

## Input from Biogas Danmark (Danish Biogas Association) to the public consultation on extending the scope of traceability of the EU database

Biogas Danmark welcomes the opportunity to comment on the draft delegated regulation regarding the Union Database (UDB) for renewable fuels. Representing the entire value chain within the biogas industry in Denmark including biogas producers, suppliers of feedstock, traders and users of energy and certificates, we aim to ensure that the regulatory framework supports sustainable growth and remains feasible and applicable in the market.

Biogas Danmark have the following general and specific comments:

### Reporting period for transactions

The current draft mandates a strict three-day deadline for reporting transactions in the UDB, as well as for buyer acceptance. This timeframe is not workable in real life and unnecessarily rigid, and we are concerned that it does not account for the operational realities and varied practices within the biomethane value chain and broader biofuel sector.

The three-day deadline creates significant burdens in relation to

- **Lack of flexibility:** The three-day limit does not align with typical biogas industry operations, where transaction processing times can vary due to logistical, administrative, or market-specific factors.
- **Excessive administrative burden:** Such a strict timeframe would place undue administrative pressure on producers and buyers, particularly smaller operators who may lack the resources for real time processing of transactions.

### Recommendation:

To reduce this administrative burden and to support industry compliance, we strongly recommend removing the three-day restriction for both transaction registration and buyer acceptance in the UDB. However, if a deadline must be retained, we suggest extending it to either 30 calendar days or three months as a more reasonable timeframe.

We are aware that it may be challenging to find an “optimal” deadline that suits the needs of both the biomethane value chain and other biofuels. We must, however stress the need of awareness of the specific challenges in the gas/biomethane sector.

### Clarification needed regarding transaction grouping criteria

Article 5 paragraph 7 allows for “*consignments of the same raw materials having the same sustainability characteristics and bought from the same points of origin*” to be grouped in one transaction.

Here, we request specific clarifications on the following:

- **Terminology:** The term "*bought*" implies a financial transaction, however, in many cases, biogas plants receive feedstock (e.g., manure) without payment. To avoid uncertainty, we request clarification on whether non purchased feedstocks are covered within this requirement.
- **Definition of "same points of origin":** We also request a clear definition of "*from the same points of origin*" to clarify if it permits grouping of identical types of biomass from different entities. For instance, a biogas plant may receive cattle manure from multiple farms belonging to the same owner. Clarification on how such cases should be handled is needed.

## **Longer period for implementation**

To ensure a smooth transition and avoid significant disruptions, especially due to the many uncertainties and unanswered questions, we propose to extend the implementation timeline to a minimum of **18 months after the entry into force**. This extension is essential to provide stakeholders sufficient time to adapt to the new system and meet the requirements effectively.

Specifically, it would allow for the following:

### **Time for market players to adapt to the new rules**

Biomethane producers will need to redesign workflows, implement IT systems, and educating/training staff to manage the complexities of the new Union Database (UDB). Without adequate time for this transition, especially smaller entities risk falling behind or being excluded entirely from compliance jeopardizing their participation in the value chain.

### **Capacity building for voluntary and national schemes**

Voluntary and national schemes must complete the initial registration of economic operators (EOs) and establish robust systems for ongoing data updates. Given the diversity and scale of stakeholders involved, this process is time-consuming and cannot be rushed without risking errors, incomplete registrations, or operational inefficiencies.

### **Sector-wide dissemination of information**

Informing market participants regarding their new responsibilities and providing them with clear guidance will require extensive efforts. This is especially important for smaller operators who may lack direct access to regulatory updates or the necessary training resources. Effective dissemination ensures consistency and compliance across the sector and will pay back in the longer term through a higher confidence to the system.

### **Risks of implementation without adequate preparation and clarity**

Enforcing the proposed timeline would impose significant challenges, particularly for smaller operators such as first gathering points and traders. These challenges could result in:

- **Loss of participation:** Many smaller operators may opt out of sustainability certification schemes, finding the compliance demands unmanageable within the current timeframe.

- **Fragmentation of the value chain:** A fragmented value chain would undermine the goal of creating a robust, transparent, and comprehensive traceability framework.
- **Disruptions to operations:** Operational disruptions could delay renewable fuel supply chains, eroding trust and efficiency in the system.

These risks would severely compromise the traceability and transparency objectives of the Delegated Act, hindering its intention.

We strongly urge the Commission to reconsider the timeframe for implementation and to adopt a phased approach, starting with a minimum transition period of **18 months**.

This would give stakeholders the necessary time to adapt to the new regulation, capacity building, addressing the technical challenges and ensuring a smooth and more effective implementation.

A realistic timeline for implementation is critical not only for compliance but also for safeguarding the UDB's long-term success as a cornerstone of sustainability and transparency in renewable energy.

We appreciate that the Commission is addressing these concerns and we are as a sector committed to collaborate with the European Commission to establish a practical and effective UDB that ensures transparency without placing undue burdens on industry participants.