

# **ERGaR: Tool for cross border transfer and mass balancing biomethane within the European natural gas network**

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# Why do we need cross-border trade with biomethane?

- **The general function of trade** (securing supply-demand balances in time and space) is relevant to biomethane too.
- **Processing and utilising all organic waste** is in the common interest of the mankind – it should not be limited by short-sighted local politics.
- **New biomethane producing projects can be developed** with a higher chance of success if not limited to the domestic market.
- **Natural gas/biomethane blends** – having excellent GHG characteristics – must be made available to motorists all over Europe.
- **International companies with environmental awareness** want to have renewable fuel supplies everywhere.

# Biomethane cross-border trade today

- **Virtual trade with certificates.**
- **Few physical cross-border transactions** using the European natural gas pipeline network.
- **Pre-set transport routes** from the producer to the enduser, transport&transit administration following the rules applied for natural gas deliveries.
- **Balancing within short period of time** (hourly, daily).
- **No transfer of sustainability characteristics** attached to the consignment(s) – RED requirements for biofuels are not met.

# Three pillars of the cross-border biomethane administration

1. **European natural gas network** (consisting of the transmission and distribution systems) **treated as single logistical facility** with regard to injected biomethane.
2. **Mass balancing of injected and withdrawn biomethane consignments** within the European natural gas network.
3. **Sustainability verification** (prior to grid injection) and **cross-border transfer of sustainability claims**.

# Proposed solution for cross-border mass balancing and transfer of sustainability claims

## ERGaR (European Renewable Gas Registry)

- ✓ ERGaR aisbl (non-profit international organisation) established 28<sup>th</sup> September, 2016 in Belgium
- ✓ ERGaR BM - biomethane specific voluntary scheme established and operated by ERGaR aisbl
- ✓ Function: mass balancing of biomethane distributed along the European natural gas network
- ✓ Core documents: Biomethane Guarantees of Origin issued by the national biomethane registries
- ✓ ERGaR BM seeks recognition by the European Commission under the RED

# Function of mass balancing by ERGaR

RED Recital (76):

*“According to the mass balance method of verifying compliance, there is a **physical link between the production** of biofuels (and bioliquids) meeting the sustainability criteria **and the consumption** of biofuels (and bioliquids) in the Community.”*

**The physical link between the production and consumption of biomethane is the natural gas network**, the administration must ensure the balancing of every injected consignment with the corresponding withdrawn consignment.