



Scheme Rules

Issue 5

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Scheme Status

This document (referred to herein as the “BMCS Rules”) contains the principles and rules of operation of the Biomethane Certification Scheme (“BMCS”).

The scheme is an independent certification scheme which is owned and operated by Green Gas Trading Limited (“GGT”).

In the event of a conflict between the text of the BMCS Rules and the text of any subsidiary document, the BMCS Rules shall always take precedence.

These rules are effective from the date on the cover and supersede any historical versions of the scheme’s rules.

Table of Contents

1. CORE PRINCIPLES	9
2. STRUCTURE OF THE SCHEME AND THE COMPANY	9
3. SCHEME MEMBERSHIP AND WITHDRAWAL	10
3.1 JOINING THE SCHEME	10
3.2 SHARE TRANSFERS	11
3.3 WITHDRAWALS	11
4. ISSUANCE AND MANAGEMENT PROCEDURES	12
4.1 CERTIFICATION	12
4.1 SCHEME (REGISTRY) ACCOUNTS	14
4.2 ISSUANCE: FIRST ALLOCATION	15
4.3 TRANSFER	16
4.4 NOTIFICATION: RETIRING/CANCELLATION	16
4.5 CERTIFICATE WITHDRAWAL	17
4.6 CERTIFICATE EXPIRATION	18
4.7 VALIDITY & SECURITY	18
5. DEVELOPMENT AND MAINTENANCE OF THE SCHEME	19
5.4 WEBSITE	19
5.5 REGISTRY PLATFORM	19
6. DISPUTE MANAGEMENT AND RESOLUTION	20
7. ACCREDITATION	ERROR! BOOKMARK NOT DEFINED.
8. AUDIT OF THE SCHEME	20
9. DUTIES OF THE COMPANY TO SCHEME MEMBERS	21
10. SCHEME FEES	21

Definitions

“A” Shares	Founder shares, being shares issued by the Company to its original shareholders. These are voting shares with full dividend rights.
Accredited Verifier	An organisation that has gained accreditation to ISO 14065 for verification under BMCS.
ADBA	Anaerobic Digestion and Bioresources Association, the trade association of the UK anaerobic digestion industry.
Anaerobic Digestion	Anaerobic digestion is a collection of processes by which microorganisms break down biodegradable material in the absence of oxygen.
Articles	Articles of association of the Company.
Audited	Examined by the Auditor.
Auditor	Entity appointed by the Scheme to provide an independent examination of the data, statements, records, and operations of any Producer who is a Scheme Member.
BCN	Biomethane certificate number, the unique identifier for every MW of biomethane certified under the BMCS. This contains data including (but not limited to): Producer, location, production time, feedstock and a sequence number.
Biogas	The gaseous product of Anaerobic Digestion, typically 50-60% methane, the balance being carbon dioxide and other trace elements.
Biomethane	Upgraded product of biogas, composed largely of methane, and containing certain minor trace elements.
BMC	Biomethane certificate issued under the Scheme to the Producer (in the first instance) to evidence the production of biomethane. The BMC is a ‘guarantee of origin’ which is defined as ‘an electronic document which has the sole function of providing evidence to a final customer that a given share or quantity of energy was produced from renewable sources’ in DIRECTIVE (EU) 2018/2001 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ¹ .
CV	Calorific or energy value of a given product, element, or fuel.
Certificated	Biomethane Output that has been entered into the Registry.
Certification (Issuance) Fee	Fee payable to the Company by the Producer upon the first certification of the Biomethane produced, being 4 pence per 1 MWh at the date hereof (as amended by the Directors from time to time). The fee is commonly

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001&from=EN>

paid by the producer but is dependent on contracts, which Green Gas Trading Limited should be made aware of. Therefore, ensuring the correct company is charged for the service transaction.

Company	Green Gas Trading Limited (registered with company No. 8055400), the private limited company that owns and operates the Scheme.
CO₂e	Measure for describing how much global warming a given type and amount of a greenhouse gas may cause, using the functionally equivalent amount or concentration of Carbon Dioxide (CO ₂) expressed in kg.
CNG	Compressed natural gas, being Natural Gas that has been compressed in volume for ease of storage or transport, typically to a pressure of 200-248 bar (2900-3600 psi).
Directors	The Directors of Green Gas Trading Limited.
End User	Corporate entity or individual who is an end consumer of Biomethane. For the avoidance of doubt, a Scheme Member who is also a Biomethane consumer can be both a Scheme Member and an End User.
End User Certificate	Form taken by a BMC that has been notified and issued to an End User as a cancelled BMC. Also referred to as a cancelled or retired certificate.
End User (Cancellation) Certificate Fee	Fee payable to the Company for the production of an End User Certificate, being 4 pence per 1 MWh (as amended by the Directors of the Company from time to time). The fee is commonly paid by the consumer but is dependent on contracts, which Green Gas Trading should be made aware of. This will ensure the correct party is charged for the transaction.
EECS	The European Energy Certification System, a commercially funded, integrated European framework for issuing, holding, transferring and otherwise processing electronic records certifying, in relation to specific quantities of electricity output from electricity production devices, attributes of its source and/or the method and quality of its production.
“F” Shares	Financial shares, being shares issued by the Company to entities who wish to act as Intermediaries in the Scheme. These shares are non-voting and have restricted dividend rights.
Feedstock	Organic material from which Biogas is produced.
Feedstock Data	Data detailing the composition, on a quarterly basis, of the Feedstock that is used by a Production Device to produce Biogas.
Fossil Carbon Input Cost	Carbon cost, in kg per MWh, of all fossil fuel sources for all of the processes which contributed to the production of Biomethane, including (but not limited to): <ul style="list-style-type: none"> (a) grid-imported electricity; and

(b) fossil-fuelled transportation on and to site.

