FAQs – CERTIFICATES AND TRADING

What if I transact Certificates in combination with physical natural gas? Do I need to amend my gas master agreement such as an NAESB?

In partnership with an international law firm, MiQ has developed a Certificate Trade Agreement that can be used as a template trade agreement for transacting ICG Certificates. This agreement is available here.

If you wish to include ICG Certificates as part of a physical natural gas transaction, then you will need to consider adding specific terms to reflect the sale, purchase, and delivery of the ICG Certificates. You may be able to include the concepts and language in the MiQ Certificate Trade Agreement in your confirmation or as an amendment to your master agreement.

None of the MiQ Foundation, its affiliates, its representatives and/or its legal counsel involved in the development, preparation and approval of the Single Trade Agreement shall be liable or otherwise responsible for its use and any damages or losses resulting out of its use in any particular case and in whatever jurisdiction. It is the responsibility of each party wishing to use the template agreement to ensure that its terms and conditions are appropriate, legally binding, valid, and enforceable and best serve to protect the user's legal interest. Users of the template agreement are urged to consult their own counsel in all respects.

What terms should I use when I buy or sell Certificates?

You should take your own legal advice on the terms and conditions that you use to buy or sell ICG Certificates whether in combination with natural gas or otherwise.

Can I retire ICG Certificates for my own organisation's consumption?

Yes, you can assign and retire ICG Certificates for your own organisation's consumption. The process is similar whether you are retiring ICG Certificates for your own or another entity's consumption.

Can an Account Holder retire Certificates on behalf of an end-user?

Yes, an Account Holder can retire Certificates on behalf of a beneficiary that does not have its own account on the MiQ Digital Registry.

Do end-users need to have an account on the MiQ Registry to retire Certificates?

End-users do not need their own account on the MiQ Digital Registry. An Account Holder can retire ICG Certificates on behalf of another entity that does not have an account on the Registry, provided that that entity is using the ICG Certificates for its own consumption.

When can I retire Certificates?

All ICG Certificates that have a "Verified" Grade Status can be retired immediately. ICG Certificates that only include a Grade under the EO100™ Standard will always carry a "Verified" Grade Status and can be retired immediately. ICG Certificates that have an "Initial Audit" Grade Status cannot be retired until their Grade Status becomes "Verified", i.e. when the Final Audit for the relevant facility has been approved on the MiQ Digital Registry. ICG Certificates that include a Grade under the MiQ Standard may have a Grade Status or "Verified" or "Initial Audit".

What is assignment?

The process of assignment removes ICG Certificates from circulation on the MiQ Digital Registry and identifies a beneficiary as the final end-user of the ICG Certificates. Assigned ICG Certificates cannot be transferred to other

Account Holders. Evidence of assignment can be provided to the beneficiary in PDF form and can be verified on the MiQ Digital Registry website. You can assign ICG Certificates that have an "Initial Audit" Grade Status, i.e. the relevant facility has completed an Initial Audit but not a Final Audit and the Grade Status has not been Verified. ICG Certificates that have been assigned to a beneficiary will be automatically retired when the Final Audit for the relevant facility has been approved on the MiQ Digital Registry.

What is retirement?

The process of retirement removes ICG Certificates from circulation on the MiQ Digital Registry and identifies a beneficiary as the final end-user of the ICG Certificates. Retired ICG Certificates cannot be transferred to other Account Holders. Evidence of retirement can be provided to the beneficiary in PDF form and can be verified on the MiQ Digital Registry. You can only retire ICG Certificates that include a Grade under the MiQ Standard when they have a "Verified" Grade Status, i.e. the relevant facility has completed a Final Audit and as a result, the Grade Status has been Verified. ICG Certificates that only include a Grade under the EO100™ Standard will always carry a "Verified" Grade Status and can be retired immediately.

Can I cancel a transfer of Certificates?

Once a transfer of ICG Certificates has been approved by an organisation's user, it cannot be cancelled. There is a multi-step process in place to allow you to check the details of transfers before you approve them.

How do I transfer Certificates?

The transfer process is explained in the videos on our website. Please scroll down to the videos on this page. The step-by-step process is also described (with screenshots) in the Account Holder User Guide.

How many accounts will we have or need?

The number of accounts will depend on how you want to manage your activities. You will need at least one Trading Account. If you are making retirements for your own consumption and/or the consumption of your buyers, you will need at least one Retirement Account.

How many accounts can my organisation hold?

An organisation may create as many accounts as it wants. There is no charge for additional accounts.

What types of accounts are available?

