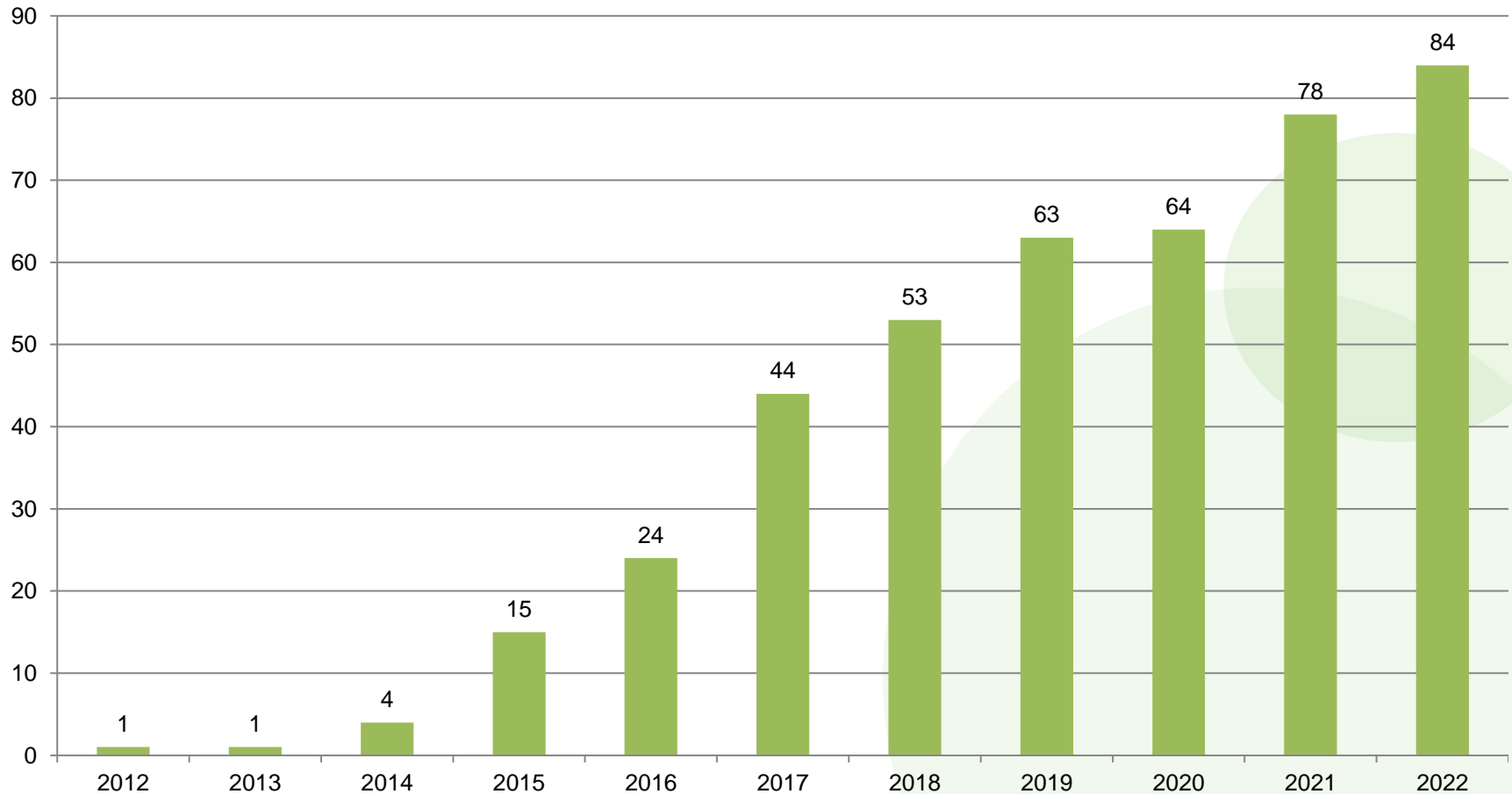

GGCS - Market and Scheme Update

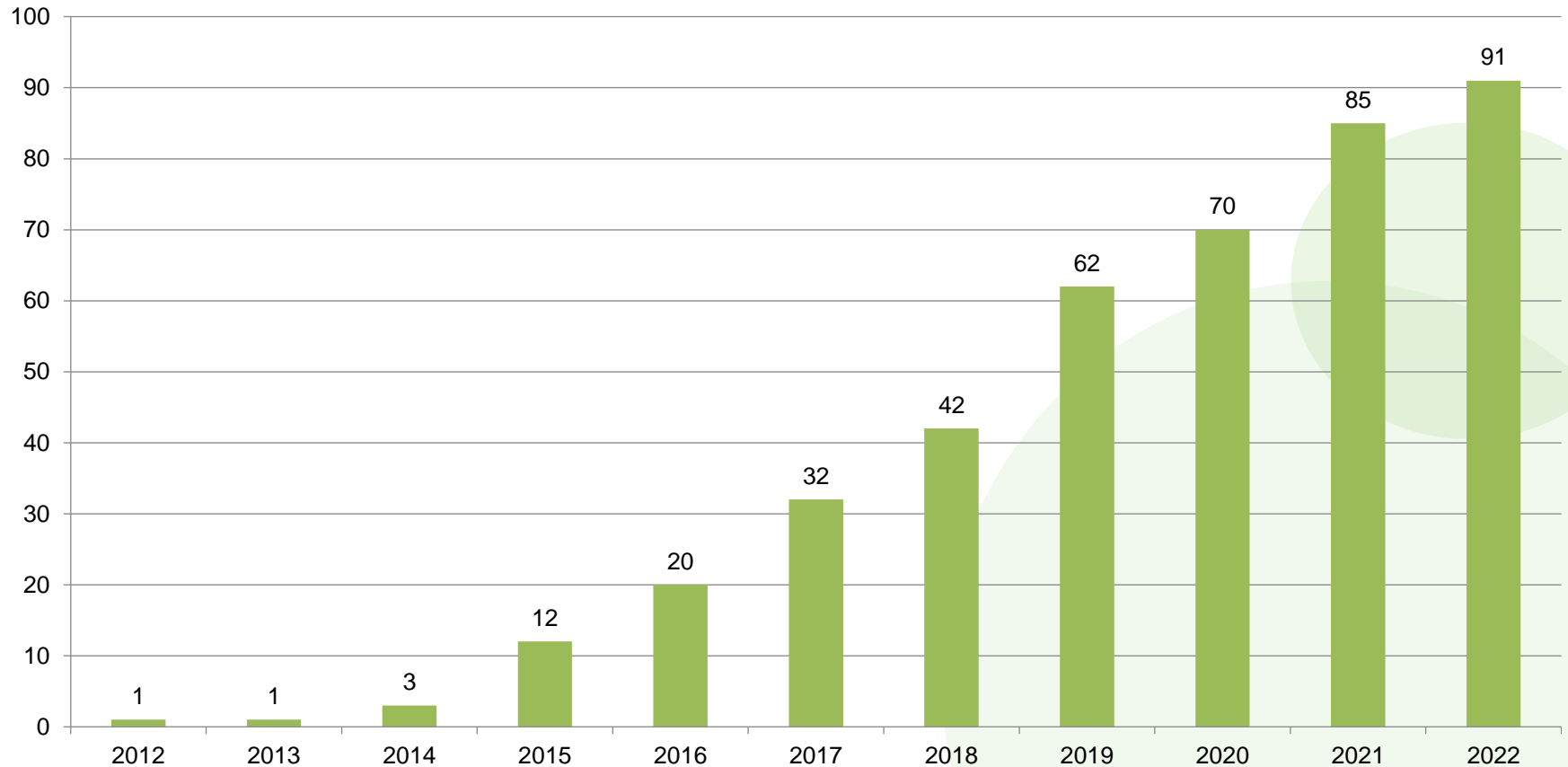
Jesse Scharf – Director of Green Gas
Certification Scheme

Two overlapping light green circles are positioned on the right side of the slide, partially behind the text.

