Press Release

on the establishment of the European Renewable Gas Registry

(ERGaR) aisbl (association internationale sans but lucrative)

On the 28th September, 2016 in Ghent (in conjunction with the biennial Biogas Conference of the European Biogas Association) nine members from eight European countries have agreed on setting-up the ERGaR aisbl.

The founding members of ERGaR are:

- from Austria: AGCS Gas Clearing & Settlement AG
- from Belgium: European Biogas Association
- from Denmark: Energinet.dk
- from Germany: Landwärme GmbH
- from Italy: CIB Consorzio Italiano Biogas
- from The Netherlands: STX Services B.V.
- from UK: Renewable Energy Association Ltd.
- from Switzerland: VSG Swiss Association of Gas Industry
 - Energie 360° AG

The Board of the ERGaR aisbl consists of six members, Mr. Jeppe Bjerg from Energinet.dk has been elected as President.

Details and contact information on the founding members are attached.

A number of other organisations and companies in several other European countries expressed their interest and readiness to support the intended activities of ERGaR.

The main purpose of the new association is to establish an independent, transparent and trustworthy documentation scheme for mass balancing of biomethane (biogas upgraded to natural gas quality) distributed along the European natural gas network. The planned voluntary scheme is named as the "European Renewable Gas Registry" (ERGaR) non-profit international association (aisbl). Building on national registries the documentation system enables cross-border trade of renewable gases via the European natural gas network while preventing double sale and double counting. The injected biomethane gets blended with natural gas in the pipelines and the methane molecules of fossil and renewable origin cannot be differentiated anymore. Hence, mass balancing with appropriate documentation is the only feasible solution to track the renewable fuel (biomethane) in the natural gas system.

The first task of the ERGaR association is to elaborate the detailed procedures for performing the mass balancing of biomethane injected into the European natural gas system and to apply for the recognition of the voluntary scheme by the European Commission in accordance with the Renewable Energy Directive, Fuel Quality Directive and other related legislative documents.

The founding members of ERGaR welcome and expect other organisations (such as national biomethane registries, national biogas associations, natural gas industry partners, other stakeholders in the European biogas and biomethane industries) to join the ERGaR association and to participate in establishing the documentation system applicable all over Europe.

About biomethane:

Biomethane is produced by different pathways:

- a) upgrading of raw biogas (generated through anaerobic digestion of manure, slurry, organic waste and all other biologically degradable organic matter),
- b) gasification of renewable organic matter followed by syngas conversion to methane,
- c) synthesis of hydrogen with carbon dioxide of biogenic origin.

Biomethane can be used for the same purposes as natural gas: transportation fuel (CNG, LNG), co-generation of electricity and thermal energy, direct heating, processing as renewable raw material in the chemical industry. Biomethane can be blended in any ratio with natural gas and – consequently – can be distributed and stored in the European natural gas system without any technical limitations.

About related EU projects:

The analytical work carried out in the frame of two EU projects provided the base for setting up ERGaR:

- Green Gas Grids (<u>www.greengasgrids.eu</u>) an IEE project
- BIOSURF (<u>www.biosurf.eu</u>) a Horizon 2020 project

About EBA (www.european-biogas.eu)

Founded in February 2009, European Biogas Association is the leading European association in the field of biogas and biomethane production covering the anaerobic digestion and gasification industries. Committed to the active promotion of the deployment of sustainable biogas and biomethane production and use throughout Europe, EBA has created a wide network of national organisations, scientific institutes and companies. EBA has 37 national associations and 51 companies as members, representing over 7.100 stakeholders in the biogas/biomethane industry of 25 European countries.

EBA is a non-profit international association registered in Belgium with offices in the Renewable Energy House in Brussels.

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About AGCS (www.agcs.at)

AGCS Gas Clearing & Settlement AG is the Austrian balance group coordinator and clearing agent in gas in the market area East in Austria since 2001.

AGCS is calculating based on metering data and schedules the balancing energy volumes for hourly and daily based balance groups and clears the volumes with the respective balance group responsible parties on the Austrian gas market.

As a central and independent clearing agent, AGCS is responsible for the delivery and obtainment of physical balancing energy via the Austrian gas exchange CEGH. In addition to the exchange volumes, AGCS is organizing hourly auctions for physical balancing energy (merit order list).

