



Updates and Recent Developments in the North American Market

Dr Norbert Schmitz, Managing Director, ISCC System GmbH
ISCC Regional Stakeholder Meeting North America
14 November 2023, New Orleans

Regional Stakeholder Meetings and trainings in North America since 2012



Virtual

16 November 2021
23 November 2020

Las Vegas

19 November 2019
27 November 2018
05 December 2017
29 September 2016

Training:

20 November 2019 (Basic Training)
26 September 2016 (Basic Training)

New Orleans

14 November 2023

Training:

13 November 2023 (Licensing Training)
15-16 November 2023 (PLUS Training)

Minneapolis

27 November 2012

Chicago

09 November 2022 (Hybrid)
09 July 2014
09 July 2013

Training:

08 July 2014 (Waste and Residues Training)
12 September 2011 (Basic Training)

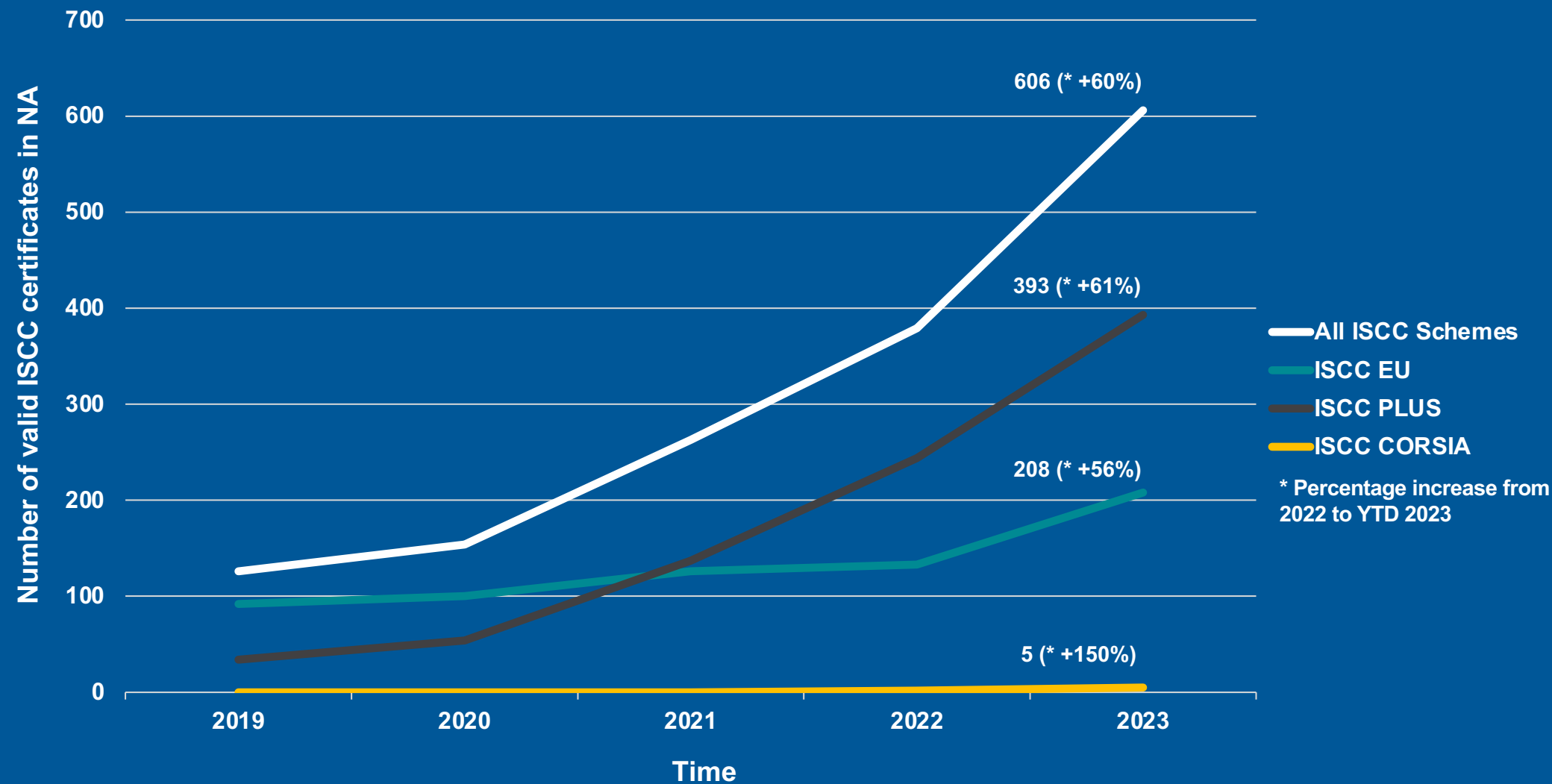
Miami

24 June 2014

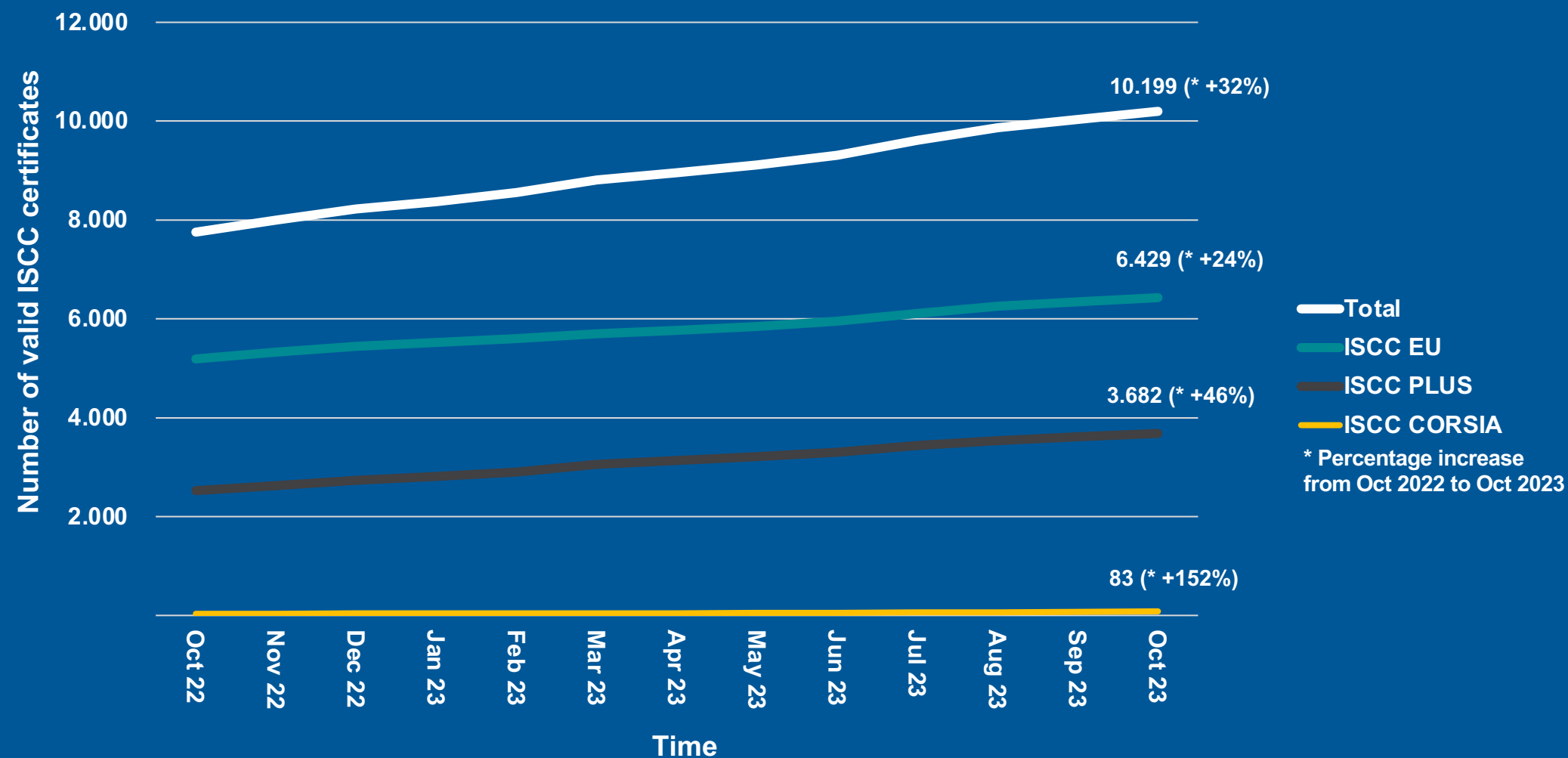
Training:

