Environmental criteria for sustainable public procurement of

Gas

Version March 2017

1. Scope/definition

The Gas product group comprises all gas that is obtained from the public gas grid and through conveyance over the road by an end user. The gas is extracted from gas production fields nationally and abroad and/or from biomass.

The following products (with their corresponding CPV codes) are part of the Gas product group.

Products	CPV code
Gaseous fuels	0912000-6

This document describes the environmental criteria. Information about the other elements of sustainable public procurement, such as social conditions and social return, may be found on the PIANOo website, on the specific product group page: https://www.pianoo.nl/document/10578/productgroep-gas.

2. Most significant environmental impacts

The table below lists the sustainability themes and describes the approach to each theme for the product group. The "Approach" column presents a statement indicating the influence of sustainable purchasing and its criteria on the "sustainability" of the theme. This column also includes a reference to any requirements, award criteria or points of attention/suggestions that may be useful in implementing the approach. The product group can also have an impact on other environmental themes, but, for now at least, these are less relevant, of a much less significant level of concern or do not as yet have a suitable set of standard criteria.

Themes:	Approach:	No. of requirement/ Criterion
Energy and climate CO_2 emissions from consumption of natural gas	• compensation of greenhouse gases from fossil gas.	ME1
	• procurement of renewable gas.	AS5, GC1, GC2, CB1
	• application of Trias Energetica.	AS1
	• restriction of gas use.	AS2, AS3, AS4
Supplies and Raw materials Use of fossil fuels	• procurement of renewable gas.	AS5, GC1, GC2, CB1
	• application of Trias Energetica.	AS1
	• restriction of gas use.	AS2, AS3, AS4

3. Points of attention/suggestions

Devoting attention to the opportunities and possibilities for the most sustainable procurement possible in the preparation phase will lead to specifications that are more ambitious or which differ from the standard technical specifications and award criteria set out in this document. The table below presents points for attention and suggestions for promoting sustainability in procurement within this product group.

No.	Points of attention/suggestions (AS)
AS1	**Application of Trias Energetica** Trias Energetica is a concept with which the sequence of three steps towards energy supply that is the most sustainable possible is indicated: 1) Limit the use of energy by applying demand-reduction and energy-saving measures. 2) Use renewable energy sources as much as possible to generate the energy that is still required. 3) Deploy efficient technologies to generate the remaining energy consumption.
AS2	**Energy conservation** Explore whether gas consumption can be reduced by limiting demand and implementing energy-saving measures. Energy savings can replace all or part of the procurement of gas. Saving issues are often viewed as a different project within a contracting agency. Additionally, possible cost-cutting measures that can be implemented are often building-related. These measures are further described in the criteria for the "office buildings" (management and maintenance, new build, renovation, etc.) product group.
AS3	**Acquire energy-efficient equipment** On all equipment acquisitions, particularly when buying new equipment, consider energy-efficient variants. Energy-efficient equipment is often somewhat more expensive to buy than less energy-efficient equipment, but this is compensated by lower gas consumption and, consequently, a lower gas bill.
AS4	**Draft an energy conservation plan** Consider drafting an energy conservation plan. If an institute's gas consumption exceeds 75,000 m^3, it may be a legal requirement (via the Environmental Management Act (WMB) permit) to have an energy conservation plan.
AS5	**Added value through green gas initiatives** It is not possible for a municipal authority to request, through a public invitation to tender, energy (in this case gas) from its own territory. If a municipal authority nevertheless wishes to encourage initiatives in its own territory, it may provide added value during the licensing procedure, for example, as a customer or investor.

4. Selection criteria

Not defined for this product group.

5. Technical specifications

No.	Technical specifications (ME)
ME1	**Compensation of greenhouse gases from fossil gas** *If the contracting authority itself has concluded a CO_2 compensation contract for this activity/service, this technical specification lapses.* The greenhouse gases that are released by the gas consumption of the contracting authority will be compensated by 100%. Climate compensation is deemed to mean the following: compensating for greenhouse gas emissions (translated into CO_2 equivalents) by offsetting CO_2 emission with the planting of trees or preventing CO_2 emission by investing in sustainable energy and/or energy saving. No further requirements are set for how compensation takes place.

	Based on the monitoring protocol of the Dutch emission authority, CO_2 emissions from combustion of natural gas are calculated as follows: $ECO_2 = B_{natural\ gas} * 31.65 * 10^{-6} * 56.1 * 0.995$. Emissions from natural gas are 1.767 tonnes of CO_2 per 1000Nm^3 natural gas. *Explanation* If considering procurement of renewable gas for some or all of the contract, this criterion for the renewable gas section does not apply. The emissions from renewable gas are set at 0 tons of CO_2 per Nm^3. Award criteria GC1 can be used for the purchase of the proportion of renewable gas. *Issue for attention:* Potential double-counting of CO_2 rights is a point of attention. The risk of this happening can be reduced by following an existing standard. The recommendation is to ask for CO_2 credits for which the CO_2 reduction has been achieved in accordance with the guidelines of the CDM methodology: https://cdm.unfccc.int/methodologies/documentation/1511/Meth_Booklet_2015_Named.pdf. The Clean Development Mechanism (CDM) sets requirements on the establishment of the baseline situation and the monitoring of a CDM mitigation project with the object of determining the amount of Certified Emission Reductions (CERs) generated by the project. This methodology is also applied to Verified Emission Reductions (VERs) and Emission Reduction Units (ERUs). Certificates which meet the following requirements are accepted: - The project causes no damage, in compliance with the UN Millennium Development Goals. - The project contributes to sustainable development. - The project involves all relevant stakeholders. - Greenhouse gases really are reduced and/or CO_2 really is captured. - The project must comply with all relevant legislation and Gold Standard Principles. - The project is transparent. - The project progress must be monitored, reported and verified by an independent party during the entire certification period. The Gold Standard Certificate, for example, meets these requirements. *Verification* The tenderer may be asked to submit the contract with a supplier of CO_2 emissions rights to demonstrate that the gas consumption of the contracting authority will be fully (100%) compensated by the tenderer. If the tenderer is awarded the contract and does not yet have such a contract for the compensation of greenhouse gases, it must have signed one no later than [x] months after the start date of the contract awarded.