AGCS and its partners do have a huge pooled know-how to support the market participants according to the challenges in a liberalized gas market. Therefore, AGCS has also been chosen as the operation agent for the Austrian biomethane register which has been put in place in 2012. As such AGCS is creating biomethane Guarantees of Origin (GoO) on a monthly level and enabling the transfer nationally between registered market participants. Additionally, AGCS and the German registry operated by dena have started a cooperation on exchanges biomethane GoO in 2016.

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About Landwärme GmbH (www.landwaerme.de)

Landwärme is a Germany-based biomethane supplier and services provider active in Europe. Founded in 2007, Landwärme was among the first to engage in the German biomethane market. Besides the planning and operation of biogas upgrading plants, Landwärme consults customers along the entire biomethane value chain. The trade and supply of biomethane thereby constitute the company's core competences. Landwärme delivers certified biomethane in all quantities and qualities from its own comprehensive gas portfolio. Landwärme supplies more than 100 energy providers, public utilities, and natural gas fuelling stations with biomethane – for its application in the heating and electricity market, or the transportation sector. Regarding international trading, activities with Denmark, Switzerland, Hungary and other European countries have started within the last couple of years, and there is more to be expected in the future.

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About Energinet.dk

Energinet.dk is the Danish power and gas transmission system operator owned by the Minister of Energy, Utilities and Climate. As an independent public undertaking Energinet.dk is committed to ensuring a high level of security of supply, a healthy investment climate and an efficient green energy system transition. Energinet.dk has 900 employees, owns and operates 7.000 km high voltage power grid, 900 km gas transmission pipelines and two underground gas storages. Energinet.dk operates the Danish renewable gas certificate registry which was established in 2011 with the first biomethane injected to the grid. Since then the production of biomethane has increased significantly and is estimated to reach 5% of Danish gas consumption in 2018. Energinet.dk has since 2013 cooperated with European renewable gas certificate registries to enable increased cross border trade and develop a European biomethane market.

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About CIB (www.consorziobiogas.it)

CIB (Italian Biogas and Gasification Consortium) is the first voluntary group that brings together manufacturers of biogas, biomethane and syngas from renewable sources, business or industrial companies which supply equipment and technology, bodies and institutions that contribute in various ways to achieve social purposes in Italy. CIB was formed in 2009. It is the national reference point for the supply of data and information in the biogas, biomethane and gasification sector. CIB is founder member of EBA, European Biogas Association, that aggregate the most important biogas and biomethane associations in Europe. Today CIB aggregates about 600 ordinary members (plants), 49 company members (manufacturers of biogas and biomethane plants), 11 institutions and 67 partners (companies operating in the world of biogas and biomethane).

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About REAL (www.realassurance.org.uk)

Renewable Energy Assurance Limited (REAL) is part of the UK's largest renewable energy trade association – The Renewable Energy Association. REAL operates a number of schemes in the renewables sector in the UK including the Green Gas Certification Scheme (GGCS). The GGCS was set up in 2011 in anticipation of the introduction of the renewable heat incentive to support biomethane injection. It is now the largest green gas certification scheme operating in the UK with over 45 members

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About STX Services (<u>www.stxservices.com</u>)

STX started in 2005 as brokerage firm for carbon offsetting and fast became one of the leading players in the European environmental commodity markets. The mission of STX is to facilitate trades by sharing information, provide market access and create liquidity for all market participants.

STX works closely together with a client portfolio of more than 2000 corporations all around Europe. The major environmental commodity markets – where STX Services is often acting as market leader – are biofuels, green electricity, energy efficiency, waste and biomethane.

As the first broker in the German as well as European biomethane market, STX not only helps its customers to improve the sourcing and sales of biomethane, but also generates European arbitrage opportunities for its customers.

Whether national subsidy schemes, the transportation sector or increasingly also voluntary applications, STX can advise and help to structure deals to maximize values.

Contact: Jens Schumacher, E-mail: jens.schumacher@stxservices.com

About VSG

VSG (the Swiss Association of Gas Industry) is the national business association of Swiss gas suppliers. It represents the interests of Swiss gas suppliers on the national and international level, promoting the sustainable qualities of natural gas and renewable gas (injection of biomethane into the gas grid or the methanization of solar and wind power). VSG operates

the Swiss biomethane registry ("Clearingstelle") with a mandate of the Federal Customs Authority.

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About Energie 360° AG

Energie 360° is a natural gas distributor in Switzerland, it supplies private and business customers with natural gas and biomethane blends.

Energie 360° and its roughly 220 employees are committed to a future-oriented energy policy. Through environmentally friendly energy sources, customized energy services, and smart innovations, the company and its customers together can make significant steps toward a sustainable energy future.

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