25 June 2015 (GHG Training)

There are 606 ISCC certificates valid in NA. ISCC PLUS has the largest number of certificates



Thanks to the continuous support of our clients: The number of valid ISCC certificates increased by 32% in the last 12 months



The ISCC Association has grown as well and counts 256 members



46 members of the Association are based in North America



Update ISCC EU (I) – New and upcoming legislation

- **Implementing regulation on Voluntary schemes¹**
 - Legislation was published in June 2022
- **Delegated regulations on rules for the production and GHG emissions of RFNBOs (renewable fuels of non-biological origin) and RCFs (recycled carbon fuels)**
 - RFNBOs mainly refer to hydrogen produced from renewable electricity (e. g. wind, solar, water but not biomass)
 - RCFs mainly refer to waste processing gases and exhaust gas of non-renewable origin
- **Delegated regulation on co-processing (published in August 2023)²**
 - Co-processing refers to biomass feedstock processed together with fossil feedstock in an oil refinery into final fuels
- **Revision of RED II (also referred to as RED III) (published on 18 October 2023)³**
 - Member States will now have until 21 May 2025 to implement the RED III into national legislation
- **Delegated act on update of Annex IX RED II (final version pending)**

¹ Implementing Regulation (EU) 2022/996 on rules to verify sustainability and GHG emissions saving criteria and low indirect land-use change risk criteria

² Delegated Regulation (EU) 2023/1640 on the methodology to determine the share of biofuel and biogas for transport, produced from biomass being processed with fossil fuels in a common process

³ Directive (EU) 2023/2413 amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652

Update ISCC EU (II) – Topics in discussion with EC

- **NUTS2 / typical GHG emissions from the cultivation of agricultural raw materials**
 - Currently new values confirmed by implementing regulations for Australia (canola) and Argentina (soy)
 - Confirmation of further new reports from a number of EU Member States and third countries pending
 - EC to provide feedback on application of NUTS2 values
- **Auditor competence**
 - I.R. on Voluntary Schemes ((EU) 2022/996) contains accreditation/recognition requirements for certification bodies
 - EC to provide feedback on how this will have to be implemented
- **Biomethane from gas grids**
 - Biomethane (as intermediate or final product) from gas grids may only be accepted under EU transport quota if a mass balance system is in place for the gas grid
 - Currently, the EU interconnected grid is considered as one single mass balance system
 - Option to use biomethane from gas grids of third countries in general possible upon confirmation by EC

Update ISCC EU (III) – What we do

- **Update of ISCC EU documents to reflect requirements of I.R. on Voluntary Schemes**
 - Updates include specified rules for the governance of Voluntary Schemes, for Certification Bodies and Auditors (audit processes, auditor qualification) and for certification (mass balancing, GHG, low iLUC risk certification)
 - ISCC will share the documents as soon as they have been confirmed by EC
- **Update of ISCC EU guidance for co-processing**
 - Certification process is adjusted to reflect the legislative requirements
 - ISCC will share the documents as soon as they have been confirmed by EC
- **Ongoing digitalisation process/integrated IT solutions**
 - ISCC HUB: Online platform for managing registration and certification related data of ISCC System Users (go live will take place at the beginning of December)
 - ISCC Transactional Database (implementation by the end of this year) that will also connect Systems Users to the Union Database (UDB) of the European Commission

