



Assessment of the Procedure on the functioning of the biomethane registry in Ukraine

by the Energy Community Secretariat

February 2025

PURPOSE STATEMENT

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TABLE OF CONTENT

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Ukraine Energy Market Observatory

Assessment 1/25

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Background

Biogas production is well established in Ukraine. Biogas is used for electricity production and, when used in facilities with a total rated thermal input below 2 MW contributes to the national RES-E targets. Huge potential to upgrade biogas to biomethane and to inject it in the gas grid was always present, but availability and prices of natural gas have not made biomethane production attractive.

The adoption of the REPowerEU Plan¹, as a response to the extreme increase prices in natural gas prices, which threatened the security of supply in Europe in 2022, brought biomethane into focus. The Plan and EC communication on EU external energy engagement² emphasised strategic partnership with Ukraine on renewable gases and triggered biomethane developments in Ukraine.

Mutual interests and potential to produce, trade and use biomethane have been acknowledged by the *Memorandum of Understanding (MoU) signed between Ukraine and the European Union on a Strategic Partnership on Biomethane, Hydrogen and other Synthetic Gases*³ in February 2023. Since then, many activities have been initiated and are ongoing, aiming to:

- connect relevant stakeholders (such as the Business-to-Business Forum⁴ organized by the Energy Community Secretariat in Vienna in September 2023),
- develop relevant legislation in Ukraine, and
- find solutions to overcome technical and regulatory barriers⁵ for smooth inclusion of Ukrainian biomethane into the EU energy market.

The Resolution⁶ defining the Procedure on the functioning of the biomethane registry, the subject of this assessment, is one of the regulatory acts aiming to enable biomethane export from Ukraine to the EU.

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2022%3A230%3AFIN&qid=1653033742483#footnote12>, REPowerEU

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52022JC0023>, Joint Communication

³ [Memorandum of understanding between the European Union and Ukraine on a Strategic Partnership on Biomethane, Hydrogen and other Synthetic Gases - European Commission \(europa.eu\)](#)

⁴ [Business Forum on Ukraine Renewable Gases - Energy Community Homepage \(energy-community.org\)](#)

⁵ See more details at [Task Force 6 - BIP Europe](#)

⁶ <https://zakon.rada.gov.ua/laws/show/1065-2024-%D0%BF#Text>

Introduction

The production, transport, distribution, and use of biomethane in the Energy Community are governed by renewable energy and gas grid operations legislation.

Directive 2009/73/EC⁷ defines technical safety and gas quality requirements as preconditions for *biomethane injection into the gas networks*. Those provisions have been transposed and implemented into Ukrainian legislation through the Gas Law⁸, and Gas Transmission⁹ and Distribution¹⁰ Codes. The Codes were amended in 2022 to allow a higher oxygen content, making it easier and more economical for the biomethane producers in Ukraine to comply with quality requirements without compromising safety requirements. In November 2024, the Gas Distribution Code was complemented¹¹ with a template of technical conditions for connecting facilities (installations) that produce biomethane or other gases from alternative sources to the gas distribution system. This has unified the connection requirements for biomethane producers.

The state-owned *Ukrainian Research and Training Centre for Standardization, Certification and Quality Problems* has adopted a national standard for the injection of biomethane into distribution and trunk gas networks. This Standard is based on the EU standard EN 16723-1:2023, "Natural gas and biomethane for use in transport and biomethane for injection in the natural gas network". The first injection of biomethane to the natural gas distribution grid was successfully carried out in spring 2023 and consumed locally.

With the introduction of martial law due to Russian aggression against Ukraine, the Cabinet of Ministers of Ukraine imposed a ban on exporting gases of Ukrainian origin. Implicitly, this decision created a burden on biogas exports¹², since the custody rules applicable to natural gas exports via gas networks were also applicable to biomethane. This issue was resolved in 2024 with the adoption of the Law No. 3613¹³ "On amendments to the Customs Code of Ukraine and other laws of Ukraine on the specifics of customs control and customs clearance of certain categories of goods", which recognised that biomethane and natural gas are different products, thus allowing biomethane to be exported via (natural) gas network.

The directives on promoting the use of energy from renewable sources - Directive 2009/28/EC (RED)¹⁴ and Directive (EU) 2018/2001 (RED II) - were adopted by the Energy Community in 2012 and 2021, respectively. RED initially introduced sustainability and greenhouse gas savings criteria (sustainability criteria) for liquid and gaseous biofuels used in the transport sector. With the adoption of RED II, these criteria were strengthened and extended to biogases used for electricity and/or heat production in facilities with a total rated thermal input of 2 MW or more. As a Contracting Party to the Energy Community, Ukraine was required to transpose the provisions of RED by 1 January 2014 and those of RED II by 31 December 2022.

