plants
 - For new plants (commissioned as of 1.1.2021) ≥ 2 MW rated thermal input, this means certification incl. GHG balance sheet
 - For existing plants (IBN before 1.1.2021) ≥ 2 MW rated thermal input this means certification without GHG balance sheet
- Verification
 - Verification is carried out via approved certification systems and by approved auditors
 - Submission of sustainability certificates via Nabisy (BLE database) to the network operator or biofuel
 quota office
- Requirements for the sustainability certificates
 - Adoption of a mass balance system
 - Certification of the plant and the supply chain

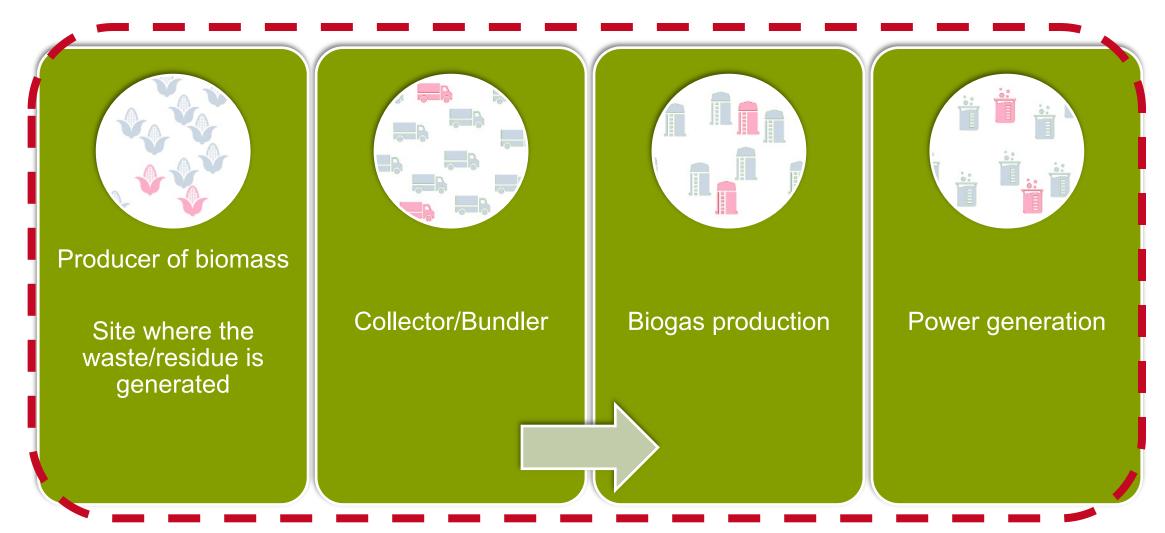
Stakeholders in the Certification Process





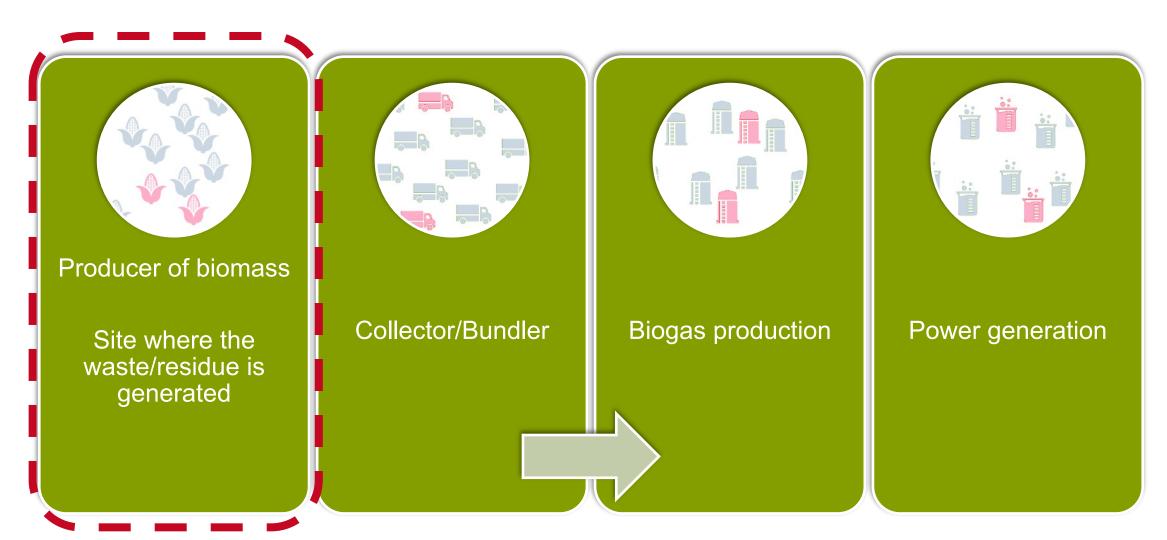
Who in the Supply Chain Needs to be Certified?