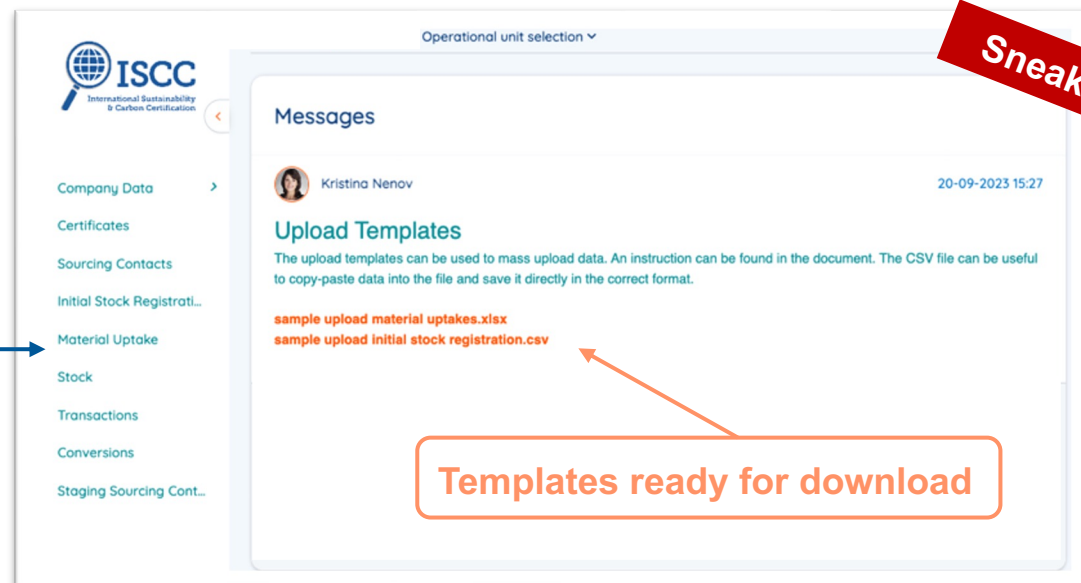
Onboarding of Economic Operators into the UDB must be completed by the end of 2023

- ISCC is in the process of onboarding its system users. Currently we have almost 50% active Economic Operators (EOs) in the UDB
- It is extremely important to complete the onboarding process by the end of 2023 and to continue with the initial stock registration
- User accounts must also be activated – please use the following link and register your access, if not done yet: <https://webgate.ec.europa.eu/UnionDatabase>
- Measures taken to speed up the onboarding:
 - After two reminders, ISCC has formally informed the EOs that further lack of cooperation in this regard should lead to the temporary suspension of the certification
 - ISCC has also informed the Certification Bodies that it would fall on them to implement these sanctions, as ISCC cannot suspend or withdraw certificates
 - ISCC works together with the UDB team to correct wrongly entered data in the onboarding templates

In the past several months ISCC has been developing a Transaction Database in line with the UDB

- A platform, where ISCC system users can initiate their transactions, upload sourcing contacts and material uptake, convert materials, manage stock balance, etc.
- User friendly functionalities are reducing time and effort (e.g., csv upload of stock and materials)
- Functionalities in full compliance with the UDB requirements, therefore a direct connection between the ISCC Transaction Database and the UDB will be established
- First pilot has started to cover a supply chain from point of origin down to a biofuel production
- User manual and trainings will be provided to all interested system users soon

Options on the left side
depend on the certified scope



Following fraud allegations in the biodiesel market early 2023, ISCC reacted immediately and implemented a range of measures

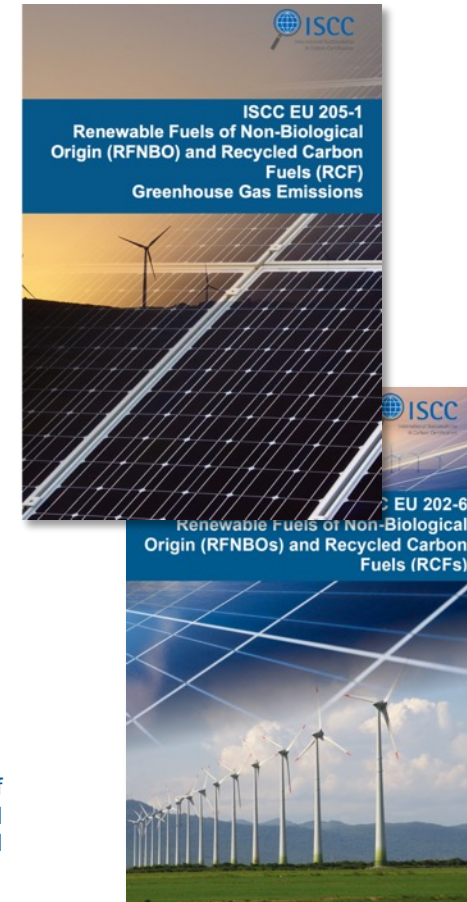
- Allegations in the market since early 2023 regarding potentially fraudulent behaviour and unusual trade volumes in the field of biodiesel made from waste and residues coming from China to the EU market
- **ISCC has reacted immediately** with a range of measures leading, inter alia, to the withdrawal or suspension of certificates in China
- ISCC is working with authorities of the **European Commission** and the **German Federal Office for Agriculture and Food** (Bundesanstalt für Landwirtschaft und Ernährung (BLE))
- ISCC takes its responsibility very seriously as a voluntary scheme. ISCC has continuously strengthened our system. **Additional requirements have been implemented for the certification of wastes and residues supply chains**
- Whereas a certification system can detect and sanction cases of non-compliance, it is **not a law enforcement authority** that can legally identify and sanction fraudulent activities. Nevertheless, ISCC contributes as much as possible to **make its certification procedures even more watertight**