⁷ Directive 2009/73/EC has been replaced in the EU in 2024, but is still valid for the Energy Community

⁸ <https://zakon.rada.gov.ua/laws/show/329-19#n1378>

⁹ <https://zakon.rada.gov.ua/laws/show/z1378-15#Text>

¹⁰ <https://zakon.rada.gov.ua/laws/show/z1379-15#Text>

¹¹ NEURC Resolution No.1879 of 05.11.2024, <https://www.nerc.gov.ua/acts/pro-vnesennya-zmin-do-kodeksu-gazorozpodilnih-sistem-3>

¹² Ukraine Energy Market Observatory Assessment 1/2024,

<https://www.energy-community.org/dam/jcr:f9d7a554-aaa9-48ff-ac4b-c7802eb90500/Note1.pdf>

¹³ <https://zakon.rada.gov.ua/laws/show/3613-20#Text>, See more details in Ukraine Market Observatory Assessment

Note 12/2024 dated 5 August 2024 at [Secretariat's publications - Energy Community Homepage](#)

¹⁴ <https://eur-lex.europa.eu/eli/dir/2009/28/oj/eng>

Ukraine has had primary legislation on alternative fuels in force since 2000, when Law No.1391 “On alternative types of fuels” was adopted¹⁵. Law No.1391 defines the legal, social, economic, ecological and organizational principles of the production (extraction) and use of alternative fuel types. Since its adoption, Law No.1391 has been amended several times, including by complementing the categories of biofuels and sustainability criteria for biofuels in the transport sector. However, the national system for verification of compliance with the sustainability and greenhouse gas emissions saving criteria has never been established.

Although Ukraine did not fulfil its target for the renewable energy share in the energy consumed in the transport sector (RES-T) by 2020, it made a significant contribution to the fulfilment of RES-T targets in EU Member States. Compliance with the sustainability requirements applicable in EU Member States was ensured through certification by Voluntary Schemes recognized by the European Commission¹⁶. Several Voluntary Schemes with global geographical coverage operate in Ukraine, thus making it possible for Ukrainian producers of raw materials and biofuels to certify their products and export them to the EU for over a decade.

The same model was used for biomethane produced in Ukraine, which was liquified and exported to Germany for the first time in 2023. The Ukrainian legislative acts, developed in the last few years, foresee the use of Voluntary Schemes for certification of biomethane’s compliance with sustainability criteria.

Law No.3613 of Ukraine “On Amendments of some Laws of Ukraine regarding the development of biomethane production”¹⁷ introduced the term “biomethane” and established a system of Guarantees of Origin (GOs) and a register for renewable gases. Resolution No. 823¹⁸ of the Cabinet of Ministers of July 22, 2022, defines the details of the biomethane registry. The Amendments to the Law “On alternative types of fuels” in 2023 designated *the State Agency for Energy Efficiency and Energy Savings (SAEE)* as the body responsible for the registry and issuance of Biomethane GOs.

Biomethane Registry according to Resolution No 1065

The biomethane Registry was designed by Resolution No. 823 in 2022 to register the volumes of biomethane supplied to the gas transportation/distribution system and withdrawn from such systems, as well as to form guarantees of origin for biomethane (hereinafter, Biomethane GOs), their transfer, distribution, or cancellation. Resolution No. 1065 of the Cabinet of Ministers of Ukraine adopted on 17 September 2024 amended the Resolution No. 823 by adding more details on information and documents to be exchanged between users and stakeholders of the registry.

To enter information about biomethane production facilities into the registry, the biomethane producer shall submit electronically the following information:

- location of the biomethane production facility, its GPS coordinates;
- type, the capacity of the biomethane production facility (MW) and the commissioning date of the biomethane production facility;
- EIC code of the natural gas market entity and EIC codes of the relevant commercial accounting points (except for producers of liquefied or compressed biomethane);
- the certificate of compliance with sustainability criteria under the international certification scheme and its details (date of issue, validity period, raw material for which the certificate is issued). Additionally, the biomethane producer shall provide (by email and regular post) the

¹⁵ <https://zakon.rada.gov.ua/laws/show/1391-14#Text>

¹⁶ https://energy.ec.europa.eu/topics/renewable-energy/bioenergy/voluntary-schemes_en

¹⁷ <https://zakon.rada.gov.ua/laws/show/1820-20#Text>

¹⁸ <https://zakon.rada.gov.ua/laws/show/823-2022-%D0%BF#Text>

notarised copy of the certificate to prove the authenticity of the independent auditor's signature. If the certificate was issued by an independent auditor in a foreign country, such a document shall be subject to legalization, unless otherwise provided for by international treaties of Ukraine, and shall be accompanied by a translation into Ukrainian, in which the correctness of the translation or the authenticity of the translator's signature shall be notarized.