For the avoidance of doubt, this value does not include any propane that may be added to the Biomethane to bring it to the Minimum Grid CV Threshold. Any propane that is added to the Biomethane for this purpose is not counted towards the CV of the Biomethane injected nor the certificated energy value.

The Fossil Carbon Input Cost shall be calculated by a Plant using the Biomass GHG Calculator – or an agreed upon equivalent – provided by Ofgem on its website; this calculation also forms the basis of sustainability calculation that forms a part of the Producers’ RHI or GGSS claim.

GDN	Gas distribution network operator, being one of seven network operator companies that control and operate the different regions of the UK national gas grid.
GGSS	The Green Gas Support Scheme, funded by the Green Gas Levy, will run for four years to support biomethane injected into the gas grid from AD biogas plants, through a 15-year tariff.
Green Gas Certification Scheme	Certification scheme operated by REAL, a wholly owned subsidiary of the Renewable Energy Association.
Green Gas	Under the BMCS green gas refers to biomethane. The scheme can certify other green gases on request.
GS(M)R3	Gas Safety (Management) Regulations 1996 Schedule 3 (or any successor thereto), being the UK statutory instrument that governs the quality of gas permitted to be injected into the UK national gas grid.
HMRC	Her Majesty’s Revenue and Customs.
Independent Certification Scheme	Certification scheme which is not officially mandated by a sovereign state or a government department.
Intermediary	Entity seeking to trade in BMCs, either for its own account or on behalf of another entity or End User.
Liquidation Request	Request from a Scheme Member for the Company to liquidate its holding of BMCs.
“M” Shares	“M” shares are partly paid “F” shares; being shares issued by the Company to entities who wish to act as Intermediaries in the Scheme. These shares are non-voting and have restricted dividend rights. “M” shares have the same characteristics as “F” shares, save for the fact that they are partly paid. The initial call on this class of share was £500 and the call is due annually at the rate of £500 until the full subscription amount of £7,500 is paid. If a dividend is declared on the “F” share class, the “M” shares are

	entitled to the same dividend, but pro-rata to the amount of the full subscription price of the “M” share that is paid up.
Minimum Grid CV Threshold	Minimum calorific value of Biomethane to comply with GS(M)R3 and be eligible for injection into the UK national gas grid.
MW	A unit of energy equal to one million watts.
MWh	A unit of energy equal to the work done by one watt acting for one hour and equivalent to 3,600 Joules.
“N” Shares	“N” shares are partly paid “P” shares; being shares issued by the Company to Producers on the basis of one share per production Device. These shares are non-voting and have restricted dividend rights. The “N” shares have the same characteristics as “P” shares, save for the fact that they are partly paid. The initial call on this class of share was £500 and the call is due annually at the rate of £500 until the full subscription amount of £7,500 is paid. If a dividend is declared on the “P” share class, the “N” shares are entitled to the same dividend, but pro-rata to the amount of the full subscription price of the “N” share that is paid up.
Natural Gas	Naturally occurring fossil hydrocarbon gas mixture, predominantly methane (CH ₄).
Notice Period	Notice period that a Scheme Member must give to the Company in order to leave membership of the Scheme, being three (3) months (as amended by the Directors from time to time).
Notify	Act of cancelling a BMC in the Registry and issuing an End User Certificate to the End User.
Notification Request	Request from a Scheme Member for the Company to transfer a BMC (or a series of BMCs) into the ownership of an End User, thereby cancelling the BMC, and to issue an End User Certificate in the End User’s name.
Ofgem	Regulator of gas and electricity markets in the United Kingdom.
Output	Energy or material goods yielded by a Production Device.
“P” Shares	Plant Shares, being shares issued by the Company to Producers on the basis of one share per Production Device. These shares are non-voting and have restricted dividend rights.
Producer	Entity which produces Biomethane.
Producer Number	The unique number on a BMC which identifies the Producer of the Biomethane which is certified on the BMC.
Production Country	England, Wales, Scotland or Northern Ireland, being the country in the United Kingdom where the Biomethane was produced.

Production Data	Data relating to Biomethane production volumes and characteristics that are supplied by the Producer to the Company for the purpose of certification, as more specifically described in Section 4.
Production Device	An individual device or group of devices taken and measured as a whole, that produces an Output.
Production Start	Date at which the production of the relevant biomethane commenced.
Production Stop	Date at which the production of the relevant biomethane stopped.
Production Technology	Technology type that produced the relevant biomethane; typically Anaerobic Digestion.
Qualified	Biomethane Output that has met the requirements of the Scheme Rules and is eligible to be Certificated.
Registry	Electronic registry database where BMCs are held. Grexel is the registry currently used for the BMCS.
RHI	Renewable Heat Incentive, being the UK Government's long-term financial support programme for renewable heat.
RHI Data	As defined in Section 4.
Scheme	Biomethane certification scheme, the scheme operated by the Company to which the BMCS Rules relate.
Scheme Member	Entity which has been accepted as a shareholder of the Company and has bought and paid for an "A", "P", "F", "M", "N" share or paid the annual membership fee.
Share Transfer	Transfer of a "P", "F", "M" or "N" share in accordance with Section 3
Share Transferee	Entity to which a share in the Company is transferred.
Share Transferor	Entity which transfers a share in the Company to another entity.
Share Transfer Request	Request from a shareholder in the Company to transfer a share to another party.
Syngas	A green gas that is produced from the gasification of carbonaceous material.
Trading Platform	Web-based trading platform that the Company is developing in order to provide an electronic exchange where buyers and sellers may come together to transact BMCs.
Transfer Fee	Fee payable to the Company on the Transfer of BMCs between Scheme Members, being 4 pence per 1 MWh as at the date hereof (as amended by the Directors from time to time). This is only applied when BMCs are

transferred after the initial transfer. Before you are charged the Scheme Administrator will give prior warning of this potential charge.

