

RULES FOR THE ISSUE, TRANSFER AND CANCELATION OF GUARANTEES OF ORIGIN OF GAS PRODUCED FROM RENEWABLE ENERGY SOURCES, AND FOR SUPERVISION AND CONTROL OF THE USE OF GUARANTEES OF ORIGIN, AND FOR THE RECOGNITION OF GUARANTEES OF ORIGIN ISSUED BY OTHER MEMBER STATES IN THE REPUBLIC OF LITHUANIA

CHAPTER I

GENERAL PROVISIONS

1. The rules for issuing, transferring and canceling guarantees of origin for gas produced from renewable energy resources and supervision and control of the use of guarantees of origin, as well as for the recognition of guarantees of origin issued by other states in the Republic of Lithuania (hereinafter - the Rules) determine gas produced from renewable energy resources (hereinafter - gas), the procedure for issuing, transferring and revoking guarantees of origin (hereinafter - guarantees of origin) and the supervision and control of the use of guarantees of origin, as well as the recognition of guarantees of origin issued by other states in the Republic of Lithuania.
2. The following persons must comply with the rules:
 - 2.1. an entity authorized to perform the functions of issuing, transferring and canceling guarantees of origin for gas produced from renewable energy resources, supervision and control of the use of guarantees of origin and recognition of guarantees of origin issued by other states in the Republic of Lithuania (hereinafter - the Designated Entity);
 - 2.2. gas producers;
 - 2.3. gas suppliers (hereinafter - suppliers);
 - 2.4. gas transmission system operator and gas distribution system operator;
 - 2.5. State Energy Regulatory Council (hereinafter referred to as the Council);
 - 2.6. other gas market participants who are registered in the guarantee of origin database and have issued guarantees of origin must provide information to the Designated Entity.
3. A person who is registered in the database of guarantees of origin and has a unique participant code provided by the Designated entity is considered a participant (hereinafter referred to as the participant).
4. The terms used in the rules are understood as defined in the Energy Law of the Republic of Lithuania, the Energy Law of the Republic of Lithuania on Renewable Resources, the Law of the Republic of Lithuania on Natural Gas, the Law on Alternative Fuels of the Republic of Lithuania.

CHAPTER II

FUNCTIONS OF THE DESIGNATED ENTITY

5. The designated entity performs the following functions:
 - 5.1. administers the electronic database of guarantees of origin, in which data related to guarantees of origin are registered, stored and processed (hereinafter - the Database);

- 5.2. registers participants;
- 5.3. issues guarantees of origin;
- 5.4. registers the transfer of guarantees of origin;
- 5.5. recognizes the guarantees of origin as used and/or cancels their validity;
- 5.6. supervises and controls the use of guarantees of origin;
- 5.7. makes decisions on the recognition of guarantees of origin issued by other countries;
- 5.8. at the participant's request (submitted by mail, e-mail or other means of electronic communication) within 10 working days from the date of receipt of the request, provides the participant with a written confirmation of the guarantees of origin issued or owned by him;
- 5.9. publishes information on its website no later than within 30 calendar days from the end of each calendar month about:
 - 5.9.1. during the previous calendar month, the quantities (MWh) of gas produced from renewable energy resources in Lithuania and supplied to the gas transmission or distribution system, for which guarantees of origin were issued, separately according to the types of energy resources used;
 - 5.9.2. recognition of guarantees of origin issued by other states, transfer and use of guarantees of origin separately according to the types of energy resources used;
- 5.10. when publishing or otherwise publicizing information, ensures the confidentiality of the information provided by the participants and the requirements for legal protection of personal data;
- 5.11. carries out the functions of supervision and control of the use of guarantees of origin provided for in the Rules.

CHAPTER III

REGISTRATION OF PARTICIPANTS IN THE DATABASE

6. Gas producers, suppliers and other gas market participants seeking to acquire guarantees of origin and/or seeking to recognize guarantees of origin issued by other states in the Republic of Lithuania are registered in the database.
7. Individuals, in order to be registered in the Database, submit to the Designated Entity via electronic means of communication:
 - 7.1. the completed application of the form established by the Designated Entity to be registered in the Database;
 - 7.2. a copy of the gas production permit and/or a copy of the activity permit or license issued to the supplier, if such permits or licenses are mandatory according to the applicable laws.
8. If there is any uncertainty regarding the information provided in Clause 7 of the Rules, the Designated Entity may request clarification of the information required for the participant to register in the Database, indicating to the participant the deadline by which the requested information must be provided.
9. The designated entity, after checking the information provided to it, registers the participant in the Database and assigns him a unique participant code no later than within 10 working days from the date of

submission of the request or revised information. If the participant does not provide the additional information requested by the Appointed entity specified in the Rules, the Appointed entity refuses to register the participant in the Database and informs him about it.

