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Bioenergy  
Association  
of Ukraine

# Access to EU markets for Ukrainian biomethane

Position paper



# Purpose

In connection with the integration of the Ukrainian renewable gas market into the European energy market, ensuring that Ukrainian biomethane supplies comply with European Union law requirements has become particularly relevant.

The development of the Ukrainian biomethane sector aligns with the REPowerEU initiative, which aims to reduce dependence on fossil gas and diversify the sources of sustainable gases within the EU energy market. As a strategic partner of the EU in the field of energy security, Ukraine has already implemented the mechanisms necessary to ensure full compliance of biomethane production and grid injection with the provisions of Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources, as amended (hereinafter – RED III).

This document explains the compliance of Ukrainian biomethane injected into gas networks with the RED III Directive, namely:

## Interconnected Ukrainian gas network:

Ukraine's physically interconnected gas network should be treated as part of the EU "interconnected gas system" and, for Union Database (UDB) purposes, within the single mass-balance system.

## Recognition of Ukrainian biomethane

Biomethane supplied from Ukraine must be eligible to be counted towards the renewable energy targets of EU Member States and for other related RED III purposes on the same basis as biomethane injected into EU gas networks.

Some Member States are awaiting written clarification from the European Commission before recognising consignments of Ukrainian biomethane as equivalent to consignments injected into the EU network. The arguments below set out why such clarification should confirm compliance with RED III and why differentiated treatment of Ukrainian biomethane within an integrated European system would be unjustified.

# Ukraine is part of the European energy space

EU Member States should not treat compliant Ukrainian grid-injected biomethane less favourably than EU-origin biomethane for the purposes of counting towards renewable-energy targets/obligations. Under RED III (notably Articles 29–31, including 30(4) and 30(9)), the eligibility test is origin-neutral: where a consignment meets the sustainability and GHG-saving criteria and its chain of custody is verified under an EU-recognised voluntary scheme, the accompanying Proof of Sustainability (PoS) and mass-balance records must be accepted by Member States for counting. The recognised-scheme system was created precisely to ensure uniform acceptance and to avoid national divergences. Refusing to count a PoS-backed consignment solely because it was injected into the Ukrainian grid—rather than an EU grid—would add an origin-based condition that EU law does not require and would be inconsistent with the Directive’s mechanism. It would also run counter to the organising principles of the EU’s Energy Union and the Energy Community framework (in addition to, potentially, the WTO requirements), which extends the EU single-market logic to energy: non-discrimination and the free movement of goods within an integrated, rules-based market.

RED III further confirms that the physically connected European gas network is treated as a single mass-balance system for gaseous fuels. In that model, sustainability accounting records the injection and the final withdrawal/claim; movements inside the network (DSO > TSO > storage) do not alter a consignment’s sustainability status. Ukraine’s gas system is physically interconnected with neighbouring EU and Energy Community gas systems and operates on the basis of equivalent technical and regulatory rules. Where Ukrainian consignments are certified under EU-recognised schemes, booked in MWh at the economic operator level, and fully traceable from injection to export or domestic use, they stand in the same legal and factual position as EU-origin biomethane. Excluding them from counting on the basis of origin alone would be an unjustified barrier that contradicts the EU and Energy Community non-discrimination and free-movement principles, and would fragment the single logistical system recognised in EU and Energy Community legislation – absent any objective, evidence-based and proportionate justification (which is not present where Ukraine meets identical sustainability and quality requirements).

# RED III compliance in practice:

metering, traceability,  
and domestic withdrawals



# Biomethane Metering (Unit Consistency)

Consistency of units: All certified biomethane produced in Ukraine is recorded and traded in energy units (megawatt-hours, MWh, or megajoules, MJ) from the moment of injection into the grid to the point of export. This practice ensures consistency between energy content and volume units across the entire chain, fully satisfying the requirements of RED III, Commission Implementing Regulation (EU) 2022/996, and the relevant EU-recognised voluntary certification schemes (such as ISCC EU). In other words, every unit of biomethane is tracked by its energy content throughout its journey from the Ukrainian producer to the EU importer.

How Ukraine meets these requirements in practice:

## 1. Injection metering

Under the Law of Ukraine “On Introducing Accounting and Settlement of Natural-Gas Volumes in Energy Units” No. 1850-IX, Ukraine has adopted an energy-unit-based model for the natural-gas market. Energy units must be used when gas is injected into or withdrawn from the transmission or distribution system, as well as for all commercial transactions, including purchase and sale, supply, consumption, and the provision of transportation, distribution, or storage (injection/withdrawal) services. These energy-unit requirements will take effect after the termination of martial law in Ukraine, as expressly stipulated in the Law’s transitional provisions. Meanwhile, separate rules already apply to biomethane under the special Law of Ukraine “On Alternative Fuels” No. 1391-XIV, which expressly allows the accounting of biomethane to be done in both volume units (cubic metres) and in energy units (kWh). In furtherance of this Law No. 1391-XIV, the acceptance certificates signed between a biomethane producer and the gas system operators now state the quantity

of biomethane produced in both volume units and energy units. It should also be emphasised that the Gas Transmission System Code, adopted by Resolution No. 2493 of the National Energy and Utilities Regulatory Commission (NEURC), mandates that export amounts of natural gas and biomethane be recorded both in volume units (m<sup>3</sup>) and in energy units (MWh).