Transfer Request

Email (or written) request from a Scheme Member to transfer the legal and beneficial ownership of a BMC from its account to the account of another Scheme Member.

National Grid

TSO National Grid, the entity which owns and operates the National Transmission System throughout Great Britain, as well as being a GDN.

UKAS

United Kingdom Accreditation Service, the UK entity that is the sole national accreditation body recognised by the UK government to assess, against internationally agreed standards, organisations that provide certification, testing, inspection and calibration services.

Watt

The SI unit of power, equivalent to one joule per second, corresponding to the rate of consumption of energy in an electric circuit where the potential difference is one volt and the current one ampere.

1. Core Principles

1.1. The Scheme was established to:

1.1.1. Provide the biomethane industry with a credible means of certifying, tracking, trading, and consuming the “green” or “bio” value of biomethane as outlined in Section 5, which does not extend to tracking the physical commodity of biomethane.

1.1.2. Provide, and administer, a registry that can facilitate the requirements outlined in Section 5.

1.1.3. Provide consumer confidence and certainty that it is purchasing a quantity of biomethane which originates from a verified renewable producer and has genuine “green” credentials, and that there is no double counting of registered Green Gas. A ‘Memorandum of Understanding’ – on the GGT website – on the ‘Information exchange between Green Gas Trading Limited and Renewable Energy Assurance Limited’ was put in place in February 2020 to ensure no plant that is a Producer on both schemes is double counting green gas, which is prohibited under both schemes rules.

1.1.1. Provide detailed information about the source of, and production metrics for, biomethane certificated under it.

1.2. The Company has published these BMCS Rules on the Company website to ensure that there is a widespread understanding of how the Scheme works and what its objectives are.

2 Structure of the Scheme and the Company

2.1 Green Gas Trading Limited is a private company limited by shares. It was registered in England and Wales on 2nd May 2012 with Company number 8055400.

2.2 The Company is governed by its Articles dated 30 October 2013.

2.3 The Company is structured with five classes of shares:

2.3.1 “A” shares – there are 31 “A” shareholders. These are the individuals & entities that subscribed for the Company’s original share capital. Holders of “A” shares are participants in the scheme and may transact in BMCs as Producers or Intermediaries. “A” shares are voting shares with full dividend rights.

2.3.2 “P” shares – shares of this class are purchased by and issued to Producers on a one-per-Production-Device basis. A “P” shareholder may also be an “A” shareholder, but the Producer must purchase a separate “P” share for each Production Device for which it wishes to receive BMCs. The price of “P” shares will be determined by the Directors from time to time. “P” shares are non-voting and have restricted dividend rights.

2.3.3 “F” shares – shares of this class are purchased by and issued to entities which wish to act as Intermediaries in the Scheme. Ownership of a share of this class allows an entity to transact in BMCs without being regarded by the Scheme as an End User. The price

of “F” shares will be determined by the Directors from time to time. “F” shares are non-voting and have restricted dividend rights.

2.3.4 “M” shares - shares of this class are purchased by and issued to entities which wish to act as Intermediaries in the Scheme. Ownership of a share of this class allows an entity to transact in BMCs without being regarded by the Scheme as an End User. The price of “M” shares will be determined by the Directors from time to time. “M” shares are non-voting and have restricted dividend rights. The shares are partly paid with an initial cost of £7,500, £500 being payable upon subscription and an annual call of £500 being payable until the full cost of £7,500 is paid up.

2.3.5 “N” shares – shares of this class are purchased by and issued to Producers on a one-per-Production-Device basis. An “N” shareholder may also be an “A” shareholder, but the Producer must purchase a separate “N” (or “P” or membership) share for each Production Device for which it wishes to receive BMCs. The price of “N” shares will be determined by the Directors from time to time. “N” shares are non-voting and have restricted dividend rights. The shares are partly paid with an initial cost of £7,500, £500 being payable upon subscription and an annual call of £500 being payable until the full cost of £7,500 is paid up.

2.4 To join the Scheme, and in lieu of paying an annual membership fee, participants can buy a share in the Company. This provides a wide ownership base to the Company as well as allowing all the participants in the Scheme to benefit directly from the Company’s anticipated profitability.

2.5 To join the Scheme participants can pay an annual membership fee of £500 + VAT per annum being payable for 15 years or until the £7,500 is paid up. Following this no annual charges will be made. Other scheme fees still apply.

3 Scheme membership and withdrawal

3.1 Joining the Scheme

3.1.1 A party wishing to join the voluntary Scheme must apply to the Directors or Scheme Administrator who will then consider the request and application.

3.1.1.1 The scheme is voluntary and is applicable and open, to those producing, trading, and consuming biomethane.

3.1.2 The Company reserves the right to make enquires and checks, including (but not limited to) the creditworthiness of the applicant, a background check on the directors of the applicant and, for potential P Shareholders, a visit to the site of the applicant’s Production Device.