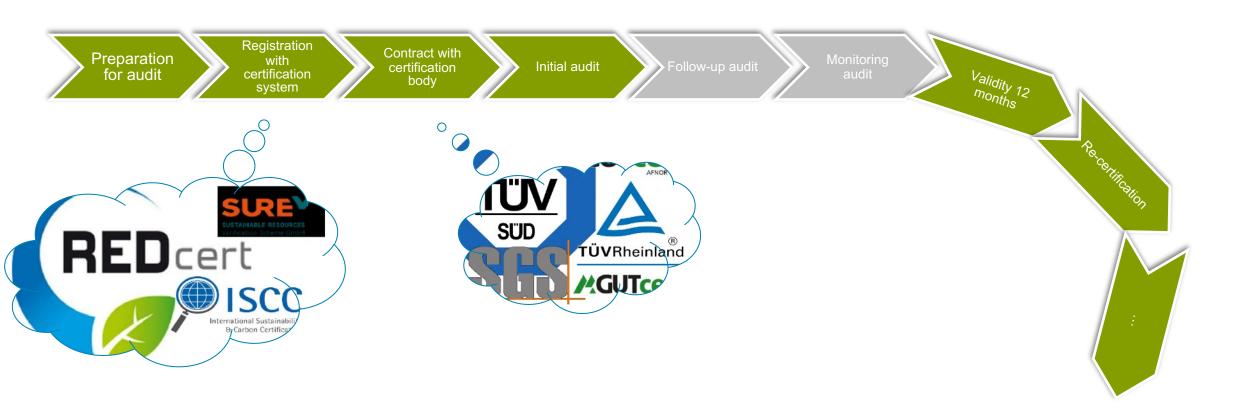
Who in the Supply Chain may Issue Self-Declarations?





