



## **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](http://www.sbp-cert.org)).

Italicised terms are defined within the separate SBP Glossary of Terms and Definitions and/or in Instruction Documents available online on the SBP website.

In addition to the fees set out in this schedule, *Certificate Holders* may incur costs related to the annual inspection and SBP 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 January 2022 and will apply to all SBP *Certificate Holders* from this date.

This fee schedule will be reviewed on an annual, or more frequent, basis thereafter. SBP reserves the right to amend this fee schedule in consideration of SBP's interests if such amendment does not entail substantial legal or financial disadvantages for *Certificate Holders*. 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 provided 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, and the *Certificate Holder* persists with the objection, SBP is entitled to terminate the Trade Mark Licence Agreement (TMLA) 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 All Certificate Holders

All *Certificate Holders* (Biomass Producers, Traders and End-users) are required to pay an **annual fee** of €800. The annual fee will be billed on 1 January of each calendar year.

The annual fee represents a minimum fee for all *Certificate Holders*. Should a *Certificate Holder* exceed that minimum through **transaction fees** (the fees chargeable in accordance with Section 2 and Section 3 below) during the same calendar year, the *Certificate Holder* will be credited with the amount of the annual fee. In practice, the amount will be deducted from subsequent invoices.

Where a *Certificate Holder* does not exceed the minimum through the transaction fees chargeable in accordance with Section 2 and Section 3 (below) during the same calendar year, only the annual fee is charged.

Certificate Holders who receive or lose SBP certification part-way through a calendar year must pay the full annual fee; it will not be pro-rated, reduced or discounted.

### Section 2: Applicable to Biomass Producers

*Biomass Producers* producing wood pellets pay a transaction fee of €0.15 per tonne of all wood pellets sold with an SBP claim<sup>1</sup>.

*Biomass Producers* producing woodchips<sup>2</sup> pay a transaction fee of €0.08 per tonne<sup>3</sup> of all woodchips sold with an SBP claim<sup>1</sup>.

The transaction fee is to be paid quarterly<sup>4</sup>, in arrears, based upon actual sales of pellets/chips with an *SBP claim<sup>1</sup>* made in the previous quarter (based on the 'Transaction Accepted 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 2022 covering sales made in the period 1 October to 31 December 2021. Subsequent invoices will be raised quarterly thereafter. Fees

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<sup>1</sup> There are two *SBP claims*: '*SBP-compliant biomass*' and '*SBP-controlled biomass*'

<sup>2</sup> 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 pellets and woodchips 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 15MJ/kg shall be considered to be pellet and below 15MJ/kg shall be considered to be woodchip."*

<sup>3</sup> Woodchips are to be recorded in the DTS on a wet tonne basis.

<sup>4</sup> Amounts due under €1,000 (excluding the annual fee) will be rolled over and invoiced following the calendar quarter when the cumulative amount due exceeds €1,000. At the end of each calendar year, amounts due under €1,000 will be invoiced in the Q4 invoicing run.

based on sales data entered after an invoice has been issued will be added to the next quarter's invoice.

### **Section 3: Applicable to *Traders and End-users***

A legal entity not involved in the *biomass production process* requires SBP Chain of Custody certification if they take legal ownership of SBP-certified biomass and wish to sell or use that biomass with the *SBP claim*<sup>1</sup>. These *Certificate Holders* are defined as *Traders and End-users*.

SBP-certified *Traders and End-users* pay a fixed transaction 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 claim*<sup>1</sup> by SBP-certified *Traders and End-users* in the billing year. In the case of *Traders*, the transaction fee is charged regardless of the nature of the customer sold to.

<b>Category</b>	<b>Annual volume (tonnes)</b>	<b>Fixed transaction fee</b>
<b>3</b>	250,000+	€ 25,000
<b>2</b>	100,000 - 249,999	€ 10,000
<b>1</b>	1 - 99,999	€ 1,000
<b>0</b>	Nil	Nil

The *Certificate Holder's* first invoice in each billing year will be raised at the respective category fee rate when the *Certificate Holder's* recorded claims in the DTS in a billing year exceed 0 tonnes. The *Certificate Holder's* next invoices, if applicable, will be raised at the subsequent category fee (with a credit for the fee already paid) at the time when the *Certificate Holder's* recorded claims in the DTS in a billing year exceeds the next threshold level. Invoices are issued at the beginning of every calendar quarter.

## 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. In this document the term 'Group' or 'Group of Companies' is considered to be any number of companies that share a common ultimate parent.