There are two types of accounts: Trading Accounts and Retirement Accounts. Trading Accounts are used to hold ICG Certificates. Trading Accounts can receive transfers of ICG Certificates from other accounts and can be used to make transfers to other accounts. Retirement Accounts hold ICG Certificates that have been retired.

How do I view the ICG Certificates in my account?

Log in to the MiQ Digital Registry and select the Accounts menu tab.

A video for Account Holders describing how to use accounts is available on our website.

More information is available in the User Guides which are available here.

When do I need to request the issuance of Certificates?

We recommend doing this once per month after you have established final operational numbers for the month, and you have the required evidence to make an issue request. You have four calendar months from the last day of the month of operation to make an issue request. For example, you must request the issuance of certificates for January 2023 by 31 May 2023.

Do I need to own the account into which Certificates will be issued for my facility?

No. You can specify any active trading account on the MiQ Digital Registry for the ICG Certificates of your facility to be issued into. This account can be held by you or a third-party organisation.

What evidence do I need to provide when I make a request for the issuance of Certificates?

The evidence required depends on the supply-chain segment of the facility in question. MiQ provides operators with an information pack on the evidence required for monthly ICG Certificate issuance on request. Please discuss with your MiQ contact for further information.

How often should I request the issuance of Certificates?

You can request the issuance of ICG Certificates for a month once you have the relevant information and required evidence available to provide to the MiQ Digital Registry for that month's operation.

When can I request the issuance of Certificates?

You can request the issuance of Certificates as soon as you have collated the relevant information and required evidence available to provide to the MiQ Digital Registry for that month's operation. You have four calendar months from the last day of the month of operation to make an issue request. For example, you must request the issuance of certificates for January 2023 by 31 May 2023.

What quantity do I need to report for issuance of certificates?

The quantity reported should be the sales quantity of the facility net of shrinkage from processing, etc. The quantity must be reported in MMBtus (one certificate is valid for one MMBtu).

Does a Registrant need to have a certificate account on the MiQ Registry?

Registrants do not have accounts on the MiQ Digital Registry. Registrants provide information to the MiQ Digital Registry in relation to facilities. Certificates for a Registrant's facilities must be issued into an account held by an Account Holder. The same legal entity may be both a Registrant and an Account Holder. If the Registrant entity is not also an Account Holder, the Registrant must identify an account held by another Account Holder for the issuance of certificates.

Which entity in my organisation should I use as the Account Holder and Registrant?

You can choose any legal entity you use for each role. Provided that the entities have the capability and the relevant information that needs to be provided to the MiQ Digital Registry, you can select the entities within your organisation that best suit your operational and commercial needs. However, we find that companies typically need to consider the following:

- It may be easier for the entity that already sells gas to buyers to be the Account Holder. This allows the normal market-facing entity to deliver certificates to buyers under its contractual commitments for sales of certified gas or unbundled ICG Certificates

- It may be easier for the asset-owning company to be the Registrant since the asset-owning company has the relevant information about the facilities (assets)

- You can also choose a different entity, such as the parent company, to act as both Registrant and Account Holder.

- One organisation can have as many Registrant and Account Holder entities as it requires (although each facility can only be assigned to one Registrant).

- For each facility (asset), the Registrant nominates the account into which certificates will be issued.

- If an organisation uses different entities for the Registrant and Account Holder roles, some companies prefer the asset-owning company to have its own account for issuance of certificates. The asset-owning company can then transfer the certificates to the marketing entity when required. The alternative is for certificates to be issued directly into the marketing entity's account.

This means that there are several options for setting up entities as Registrant or Account Holder, including:

- Asset owner as Registrant and Account Holder (but if the asset owner is not also the market-facing entity, it may need to deliver certificates to customers as agent for the normal market-facing entity)

- Asset owner as Registrant, market-facing entity as Account Holder (practical option, each entity is best placed to carry out the relevant tasks on the Registry, least work required).

- Asset owner as Registrant and Account Holder, market-facing entity as additional Account Holder (an additional step is required for the asset-owner to transfer certificates to the market-facing entity for onward sale to buyers).

- Market-facing entity as Registrant and Account Holder (but then the asset-owner needs to provide the market-facing entity with the issuance information on an ongoing basis for the market-facing entity to request certificate issuance).

Can different legal entities be both an Account Holder and a Registrant?

Yes, you can use different legal entities from the same organisation to be the Account Holder and Registrant. In fact, you can have as many Account Holding and Registrant entities as you wish.

Can the same legal entity be both an Account Holder and a Registrant?