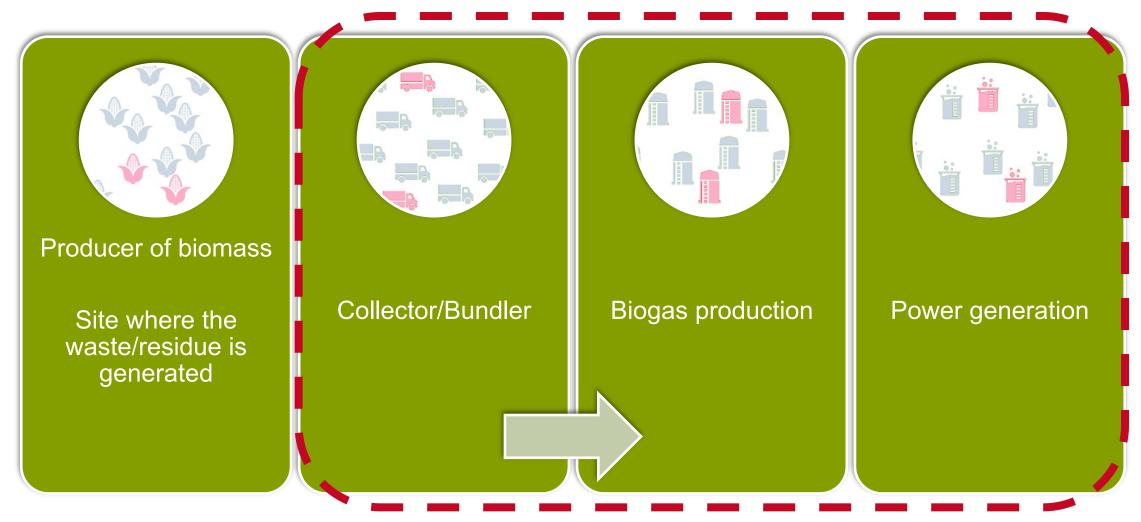
How to Obtain a Certificate





Who in the supply chain must maintain a mass balance?





What is a Mass Balance System?



- Central component of sustainability certification:
 Quantitative accounting system to trace all stages of biomass production and delivery to the final interface.
- Obligatory for RED II plants since January 1, 2022.
- It must be possible to trace the quantity of sustainable biomass at each step of the supply chain.
- For biogas plants, the mass balance covers:
 - Registration of the incoming substrates
 - Feeding into the fermenter with subsequent fermentation
 - Production of the final product (biomethane, electricity, heat)



SURE Certification System



Fachverband BIOGAS

- The verification scheme (aka system provider)
 SURE (SUstainable REsources) is in accordance with the requirements of RED II.
- Defines verifiable criteria for the production of electricity and heat from solid biomass and biogas.
- SURE certified companies can demonstrate their compliance with RED II requirements in the relevant scope.
- Applicable in all EU Member States.



Nabisy Database





- Nabisy (Nachhaltige Biomasse System): Web application for sustainable biomass operated by the Federal Office for Agriculture and Food (BLE).
- Plant operators must provide data on the sustainability of bioliquids and/ or liquid or gaseous biofuels.
- Plant operators generate a sustainability certificate for the power fed into the grid once for each calendar quarter.
- The quantities of power must be divided proportionally to the input materials. There is a biomass code for each input material.



Planned Tighteninig: RED III



- The trialogue on RED III ended at the end of March:
 - From 2026, all biogas plants with a rated thermal input of 2 megawatts or more and that have been in operation for at least 15 years in operation will have to prove greenhouse gas savings of 80 percent as part of the sustainability certification.
 - Under the existing RED II, only facilities that began operation in 2021 or later were required to prove GHG reductions.
 - New additional sustainability certification for plants with a biomethane production from 200 m³ biomethane.
- The European Parliament is expected to pass the resolution before the summer break.
 - Since the text passage still requires interpretation and changes are still possible via an amendment with given majorities, we are still trying to soften the directive in our favor.

Fuel Emissions Trading Act (BEHG)



- The law on national certificate trading for fuel emissions (Brennstoffemissionshandelsgesetz) is part of the 2030 climate package
- Introduced emissions trading for the heating and transport sectors from 2021 onward.
- It will cover all fuel emissions that are not regulated by the EU Emissions Trading Scheme (ETS).
- Certificate prices.
 - The German ETS will have a fixed price from 2021 to 2025 and will subsequently increase to EUR 55 (USD 61)/tCO2e in 2025.
 - After the introductory phase, the emission certificates will be auctioned from 2026.



Fuel Emissions Trading Act (BEHG)



- Biomethane is generally subject to the BEHG.
- However, it is not affected by CO2-pricing:
 - ➤ Gas suppliers must prove sustainability in order to be able to apply "zero emission factor".
 - > This requires:
 - Certification
 - Participation in the Nabisy database
 - Participation the national emissions trading registry (nEHS Registry)



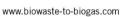
Thank you for your attentation! Any questions?



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