3.1.3 The Company undertakes to give the applicant a decision on the result of its membership application within 30 days of receipt.

3.1.4 Once an application has been accepted, The Company will inform the applicant of this in writing. The applicant will sign a deed of adherence to the BMCS Rules and:

3.1.4.1 If the applicant is a Producer, it can purchase a “P” or “N” share in the Company; and

3.1.4.2 if the applicant is an Intermediary, it can purchase an “F” or “M” share in the Company.

3.2 Share Transfers

3.2.1 “P”, “F”, “M” & “N” shares in the Company are transferrable by agreement with the Company. A Scheme Member who intends to transfer any “P”, “F”, “M” or “N” share must make a Share Transfer Request to the Company whose agreement will not be unreasonably delayed or refused, subject to the following:

3.2.2 The proposed Share Transferee of a “P”, “F”, “M” or “N” share will be the subject of checks outlined in Section 3;

3.2.3 the Company reserves the right to refuse to transfer the share in question to the proposed Share Transferee if in its opinion the transfer would not be in the best interests of the Company; and

3.2.4 the Company need not give an explanation for any decision to refuse a transfer.

3.2.4.1.1 There is no fee payable to the Company to effect a share transfer, if and when it is approved.

3.2.5 The Company may, but is under no obligation to, make an offer to re-purchase any share the subject of a Share Transfer Request for any reason, including regulating and maintaining the orderly evolution of the shareholder base. The potential Share Transferor does not need to accept such offer.

3.3 Withdrawals

3.3.1 If a Scheme Member wishes to withdraw from the Scheme it may do so by giving notice to the Company. The applicable Notice Period is three (3) months (subject to amendment by the Directors from time to time). A withdrawal will be considered a de facto Share Transfer Request to transfer any relevant share to the Company.

3.3.2 On the day following the last day of the Notice Period the withdrawing Scheme Member is deemed to have left the Scheme and is no longer eligible to be allocated BMCs, to trade BMCs on the Trading Platform or have access to the Registry.

3.3.3 If at the end of the Notice Period, BMCs registered in the name of a withdrawing Scheme Member remain in the Registry, or during the Notice Period the Scheme Member’s Production Device(s) produce(s) Output which is to be certificated, the following provisions will apply:

3.3.3.1 issued BMCs will remain live in the Registry for a period of one calendar year from the last day of the Notice Period; and

- 3.3.3.2 during the calendar year following the last day of the Notice Period the withdrawing Scheme Member may submit:
- 3.3.3.2.1 a Notification Request for the Company to cancel the BMCs in question and to issue an End User Certificate either to the withdrawing Scheme Member or to a third party. The End User Certificate Fee applies and must be received by the Company before the End User Certificate will be issued.
 - 3.3.3.2.2 a Transfer Request for the Company to transfer the legal & beneficial ownership of the relevant BMCs to another Scheme Member. The Transfer Fee applies and must be received by the Company before the Transfer is effected.
 - 3.3.3.2.3 a Liquidation Request. The Company undertakes to comply with this request on a reasonable efforts basis, accepting no liability for loss. The proceeds of liquidation of a withdrawing Scheme Member's holding will be remitted to the withdrawing Scheme Member net of any outstanding fees or charges that are owed by the withdrawing Scheme Member to the Company. In the event that such proceeds do not cover all outstanding fees owing from the withdrawing Scheme Member, the Company may seek further redress from the withdrawing Scheme Member.
- 3.3.4 If a withdrawing Scheme Member has not given any valid Notification, Transfer or Liquidation Request to the Company with respect to its holding of BMCs by the end of the calendar year following the last day of the Notice Period, the relevant BMCs are transferred out of the withdrawing Scheme Member's account and become the property of the Company.

4 Issuance and Management procedures

4.1 Certification

- 4.1.1 The life cycle of a BMC encompasses three phases: first allocation (issue), transfer, and notification (cancellation/retirement). The way in which a BMC transits between these three phases is described in below.
- 4.1.2 For the purposes of certifying specific quantities of Biomethane under the Scheme and verifying the Output of the relevant Production Device the Company relies on the Production Data. The Production Data is currently from the Government approved incentive mechanisms in addition to other specific data that is not required by Ofgem for the incentive purposes. This is comprised of:
 - 4.1.2.1 Incentive Production Volume Data;
 - 4.1.2.2 Incentive Feedstock Data; and
 - 4.1.2.3 Average GHG Figure
 - 4.1.2.4 All this information can be audited at the request of Green Gas Trading.