- name of the international certification scheme;
- information on the independent auditor and contact details, including the country of registration;
- information on the investment support mechanism that is/was used to create the relevant biomethane production facility, or the type of biomethane production support that is applied to such a biomethane production facility.

The registry has three types of user accounts: for biomethane producers, biomethane buyers and gas network operators (gas TSO and DSOs). Accounts of biomethane producers and biomethane buyers display, among other, the information on their Biomethane GOs.

The Biomethane GOs are issued free of charge in electronic form. To receive a Biomethane GO, in accordance with the requirements of Article 8-2 of the Law of Ukraine "On Alternative Fuels", the biomethane producer must enter the relevant information into the Registry every month (between 7th and 10th of the month).

Resolution No. 1065 (2024) amends Resolution No. 823 (2022) with the main purpose of adding many details on data and software protection and to limit the number of authorised persons to access the Registry. Further, it divides "publicly visible" and "users only" parts of the Register, increasing transparency and preserving confidentiality at the same time. The procedures for acceptance and refusal to the Registry are also refined.

A single Biomethane GO is issued for each 1 MWh of biomethane supplied to the gas transmission or distribution system or produced for use in a liquefied or compressed state. The volume in energy units is determined through direct measurement in MWh or by converting the volume of biomethane in cubic meters into energy units (MWh), as prescribed by the Gas Transmission Code and the Gas Distribution Code.

In the case of biomethane export¹⁹, the biomethane producer enters information into the Registry on the exported volume of biomethane for which GOs (in particular liquefied or compressed) have been issued. Based on this information, the number of GOs is correspondingly reduced in the user's account.

Compliance and market assessment

Resolution No. 1065 contains the same definitions as the previous resolution but adds some more definitions related to the certification system and documents issued by the Voluntary Schemes. In particular,

¹⁹ According to the Law No. 3613 for the transitional period (till the biomethane register joins the European Union database (Union database) in accordance with Directive (EU) 2018/2001 and the recognition by the European Union of GOs for biomethane issued in Ukraine), export of biomethane is carried out by biomethane producers provided without using the register. The customs authority shall only be provided with a certificate of compliance with the biomethane sustainability criteria for the producer of the relevant volumes of biomethane, as well as proof of biomethane sustainability (Proof of Sustainability) regarding the relevant volumes.

The biomethane register remains defined as “an information and communication system designed for registration of the amount of biomethane submitted to the gas transportation or gas distribution system and withdrawn from the gas transportation or gas distribution system, registration of liquefied or compressed biomethane, as well as for the formation of guarantees of the origin of biomethane (in particular, liquefied or compressed), their transfer, distribution or cancellation and provision of certificates of origin of biomethane (in particular liquefied or compressed)”.

Resolution No. 1065 further defines:

“Proof of sustainability - an accompanying document in accordance with the international certification scheme, created by a biomethane producer certified under the international certification scheme, containing information on the amount of sustainable biomethane produced in a certain period;

“International certification scheme — a system of confirmation of biomethane compliance with sustainability criteria recognized by the European Commission, including voluntary certifications”;

“Independent auditor - a natural person - an entrepreneur or a legal entity who has the right to conduct an independent audit of activities related to biomethane production according to the international certification scheme” and

“Certificate of compliance with sustainability criteria — a document with attachments issued according to an international certification scheme by an independent auditor and confirming the results of an independent audit of a production facility biomethane”.

The Resolution sets a framework for issuing, transfer and cancelation of GOs for biomethane produced in Ukraine. As such, it also provides a necessary baseline for transfer of Biomethane GOs beyond the borders of Ukraine.

Further on, the Resolution details how the Biomethane GOs (in particular liquefied or compressed) are transferred from the producer to the biomethane buyer and finally cancelled. The transfer of GOs is based on a biomethane purchase/sale contract. The administrator of the Registry will adjust the total number of Biomethane GOs (in particular liquefied or compressed) owned by the user (producer/buyer) based on the information about the nationally traded volumes or, in the case of biomethane producers, based on the customs declaration for the export of biomethane outside Ukraine, and/or upon expiry of GOs.

According to the RED II GO is used for the sole function of providing evidence to a final customer that a given share or quantity of energy, including gases (biogas or hydrogen), was produced from renewable sources. GOs can be traded independently from physical gas quantities and thus generate additional income for biomethane producers. The Resolution 1065²⁰ however ties the transfer of GOs to the trade of physical gas quantities. Recognising the requirement of Article 19 of RED II to ensure no double counting of renewable energy, specific provisions regarding biomethane GO shall be considered, not limiting the ways of GOs trading/transferring.

