

Sustainable Biomass Program (SBP)

Schedule of Fees – Certificate Holders

This document contains the schedule of fees applicable to SBP *Certificate Holders*:

- 1) *Biomass Producers (BPs)*
- 2) *Traders and End-users*

Note: *Service Providers* within the supply chain who do not take legal ownership of SBP-certified material do not require an SBP certificate and are therefore exempt from any SBP fees.

The latest version of this document is published on the SBP website (www.sbp-cert.org).

Italicised terms are defined within the separate SBP Glossary of Terms and Definitions and/or in Instruction Document 5A available online on the SBP website (<https://sbp-cert.org/documents/standards-documents/standards>).

In addition to the fees set out in this schedule, *Certificate Holders* may incur costs related to the annual inspection and certification process. These costs are charged directly by the relevant *Certification Body*.

Fee schedule scenarios for companies that are *Biomass Producers* and also *Traders*, or *Traders* and also *End-users*, etc. are provided to illustrate the practical application of the fee schedule and associated payment points in Appendix 1.

Effective Date, Review and Changes

The fees described within this schedule are effective from 1 October 2017 and will apply to all SBP *Certificate Holders* from this point.

This schedule was modified on 30 November 2018.

This fee schedule will be reviewed on an annual, or more frequent, basis thereafter. In accordance with the following conditions, SBP reserves the right to amend this fee schedule in consideration of SBP's interests if such amendment is reasonable for *Certificate Holders*; this is the case in particular if the amendment does not entail substantial legal or financial disadvantages for *Certificate Holders*. Besides, SBP shall inform all *Certificate Holders* in due time before changing this fee schedule, but at the latest one month before it is to become effective. The respective information is sent to the email address indicated by each *Certificate Holder*. Should a *Certificate Holder* not agree to an amendment intended by SBP, the *Certificate Holder* has the right to object, in writing, within one month of the notification. If the *Certificate Holder's* objection is not upheld, SBP is entitled to terminate the Trade Mark Licence Agreement with one month's notice.

General Information

Fee invoices are issued subject to SBP's standard terms of business. Invoices are payable 30 days from issue. Fees paid are non-refundable.

Section 1: Applicable to *Biomass Producers*

Biomass Producers producing wood pellets pay a fee of €0.15 per tonne of all wood pellets sold with an SBP claim¹.

Biomass Producers producing woodchips² pay a fee of €0.08 per tonne³ of all woodchips sold with an SBP claim¹.

The fee is to be paid quarterly⁴, in arrears, based upon actual sales of pellets/chips with an *SBP claim¹* made in the previous quarter (based on the 'Invoice Date' field in the SBP Data Transfer System (DTS)). Sales data will be based on claims recorded in the DTS.

For example, invoices will be raised in January 2018 covering sales made in the period 1 October – 31 December 2017. Subsequent invoices will be raised quarterly thereafter. Fees based on sales data entered after an invoice has been issued will be added to the next quarter invoice.

Section 2: Applicable to *Traders and End-users*

A legal entity not involved in the *biomass production process* requires an SBP Chain of Custody certificate if they take legal ownership of SBP-certified biomass and wish to sell or use that biomass with the *SBP claim¹*. In SBP's Instruction Document 5A these *Certificate Holders* are defined as *Traders* and *End-users*.

SBP-certified *Traders* and *End-users* pay an annual fixed fee.

The annual period, or "billing year" for such *Certificate Holders* will run from 1 October to 30 September.

Actual fees are based upon the total volume (in tonnes) of biomass sold or used with a *SBP claim¹* by SBP-certified *Traders and End-users* in the billing year. In the case of *Traders*, the fee is charged regardless of the nature of the customer sold to.

	Annual volume (tonnes)	Annual fixed fee
Large entities	250,000+	€ 25,000
Standard fee	100,000-249,999	€ 10,000
Small entities	99,999 or less	Nil

The *Certificate Holder's* first invoice in each billing year will be raised at the "Standard fee" rate when the *Certificate Holder's* recorded claims in the DTS in that billing year exceed 99,999 tonnes. The invoice will be issued at the beginning of the next calendar quarter. The *Certificate*

¹ There are two *SBP claims*: '*SBP-compliant biomass*' and '*SBP-controlled biomass*'

² The principle behind the fee schedule is to introduce a flat rate fee with just two categories of fuel. These categories were determined based on the significantly different energy values of the majority of traded wood pellets compared to the majority of traded woodchips. For the avoidance of doubt, and to cover the full range of biomass types traded with SBP claims, including energy logs, the following definition is used.

Given that the differentiation in fees is based on Net Calorific Value, the definitive differentiation between woodchips and pellets for the purpose of SBP fees is stated as "Ordinarily, pellets and woodchips may readily be differentiated by physical inspection, however, where such physical inspection is not definitive then biomass with a Net Calorific Value greater than 15 MJ/kg shall be considered to be pellet and below 15 MJ/kg shall be considered to be woodchip."

