

CertifHy
WG1 “GO scheme and procedures”
 Date: 15/01/2018
 Webinar
Minutes of Meeting (MoM); Version 2.2

LBST	Participants
<ul style="list-style-type: none"> - Matthias Altmann (MA) - Patrick Schmidt (PS) 	<ul style="list-style-type: none"> - Phil Moody (AIB, WG1 chair) - Guy de Réals (Air Liquide, WG1 co-chair) - Andreas Wolf (AGCS) - Bernard Gindroz (BMGI Consulting / CEN-CENELEC) - Florian Schwarz (Uniper) - Jacques Dubost (Engie) - Thomas Young Hwan Westring Jensen (Energinet.dk) - Koen De Clercq (Colruyt) - Dominique Lafond (EDF) - Keith D. Patch - Denis Thomas (Hydrogenics) - Michelle Morton (Shell) - Frédéric Barth (Hinicio)

Item	Objectives
1. Welcome	<ol style="list-style-type: none"> 1. Welcome 2. Administrative issues
Points of discussion	
<p><i>Welcome by Guy de Réals in his function as co-chair of WG1.</i></p> <ul style="list-style-type: none"> - Guy welcomes all participants. - He highlights the importance of collaboration with CEN-CENELC TC6 WG2 developing a standard for hydrogen GOs <p><i>Introduction by Matthias Altmann in his function as WG1 coordinator:</i></p> <ul style="list-style-type: none"> - No objection from webinar participants to audio recording of the webinar for CertifHy consortium internal use. - Slides supporting this webinar will be made available to WG1 together with the MoM 	
Action points	- none

Item	Objectives
2. Open issues of last WG1 meeting	<ol style="list-style-type: none"> 1. Check for open issues from Brussels, 20 November 2017, WG1 meeting

Points of discussion

Matthias Altmann (LBST) asks participants if there were any open issues/new information since last meeting:

- Guy de Réals (WG1 co-chair): The CertifHy Steering Group decided in its meeting on 10 January 2018 to include names of discussion contributors in the minutes of meetings to facilitate discussions (unless requested otherwise by participants).

Action points

- none

Item	Objectives
3. CertifHy preliminary procedures	<ol style="list-style-type: none"> 1. Update on current CertifHy work regarding procedures 2. Feedback from and discussion with WG1

Points of discussion

Introduction by Patrick Schmidt to the current development of CertifHy procedures (see slides 3 through 6):

- Patrick explains the approach taken by the CertifHy consortium for the current development of CertifHy procedures.
- Starting base is the CertifHy scheme design as developed during CertifHy phase 1 (see slide 4).
- Necessary procedures are laid out along a graphical representation of the GO life-cycle (GO issuing, GO trading, three GO termination types plus registration/audit of Production devices, accredited Auditors, and Batch production), (see slide 5).
- Procedures deemed most relevant for pilot certifications have been identified (see slide 5, black colour) versus procedures that are deemed relevant but could be developed after the pilot certification phase (see slide 5, light-grey colour).
- Procedures are numbered to facilitate referencing in discussions and documents.
- 8 procedures with high priority and 5 procedures with lower priority are listed in slide 6.
- Patrick invites WG1 participants to comment with a focus on:
 - o Are import procedures for pilot certification and scheme operation missing?
 - o Is the prioritisation of procedure development for pilot certification suitable?

Discussion:

- Jacques Dubost asks about the order of GO issuing versus production batch auditing.
- For example, in the electricity domain, electricity GOs are issued directly after electricity production, i.e. before auditing, according to Phil Moody (WG1 chair). After auditing, corrections to the number of GOs issued may need to be applied.
- Guy de Réals asks for scope of production device verification (LCA methodology; device characteristics) and production batch audit (audit of specific characteristics of this production batch). Matthias Altmann confirms this understanding.
- For the renewable fuel standard in the USA, audits are performed on an annually recurring base, adds Keith D. Patch, with possibly necessary corrections being made in the subsequent year.
- There should be the possibility of GO issuing before production batch auditing, suggests Thomas Young Hwan Westring Jensen, referring to the "Green Gas Initiative".
- Maybe the pilot certification could also test different approaches with regards to the sequencing of production batch audit and GO issuing, suggests Michelle Morton.
- Referring to procedure P1.4-3 "Sanctioning of Account holders and/or registered Production devices in case of fraudulent behaviour", Keith D. Patch states the need for penalisation, including financial penalties of sufficient magnitude to distract fraudulent behaviour from the beginning*.

=> Matthias Altmann: The current planning for the pilots is to do production batch auditing before GO issuing; for the future, GO issuing before auditing may be foreseen. CertifHy leaves flexibility to the production device operator in defining the length of the production batches. The sequencing and details are under discussion with the pilot operators. A proposal will be made in conjunction with process diagrams. Meanwhile, participants are

invited to give feedback on procedure-related aspects, ideally within the next two weeks.

