

18.1.2022

Some of the questions are best answered by Finnish Energy Authority or the Tax Administration:

Finnish Energy Authority

<https://energiavirasto.fi/en/guarantee-of-origin>
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Tax Administration

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I GUARANTEE OF ORIGIN IN GENERAL

What is a guarantee of origin?

The guarantee of origin refers to an electronic document which serves as evidence to the end user that a certain proportion or quantity of energy has been produced using renewable sources. Guarantees of origin are used to ensure that the gas or hydrogen was produced from renewable energy sources. A quantity of guarantees of origin *corresponding to the production volume is issued for energy from renewable energy sources and, accordingly, guarantees of origin are used by cancelling said amount of issued guarantees of origin*. Gas guarantees of origin are issued for gases and hydrogen from renewable energy sources produced in Finland. Guarantees of origin are not required if energy is not sold or marketed as renewable.

The guarantee of origin system will apparently be officially taken into use in the spring. How are guarantees of origin issued before that, the law is, after all, already in force?

The new Guarantee of Origin Register G-REX will be taken into use within the transitional period as provided by law *on 1 April 2022, and the verification obligation for guarantees of origin will start on 1 July 2022*. The aim is to start concluding service agreements in March. Production information must be recorded in a reliable manner during the early part of the year for the production month (calendar month), and on the basis of this information, guarantees of origin can be issued retrospectively as of the Act on Guarantees of Origin for Energy 1050/2021 taking effect as of 3 December 2021. Issuing guarantees of origin – also retrospectively, requires that the production plant must be verified in the manner required by the Energy Authority, among other things. Before the verification, guarantees of origin cannot be issued. Further information concerning measuring and verification, as well as guidelines, can be requested from the Energy Authority.

What happens to the biogas certificate system and biogas certificates that were in use?

The last biogas certificates will be issued for biogas produced on 31 March 2022, and the biogas certificates must be used within 18 months of the last production date of the energy (the last day of production, i.e., calendar month). It is, however, worth taking into account that *the verification obligation of gas and hydrogen for guarantees of origin starts on 1 July 2022, i.e., after that date, guarantees of origin are the only method of verifying origin*. The biogas certificate system will be phased out when there is no longer a need for it.

Biogas will in future also be recognised in excise duties, and specific tax rates have been set for it. Distribution network operators and transmission system end users have the option of seeking to become subject to tax and report their taxable and tax-exempt use themselves directly to the Tax Administration. The biogas certificate system currently in use, as well as verification of tax-exempt status of biogas deliveries using the system, will not be possible after 1 January 2022.

At a notification of a biogas certificate holder, Gasgrid Finland may, when the guarantee of origin legislation becomes effective or thereafter, convert a biogas certificate registered in the biogas certificate register to a guarantee of origin. The biogas certificate holder must notify Gasgrid Finland of the conversion by **31 May 2022**. The notification is sent by email to go@gasgrid.fi. It is important to take into account that a guarantee of origin cannot be issued for renewable gas for which a biogas certificate has been issued.

Is the schedule concerning the guarantee of origin system the same for both production facilities and distributors?

The schedule is the same for everyone.

Who can register for the new system and when can registration take place?

It will be possible to register for the new system closer to the time the new register is taken into use, however by the latest as of 1 April 2022. The register of guarantees of origin is joined by registration as an account holder. The account holder may make the necessary withdrawals, internal register transfers and foreign transfers (in the initial phase with the administrator manually) in the register of guarantees of origin. The application for account holder is made by filling in and signing a service agreement with Gasgrid Finland.

Owners of production facilities or their duly authorised registrants may register a production facility in the register. The administrator of the register ensures that the production facility complies with the requirements of the Finnish regulations on guarantees of origin and that the facility has, among other things, been verified as required by the Finnish Energy Authority.

The guarantee of origin system is open to producers of gas and hydrogen from renewable energy sources, gas or hydrogen users and market participants, regardless of whether the gas is fed into the transmission or distribution network or produced or used outside the natural gas network (so-called offgrid production).

Once a biogas producer has been accepted into the guarantee of origin system, how are guarantees of origin for biogas actually applied for from Gasgrid? The verifier will probably issue an opinion on metering? Will the guarantees of origin be notified on the basis of energy content?

Gasgrid issues guarantees of origin by production month, i.e., calendar month. A separate application is not submitted. For biogas fed into the distribution and transmission networks, Gasgrid obtains the necessary information directly from its own systems. As regards offgrid production, the production information used as the basis for issuing guarantees of origin are delivered in a separately defined electronic format or via a separate user interface.

The verifier comments on the reliability of measuring and the manner it is performed. Production cannot be evened out for more than one month. An exception is if the production of a calendar month remains under 1 MWh. In that case, guarantees of origin are issued when 1 MWh is reached. Guarantees of origin are notified as energy at the higher thermal value. Further information concerning measuring and verification, as well as guidelines, can be requested from the Energy Authority.

If a raw gas producer produces gas for both end use and for a refining plant that refines the raw gas, to whom are guarantees of origin issued?

If the raw gas is physically transferred direct to the end user, guarantees of origin are possibly not needed. Further information can be obtained from the Energy Authority.

If the gas is delivered from the biogas production facility to the point of consumption or for example to a car refuelling point to be sold from a movable gas tank, is the gas tank in question comparable to a gas pipe referred to in section 8 of the Act on Guarantees of Origin for Energy?

In the HE 87/2021 vp explanatory memorandum, it is stated that the verification obligation concerns the sale and use of renewable gas that is transported as car transportation.

Can physical biogas be sold to a different customer than the guarantee of origin?

It can be sold, but in that case, the physical gas end-used without a guarantee of origin is natural gas.

II TAXATION

Does an end user of biogas have to pay tax on biogas if the distribution network operator has not registered as liable to pay tax?

If biogas is used in a distribution network whose distribution network operator has not registered as liable to pay tax, the tax has to be paid irrespective of the end use that the biogas is used for. In the case of end use that justifies tax exempt status, the tax paid must be claimed back via the tax refund procedure. Further information can be obtained from the Tax Administrator.

What is the tax period for heating biogas?

Exceptionally, the tax period for *sustainable* heating biogas is the calendar year in 2022. This is because the EU decision about State support will not be received until the summer. *If the heating biogas is not sustainable, the tax period is the normal calendar year.*

What kind of taxation is applied to the use of biogas in industrial production?

Almost all industrial use of biogas is for heating. To this extent, the use of biogas is therefore tax-exempt.

If a party wishes to sell tax-exempt biogas to customers in the distribution network, when does the distribution network have to register as liable to pay tax?

The Tax Administration recommends that the registration is submitted as soon as possible. If the distribution network does not register as liable to pay tax, it is not possible to sell tax-exempt biogas in the distribution network from the start of 2022, but only from the time when the distribution network is registered.

Are taxable and tax-exempt products separated from each other in liquid gas storage?

Only tax-exempt products may be stored in a tax-exempt storage facility. Itemisation of fossil gases and biogases is implemented in the accounting.