<p><b>1. 'SBP-compliant' and 'SBP-controlled biomass' both attract fees</b></p> <p><b>Transaction description</b> A BP produces and sells 50,000t of pellets with an 'SBP-compliant biomass' claim and 50,000t of pellets with an 'SBP-controlled biomass' claim.</p>	<p><b>Fees due</b></p> <p>The BP pays the annual fee of €800.</p> <p>The BP's transaction fee is €0.15 x (50,000 + 50,000) = €15,000.</p> <p>Therefore, the total fee paid is €15,000.</p>
<p><b>2. Biomass sold with no SBP claim does not attract fees</b></p> <p><b>Transaction description</b> A BP produces and sells 50,000t of pellets with an 'SBP-controlled biomass' claim and 50,000t of pellets with no SBP claim.</p>	<p><b>Fees due</b></p> <p>The BP pays the annual fee of €800.</p> <p>The BP's transaction fee is €0.15 x (50,000 + 0) = €7,500.</p> <p>The total fee paid is €7,500.</p>
<p><b>3. Fee differential between woodchips and pellets for BPs</b></p> <p><b>Transaction description</b> BP1 produces and sells 50,000t of woodchips with an 'SBP-controlled biomass' claim.</p> <p>BP2 produces and sells 50,000t of pellets with an 'SBP-controlled biomass' claim.</p>	<p><b>Fees due</b></p> <p>Both BPs pay the annual fee of €800 each.</p> <p>BP1's transaction fee is €0.08 x 50,000 = €4,000. The total fee paid is €4,000.</p> <p>BP2's transaction fee is €0.15 x 50,000 = €7,500. The total fee paid is €7,500.</p>
<p><b>4. BPs acting as both Biomass Producers and Traders attract fees for both activities</b></p> <p><b>Transaction description</b> 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><b>Fees due</b></p> <p>Both BPs pay the annual fee of €800 each.</p> <p>BP1's transaction fee is €0.15 x 300,000 = €45,000. The total fee paid is €45,000.</p> <p>BP2's transaction fee is €0.15 x 200,000 = €30,000 plus BP2 operates as a Trader and attracts the fixed transaction fee of €25,000. The total fee paid is €30,000 + €25,000 = €55,000.</p>

<p><b>5. There is no fee for service providers not taking legal ownership</b></p> <p><b>Transaction description</b> A BP produces and 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><b>Fees due</b></p> <p>The BP pays the annual fee of €800.</p> <p>The BP's transaction fee is €0.15 x 300,000 = €45,000. The total fee paid is €45,000.</p> <p>The third-party logistics company does not pay a fee.</p>
<p><b>6. Traders using SBP claims attract fees</b></p> <p><b>Transaction description</b> Trader 1 sells 50,000t of pellets with an SBP claim to an End-user.</p> <p>Trader 2 sells 150,000t of pellets with an SBP claim to an End-user.</p> <p>Trader 3 sells 250,000t of pellets with an SBP claim to an End-user</p>	<p>All three Traders pay the annual fee of €800.</p> <p>Trader 1 attracts the fixed transaction fee of €1,000. The total fee paid is €1,000.</p> <p>Trader 2 attracts the fixed transaction fee of €10,000. The total fee paid is €10,000.</p> <p>Trader 3 attracts the fixed transaction fee of €25,000. The total fee paid is €25,000.</p>
<p><b>7. End-Users using SBP claims attract fees</b></p> <p><b>Transaction description</b> 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><b>Fees due</b></p> <p>The BP and End-user pay the annual fee of €800 each.</p> <p>The BP's transaction fee is €0.15 x 300,000 = €45,000. The total fee paid is €45,000.</p> <p>The End-user is using the SBP claim and attracts the fixed transaction fee of €25,000. The total fee paid is €25,000.</p>
<p><b>8. No fees where an SBP claim is not accepted</b></p> <p><b>Transaction description</b> A BP sells 300,000t of pellets which are eligible for an SBP claim to an End-user that 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><b>Fees due</b></p> <p>The BP and End-user pay the annual fee of €800 each.</p> <p>There is no further fee for the BP.</p> <p>There is no further fee for the End-user.</p>
<p><b>9. No fees where an SBP claim is retrospectively rejected</b></p> <p><b>Transaction description</b> A Trader sells 300,000t of pellets with an SBP Claim.</p>	<p><b>Fees due</b></p> <p>The Trader and the Buyer pay the annual fee of €800 each.</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>There is no further fee for the Trader (on the assumption that there are no other trades during the year).</p>
<p><b>10. End-users operating as Traders attract fees</b></p> <p><b>Transaction description</b> An End-user sells 300,000t of pellets with an SBP claim.</p>	<p><b>Fees due</b></p> <p>The End-user pays the annual fee of €800.</p> <p>The End-user is operating as a Trader and pays the fixed transaction fee of €25,000.</p> <p>The total fee paid is €25,000.</p>
<p><b>11. Biomass Producer and End-user in same Group</b></p> <p><b>Transaction description</b> 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><b>Fees due</b></p> <p>The BP and End-user both pay the annual fee of €800 each.</p> <p>The BP's transaction fee is <math>€0.15 \times 100,000 = €15,000</math>. The total fee paid is €15,000.</p> <p>The End-user's fixed transaction fee is <math>1 \times €10,000 = €10,000</math>. The total fee paid is €10,000.</p> <p>The Group pays a total fee of <math>€15,000 + €10,000 = €25,000</math>.</p>
<p><b>12. Biomass Producer, Trader and End-user in same Group</b></p> <p><b>Transaction description</b> 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><b>Fees due</b></p> <p>The BP, Trader and End-user pay the annual fee of €800 each.</p> <p>The BP's transaction fee is <math>€0.15 \times 100,000 = €15,000</math>. The total fee paid is €15,000.</p> <p>The Trader and End-User are in the same Group, so only pay 1 x fixed transaction fee = €10,000. Total fee paid is €10,000.</p> <p>The Group pays a total fee of <math>€15,000 + €10,000 = €25,000</math>.</p>
<p><b>13. Group sells self-manufactured material via trading company</b></p> <p><b>Transaction description</b> BP sells 100,000t of pellets with an SBP claim to Trader in the same Group of Companies.</p>	<p><b>Fees due</b></p> <p>The BP and Trader both pay the annual fee of €800 each.</p>

