

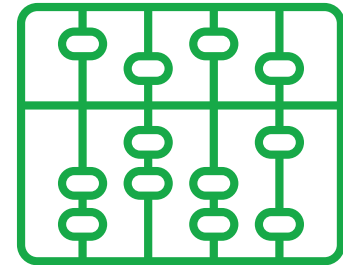
13th EU ETS Compliance Conference

Track 1: M&R implementation challenges
Statement of a verification body

Agenda



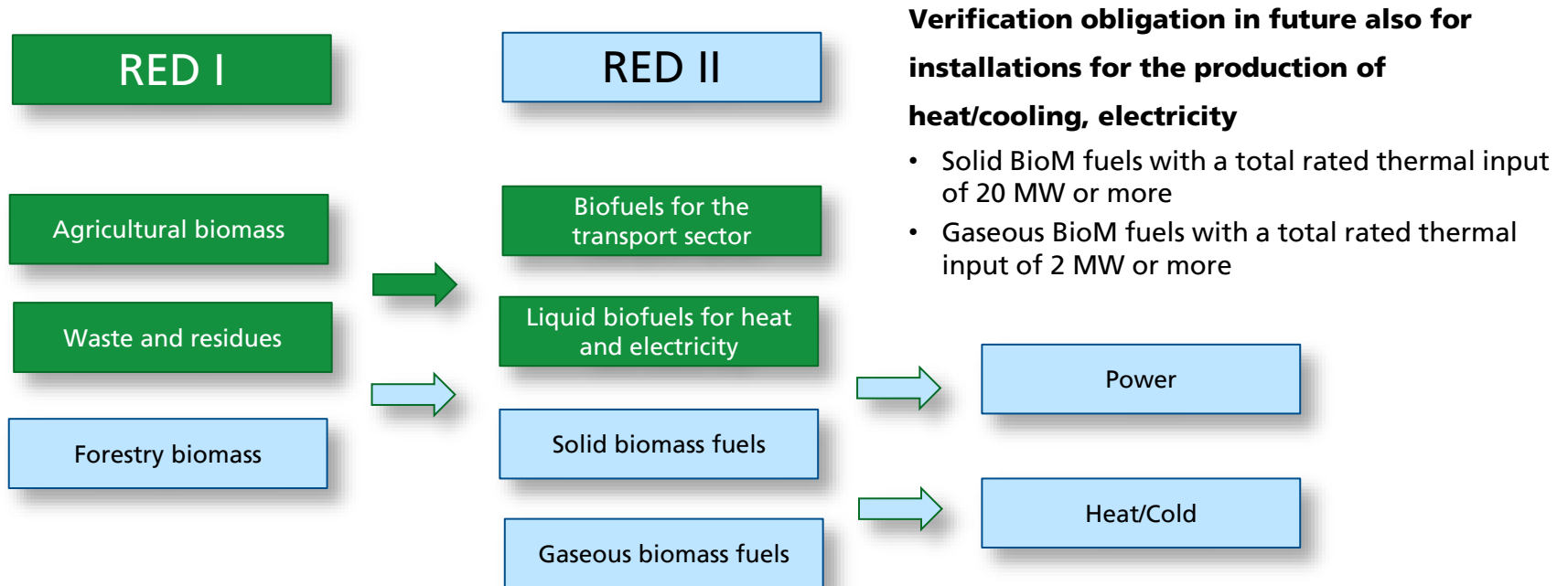
- ▶ Field report on audit priorities and risks from the RED-II review in Germany
- ▶ Implications and risks for the EU ETS



Field report RED II in Germany



- ▶ Expanding the scope of application of the sustainability criteria





Monitoring and reporting in the ETS expanded by RED II

- ▶ **Previous experience from the fuel sector (European):**
 - ▶ Verification of the sustainability criteria from the EU's Renewable Energies Directive for **biogenic fuels** (liquid or gaseous) via voluntary certification systems such as REDcert-EU and ISCC-EU established in the EU
 - ▶ Note: in Germany, the final proof of sustainability is implemented via the national system NABISY (i.e. "upstream chains" via voluntary systems and uniform control via national system) / individual special cases
- ▶ **Experience to date from the EEG (national):**
 - ▶ Entitlement to remuneration only if:
 - ▶ SURE system for demonstrating compliance with sustainability criteria and mass balancing mandatory under Art. 30 RED II
 - ▶ **AND** separate sustainability certificate via national NABISY system (BLE) for liquid or gaseous biomass
 - ▶ Transitional period of the Biomass Electricity Sustainability Regulation of 30 July 2022 extended to 31 December 2022 due to **lack of capacity** (and experiences)
 - ▶ Transitional arrangement for 2022: Self-declaration by the BLE permitted for non-certified companies, material flows must be separated within the mass balance according to "BLE-sustainable" and "SURE-sustainable"
 - ▶ **Summary:** Sustainability requirements for farmers/accumulation points sites mostly met, challenges lay primarily in the documentation requirements of the mass balance flows

Excursus: Certification of ETS installations

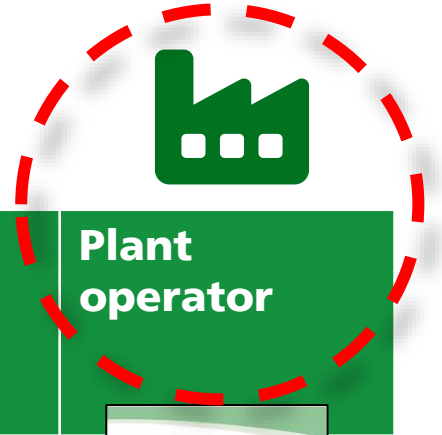


Certification for ETS installation only necessary if:

- First originator, point of origin or trader
- Compliance with the sustainability requirements of RED II must be verified by the ETS auditor for each delivery anyway:
 - Supply contracts
 - Sustainability declaration and valid certification of the "last interface" (supplier, trader, etc.)
 - Germany: if necessary, supplementary sustainability proofs from NABISY
 - Sampling of delivery notes and invoices
 - Sample to inspect the biomass (competence of ETS auditors available?)



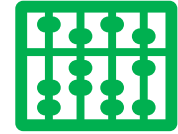
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- ▶ Implications for the EU ETS / Upcoming Tasks:
 - ▶ **Accuracies:** RED II does not contain any binding specifications for the accuracies (activity data/substance parameters), are the MVO specifications to be applied for the determination of biogenic fractions in the upstream chains?
 - ▶ **Declaration:** Classification for biomass from the voluntary systems sufficient or separate verification necessary for official approval?
 - ▶ **Open interpretations:** Dealing with open technical questions on RED II (e.g. dealing with nature conservation areas with official permission for land conversion or classification of waste/residues/by-product or specific questions regarding the declaration).
 - ▶ **Transition phase:** longer periods necessary for implementing suppliers and adapting monitoring plans, should facilitations therefore be defined for the transition phase (and what duration would be necessary here)?
 - ▶ **Review cycles/corrections:** RED II certification is not done by report/calendar years, but cyclically based on initial certification (review after 6 months and then annually), which means that the relevant reporting data for the EU ETS has not been explicitly reviewed until verification and could possibly be corrected after 31.03.

Thank you for your attention