- 4.1.3 Incentive Production Volume Data:
- 4.1.3.1 The Company uses production data supplied by the Producer to Ofgem for the purposes of claiming the applicable incentive mechanism
- 4.1.4 Presently, Incentive Production Volume Data is quarterly, backward looking data recording the volume and CV of Biomethane that is flowed, net of:
- 4.1.4.1 Propane (or any other fossil gas) which is added to the final mix to raise the CV of the injected gas to the minimum grid CV threshold; and
 - 4.1.4.2 Any heat that was supplied to the plant for the purposes of Biomethane injection (except if this heat was from the Biogas production).
- 4.1.5 Incentive Production Volume Data figures are based on the independent meter readings of each Production Device. Such meters are typically read by remote telemetry by TSO National Grid and are typically the property of the relevant GDN.
- 4.1.6 Incentive Feedstock Data:
- 4.1.6.1 The Company uses feedstock data provided by the Producer to Ofgem regarding the types of feedstock used to produce the Biomethane. This includes:
 - 4.1.6.1.1 the types and proportions of feedstock used by the Producer; and
 - 4.1.6.1.2 the GHG emissions for feedstock used
- 4.1.7 Average GHG figure:
- 4.1.7.1 The Company uses a figure that represents the weighted average GHG emission for a period of production. This is a weighted average based on the contribution of each feedstock to the overall energy generated.
- 4.1.8 Double counting:
- 4.1.8.1 A Producer may be a member of more than one certification scheme. The Scheme should be informed if a Producer is or has recently become a member of any other certification scheme for reporting purposes and regulator transparency. However, a Producer who wishes to obtain any BMC for its Biomethane under the Scheme undertakes not to register the same Biomethane with any other scheme.
 - 4.1.8.2 In the event that a Producer is a member of more than one certification scheme, the Company reserves the right to verify with any other scheme operator that the Producer has not registered any Biomethane with such other scheme in the relevant certification period.
 - 4.1.8.3 The Scheme may interact with other schemes on a quarterly basis regarding plants who are registered on both schemes. If the Scheme suspects that a quarter of production has been registered on both schemes or registries then they may disclose quarterly production for this quarter without consulting the Scheme member.
 - 4.1.8.3.1 There is currently a 'Memorandum of Understanding' in place between the two UK registries that certify biomethane.
- 4.1.9 It is central to the Scheme that every MWh of Biomethane has an identifier that identifies it uniquely. This identifier is called the Biomethane Certificate Number (BCN). The BCN is generated by the Scheme.

4.1.10 The BMC contains all the information that is required as a minimum in the recast Renewable Energy Directive Article 19 (7)². The BMC contains additional data which relates to the BMC itself rather than to the characteristics of the relevant Biomethane, being:

4.1.10.1 Creation Date (Transaction Date) – the time and date that the BMC was created, in the format YYYY:MM:DD HH:MM:SS;

4.1.10.2 Certificate Owner (To: Account Holder) – the beneficial owner of the BMC;

4.1.10.3 Date the plant became operational (Date of Commissioning)– in the format YYYY:MM:DD;

4.1.10.4 Installed Plant Capacity, MW – in numerical format;

4.1.10.5 Certificated Amount – the amount of energy certificated by the BMC. The minimum denomination of a BMC is 1 MWh (this aligns with the recast Renewable Energy Directive Article 19³). End User Certificates in physical form may be certificated in higher denominations for compliance and reporting purposes. However, they will represent the relevant number of underlying Notified BMCs in the Registry.

4.1.10.6 Certificate Control Number – this is a control number used by the company.

4.1.10.7 Feedstock code – this is unique to the relevant certificates

4.1.10.8 Text that states “Production Support”

4.1 Scheme (Registry) Accounts

4.1.1 This section sets out the ability that all Scheme (Registry) Accounts have, which is the ability to be allocated, transferred or notified (retired) BMCs.

4.1.1.1 Only Producer Accounts can be issued BMCs. These can then be moved within the registry.

4.1.1.2 Fees are payable at each stage. These are invoiced at the relevant time and payable within 30 days from invoice date.

4.1.2 Any Scheme (Registry) Account holder can request the Scheme Administrator to carry out a transfer or conduct one.

4.1.3 The Scheme Administrator should be informed:

4.1.3.1 Of any transfers or notifications made within the platform by a Scheme (Registry) Account holder.

4.1.4 For any BMCs allocated inside or outside the United Kingdom the holder of the registry account must:

4.1.4.1 Inform the recipient of any financial support (incentives) provided by the UK Government to the Gas Producer who has been issued BMCs for the Certificates.

4.1.4.2 Confirm to the Scheme Administrator that the BMCs are not used for statutory reporting but voluntary disclosure.

4.1.4.2.1 The BMCs cannot be used to claim any form of rebate or subsidy as they have received financial support from the Government in the United Kingdom.

² <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001&from=EN>

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001&from=EN>

4.1.4.3 Ensure the consumer is connected to United Kingdom or European gas grid.

4.2 Issuance: First allocation

- 4.2.1 In order to generate BMCs for biomethane produced, a Producer (who must also be a Scheme Member) must submit a claim in writing or by email to the Company containing valid and complete Production Data and a certified copy of the relevant incentive return unless otherwise stated by the Scheme.
- 4.2.1.1 The scheme can be given 'View Only' access to the Ofgem account to streamline this process and verify data.
- 4.2.1.2 Claims may be submitted at any time. However, the Company will only issue and allocate BMCs quarterly or on the declared basis of Production Data.
- 4.2.1.2.1 At the discretion of the Scheme Administrator Production Quarters can be apportioned to align with calendar dates at the request of Producers.
- 4.2.1.2.1.1 The production data for issuance in Section 4.2 is required. In addition to this, Gemini data in Excel and live form are required to ensure apportioning aligns with injection rates.
- 4.2.1.2.1.2 For example: Production Quarter 21 November 2019 to 20 February 2020 can be split into two bundles of 21 November 2019 to 31 December 2019 and 1 January 2020 to 20 February 2020.
- 4.2.1.2.1.3 Apportioning requests that require the initial issuance to be withdrawn and re-issued the Producer will be charged.
- 4.2.2 Upon receipt of valid and complete Production Data and a certified copy of the relevant incentive mechanism return, the Company calculates the amount of BMCs that are to be allocated as a result and issues such BMCs into the Registry. This act of first allocation of BMCs requires the Producer to pay the Company the Certification Fee.
- 4.2.2.1 The Producer may specify whether BMCs are to be allocated directly to the Producer's account or to the account of a third party.
- 4.2.3 Biomethane that has not made a declaration or submission for payment under a Government incentive can still be eligible for BMCs. To be considered in these circumstances it is required to supply all or part of the required information that Green Gas Trading requests. Evidence of the Biomethane that could be requested includes:
- 4.2.3.1 Gemini Data in Excel and live form.
- 4.2.3.2 A third party report to ensure fossil gas is not certified. This may require propane meter readings.
- 4.2.3.3 Feedstock data for the production period with proof of the feedstock's origins and sustainability profile.
- 4.2.3.4 The gas that has not received 'Production Support' or has been injected prior to the incentive mechanism began can:
- 4.2.3.4.1 Be provided with BMCs that state it did not receive 'Production Support', which can be transferred as normal. Alternatively,
- 4.2.3.4.2 BMCS can be issued but not cancelled until confirmation is provided.

