## Introduction

**Content:**

The present Ordinance introduces mandatory gas labelling for cases where the threshold laid down in section 130 *Gaswirtschaftsgesetz* (Gas Act) 2011 is reached, voluntary gas labelling by suppliers below that threshold, and the issuing, trading and cancelling of guarantees of origin for gas from different primary energy sources.

**Alternatives:**

None

**Effects on Austria as a place for doing business:**

Introducing a standard for gas labelling, modelled on electricity labelling, strengthens Austria as a place for doing business. It also addresses the increasing consumer demand for renewable gas and regionally sourced gas. Transparent and informative gas labelling enables a liberalised gas market, which in turn has positive effects on the economy as a whole. By considering the particular characteristics of power-to-gas, the present Ordinance also increases the transparency of the electricity labelling regime.

**Financial effects:**

No impact on the budget of the state or the federal provinces

**Effects on consumer protection and social matters:**

The Ordinance improves consumer information. Consumers benefit from increased transparency, enabling them to take informed decisions about their gas consumption.

**Effects on the environment, in particular on the climate:**

The increase in transparency for consumers is expected to strengthen demand for renewable gas, thus reducing greenhouse gas emissions.

**Union legislation framework:**

The Ordinance forms part of the transposition of Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources, OJ L 328/82, 21.12.2018.

**Particulars of the legislative process:**

The Ordinance is issued pursuant to section 7 para. 1 *Energie-Control-Gesetz* (E-Control Act) by the Executive Board of E-Control. It must be discussed by the Regulatory Advisory Council in line with section 19 para. 2 item 2 E-Control Act.

## Explanatory notes on the E-Control ordinance on gas labelling and disclosure (Gas Labelling Ordinance)

### Section 1: Regulatory matter

Section 130 para. 9 Gas Act 2011 enables the regulator to enact detailed gas labelling provisions. This includes defining the information to be provided on guarantees of origin and laying down requirements for gas labelling. The present Ordinance refers to both mandatory labelling under section 130 para. 10 Gas Act 2011 and voluntary labelling by suppliers to whom mandatory labelling does not apply. It also creates the prerequisites for transposing Directive 2018/2001. Please note that the guarantees of origin subject to the present Ordinance already fulfil the requirements of that Directive.

Gas labelling under the present Ordinance only applies to gas fed into and taken off from the public grid. Further downstream, the guarantees of origin for gas from the public grid that are cancelled in this system can be used for labelling/disclosure (e.g. to qualify for certain financial support schemes).

The present Ordinance does not interfere with the decision of whether blanket mandatory gas labelling pursuant to Directive 2018/2001 should be introduced; this is for the legislator to decide.

### Section 2: Definitions

The definitions in the present Ordinance already take into account what is planned for the upcoming *Erneuerbaren Ausbau-Gesetz* (Renewables Expansion Act).

The term "renewable gas" fully covers all "biogenic gas" as referred to in section 7 para. 4 Gas Act 2011. In addition, it includes all types of gas (methane, hydrogen and others) that are exclusively based on renewable energy sources as defined in section 5 para. 1 item 13 *Ökostromgesetz* (Green Electricity Act) 2012 and that have been produced exclusively using renewable energy sources as per section 5 para. 1 item 13 Green Electricity Act 2012. If carbon dioxide is used to produce gas, such gas can only be considered renewable gas if the carbon dioxide is the result of an upstream production or utilisation process where emission of the CO2 is avoided (cascading use).

Decarbonised gas is hydrogen that results from technical processes such as steam reforming or methane pyrolysis, if the carbon dioxide produced alongside the gas is captured and either stored (carbon capture and storage) or used otherwise (carbon capture and usage), i.e. is permanently avoided instead of being emitted (which would be "blue hydrogen" instead). At the moment, there is no technological solution that allows for avoiding all CO2 emissions from this process, which is why the residual emissions must be made explicit under the environmental effects declared on guarantees of origin. These rules are without prejudice to the *Bundesgesetz über das Verbot der geologischen Speicherung von Kohlendioxid* (Federal Act on the prohibition of geological storage of carbon dioxide), FLG I no 144/2011.

Synthetic gas is gas that has been produced from methanation of hydrogen. The hydrogen used typically results from power-to-gas processes, i.e. is based on electricity. In terms of labelling, it is important to note that the electricity used in such processes may have been generated from renewables, fossil fuels or other fuels. However, the resulting synthetic gas only counts among the renewable gases if the underlying electricity has been generated from renewable energy. If it has been generated from natural gas, the resulting synthetic gas forms part of the fossil gas group (which includes both natural and synthetic fossil gas). In all other cases, the synthetic gas is categorised under the heading "other gases". This system prevents any "greenwashing" and ensures that consumer information is coherent and transparent.

### Section 3: Presentation

Gas labelling must be presented as a table pursuant to para. 2. In line with para. 7, the same format must be used both for the supplier mix and any voluntary product mix information. If a product mix is declared, the supplier mix must be presented first and it must be explicitly stated that the statutory requirements mandate the supplier mix only. If charts are used in addition to the tables, the supplier mix and product mix must be displayed in the same way.

