

# Extension of scope of the Union Database (UDB) to raw materials used for fuel production

## Eurogas assessment and recommendations

7 November 2024

### Elements welcomed by Eurogas (+)

Eurogas welcomes the European Commission's initiative to broaden the scope of the Union Database to cover all stages of the supply chain, including the production or collection point of the raw material used for the production of the fuel. Eurogas equally supports the general objective of the UDB to help market transparency and traceability in the fuel supply chain.

However, Eurogas believes that some of the proposed provisions would benefit from further clarification and improvements to better support economic operators (EOs) in complying with these new requirements.

### What causes a real challenge (-)

#### Data transaction registration timeline

Eurogas acknowledges the intention of the EC to tackle all stages of the supply chain, including '*biomass raw materials collection, preparation of first transformation into intermediary products*' (Article 3.1) to cover the whole supply chain of the fuel.

However, Article 5.1 poses a severe challenge to the activities of economic operators (EOs), as it foresees that (-) data relating to such transactions should be registered under the UDB within **three working days**. This is also reflected in Article 5.3, where the buyer shall also have three working days to accept or reject the transaction.

**This time constraint poses a significant feasibility challenge**, especially for economic operators with small sustainability teams, such as raw material collectors, or economic operators which register a large number of transactions per day, such as traders of raw materials. Eurogas is also concerned about the potential impact of this tight timeline on the EOs producing and injecting biomethane into the grid. If the EO responsible for collecting or producing raw materials fails to upload all transaction data to the UDB on time, biomethane production could be in turn directly affected. In our view, economic operators will be intrinsically motivated to register transactions in the Union database to facilitate their activities. However, room for manoeuvre should be left to economic operators without imposing additional and undue constraints.

A longer transaction registration timeline would therefore facilitate compliance, especially when several economic operators are involved along the supply chain. For instance, raw material traders would have sufficient time to reach their upstream counterparts, to ensure data is registered in due time.

Additionally, longer registration timelines would reduce risks of timing mismatch in reporting from different economic operators for the same physical transaction. Such mismatches may occur both when EOs have chosen different triggering point categories, and when they have selected the same triggering point category but follow different operational procedures.

Eurogas recommends extending the transaction data entry timeline from three working days to one month to provide greater flexibility for economic operators (EOs), particularly when multiple EOs are involved in a single transaction's supply chain. For smaller operators or those managing a high volume of transactions, the current three-day requirement may impose an excessive administrative burden, increasing the risk of non-compliance.

Aligning the data entry timeline with the one-month period permitted for grouping multiple shipments into a single transaction (Article 5.2) would enhance consistency and help reduce unnecessary administrative burden.

Delegated Regulation proposal, October 2024	Proposed Eurogas amendment
<p><b>Article 5(1)</b>            1. Economic operators, referred to in Article 3(1) of this Regulation, that are obliged to enter transactions data in the Union database under national law and in accordance with Article 31a of Directive (EU) 2018/2001 shall enter such data within <b>three working days</b> from a triggering point, which shall be one of the following:</p> <p>(a) an invoice issuance date;            (b) a surveyor report issuance date;            (c) a bill of lading issuance date;            (d) the issuance date of an internal system reference document covering multiple shipments; or            (e) a truck report issuance date</p>	<p><b>Article 5(1)</b>            1. Economic operators, referred to in Article 3(1) of this Regulation, that are obliged to enter transactions data in the Union database under national law and in accordance with Article 31a of Directive (EU) 2018/2001 shall enter such data within <b>one month</b> from a triggering point, which shall be one of the following:</p> <p>(a) an invoice issuance date;            (b) a surveyor report issuance date;            (c) a bill of lading issuance date;            (d) the issuance date of an internal system reference document covering multiple shipments; or            (e) a truck report issuance date</p>

Delegated Regulation proposal, October 2024	Proposed Eurogas amendment
<p><b>Article 5(3)</b>            3. Once the transaction has been validated by the seller, the buyer shall have <b>three working days</b> to either accept or reject the transaction in the Union database. In case of no action from the buyer, the transaction shall be automatically cancelled by the Union database and sent back to the seller.</p>	<p><b>Article 5(3)</b>            3. Once the transaction has been validated by the seller, the buyer shall have <b>one month</b> to either accept or reject the transaction in the Union database. In case of no action from the buyer, the transaction shall be automatically cancelled by the Union database and sent back to the seller.</p>

## What should be clarified (?)

### Clarification on the concept of net mass balancing

Eurogas requests clarification on (?) the provision of Article 5.5 with regards to transaction data entry. This provision stipulates that *'the transaction may be finalized at the latest by the earliest date of net mass balancing of either the seller or the buyer'*. Additional clarification and examples from the EC on what constitutes the earliest date of net mass balancing is necessary to facilitate compliance.

### Clarification regarding economic operators (EOs) from UDB registration

Eurogas requests clarification on (?) whether small-scale farmers who manage certified points of origin for agricultural waste are required to register in the Union database as economic operators (EOs) under the category of 'all individually certified points of origin' as specified in Article 3.1(a). This request for clarification stems from the fact that, while using the Union database may streamline processes for some economic operators compared to their existing processes, it may lead to additional administrative burden and costs for others.

Eurogas would also appreciate clarification (?) on the meaning of "traders of raw materials" as the Delegated Act references them without offering a precise definition (i.e., Recital 3 and Article 3(1)(c)).

### Alignment with existing national schemes

The text could benefit from some clarity regarding (?) how and when the transaction registration process would integrate with systems that already have schemes in place for the registration of data from the point of production or collection of raw materials used in fuel production.

Eurogas emphasises the general need to avoid duplicative requirements for economic operators. To this end, the European Commission should ensure alignment between national databases/schemes and the Union database, so that operators do not need to register the same transaction twice across different systems.

Additionally, the Commission should clarify when the obligation to register relevant data from the point of production or collection of raw materials used in fuel production would enter into force.

This clarity is particularly important during the transitional period between 21 November 2024 (when the Union database is due to be set up for tracking liquid and gaseous renewable and recycled carbon fuels) and 21 May 2025 (by which Member States must transpose the Renewable Energy Directive III into national law). Once this is clarified, economic operators should be given adequate time to develop or adapt their IT systems and identify all relevant points of origin before the application of these new requirements.