4.2.3.5 Account holders should be aware of the 'Certificate Withdrawal' process prior to requesting issuance in these circumstances.

4.3 Transfer

4.3.1 If the Producer elects for the BMCs to be allocated directly to the account of another Scheme Member, the legal & beneficial ownership on first registration of those BMCs will be in the name of the nominated Scheme Member.

4.3.1.1 The Producer will be liable for the Certification Fee, but not for further Transfer Fees or End User Certificate Fees unless prior agreement is made regarding the payee of each applicable fee.

4.3.2 If the Producer elects for the BMCs to be allocated directly to a third party who is NOT a Scheme Member, the BMCs are treated as having been Notified (Cancelled/Retired) directly after first registration. The BMCs are allocated to the Producer's account in the Registry. They are then instantly Notified and an End User Certificate is issued in the name of the party to whom they are to be allocated. The Producer is liable for both the Certification Fee and the End User Certificate Fee.

4.3.3 If the Producer elects for the BMCs to be allocated directly to the account of another Scheme Member, but requests to have them notified on first issue, an End User Certificate will be issued in the name of the Scheme Member which the Producer has specified. The Producer will be liable for the Certification Fee and the End User Certificate Fee.

4.3.4 If a Producer elects for BMCs initially to be allocated to its own account and subsequently decides to sell them to another Scheme Member, the Producer will incur the Certification Fee due upon issuance and the Transfer Fee if applicable when the relevant Transfer Request is made.

4.3.5 If a Producer elects for BMCs to be allocated to its own account and subsequently decides to sell them to an End User, the Producer will incur the Certification Fee AND the End User Certificate Fee when the relevant Notification Request is made.

4.3.6 BMCs can only be held in the accounts of, and can only be transferred by and to, Scheme Members. However, Scheme Members may act on behalf of, and hold BMCs as nominees or on trust for, third party beneficial owners.

4.3.7 Any Scheme Member who issues a Transfer Request with respect to BMCs registered in its name is liable for the Transfer Fee if applicable.

4.3.8 Any Scheme Member who issues a Transfer Request with respect to BMCs registered in its name as a nominee on behalf of a third party beneficial owner, is liable for the Transfer Fee if applicable.

4.4 Notification: Retiring/Cancellation

4.4.1 All Transfer Requests made to the Company must be made by a Scheme Member. Such requests may be made on behalf of a third party for whom they are authorised to act, but the Company will not accept Transfer Requests from third parties who are not Scheme Members.

4.4.1.1 The Scheme Administrator should be informed of any Notifications (Cancellations or Retirements) made on the scheme.

- 4.4.2 By submitting a Notification Request to the Company any Scheme Member may request that an End User Certificate be issued to any End User (including itself). The relevant Scheme Member is liable for the End User Certificate Fee.
- 4.4.3 End User Certificates are not transferable, although once issued they may be sub-allocated to a different entity within the same group of companies. It is therefore extremely important that parties do not issue Notification Requests as an interim measure since the resulting End User Certificates cannot be converted back into transferable BMCs.
 - 4.4.3.1 End User Certificates and Scheme Members must provide clarity that the certificates do not represent physical biomethane but the “bio” aspect only.
- 4.4.4 In the event that a Scheme Member does not settle any outstanding Certification, Transfer or End User Certificate fees due to The Company within the 30 days from Invoice Date, the Company reserves the right, upon having given fair notice to that Scheme Member, to liquidate in the market any BMCs that are held in the Scheme Members’ account in order to satisfy that debt.
- 4.4.5 If, after cancellation, an error is noticed which prevents the cancellation statement from being used for the intended purpose, the account holder may ask the Scheme Administrator to amend the cancellation data directly in the database. The BMCS cancellation statement can only be changed if:
 - 4.4.5.1 The error to be corrected is a clear typo or similar, for example name of the beneficiary is misspelled;
 - 4.4.5.2 The correction does not make possible to intentionally or accidentally double use the cancellation statement. For example, if the cancellation is done for own electricity sales and the change is requested before the yearly deadline, and the supervising authority does not use submitted cancellation statements as the evidence of compliance with the disclosure regulation;
 - 4.4.5.3 A statement signed by a legal representative of the Beneficiary requesting the amendment and assuring that cancellation statements downloaded prior to requested change are not used. The beneficiary should clarify the reasons for the requested changes and explain (to the satisfaction of Grexel and GGT) how it is ensured that the prior cancellation statement is not used. And The account holder accepts that the changing of the cancellation statement is invoiceable work and the minimum invoicing is 5 hours. This applies to cancellations done for consumption in the United Kingdom in CMO.grexel domain United Kingdom.

