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## Purchasing biomethane 2/2 Operational management, declarations and taxation

Are you seeking to purchase biomethane injected by producers into the natural gas distribution and/or transmission networks from the producers? This information sheet provides a point-by-point explanation of the entire operational management process, from the molecule's injection to its use, as well as details of the retrospective declarations to be completed.

Another information sheet available from our <u>website</u> describes the prerequisites for purchasing biomethane: « Purchasing biomethane 1/2 – Prerequisites »

## **Operational management**

Operationally speaking, once injected into the distribution or transmission network, biomethane is not treated any differently from imported natural gas: network operators count it as a positive entry in your balance for the TRF in the same way as imported natural gas. You can therefore inject it directly into a storage facility, sell it to the PEG (virtual trading point) or supply it to a consumer customer in your portfolio (in the latter case via downstream capacities following the usual procedure).

# For biomethane injected into the distribution network Capacity Subscription

No capacity subscription is necessary, at the interface between distribution and transmission. Simply check the joint declaration on the Ingrid portal to enable automatic data transfer between the distribution and transmission network.

To find out more, consult the information sheet "Find out more about capacity subscriptions at Transmission/Distribution Interface Points" in the Transmission toolbox | grtgaz.com

#### **Nomination**

The quantities of biomethane injected into the distribution system must be included in the nominations of the Delivery Pool PL001F (They must reduc your nomination on PL001F). No nomination is expected on the Distribution Production Pool (PP001D)

#### **Allocations**

The allocation is available at each Transport Distribution Interface Point (PITD REC). The allocation is also available at the scale of the Distribution Production Pool (PP001D) which includes all the biomethane injections on the distribution network of your portfolio. The allocation corresponds to the values physically measured on the network.



# For biomethane injected into the transmission network Capacity Subscription

You must subscribe to annual capacity at the contractual injection point (PITD: Transport Biomethane Interface Point) for a period corresponding to the duration of the purchase contract concluded with the producer using the Ingridportal. The capacity must be at least equal to the maximal production capacity (Cmax) of the site as recorded in the maximum capacity register, taking into account a PCS of 10.1 kWh/Nm3 in L-gas area and a PCS of 10.9 kWh/Nm3 in H-gas area. For producers with a forecast annual production, the conversion to Cmax is specified in the capacity register procedure.

According to the pricing decision published by the Energy Regulatory Commission (CRE) for the period of April<sup>1st</sup> 2024 to March 31<sup>st</sup> 2025, this injection capacity is free of charge.

#### **Nomination**

To transmit gas from one or more biomethane stations connected to the transmission network, a single nomination must be made on the Transmission Production Pool (PP001T) which includes all the PITB of your portfolio.

#### **Allocations**

The allocation is available at each PITB and at the scale of the Transmission Production Pool (PP001T).

The allocation corresponds to the values physically measured on the network.

#### **Declarations and taxation**

#### **Declare the quantity injected to the Guarantee of Origin Operator**

The Guarantee of Origin Register Operator (EEX from October 2023) ensures that the biomethane molecule is traceable from production to use.

### For contracts signed before November 2020:

After the supply date, you must declare the quantity produced to the GO Operator: <a href="https://www.eex.com/en/services/services-de-registres/registre-du-biogaz-des-garanties-dorigine-du-biogaz">https://www.eex.com/en/services/services-de-registres/registre-du-biogaz-des-garanties-dorigine-du-biogaz</a>

#### For contracts signed after November 2020:

The Generator is responsible for declaring the quantity produced to the GO Manager. The ownership of the guarantee of origin is transferred to the State.

You can acquire these GOs at auctions organised by the GO Manager.

## Declare the biomethane quantity sold and used to the Guarantee of Origin Operator



Once the biomethane molecule has been used by the end consumer (at most12 24 months after production period), you must declare the sale to the GO Operator for it to be erased.

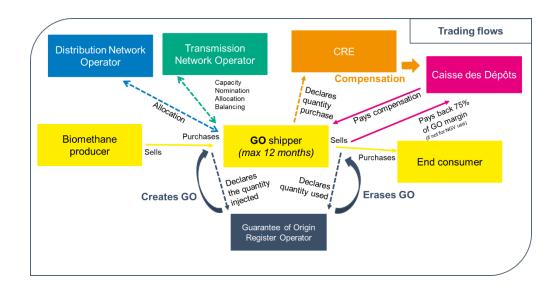
### Declare the quantity injected to the CRE

Biomethane is purchased at a guaranteed price, and resold at a negotiated price (in most cases lower than the first price). To calculate the financial compensation due to you, you must <u>report any purchased quantity to the CRE</u> every year.

## Pay 75% of the value of the Guarantee of Origin to the Caisse des Dépôts (French Deposits and Consignments Fund)

For purchase contracts signed before November 2020, as the owner of the Guarantee of Origin and responsible for its marketing, you <u>must pay 75% of the value of the GO</u> (the difference between the market price of natural gas and the price negotiated with your end-user customer) to the Caisse des Dépôts, **unless the biomethane was used for transport (NGV)**.

### For the contracts signed before November 2020.



#### For the contracts signed after November 2020.