Trader sells 100,000t of pellets with SBP claim to a third party, outside of the Group. The BP's transaction fee is  $\text{€}0.15 \times 100,000 = \text{€}15,000$ . The total fee paid is  $\text{€}15,000$ .

No fixed transaction fee is due.

The Group pays a total fee of  $\text{€}15,000$ .

#### 14. Group sells self-manufactured and purchased material via trading company

##### Transaction description

BP sells 100,000t of pellets with an SBP claim to Trader in the same Group of Companies.

##### Fees due

The BP and Trader both pay the annual fee of  $\text{€}800$  each.

Trader buys 100,000t of pellets with an SBP claim from a third party, outside the Group.

The BP's transaction fee is  $\text{€}0.15 \times 100,000 = \text{€}15,000$ . The total fee paid is  $\text{€}15,000$ .

Trader sells 200,000t of pellets with SBP claim to a third party, outside of the Group.

The Trader has bought and sold third party material, so the Group pays 1 x fixed transaction fee =  $\text{€}10,000$ . The total fee paid is  $\text{€}10,000$ .

The Group pays a total fee of  $\text{€}15,000 + \text{€}10,000 = \text{€}25,000$ .

#### 15. Group has multiple entities trading SBP material

##### Transaction description

Trader 1, Trader 2 and Trader 3 are all members of the same Group of Companies.

##### Fees due

All three Traders each pay the annual fee of  $\text{€}800$  ( $3 \times \text{€}800 = \text{€}2,400$ ).

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.

As all of the Trader companies are members of the same Group of Companies, only 1 x fixed transaction fee is paid =  $\text{€}25,000$ .

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.

The Group pays a total fee of  $\text{€}25,000$ .

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.

#### 16. Group has multiple entities trading small volumes of SBP material

##### Transaction description

Example is as per Scenario 14, except all three Trading companies are expected to trade a combined cumulative annual volume of 150,000t with an SBP claim.

##### Fees due

All three Traders each pay the annual fee of  $\text{€}800$  ( $3 \times \text{€}800 = \text{€}2,400$ ).

As all of the Trader companies are members of the same Group of Companies, only 1 x fixed transaction fee (less than 250,000t in the year) is paid =  $\text{€}10,000$ .

The Group pays a total fee of  $\text{€}10,000$ .

**17. Biomass Producer sells self-manufactured and purchased material to End-user in the same group transaction**

**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.

BP sells 300,000t of pellets with an SBP claim to End-user in the same group of companies as the BP.

End-user burns the material and uses the SBP claim for regulatory purposes.

**Fees due**

The BP and End-user both pay the annual fee of €800 each.

The BP's transaction fee is  $€0.15 \times 100,000 = €15,000$ . The total fee paid is €15,000.

As the BP and End-user are in the same Group of companies, only 1 x fixed transaction fee is paid.

The End-user pays the fixed transaction fee of €25,000 for 300,000t. The total fee paid is €25,000.

The Group pays a total fee of  $€15,000 + €25,000 = €40,000$ .

**18. Biomass Producer, Trader or End-user is registered on the DTS but does not make any claims**

**Transaction description**

A Certificate Holder is added to the DTS but does not make a claim before the end of the billing year.

**Fees due**

The Certificate Holder pays the annual fee of €800.