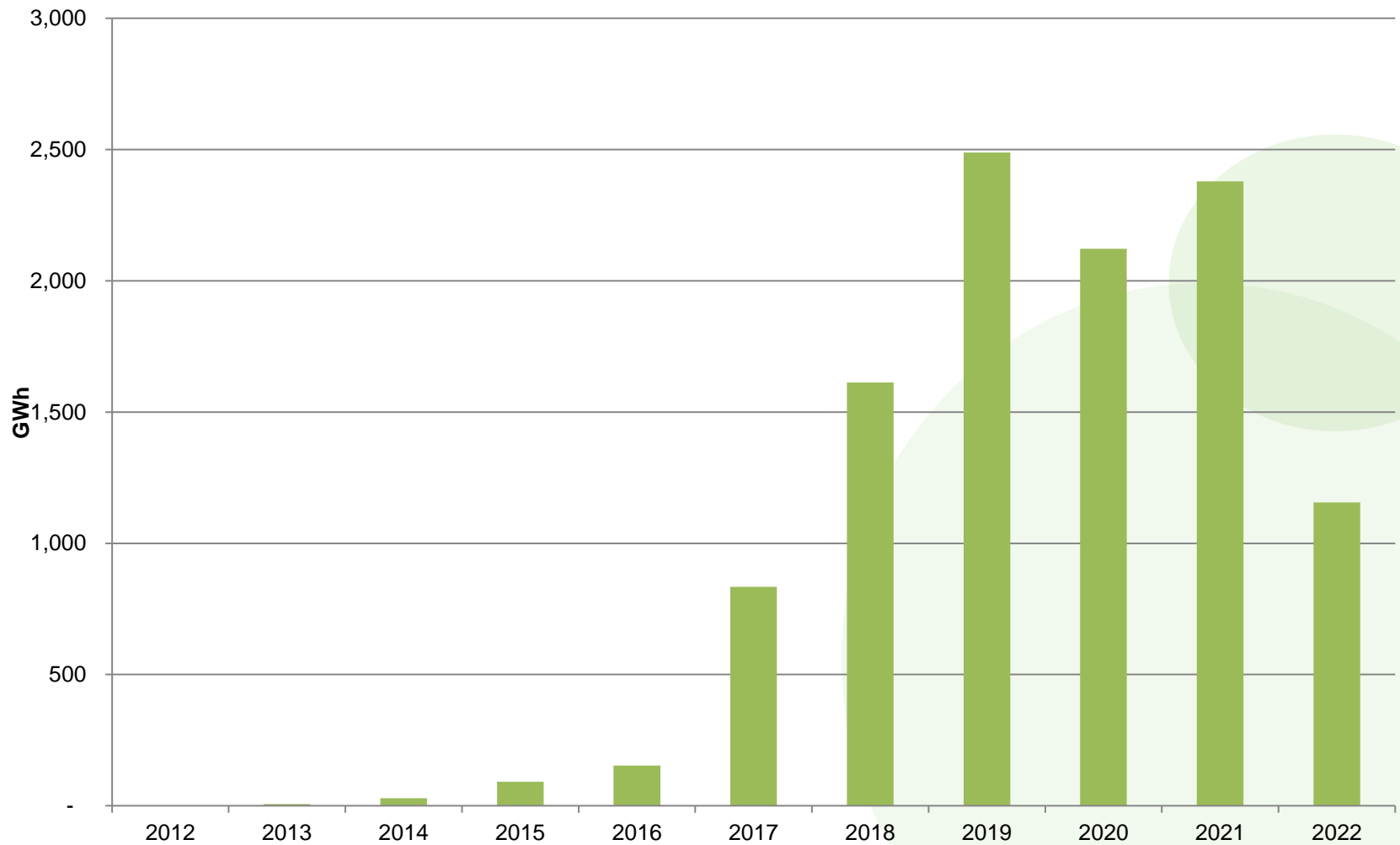
Number of GGCS producer members



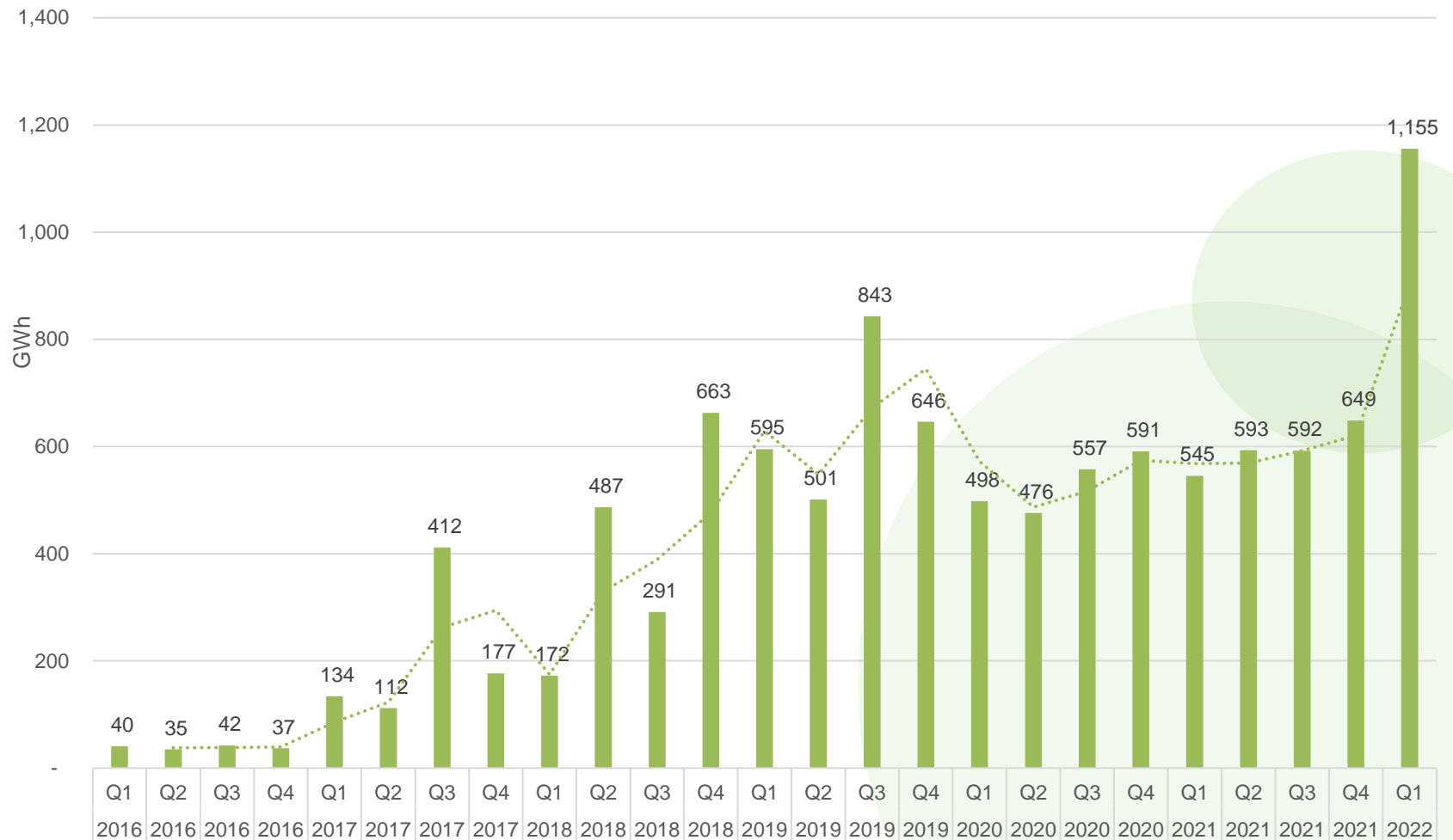
Number of GGCS trader members



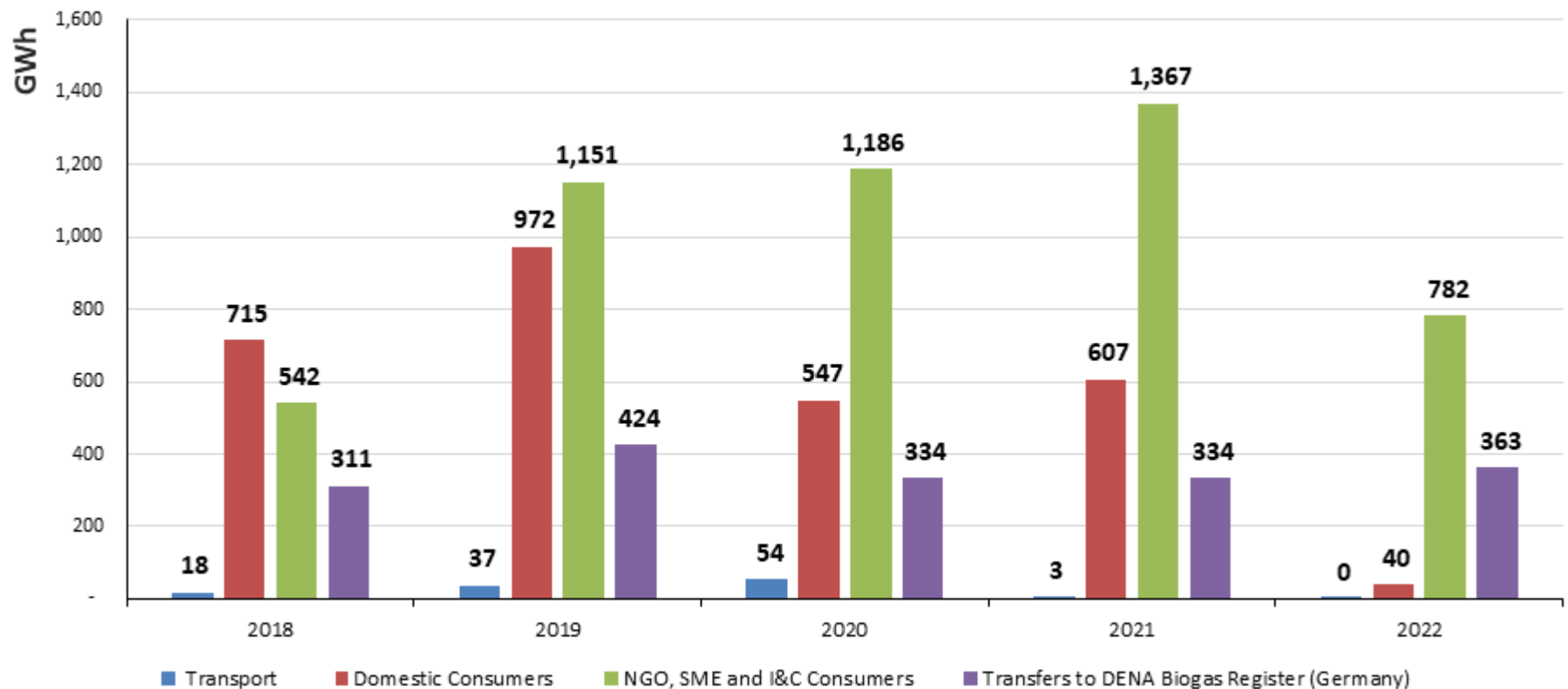
RGGOs Retired by Year



RGGOs Retired by Quarter



RGGOs Retired by Sector



Further Comments

- Prices -
<https://www.greengas.org.uk/certificates/market-information>
- Yes you can use RGGOs for German ETS sites (for now) but not just RGGOs, extra work to mass balance and GGCS cannot advise you on that (speak to DENA)

5. Policy Update

- GHG Protocol Guidance on reporting green gas
- Designing a framework for transparency of carbon content in energy products
- EUETS/UKETS
- H2GoO

GHG Protocol Guidance and Biomethane Certificates

- GHG Protocol supplies the world's most widely used greenhouse gas accounting standards. The Corporate Accounting and Reporting Standard provides the accounting platform for virtually every corporate GHG reporting program in the world.
- In 2015 guidance was issued by GHG Protocol allowing for Scope 1 (direct) emissions reductions when using “contractual instrument specifying its gas supply as “biogas” or “biogenic” – which opened up the market for emissions reporting through the use of RGGOs.
- In February 2020, GHG Protocol published a note on their website advising that they had removed the relevant section in their 2015 guidance on the use of bioenergy to reduce Scope 1 emissions stating it went beyond the remit of the guidance document – and that the position was to be reviewed through a new Guidance paper.