*Offline note: As an example, the 2015 update of the EU Fuel Quality Directive (FQD) calls for infringement penalties which shall be ‘effective, proportionate and dissuasive’ [Article 6, Council Directive (EU) 2015/652, 20 April 2015]

Action points

- See agenda item 5 below

Item	Objectives
4. GO framework	<ol style="list-style-type: none"> 1. Update on current status of standard (CEN) & regulatory development (EU RED II) 2. Update on current CertifHy work regarding scheme document 3. Feedback from and discussion with WG1

Points of discussion

Matthias Altmann introduces the current status of the EU Renewable Energy Directive recast (RED II) (see slides 8 and 9):

- Council position fixed in 18 December 2017 meeting
- European parliament ITRE report of 6 December; debate in EP plenary on 15 January 2018, voting on 17 January
- Member State positions and interests not (yet) strongly converging
- Positions of Council and Parliament not (yet) in line on many issues
- Ordinary legislative procedure requires consensus between the two
- Changes may still be significant in trilogue discussions; timeline rather towards second half of 2018
- With respect to the requirement of using a mass balancing system, Phil Moody asks whether national or international systems are anticipated.
- According to Andreas Wolf, ERGAR aims for a European mass balancing system for compliance with the sustainability and greenhouse gas emissions saving criteria.
- Thomas Young Hwan Westring Jensen emphasizes the importance of Article 25 section 3 on accounting rules for hydrogen production from renewable electricity. Matthias Altmann hints at significant changes to this specific section in the Council document, while significant differences exist to the European Parliament ITRE document.

Matthias Altmann describes the interplay between regulation, standards and GO schemes (see slides 10 and 11):

- Regulations set legal requirements with respect to scope and definitions
- Standards based on standardization requests from the European Commission provide further details on scope, definitions and other requirements; ideally, this should be limited to issues that can be fixed for longer periods of time
- GO schemes define all details necessary for the proper functioning of the scheme; ideally, there is a clear and simple interface between schemes and standards.
- For electricity GOs, the legal requirements are laid down in the Renewable Energy Directive; CEN standard EN 16325:2013+A1:2015 Guarantees of Origin for Electricity exists; and the EECS scheme has been operational for many years
- For hydrogen GOs, the recast of the Renewable Energy Directive will most probably include provisions for hydrogen GOs; a standardization request from the Commission is under development; a CEN standard is under development at TC6, WG2; and CertifHy is working on the scheme document and procedures.
- Matthias Altmann explains that the approach to be taken for the CertifHy scheme document development is to define a structure that will in the future allow for an easy interface with the future CEN standard. This has been discussed intensively with CEN TC6 WG2 members in December 2017 as the best way forward.

Matthias Altmann describes the CertifHy approach to the scheme document (see slides 12 through 14):

- LBST has analysed the structures of EECS, standard EN 16325:2013+A1:2015 and the I-REC electricity GO scheme in order to develop the best approach for CertifHy (see slide 12). However, the structures are hardly

<p>comparable to each other.</p> <ul style="list-style-type: none"> - There are considerable differences in terms of document number and size between EECS (86 pages + x), EN 16325:2013+A1:2015 (15 pages + x), and I-REC (14 pages + x). - Phil Moody explains that the core of EECS was the basis of the CEN standard, and that the CEN standard was now being re-evaluated to see whether it should be amended to make it more suitable to a fast-changing environment. EECS could then make direct reference to and incorporate the CEN standard rather than duplicating its provisions. Whereas EECS was and is developed, operated and funded by government agencies (who may or may not pass these on to account-holders) to discharge their obligations under international and national legislation, the I-REC scheme is mostly voluntary and was developed for local issuers, preferably official authorities, and is operated and funded by a mix of market parties and governments. - Andreas Wolf asks whether gas grid operators are participating in the development of the CertifHy scheme to deal with questions regarding H2 injection into the natural gas grid. - Matthias Altmann considers this topic to be part of the technical standards and thus outside the CertifHy scope. Jacques Dubost informs that a CEN working group within TC 234 is dealing with this topic. - Guy de Réals emphasizes that the CEN standard under development for hydrogen GOs will be a separate document from EN 16325 on electricity GOs. - Jacques Dubost supports the notion of learning from the electricity GO documents for the development of the CertifHy scheme document and the CEN standard. - Keith D. Patch stresses the importance of the gas quality definition to achieve H2 GOs that are comparable (tradable) with each other, i.e. open to both today's and possible future H2 GO markets. 	
Action points	<ul style="list-style-type: none"> - Matthias Altmann to include Article 25, section 3 of the RED II in the presentation slides - Matthias Altmann to clarify within the CertifHy consortium how to deal with different hydrogen pressures and qualities in physical production.

Item	Objectives
5. Next steps & closing of webinar	1. Clarify next steps in terms of who is doing what in the near-term future

Points of discussion

Matthias Altmann sets out the next steps (see slide 16):

- The webinar presentation and minutes of meetings will be circulated to WG1 members soon.
- WG 1 members are invited to give feedback to the slides presented in the webinar ideally within two weeks, i.e. by 26 January 2018.
- LBST to draft transaction process diagrams for high priority procedures. Further details including the sequence of production batch audit and GO issuing are laid out in the process diagrams. Draft diagrams will be shared with WG1 members before the next meeting on 28 February 2018.
- LBST will develop a first draft CertifHy scheme document
 - o Definition of structure (chapters)
 - o Check potential regulatory links (RED II) with WG4
 - o Suggest elements to be covered by an EN standard
 - o Develop first draft scheme document
- Draft procedures and the draft CertifHy scheme document will be discussed at the WG1 meeting in Brussels on 28 February 2018.

Phil Moody:

- Closes the webinar
- Underlines the challenges for CertifHy work in a changing environment with developments in the regulatory environment (RED II etc.) and standards in relation to GOs for electricity, GOs for biomethane and GOs for hydrogen.

Action points	- none
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