4.5 Certificate Withdrawal

- 4.5.1 The Scheme Administrator, and automated checks within the registry, ensure that errors are not made in the ‘Meter Reading’ – volume and production dates – and ‘Declaration’ – Feedstock – of Biomethane.
- 4.5.2 Errors can be made due to revised submissions, data alterations, apportioning, new evidence, Gas Producers submitting incorrect data, or incorrectly defined gas.
 - 4.5.2.1 The Gas Producer should inform the Scheme Administrator of incorrect submissions immediately.

- 4.5.3 Should the Scheme Administrator need to address historical submission errors he will implement the following steps sequentially should the first solution not resolve the issue:
- 4.5.3.1 Amend the BMCs live on the registry.
 - 4.5.3.2 Withdraw and re-issue the non-compliant injection with the correct information and notify the related parties. Related parties include:
 - 4.5.3.2.1 Production Device, Intermediary, Supplier, and or Notified (End Consumer) party.
 - 4.5.3.3 Withdraw the BMCs from the registry that relate to gas injection completely.
- 4.5.4 The Scheme Administrator will notify all related parties. Related parties include:
- 4.5.4.1 Production Device, Intermediary, Supplier, and or Notified (End Consumer) party.
- 4.5.5 In the circumstance that BMCs that require withdrawal have already been notified (cancelled, retired, or consumed by an End Consumer) the following process will be follow:
- 4.5.5.1 The Scheme Administrator will notify the Production Device and or the Intermediary who submitted the Notification Request.
 - 4.5.5.2 The informed account holder must then notify the End-Use Consumer of the BMCs that have been withdrawn.
 - 4.5.5.3 The Scheme Administrator must be provided with confirmation of the above interaction.
 - 4.5.5.4 Withdrawn BMCs cannot be made available to be transferred to other Account Holders or to be allocated to End-Use Consumers.

4.6 Certificate Expiration

- 4.6.1 BMCs have a notional expiry date of 99 years after their creation date. Scheme members will be updated prior to the implementation of any legislative changes. The length of warning prior to any updates is at the discretion of the Scheme Administrator due to legislative changes.
- 4.6.2 Certificates that have not been notified, cancelled, retired, or withdrawn prior to their expiration date will no longer be available to the designated Account Holder.
- 4.6.2.1 The Scheme provides and reports the volume of expired certificates in its quarterly report.

4.7 Validity & Security

- 4.7.1 Scheme Members can verify the validity of a BMC by contacting Green Gas Trading Limited, as can statutory bodies to which the BMCs are being presented for compliance purposes. The End User provides requested information and Green Gas Trading Limited will provide the name the relevant BMC is registered in.
- 4.7.2 The Registry on which the Scheme is hosted is a secure platform. It uses at least 128 bit AES encryption and the data is held on mirrored servers to ensure data integrity.
- 4.7.3 All data is held in accordance with the Data Protection Act 2018
- 4.7.4 A Scheme Member may nominate a third party to access its Registry account. This may be important to Producers who have entered into off-take agreements with third parties for their Biomethane and/or their BMCs. The Company acknowledges that such arrangements are important to some parties and thus makes the facility available but cannot accept liability for any losses or errors caused as a result.

- 4.7.5 All transactions on the Trading Platform are done anonymously, i.e. the Company acts as a central counterparty to the transaction. This is done to ensure the confidentiality of all on-exchange transactions.
 - 4.7.5.1 Green Gas Trading have BMC copies should they be required by a Scheme Account Holder.
 - 4.7.5.2 The registry can be used to store and generate reports on BMCs for each user. The Scheme Administrator can explain this to all members.
- 4.7.6 All parties to transactions in BMCs - the buyer, the seller, and the Company - agree that they will not divulge the identity of the counterparty to any transaction without the express permission of that counterparty.
- 4.7.7 The Company warrants that it will not divulge information regarding the identities of parties to BMC transactions, though it reserves the right to publish the transacted price of BMC trades that occur on or off the Trading Platform.

5 Development and Maintenance of the Scheme

- 5.1 The creation of the Scheme and the incorporation of the Company were initially instigated by ADDBA, the trade association for the anaerobic digestion industry in the UK.
- 5.2 The Scheme has been developed in conjunction with various industry participants (several of whom are Company shareholders) – both Producers and End Users - to ensure that the goals and objectives of both producer and consumer are met. The Company will continue to seek to embody best practice in the Scheme's ongoing development, taking advice from its shareholders as well as other competent bodies and relevant authorities.
- 5.3 Changes to the Scheme processes or public information that are not agreed upon by members should be stated over email. Green Gas Trading Limited will then resolve the issue directly with the relevant participant(s).

5.4 Website

- 5.4.1 The Scheme website is owned and operated by Green Gas Trading Limited.
- 5.4.2 Green Gas Trading Limited and the Scheme Administrator are responsible for updating the BMCS website.
 - 5.4.2.1 Scheme Participants should inform the Scheme Administrator immediately of any required changes.
- 5.4.3 The Scheme Administrator will update and manage the 'Tenders' platform on the website. The Scheme Administrator can:
 - 5.4.3.1 Add new public content to the website.
 - 5.4.3.2 Add Scheme Participant content only to the website.
 - 5.4.3.3 Remove access of Scheme Participants to website with no prior agreement.
 - 5.4.3.4 Add and remove content from the 'Tenders' platform should they become aware of incorrect information provided by the Scheme Participant.