Considering that RED III, which must be transposed by EU Member States by 21 May 2025, there may be a need for certain adjustments in the implementation of this resolution in line with the bilateral agreement between the EC and Ukraine. Specifically, RED III stipulates that GOs for renewable gases must be transferred to the Union Database (UDB) at the moment when a consignment of renewable gas is registered in the UDB and must be cancelled once the consignment is withdrawn from the Union’s interconnected gas infrastructure.

Therefore, it is necessary to clarify who will be authorized to register Ukrainian GOs in the UDB— whether it will be the biomethane producer (the only party eligible to export biomethane) or the

²⁰ Point 48 paragraph two

Ukrainian authority designated for issuing the GOs and maintaining the Registry. Discussions between Ukraine and the European Commission are ongoing, and it is expected that this issue will be resolved before the UDB component for gaseous fuels becomes fully operational.

The Resolution demonstrates the intention to develop biomethane only for export via pipelines or liquefied or compressed, counting on large Ukrainian producers (biofuels and biogas), who already have experience with the certification through Voluntary Schemes. The definitions introduced through the Resolution are compliant with RED II, as introduced for the EU MS in 2018, where it is allowed to introduce a national sustainability certification system and/or rely on the certification through the Voluntary Schemes recognised by the European Commission.

However, in terms of domestic use of biomethane and its contribution to the fulfilment of obligations relating to the 2030 RES targets arising from REDII, the Resolution No 1065 amending the Biomethane register will only be applicable upon full transposition and implementation of the sustainability and greenhouse gas emissions saving criteria into national legislation.

Conclusions and Recommendations

Ukraine made several changes in its national legislative framework to overcome barriers to biomethane export; amending the provisions related to the register is one of the latest. Resolution No 1065, as all other legal acts adopted in recent years, focuses exclusively on the biomethane export from Ukraine, not on the developments of biomethane usage in the country and the contribution to the national RES targets and decarbonization.

The definition of biomethane GO²¹ still needs harmonisation with the RED II to reflect its aim of providing evidence to a final customer that a given share or quantity of energy was produced from renewable sources.

With all legislative changes done, export of biomethane from Ukraine does not have legal obstacles in Ukraine. Following the current legislation which would allow export without national Registry, in October 2024 one producer started to inject biomethane in the grid and to store it for at least one month before the export (as required by the Law No 3613), the second producer followed in November 2024. However, all biomethane, overpassing mandatory 1 month of being stored before export, is still stored in UGS facilities in Ukraine and export has not started yet while depends on the rules on the side of buyer, i.e., on the side of the EU MSs. Those rules are dependent on the EU Union Data Base being fully operational for biogases and finalisation of bilateral EC-Ukraine discussions based on the MoU³. Both processes, despite being launched few years ago, might still take lot of time and thus not bringing export results as expected from Ukrainian side, and at the same time postponing further set up of the national biofuels sustainability structure. Considering that RED III, which must be transposed by EU Member States by 21 May 2025, there may be a need for certain adjustments in the implementation of this Resolution in line with the bilateral agreement between the EC and Ukraine.

Although the legal framework for setting up the biomethane registry has been in place for several years, the practical implementation of the Register is still pending, waiting for the solutions from the EU side and being solely focused on export from Ukraine, despite having national implementing obligations and deadlines. The temporary exemptions for exporters of biomethane impacted the relevance of the Registry, leading to the delay of its implementation for the national market.

²¹ In Law of Ukraine “On Alternative types of fuels”: guarantee of origin of biomethane (including liquefied or compressed) - a document generated using the biomethane register, which confirms that biomethane is produced from biomass, and contains information, the list of which is determined by the Procedure for the functioning of the biomethane register.

In this regard, the Secretariat recommends ensuring the implementation of the register without further delay and the establishment of a national Ukrainian Register and full transposition and implementation of REDII provisions governing application and verification of sustainability and greenhouse gas emissions saving criteria to facilitate the development of the domestic market and fulfilment of obligations arising from the Energy Community Treaty. The biomethane GO shall be used to provide the information to final consumers of gases (biogas) on the source of origin. The GO shall be allowed to be transferred separately from the quantity of biogas between participants until the biogas is sold to the end user ensuring also that there is no double counting.

The establishment of a national register will foster other steps aiming to enable biomethane export from Ukraine, as foreseen by the MoU³ and related Roadmap whereas ensuring eligibility of renewable gases for national targets accounting and robust traceability and sustainability monitoring system are determined as required actions.