³ Woodchips are to be recorded in the DTS on a wet tonne basis.

⁴ Invoices will only be raised when the amount due exceeds €200. Amounts due under €200 will be rolled over and invoiced following the calendar quarter when the cumulative amount due exceeds €200.

Holder's second invoice will be raised at the "Large entities" fee (with a credit for the "Standard fee" already paid) at the time when the *Certificate Holder's* recorded claims in the DTS in that billing year exceed 249,999 tonnes. The invoice will be issued at the beginning of the next calendar quarter.

Upon SBP approval, "small scale" *End-users* providing public services such as schools and hospitals may be excluded from the fee schedule. Application for exception shall be submitted by the responsible certification body to SBP.

Appendix 1 – Fee Schedule Scenarios

The following example scenarios are provided to illustrate the practical application of the fee schedule and associated payment points. The scenarios given cover a 12-month period starting 1 October 2017. In this document the term "*Group*" or "*Group of Companies*" is considered to be any number of companies who share a common ultimate parent.

<p>1. 'SBP-compliant' and 'SBP-controlled biomass' both attract fees</p> <p>Transaction description A BP sells 50,000t of pellets with an 'SBP-compliant biomass' claim and 50,000t of pellets with an 'SBP-controlled biomass' claim</p>	<p>Fees due The BP pays $€0.15 \times (50,000 + 50,000) = €15,000$</p>
<p>2. Biomass sold with no SBP claim does not attract fees</p> <p>Transaction description A BP sells 50,000t of pellets with an 'SBP-controlled biomass' claim and 50,000t of pellets with no SBP claim</p>	<p>Fees due The BP pays $€0.15 \times (50,000 + 0) = €7,500$</p>
<p>3. Fee differential between chips and pellets for BPs</p> <p>Transaction description A BP sells 50,000t of woodchips with an 'SBP-controlled biomass' claim</p> <p>Another BP sells 50,000t of pellets with an 'SBP-controlled biomass' claim</p>	<p>Fees due The BP pays $€0.08 \times 50,000 = €4,000$</p> <p>The BP pays $€0.15 \times 50,000 = €7,500$</p>

<p>4. BPs acting as both Biomass Producers and Traders attract fees for both activities</p> <p>Transaction description BP1 produces 300,000t of pellets with an SBP Claim and sells to BP2</p> <p>BP2 produces 200,000t of pellets itself and combines that with the 300,000t of pellets bought from BP1 and sells 500,000t of pellets with an SBP Claim</p>	<p>Fees due BP1 pays $€0.15 \times 300,000 = €45,000$</p> <p>BP2 pays $€0.15 \times 200,000 = €30,000$ plus BP2 operates as a Trader and pays the annual fixed fee of €25,000</p> <p>BP2 Total fee = $€30,000 + €25,000 = €55,000$</p>
<p>5. There is no fee for service providers not taking legal ownership</p> <p>Transaction description A BP sells 300,000t of pellets with an SBP claim to an End-user</p> <p>The BP uses a third-party logistics company which does not take legal ownership to deliver the pellets</p>	<p>Fees due The BP pays $€0.15 \times 300,000 = €45,000$</p> <p>The third-party logistics company does not pay a fee</p>
<p>6. End-User using SBP claims attract fees</p> <p>Transaction description A BP sells 300,000t of pellets with an 'SBP-compliant biomass' claim to an End-user</p> <p>The End-user accepts the pellets with an SBP claim in the Data Transfer System as it wishes to declare to regulators that it uses SBP-compliant pellets</p>	<p>Fees due The BP pays $€0.15 \times 300,000 = €45,000$</p> <p>The End-user is using the SBP claim and pays the annual fixed fee of €25,000</p>
<p>7. No fees where an SBP claim is not accepted</p> <p>Transaction description A BP sells 300,000t of pellets which are eligible for an SBP claim to an End-user which does not wish to accept the SBP claim</p> <p>The End-user accepts the pellets and makes no claim about the SBP status of the pellets</p>	<p>Fees due There is no fee for the BP</p> <p>There is no fee for the End-user</p>
<p>8. No fees where an SBP claim is retrospectively rejected</p>	