5.5 Registry Platform

- 5.5.1 The BMCS registry is an electronic registry database that is provided by Grexel.

5.5.2 Green Gas Trading Limited and the Scheme Administrator are responsible for communicating with Grexel and should be informed of any communication made to them regarding the BMCS.

5.5.2.1 Scheme Participants should inform the Scheme Administrator immediately of any required changes or registry issues.

6 Dispute Management and Resolution

6.1 The Company is committed to ensuring that disputes, whether relating to a transaction or the Scheme itself, are resolved speedily, fairly and conclusively and that any complaint or (negative) feedback from any party is investigated and responded to within 14 days of receipt. This may be longer if the Scheme notifies you of such a timeline.

6.2 The dispute resolution procedure established by the Company encourages resolution in the first instance by way of mediation. The Company considers that it may often be possible for disputing parties to reach agreement by involving competent persons who are familiar with the Scheme and the Biomethane industry, who are likely to be able to understand each party's position and who may help to explore ways in which a settlement or resolution to the issue can be reached, without the need to resort to lengthy or costly arbitration or litigation.

6.3 In the normal course of events, if there is a dispute a Director of the Company will act as mediator and invite the parties involved to a face-to-face meeting to allow them to air their grievances. If any dispute involves or concerns the Company itself, an independent mediator shall be appointed to preside over the matter.

6.4 The parties to a dispute may together choose arbitration instead of mediation. An arbitrator's decision will be binding upon the parties.

6.5 If any party to a dispute is unwilling to submit to mediation or arbitration, it may refer the matter to the courts.

7 Audit of the Scheme

7.1 Public confidence that the correct amount of Biomethane is being certified, and is neither double counted nor double sold, and the Scheme's integrity are of central concern to its creators and form the foundation for its ongoing development.

7.1.1 The Company may appoint an Auditor on an ad hoc basis to ensure that the Production Data provided by a Producer matches the Output that it injects, compresses, or liquefies. For the avoidance of doubt, this is an audit of the scheme and its procedures and processes.

7.1.2 The Production Data is approved under the relevant incentive 'Production Support' payment, which is run by the energy regulator Ofgem.

7.2 The Auditor's overarching mandate is to ensure that neither the Scheme or Producer(s), knowingly or unwittingly, overstate Biomethane production.

7.3 In this task the Auditor is helped by several features of the Scheme and the Production Data which the Producer is required to provide, which could include:

- 7.3.1 the Production Data is in part a certified copy of the relevant 'Production Support' claim return that the Producer submits to Ofgem (access through Green Gas Trading to Producers RHI or GGSS accounts is required for this audit), or the Excise Duty Point Return that the Producer submits to HMRC.

8 Duties of the Company to Scheme Members

8.1 The Company will:

- 8.1.1 provide a high level of availability of the Registry and the Trading Platform;
- 8.1.2 provide Scheme Members with an adequate level of training on request to enable them to use the Registry and the Trading Platform competently;
- 8.1.3 certificate a Producer's Output in a timely manner (upon receipt of all the necessary Production Data); and
- 8.1.4 retain all records in its possession which relate to any BMC issuance or notification for not less than 10 years after its cancellation or expiry (or such longer period as may be required by applicable national legislation).
- 8.1.5 Ensure confidentiality of the BMCS platform and relevant information including Issuance, Transfer, and Notification of BMCs.

8.2 The Company will ensure the operator of the schemes, Scheme Administrator, daily role includes:

- 8.2.1 Ensuring Scheme Members can access the Registry and have an account once the relevant fees have been settled.
- 8.2.1.1 The Scheme Administrator provides Grexel user information upon request.
- 8.2.2 Updating the website information on the BMCS.
- 8.2.3 Response to enquiries regarding the platform.
- 8.2.4 Keeping a record of BMCs.
- 8.2.5 Quarterly reports on the BMCS. The Registry can generate bespoke reports for each Scheme Members account.

9 Scheme Fees

- 9.1 The BMCS has been designed to keep the costs of certification to a bare minimum; the model being that the exchange will seek to take a commission from the re-trading of the BMC rather than taking a large up-front certification fee.
- 9.1.1 The Scheme Administrator will inform Scheme Members should the BMCS alter its initial position to keep charges as low as reasonably possible.
- 9.2 Members can either pay an annual membership or buy a dividend paying share in the company. The share model is similar to most commodity exchanges (CME etc.); this share acts as the "exchange seat" and allows producers to access the registry, be allocated BMCs to their account and to offer the BMCs for sale on the platform or bi-laterally.
- 9.2.1 Membership Fees are £500 per annum, which is invoiced pro rata to the 1st June for new Members.

9.3 The BMCS also has a range of administering fees that are:

9.3.1 Certificate Issuance Fee: £0.04 per MWh

9.3.1.1 The Scheme Administrator will inform Producers if they will have to pay this again for Certificate Withdrawals and re-issuances

9.3.2 Certificate Transfer Fee: No charge unless the Scheme Administrator is required to make multiple alterations.

9.3.2.1 Scheme Members will be informed prior to being charged this fee.

9.3.3 Certificate Retirement/Cancellation Fee: £0.04 per MWh

9.4 More information on the economic benefits to producers of joining the Biomethane Certification Scheme and the structure of GGT is available on request. The fees charged by Green Gas Trading are reviewed annually. The costs we charge cover the costs for administering the BMCS, the registries hosting platform along with ensuring your enquiries are answered and reports generated.