6. Award criteria

No.	Award criteria (GC)
GC1	**Assign virtual discount for renewable gas** Assign a virtual discount on the offered price in proportion to the percentage of renewable gas. The higher the share of the delivered gas that has a gas certificate, the higher this component of the tender will be rated. The contracting authority values the supply of renewable gas with a bonus of €[x]/Nm3. A "gas certificate" is deemed to mean the following: a statement from a certifying body that the gas producer has added a specific quantity of renewable gas to the grid with the producer's system and/or has delivered this renewable gas to the purchaser of the gas with other means of transport. This means that the tenderer delivering (in this tender: [volume_renewable] Nm3) of renewable gas in accordance with the requirements below, will be given a virtual discount of [volume_renewable] times €[x]/Nm3. This virtual discount is used for assessing tenders. To limit the risk of exceeding the budget, the contracting authority must consider setting a maximum to the virtual discount to be allocated.

	The gas certificate meets the following requirements: 1. It is issued by a gas-certifying body. 2. The renewable gas producer has submitted the application. 3. At least the following will be stated on the gas certificate: a. the source where the gas has been produced; b. a unique gas certificate identification number. The gas-certifying body meets the following requirements: 1. The gas-certifying body is independent from gas production, trading and supply activities. 2. The gas producer will give the gas-certifying body the guarantee that a gas certificate has been applied for once for the produced gas. 3. The gas-certifying body guarantees that a gas certificate will be issued once for the produced gas. 4. The gas-certifying body ensures that the gas certificate will be issued, transferred and redeemed. The gas-certifying body may be located either in the Netherlands or abroad. The gas-certifying body will only accept gas certificates from issuing authorities if they meet the above 7 requirements. *Explanation* Example: • Supplier A offers a total gas price of €0.40/Nm^3 without renewable gas; • Supplier B offers a total gas price of €0.406/Nm^3 including the supply of 10% renewable gas. The contracting authority assigns a virtual discount to the supply of renewable gas of €0.07/Nm3. The virtual discount must be based on the market price related to climate compensated gas and the renewable gas ambitions in relation to the available contracting authority's budget. On a contract volume of 10 million Nm^3, the assessment will be the following: • Supplier A: (10 million Nm^3 x €0.40) - 0 = € 4,000,000; • Supplier B: (10 million Nm^3 x €0.406) - (1 million x €0.07) = €3,990,000. The contract will be awarded to Supplier B. *Verification* Vertogas and Vertogas gas certificates will be assumed to meet the above requirements set for gas-certifying bodies and gas certificates.
GC2	**Virtual surcharge for gas from non-certified biomass** Assign a virtual surcharge on the price quoted in proportion to the percentage of renewable gas from biomass that is not certified in accordance with one of the certification schemes recognised by the EU (https://ec.europa.eu/energy/en/topics/renewable-energy/biofuels/voluntary-schemes). The higher the share of the supplied gas from non-certified biomass, the lower this component of the tender will be rated. The Contracting Authority values the supply of renewable gas from non-certified biomass with an extra charge of €[x]/Nm^3 compared with other forms of renewable gas or gas from certified biomass. To limit the risk of budget overrun, the Contracting Authority must consider setting a maximum for the virtual surcharge to be allocated. *Explanation* Example: Supplier A offers a total gas price of €0.60/Nm^3, without renewable gas from biomass, or with certified biomass. Supplier B offers a total gas price of €0.59/Nm^3, including the supply of 40% renewable gas from

	non-certified biomass. The Contracting Authority values the supply of non-certified biomass with a virtual surcharge of €0.06/Nm^3. The virtual discount must be based on the market price related to renewable gas from certified biomass and the ambitions in respect of renewable gas from certified biomass in relation to the Contracting Authority's available budget. On a contract volume of 10 million Nm^3, the assessment will be the following: • Supplier A: 10 million Nm^3 x €0.61 = €6,100,000; • Supplier B: (6 million Nm^3 x €0.59) + (4 million x €0.65) = €6,140,000. The contract will be awarded to Supplier A. *Verification* The tenderer may be asked to submit the guarantee of origin for the renewable gas from biomass that states through which certification scheme it is certified.

7. Contract provisions

No.	Contract provisions (CB)
CB1	**Renewable gas** On an annual basis, the contractor will submit an overview of the gas certificates redeemed when the annual settlement is submitted to the commissioning authority that will specify the gas certificates recorded for that period. *Explanation* An overview of redeemed gas certificates cannot yet be issued when a contract has not been awarded or an agreement has not been concluded since gas certificates are only redeemed when the gas is actually supplied. Consequently, proof must be submitted after the supply of gas based on both a statement and the above contract condition.