CHAPTER IV

ISSUANCE OF GUARANTEES OF ORIGIN

10. The guarantee of origin is issued at the request of the gas producer and is considered issued to the gas producer when the Designated entity makes an entry in the Database about the issued guarantee of origin. The standard form of the guarantee of origin is an entry in the Database:

10.1. Regarding the issuance of the guarantee of origin, the Designated Entity is approached via electronic means of communication by submitting a request in the form established by the Designated Entity.

10.2. The designated entity, after checking the application and receiving the information specified in Clause 20 of the Rules, shall issue to the participant the amount of guarantees of origin specified in the application no later than within 3 working days from the date of submission of the application or the specified information.

11. The guarantee of origin is issued for one unit of energy produced from renewable energy resources and supplied to the gas system - 1 (one) MWh. No more than one guarantee of origin shall be issued for each unit of energy produced from renewable energy resources, for the same unit of energy no more than once. Guarantees of origin are issued for the amount of energy supplied in the previous calendar month.

12. The guarantee of origin is not issued for gas produced and consumed for the gas producer's own needs.

13. The guarantee of origin states:

13.1. type of energy;

13.2. the energy resources from which the energy was produced;

13.3. production start date and production end date;

13.4. identification data, location, type and capacity of the facility where the gas is produced;

13.5. whether the facility has received investment support and to what extent, whether the unit of energy has received other support under a national support scheme and to what extent, as well as the types of support schemes and/or incentives;

13.6. gas production plant commissioning date;

13.7. date of issue, country and unique identification number.

14. In order for the guarantee of origin to be recognized as proof of compliance with the sustainability and greenhouse gas emissions reduction criteria provided for in Article 38 of the Renewable Energy Law, or used to issue units of account for fuel from renewable energy resources (hereinafter - DAEI), in the guarantee of origin in addition must be included information about:

14.1. upper calorific value of gas;

14.2. lower calorific value of gas;

14.3. raw materials used for gas production according to the methodology specified in Article 21, Part 1 of the Law on Alternative Fuels and their countries of origin;

14.4. The name of the voluntary international scheme recognized by the decision of the European Commission, according to which the producer of gas from renewable energy sources was certified, and the number of the document issued by the certification company operating under that scheme confirming the certification of the gas production facility from renewable sources;

14.5. the guarantee of origin indicates the number of the document confirming the sustainability characteristics of the renewable gas consignment and the total amount of energy value recognized as sustainable according to this document (MWh) together with information on the intensity of greenhouse gas emissions during the energy life cycle (gCO₂eq./MJ).

CHAPTER V

TRANSFER, USE AND TERMINATION OF WARRANTIES OF ORIGIN

15. A participant transfers guarantees of origin to another participant in accordance with a bilateral agreement during the validity period of the guarantee of origin.

16. The guarantee of origin is considered used when the guarantee of origin is transferred to the end user in order to prove the origin of the supplied gas. In order for the guarantee of origin to be recognized as proof of compliance with the sustainability and greenhouse gas emissions reduction criteria provided for in Article 38 of the Law on Renewable Energy, or to be suitable for issuing DAEI accounting units, participants must apply the mass balance system specified in Article 37 of the Law on Renewable Energy .

17. Participants who have used the guarantee of origin must report this to the Designated Entity in accordance with the procedure established in Chapter VI of the Rules. In order to use the guarantee of origin in the DAEI accounting units system, participants who have used the guarantee of origin must additionally provide the Designated Entity with the name of the gas filling point through which the corresponding amount of DAEI was served or other data identifying the specific gas filling point, natural gas supplier of the transport sector, for the domestic market the code of the issuing DAEI, the legal entity and the purpose of gas use. The declared amount of used guarantees of origin at a specific gas filling point connected to the gas system cannot exceed the amount of gas supplied during the reporting period.