<p>Transaction description A Trader sells 300,000t of pellets with an SBP Claim</p> <p>The buyer accepts the claim but subsequently rejects the delivery as it does not meet other contractual requirements</p> <p>The load is rejected, and the SBP Claim is retrospectively rejected in the Data Transfer System</p>	<p>Fees due There is no fee for the Trader (on the assumption that there are no other trades during the year)</p>
<p>9. End-use operating as a Trader attract fees</p> <p>Transaction description An End-user sells 300,000t of pellets with an SBP claim</p>	<p>Fees due The End-user is operating as a Trader and pays the annual fixed fee of €25,000</p>
<p>10. Biomass Producer and End-user in same Group</p> <p>Transaction description BP sells 100,000t of pellets with an SBP claim to End-user in the same Group of Companies</p> <p>End-user burns the material and uses the SBP claim for regulatory purposes</p>	<p>Fees due BP fees due: €0.15 x 100,000 = €15,000</p> <p>Chain of Custody fees due: 1 x €10,000 = €10,000</p> <p>Group pays a total of €25,000</p>
<p>11. Biomass Producer, Trader and End-user in same Group</p> <p>Transaction description BP sells 100,000t of pellets with an SBP claim to Trader in the same Group of Companies</p> <p>Trader sells 100,000t of pellets with SBP claim to End-user in same Group of Companies</p> <p>End-user burns the material and uses the SBP claim for regulatory purposes</p>	<p>Fees due BP fees due: €0.15 x 100,000 = €15,000</p> <p>Trader and End-User are in the same Group, so only pay 1 x Chain of Custody fee = €10,000</p> <p>Group pays a total of €25,000</p>
<p>12. Group sells self-manufactured material via trading company</p>	

<p>Transaction description BP sells 100,000t of pellets with an SBP claim to Trader in the same Group of Companies</p> <p>Trader sells 100,000t of pellets with SBP claim to a third party, outside of the Group</p>	<p>Fees due BP fees due: €0.15 x 100,000 = €15,000</p> <p>No Chain of Custody fees are due</p> <p>Group pays a total of €15,000</p>
<p>13. Group sells self-manufactured and purchased material via trading company</p> <p>Transaction description BP sells 100,000t of pellets with an SBP claim to Trader in the same Group of Companies</p> <p>Trader buys 100,000t of pellets with an SBP claim from a third party, outside the Group</p> <p>Trader sells 200,000t of pellets with SBP claim to a third party, outside of the Group</p>	<p>Fees due BP fees due: €0.15 x 100,000 = €15,000 Trader has bought and sold third party material, so Group pays 1 x Chain of Custody fee = €10,000</p> <p>Group pays a total of €25,000</p>
<p>14. Group has multiple entities trading SBP material</p> <p>Transaction description Trader 1, Trader 2 and Trader 3 are all members of the same Group of Companies</p> <p>Trader 1 buys 100,000t of wood pellets with an SBP claim from a third party and sells the material with the claim to another third party</p> <p>Trader 2 buys 100,000t of wood pellets with an SBP claim from a third party and sells the material with the claim to Trader 3</p> <p>Trader 3 buys a further 100,000t of wood pellets with an SBP claim from a third party and sells 200,000t with the claims to another third party</p>	<p>Fees due As all of the Trader companies are members of the same Group of Companies, only 1 x Chain of Custody fee is due = €25,000</p> <p>Group pays a total of €25,000</p>
<p>15. Group has multiple entities trading small volumes of SBP material</p> <p>Transaction description Example is as per Scenario 14, except all three Trading companies are expected to</p>	<p>Fees due 1 x Chain of Custody fee is due; however, the Group will qualify for the 'small' Trader</p>

<p>trade a combined cumulative annual volume of 150,000t with an SBP claim</p>	<p>discount (for trading less than 250,000t in the year) and pays €10,000</p>
<p>16. SBP Member company owns a Biomass Producer, Trader and End-user</p> <p>Transaction description Biomass Producer, Trader and End-user are all part of the same Group of Companies as an SBP member organisation</p> <p>Biomass Producer sells 100,000t of wood pellets to Trader with an SBP Claim</p> <p>Trader sells the same 100,000t of wood pellets to End-user with the claim</p> <p>End-user burns the 100,000t of wood pellets and uses the claim for regulatory purposes</p>	<p>Fees due The SBP member organisation pays annual membership fee</p> <p>BP fees due: €0.15 x 100,000 = €15,000</p> <p>Trader and End-user are in the same Group, so only pay 1 x Chain of Custody fee = €10,000</p> <p>Group pays a total of €25,000 + membership fee</p>
<p>17. Biomass Producer sells self-manufactured and purchased material to End-user in the same group transaction</p> <p>Transaction description BP produces 100,000t of SBP-certified pellets and combines this with 200,000t of pellets with an SBP claim bought from a third party that is not in the group of the BP and the End-user</p> <p>BP sells 300,000t of pellets with an SBP claim to End-user in the same group of companies as the BP</p> <p>End-user burns the material and uses the SBP claim for regulatory purposes</p>	<p>Fees due</p> <p>BP fees due: €0.15 x 100,000 = €15,000</p> <p>As BP and End-user are in the same group, only 1x Chain of Custody fee is due</p> <p>The End-user pays an annual fixed fee of €25,000 for 300,000t</p> <p>The group pays a total of €40,000</p>