The ISCC EU RFNBOs System Documents build the basis for RFNBOs Certification

- ISCC developed a certification approach for **Renewable Fuels of Non-Biological Origin (RFNBOs)**
- Approach is based on delegated legislations as published on 20 June 2023)*
- Successful pilot audits in Q3/22 that were initiated by the Dutch authorities EZK and RVO**
- ISCC submitted RFNBO certification approach to the EC for recognition in August 2023
- **ISCC EU RFNBO certification audits will be possible, once recognition is in place**
- **The first ISCC RFNBO Training took place in May – next training will be on 18 January 2024**

* (EU)2023/1184 delegated regulation on establishing a Union methodology setting out detailed rules for the production of RFNBOs and (EU)2023/1185 delegated regulation on establishing a minimum threshold for GHG savings of recycled carbon fuels and by specifying a methodology for assessing GHG savings from RFNBOs and from recycled carbon fuels.

** Dutch Ministry of Economic Affairs and Climate Policy (EZK) and Netherlands Enterprise Agency (RVO)



Q&A implementation of hydrogen delegated acts

Version of 26/07/2023

In meetings with certifiers and voluntary schemes, the Commission has discussed how hydrogen producers and voluntary schemes could implement the requirements set out in the "RFNBO delegated act" and the delegated act setting out the GHG calculation methodology for renewable fuels of non-biological origin and recycled carbon fuels ("GHG methodology"). This document sets out questions that have been raised by fuel producers and certifiers in the aftermath of the adoption of the delegated acts. The replies do not address any of the additional requirements in relation to the agreed revision of the renewable energy directive ("RED").

This report summarises the outcome of those meetings and does not create any enforceable right or expectation. The binding interpretation of EU legislation is the exclusive competence of the Court of Justice of the European Union. The views expressed in this document are without prejudice to the position that the Commission might take before the Court of Justice.

Neither the European Commission nor any person acting on behalf of the European Commission is responsible for the use which might be made of the following information.

As this report reflects the state of the art at the time of its drafting, it should be regarded as a 'living tool' open for improvement and its content may be subject to modifications without notice.

* Commission Delegated Regulation (EU) 2023/1184

* Commission Delegated Regulation (EU) 2023/1185

* https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CONSIL:ST_10794_2023_INIT

Q&A's on the hydrogen delegated acts as published by EC:
https://energy.ec.europa.eu/topics/renewable-energy/bioenergy/voluntary-schemes_en#approved-voluntary-schemes-and-national-certification-schemes

ISCC provides certification solutions for emerging markets – Aviation and Shipping



Sustainable Aviation Fuels (SAF)

- **SAF can be (and is!) certified under ISCC EU, ISCC PLUS and ISCC CORSIA** already today
- The **ISCC CORSIA certification scheme**, recognized by ICAO, is dedicated to SAF
- **ISCC maintains a regular stakeholder dialogue around SAF**, in the form of a dedicated Stakeholder Committee on SAF
- **ISCC offers a dedicated ISCC CORSIA Training** for auditors, companies and interested third parties



Sustainable Marine Fuels (SMF)

- **SMF can be (and is!) certified under the ISCC EU and ISCC PLUS schemes**
- **ISCC maintains a regular stakeholder dialogue around SMF**, in the form of a dedicated Stakeholder Committee on SMF
- **ISCC is actively engaged to support further operationalization of SMF certification in various frameworks** (including under IMO and the EU's FuelEU Maritime Regulation)

The ISCC Licensing Scheme for Brand Owners is growing constantly

License development

2022/11

24

2023/11

77

30

current effective
licenses

licenses in
pipeline





Thank you!

ISCC System GmbH

Hohenzollernring 72, 50672 Cologne, Germany

www.iscc-system.org