### Section 4: Supplier mix disclosure

The database of guarantees of origin distinguishes between three main categories of gas. Sub-categories are used if the auditing, control or certification body accredited pursuant to the *Akkreditierungsgesetz* (Accreditation Act) 2012, FLG I no 28/2012, have verified and confirmed the relevant plant information. Classification into one of the main categories (fossil gas / renewable gas / other gases) is mandatory; sub-categories may be applied in accordance with verified plant information if the sub-categories are available

in the database. For instance, a supplier whose verified supplier mix consists of 50% fossil gas (A), 20% biomethane from waste wood (B.1.4.3), 20% hydrogen from wind or solar power (B.2.1), and 10% synthetic gas from wind or solar power (B.3.1) could disclose these details, but it might as well just disclose a mix of 50% fossil gas (A) and 50% renewable gas (B). Another admissible disclosure for this mix would be 50% fossil gas (A), 20% biomethane (B.1), 20% hydrogen from renewable sources (B.2), and 10% synthetic gas from wind or solar power (B.3.1). Adding the percentages of B.2 and B.3 to the biomethane category would be inadmissible, because hydrogen from renewable sources (B.2) and synthetic gas from renewable sources (B.3) are not biomethane.

Voluntary additional information:

The present Ordinance lists additional supplier mix information that may be included but that is not mandatory. If such information is presented, it must be printed below the supplier mix and presentation must be the same as for the supplier mix, or the supplier mix must be presented more prominently than the voluntary information.

Product mix

As the share of renewable gas is currently los and is only expected to rise in the medium term, the product mix is a possibility to disclose how much renewable gas is delivered to a particular final customer. This enables suppliers whose renewable gas share in their overall supplier mix is currently low to still confirm towards final customers that they receive renewable gas. If a supplier offers products with differing energy mixes to final customers, section 130 para. 4 Gas Act 2011 applies.

Countries where the guarantees have been issued

All guarantees of origin for fossil, renewable or other energy sources must be treated equally. Thus, guarantees for fossil energy from plants in Austria that are generated in the regulatory authority's database may be marked as guarantees from Austria. The itemisation of countries of origin does not have to be complete, given that suppliers do not usually know the origin of all the gas they buy. It is therefore sufficient to confirm e.g. that "20% of the guarantees of origin are from Austria" and to underly this with the documentation of origin at the moment the gas was first injected into the Austrian grid.

Percentage of gas that was purchased together with corresponding guarantees of origin

This piece of voluntary additional information discloses how much gas has been accompanied by the corresponding guarantees of origin from the moment of its production up until its consumption.

**Section 5: Voluntary disclosure of environmental impacts**

If the CO2 emissions of gas from the public grid are disclosed, this must be in grams per kilowatt-hour (g/kWh). The averages pursuant to para. 2 are posted on the E-Control website (www.e-control.at). If a power-to-gas plant uses guarantees of origin for nuclear power, labelling of the resulting gas must state, in milligrams per kWh (mg/kWh), the amount of nuclear waste that was created in the electricity generation process (cf. section 4 para. 3 item 3).

Renewable gas does not create CO2 emissions. Thus, if environmental impacts are disclosed, they can only refer to the part of the supplier mix that does not rely on renewable gas.

**Section 6: Use of guarantees of origin for gas from non-Austrian production**

Austria has a cutting-edge system for documenting, verifying and transparently handling guarantees of origin for electricity in Europe. The present Ordinance introduces a similar system for gas. A system that lives up to these standards and that attracts maximum credibility and acceptance must be digital, unequivocal, and fraudproof, and it must ensure that there can be no double issuance or cancelling of guarantees of origin. To ensure that guarantees issued abroad are put on the same footing as domestic renewable gas production and the added value it generates, they must fulfil the same criteria.

**Section 7: Validity of guarantees of origin**

In line with Directive 2018/2001, guarantees of origin are only valid for a limited period of time. This is similar to the system in electricity, where guarantees for electricity stored in pumped-storage power plants may only be used for labelling during the year the electricity was generated (= i.e. the year the guarantee of origin was issued). However, it is possible to rotate guarantees of origin for such stored electricity out by assigning them to amounts of electricity that are withdrawn from the pumped-storage power plant. The same logic applies to gas stored in gas storage facilities.

**Section 8: Database for guarantees of origin**

E-Control's database for guarantees of origin for electricity is made available for gas as well. By enabling indirect data reporting to E-Control's database through the clearing and settlement agent's biomethane database, double reporting for market participants is avoided. The biomethane database is a tool for voluntary use that accesses the clearing and settlement agent's data, at least for entries and exits.

**Section 9: Issuing, transmitting, and cancelling of guarantees of origin**

E-Control's database for guarantees of origin enables issuing of gas guarantees from 1 January 2020 onwards. The clearing and settlement agent reports the amounts consumed by final customers per supplier, thereby easing the reporting burden on the latter and laying the basis for cancelling gas guarantees of origin for disclosure purposes. Please note that the contents of such reporting may be adjusted in future through changes in the market rules, to account for particular requirements springing from the "greening the gas" initiative that forms part of the federal government's climate and energy strategy.

Any guarantees of origin, certificates or similar documents with reference to renewable gas issued before the present Ordinance's entry into force but not yet cancelled at that time are not subject to it. Also, any gas produced and injected before 1 January 2020 is not subject to the Ordinance. Such quantities can only be introduced to the system if the legislator creates the corresponding legal basis.

**Section 10: Entry into force**

The present Ordinance enters into force on 1 January 2020 and applies to mandatory labelling in cases where the threshold under section 130 para. 10 Gas Act 2011 is reached and to voluntary labelling below that threshold.