Yes, the same legal entity can be both an Account Holder and a Registrant.

What is a Registrant and what can a Registrant do?

A Registrant provides information to the MiQ Digital Registry in relation to facilities. Registrants can register facilities, provide information relating to audits that have been carried out for its registered facilities, and request the issuance of ICG Certificates. Note that the same legal entity can be both a Registrant and an Account Holder.

What is an Account Holder and what can an Account Holder do?

Account Holders can receive, hold, transfer, and retire ICG Certificates. Account Holders have accounts on the Registry for these purposes. Account Holders can have ICG Certificates credited into their Registry accounts from other Account Holders. To transfer ICG Certificates between their own Registry accounts or to other Account Holders, an Account Holder will need the unique account code for the destination account. Account Holders can also retire certificates for their own purposes or on behalf of named third-party end-users. Note that the same legal entity can be both an Account Holder and a Registrant.

When are fees for the MiQ Registry payable?

Fees are charged in arrears each calendar quarter. For example, fees for use of the Registry in October, November, and December will be calculated and invoiced in early January.

What fees are payable for access to the MiQ Registry?

All current fees are available here. The only fees chargeable to Account Holders are for retirement.

When do I need to sign up to the Registry?

You cannot request the issuance of certificates until you have been approved as a user on the MiQ Digital Registry. Once you apply, a Know Your Customer (KYC) check will be undertaken. You should aim to apply well in advance so that there is no delay to certificate issuance once the audits of your facilities are completed.

How many separate MiQ Registry logins can we have?

Each organisation can set up multiple users to access the MiQ Digital Registry. When you apply, you will create a primary user. Once the application has been approved, the primary user can create additional users that will each have unique login credentials.

Do I need to sign a contract to access the registry?

Yes, each organisation that uses the registry must sign the registry operator's standard contract. The template contract is available in New York and English law. An example of the template contract is available here. The registry operator will send you a version of the agreement that is pre-filled with your entity information to be signed by you once your entity has completed a KYC.

What information do you need when I sign up to the MiQ Registry?

Once you have completed the registration form, the registry operator will contact you for any further information required for it to complete a Know Your Customer (KYC) check on your organisation. This typically includes a certificate of incorporation of the company and financial accounts dated within the last twelve months.

How do I reset my password?

If you've forgotten your password or want to change it, go to the login page and click 'Forgot your password?' Once you've provided your email address, you'll be sent a link to securely change your password.

How long are Certificates valid for?

Certificates expire 36 months following the last day of the issue month. After that time, certificates can no longer be transferred or retired. They will be flagged as expired in your account. A certificate issued for June 2022, for example, must be retired by the end of June 2025, otherwise it will expire.

How do I obtain evidence of my Certificates?

Certificates exist digitally and are visible in user's registry accounts.

Transfers of Certificates are evidenced by the digital transfer and receipt into the destination account (much like a bank account).

Assignments and Retirements are evidenced digitally but PDF retirement statements are available and can be corroborated on the MiQ Digital Registry website using a unique link and code.

Which Certification Standards are tracked on the MiQ Registry?

The MiQ Digital Registry currently holds certificates for facilities that have been audited under one or both the MiQ Standard for Methane Emissions Performance and the EO100™ Standard for Responsible Energy Development. Certificates for further certification standards may be added in the future.

What are ICG Certificates?

Independently Certified Gas Certificates (or ICG Certificates) evidence the ESG attributes of fossil natural gas along the natural gas supply chain. ICG Certificates include those issued under the MiQ Standard for Methane Emissions Performance and the EO100™ Standard for Responsible Energy Development.

How do MiQ Certificates work?

Certification assesses methane emissions from upstream natural gas production as well as natural gas (including associated gas) along the full supply chain including LNG and pipelines.

Producers are awarded a grade across an A-F scale to reflect the variations in the methane emissions performance of natural gas.

MiQ and its auditors assess the methane emissions at facility (asset or platform) level. Our granular approach means that different facilities operated by the same company can end up with a different grading.

For each unit (1 MMBtu) of gas produced at a certified facility, a producer receives an MiQ certificate in their account on the MiQ Digital Registry every month.

The MiQ Digital Registry is the single source of truth on MiQ Certificates, tracking certified gas from production through to retirement by the end-user. The Registry is a secure digital ledger where all MiQ Certificates are held from issuance to retirement.

It creates transparency about methane emissions, prevents double-counting, and enables end-users to claim the environmental credentials for their GHG reporting.

The Registry has an ultra-low fee structure.

MiQ