GHG Protocol Bioenergy Technical Working Group

- In January 2020, a GHG Protocol '*Carbon Removals and Land Sector Initiative*' was launched and the GGCS (on behalf of ERGaR) has been involved on the Bioenergy Guidance TWG
- Treatment of biomethane certificates (RGGOs) a modest element of what is an extensive review of land/bioenergy issues
- Process extremely complex and massively delayed. A **draft** guidance paper was finally issued in October 2021 to the technical working group only – almost a year later than originally scheduled
- Rules for reporting use of RGGOs were again relegated to an annex to guidance. The annex (***which is just a draft and may or may not get changed or dropped from the guidance***) proposes that RGGOs would be reported “off Scope” and that Scope 1 emissions would not be effected i.e. no market based reporting of Scope 1 emission from gas use.
- A TWG meeting took place on 5 April 2022 which included consideration of the treatment of biomethane certificates in the draft guidance document

GGCS response to GHG Protocol

- GGCS has been working with a number of US based organisations (RNG Coalition amongst others) (GHG Protocol administration largely US-based). We have strong agreement on issues and have recently submitted a robust response to the GHG Protocol Team
- Central to our response is:
 - The sudden change in guidance in January 2020 has created huge uncertainty for companies who had previously included RGGOs as part of their emissions reporting programmes
 - RGGOs help provide an additional income stream to biomethane producers – helping increase production of renewable energy
 - Delivery through existing gas grids is the most efficient way for end consumers to source green gas
 - RGGOs provide considerable information to end consumers on how the biomethane was generated (eg feedstocks used) and allows companies to send signals to the market for more gas to be generated, and what inputs are most in demand
 - Reporting RGGOs off Scope is in direct conflict with how power GoO are reported even though gas and electricity distribution systems are analogous.
- GGCS have said this new bioenergy/land sector draft should either:
 - **Return to the text as was in the original 2015 Scope 2 guidance document OR**
 - **Leave out any mention of the use of green gas certificates – allowing companies and their GHG auditors to explore options – until this next review of ‘market based reporting’ has been completed**
- Importantly – the GHG Protocol Team have also just announced they are to undertake a review of ‘market based reporting’ across all the Scopes i.e. looking at market based reporting of electricity as well as gas.

GHG Protocol

- GGCS will be updating our guidance note with the latest information
- GGCS/ERGaR will hold a webinar dedicated on to this topic in the coming months where we can get into more detail.
- Details and contact email at the WRI are available
- here - <https://ghgprotocol.org/blog/ghg-protocol-assess-need-additional-guidance-building-existing-corporate-standards>
- and here - <https://ghgprotocol.org/blog/update-land-sector-and-removals-guidance>

Designing a framework for transparency of carbon content in energy products

- BEIS Call for Evidence issued in August 2021
- Looking to consider the case for reforming the regulatory framework which underpins green electricity tariffs and some wider environmental carbon accounting schemes.
- The focus of document was to provide consumers with a clearer understanding of what they were buying when contracting green electricity tariffs
- *“Q14: There is an emerging market for ‘green gas’ tariffs. Should our work consider any interventions to include these within the tariff regulatory framework?”*
- **The GGCS submitted a comprehensive response, recommending the full integration of gas into an updated framework for “green tariffs”.**
- We hope to learn more about the Government’s and Ofgem’s intentions in the next few months.

EUETS/UKETS

- The EUETS guidance around biomass allows for “*If Member States want to make use of biogas in a natural gas grid and want to make the benefits thereof easily accessible to operators of EU ETS installations they need to establish an appropriate accounting and verification system (e.g. using a biogas registry)...*”
- GGCS has been engaged with BEIS for several years now to encourage them to look at this opportunity – and have had support from UK industry on this
- More recently have been in discussions with UKETS team to see if new UK scheme could allow such a route
- BEIS *UKETS: monitoring and reporting biomass in installations* (Nov2021) stated as the GGSS is in place “...operators can’t claim a certain amount of biogas injected into the natural gas grid as part of their purchased natural gas using certificates obtained from their biogas supplier.”
- Recent consultation from BEIS ‘*Developing the UK Emissions Trading Scheme (UK ETS)*’ had no mention of green gas certificates at all.

H2GoO

- GGCS actively participated in National Grid's working group on the role of Guarantees of Origin in driving a future UK hydrogen market
- Comprehensive paper now submitted by NG to Government on the benefits from developing a UK hydrogen Guarantee of Origin Scheme - <https://www.nationalgrid.com/gas-transmission/document/139446/download>
- Includes a number of areas that Government are interested in including:
 - Cross-border hydrogen Guarantee of Origin trading
 - UK hydrogen Guarantee of Origin pilot