## 2. Economic operator bookkeeping

Where a Ukrainian biomethane producer and trader is certified under an EU-recognised voluntary sustainability scheme, their Proofs of Sustainability (PoS) and internal mass-balance ledgers are maintained in energy units (MWh). Scheme auditors regularly verify that the energy quantities injected, traded, and exported reconcile correctly. This system prevents any discrepancy or double-counting between what is injected into the grid and what is withdrawn for export.

## 3. Grid and export handling

Once biomethane enters the pipeline network, its sustainability attributes are tracked in energy units via the mass-balance ledgers kept by the certified producers and traders (i.e. the owners of the biomethane). Gas export customs documentation likewise uses energy units. It is worth noting that Ukraine has traded gas with the EU for many years, and the accounting for gas imports and exports, as well as all trades, is done in energy units. Under the law, a central national biomethane register may follow the establishment of the UDB; in the absence of the Ukrainian biomethane register, which is being developed, Ukraine is ready to supply UDB-compatible data and enable all the relevant processes.

In summary, there is no issue with unit consistency for Ukrainian grid-injected biomethane exports to the EU.

# Domestic Withdrawals (Traceability of Internal Consumption)

Any certified biomethane withdrawn for use inside Ukraine remains fully traceable and cannot be double-counted. When a withdrawal occurs, the associated PoS is transferred to the domestic buyer:

**1. If the buyer is not certified under an EU-recognised voluntary scheme,** the PoS is immediately marked as withdrawn in the producer's scheme registry and booked out from the mass balance, ensuring it cannot be resold or exported.

**2. If the buyer is certified,** the PoS stays active and may later be transferred or cancelled when the buyer claims a renewable-energy benefit (for example, once Ukraine introduces its own quota scheme).

Once the Union Database (UDB) is open to gaseous fuels, every withdrawal will also be recorded there. Until then, voluntary-scheme audits provide the necessary safeguards. These audits verify that the total of active plus withdrawn PoS never exceeds the energy actually injected, so withdrawals can never exceed certified production.

We therefore confirm that no gap exists in Ukraine's mass-balance control: the combination of PoS transfer rules, immediate withdrawal for non-certified buyers, and third-party audits ensures that each unit of biomethane is counted only once, whether for export or for future domestic claims.

In addition, it is important to note that neither RED III nor its Implementing Regulation requires that gas injected, transported, stored, or withdrawn within the gas infrastructure be managed or accounted for exclusively in energy units. There is no obligation for meters to measure in kWh/MWh. What matters is having a robust, auditable system that enables the reliable conversion of volumetric readings into energy units for mass balance and sustainability accounting.



## Ukraine's delivery on withdrawals.

The Ukrainian gas grid provides precise volumetric metering ( $m^3$ ) and official gas quality data (including calorific value (CV)/energy density).

Many EU gas grid operators operate balances in  $m^3$  and kWh (or in one with conversion to the other). The essential point—equally true in Ukraine—is ensuring a rigorous, transparent conversion between volumetric ( $m^3$ ) and energy (kWh/MWh) units.

Ukraine has adopted EN ISO 6976:2020 for calculating calorific value and converting  $m^3 \leftrightarrow kWh$ , the same methodology used in the EU.

Economic operators can therefore reliably account for biomethane in MWh, as required by the EU-recognised voluntary schemes and REDIII, by converting metered  $m^3$  to energy units and verifying the calculation with official documents issued by DSOs and the TSO.

# Single mass-balance system

Under Commission Implementing Regulation (EU) 2022/996 and Article 31a(2) of RED III, the interconnected gas system is treated as one single mass-balance system for gaseous fuels, with sustainability accounting recorded at the points of injection and final withdrawal/claim. Ukraine fits this definition in both substance and practice. Its transmission network is physically interconnected with EU Member States Poland, Slovakia, Hungary, and Romania; cross-border flows are scheduled and allocated in line with interconnection agreements and the EU acquis and network codes. Since 2015, the Ukrainian gas market has operated under the EU legal framework and is well integrated with EU markets.

In this setup, sustainability traceability follows the logistical pool, not political borders, once biomethane is injected into the physically connected network under equivalent technical and regulatory conditions. Accordingly, Ukraine's grid operates within the same single mass-balance system recognised by EU legislation; treating it otherwise solely on the basis of non-EU status would be at odds with the integrated-market logic and principles of non-discrimination that underpin the European energy framework.

Clarification from the European Commission is essential to ensure that EU Member States recognise biomethane injected into Ukraine's gas networks under the same

conditions as biomethane injected into the internal gas networks of the European Union.

Furthermore, such clarification should unequivocally confirm that biomethane batches certified under voluntary schemes officially recognised by the EU, once injected into the Ukrainian gas network, must be recognised by EU Member States under the same conditions as comparable batches injected directly into the EU gas network.

Until such recognition is granted, Ukrainian biomethane producers incur, and will continue to incur, additional costs related to the mandatory physical delivery of biomethane into the territory of the European Union to demonstrate its sustainability and allow it to be counted towards EU targets. This places them at a competitive disadvantage compared to biomethane producers in EU Member States, who can benefit from a single mass balance system without incurring additional logistical or infrastructure costs.

Equally important is the strategic dimension of this issue. Ukrainian biomethane has the potential to make a significant contribution to the EU's objectives of decarbonisation, diversification of energy sources, and strengthening of energy security. Ensuring unhindered access of Ukrainian biomethane to the EU market would increase the supply of sustainable gases, alleviate price pressure on consumers, and stimulate investment in infrastructure.

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