18. The guarantee of origin is valid for 12 (twelve) months from the moment of production of the relevant gas energy unit. Participants can use the guarantee of origin no later than six months after the expiry of the guarantee of origin. In order to prove the origin of gas supplied in the previous year, the guarantee of origin must be used by March 31 of the current year. A guarantee of origin that has not been canceled expires no later than 18 months after the relevant energy unit was manufactured.

19. The validity of the guarantee of origin is revoked if it becomes clear that the guarantee of origin was issued based on false or inaccurate data.

CHAPTER VI

SUPERVISION AND CONTROL OF THE USE OF GUARANTEES OF ORIGIN

20. Participants must provide the Designated Entity with information on guarantees of origin that were used or transferred under bilateral agreements during the last calendar month no later than during the calendar month following the end of the reporting calendar month. When submitting information, the participant must indicate the period of gas consumption for which the issued guarantees of origin were used and the entities to which they were transferred under bilateral agreements.

21. The operators of the gas distribution system must, no later than within 10 working days from the end of the calendar month, provide the Designated entity with information about each of the gas filling points supplied to the gas system by the producer connected to their system during the previous calendar month and connected to the gas system, where the domestic market was to serve DAEI, the amount of gas consumed (MWh).

22. Participants, operators of the gas distribution system and the Council must, at the request of the Designated Entity, provide other information necessary for the performance of the functions of the Designated Entity.

23. Participants providing data to the Designated Entity are responsible for the accuracy and reliability of the data provided. If you notice that you have provided incorrect data, you must immediately, but not later than within 5 working days, inform the Designated Entity and provide corrected data.

24. Upon receipt of revised data from the participant or the Council's Designated entity, within 5 working days, the issued guarantees of origin must be revised.

25. During scheduled inspections or at the request of the Designated Entity, the Council performs gas quantity control. The Council, having performed the gas quantity control, submits the participant's gas quantity control conclusion to the Appointed entity within 10 working days at the latest. The designated entity cannot issue or transfer the participant's guarantee of origin if the conclusion presented by the Council identifies discrepancies in the amount of gas and there is no verified guarantee of origin.

CHAPTER VII

RECOGNITION OF ORIGIN GUARANTEES ISSUED BY OTHER STATES

26. In the Republic of Lithuania, guarantees of origin issued by other member states and third countries are recognized only as proof of the information specified in Article 28, Part 1, Article 29, Part 7 and Clause 14 of the Rules of the Law on Renewable Energy.

27. In order to include guarantees of origin issued by other member states in the Database, the guarantee of origin must contain an entry confirming the cancellation of the validity of the guarantee of origin for transfer to the Republic of Lithuania.

28. Guarantees of origin issued by other member states and third countries can be recognized as proof of the sustainability criteria of Article 38 of the Renewable Energy Law or would be suitable for issuing DAEI accounting units only if the participants apply the mass balance system as specified in Article 37, paragraph 4 of this law, and if the imported energy will not count towards the target of the percentage of the total final energy consumption of the other Member State that consists of energy from renewable sources. Energy input and output points must be connected by a gas transportation system.

29. A participant seeking to recognize guarantees of origin issued in other member states and third countries for the purposes specified in Clause 26 of the Rules must submit to the Designated Entity:

29.1. documents proving the use of the mass balance system in the gas system, that is, proving the gas energy flow input at the energy input point and the gas energy flow output at the energy output point recorded by measuring means. Information on the amount of gas energy entered into the gas transportation system and released from the gas transportation system specified in the guarantee of origin must be based on the measured amount of gas energy;

29.2. documents proving that double energy accounting will be avoided and that the imported energy will not be counted towards the target of the percentage of the total final energy consumption of another Member State consisting of energy from renewable sources. The designated entity makes a decision on the suitability of the documents submitted by the participant.

30. The designated entity may refuse to recognize the guarantees of origin issued by other member states and third countries, if during the verification of the data of the guarantees of origin there are reasonable doubts about the accuracy, reliability or veracity of the data referred to in clauses 13 and (or) 14 of the Rules.

31. In the Republic of Lithuania, guarantees of origin issued by a third country are recognized only if the European Commission has concluded an agreement with that third country on mutual recognition of guarantees of origin issued in the European Union and compatible guarantee of origin systems created in that third country, and if energy is imported or exported directly.