

ISCC Japan FIT System Document – Palm Kernel Shells and Palm Trunks



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1 Introduction

ISCC – International Sustainability and Carbon Certification (ISCC) is a global certification system that offers solutions for the sustainability certification of any kind of materials. Independent third-party certification ensures compliance with high ecological and social sustainability requirements, greenhouse gas emissions savings and traceability throughout the supply chain.

*Solution provider
for sustainable
supply chains*

This document specifies ISCC requirements for System Users producing, procuring and importing palm kernel shells and palm trunks into Japan under Japan's Feed in Tariff (FIT) system.

The Japanese FIT sets out a system of incentives for the production of renewable electricity in Japan which includes subsidies for the procurement of palm kernel shells and palm trunks.

*FIT Japan
Requirements*

Japan's Ministry for Economy, Trade and Industry (METI) has published specific requirements for the certification of palm kernel shells and palm trunks under the FIT system. The ISCC Japan FIT standard for palm kernel shells and palm trunks incorporates these requirements so that products certified under this standard will be eligible under Japan's FIT system.

METI's requirements for palm kernel shells and palm trunks products include verification against sustainability Principles and Criteria (P&Cs) for all Points of Origin and the downstream supply chain as well as the use of Identity Preserved, or Segregation models for chain of custody. METI has not yet put in place requirements for Greenhouse Gas (GHG) reduction threshold value.

For the certification palm kernel shells and palm trunks under the ISCC Japan FIT scheme, this document ("ISCC Japan FIT System Document – Palm Kernel Shells and Palm Trunks") and the document "ISCC Japan FIT: Principles and Criteria – Palm Kernel Shells and Palm Trunks" will apply. In addition, the ISCC documents as referenced in this document are applicable, considering the deviations described in here ("ISCC Japan FIT System Document – Palm Kernel Shells and Palm Trunks") or in ISCC document "ISCC Japan FIT: Principles and Criteria – Palm Kernel Shells and Palm Trunks", that shall prevail.

*Scope of ISCC
Japan FIT Palm
Kernel Shells
and Palm Trunks*

For palm kernel shells and palm trunks the ISCC Japan FIT standard for palm kernel shells and palm trunks requires for all Points of Origin to be verified internally (i.e. by the Collecting Point) against the ISCC Japan FIT Principles and Criteria (see also ISCC document "ISCC Japan FIT: Principles and Criteria – Palm Kernel Shells and Palm Trunks"), whereas the external auditor, through independent third-party verification, will audit a sample of the Point of Origins (the sampling methodology described in document ISCC EU¹ 206 "Group Certification" applies). Collecting points and downstream entities in the

*Principles and
Criteria and
Supply Chain*

¹ Please note that the ISCC EU System Documents also serve as system documents for the ISCC PLUS scheme. The few differences and requirements that are specific to ISCC PLUS are described in the ISCC PLUS System Document, which is an additional compulsory source of information to the ISCC EU System Documents for a certification under ISCC PLUS.

supply chain must be covered by individual third-party certification against the ISCC Japan FIT Principles and Criteria as laid out in document “ISCC Japan FIT: Principles and Criteria – Palm Kernel Shells and Palm Trunks”, and supply chain certification, i.e. it must be ensured that only Identity Preserved (IP) or Segregation is applied as chain of custody model (the requirements for chain of custody for IP and Segregation as well as for traceability documentation as laid out in document ISCC EU 203 “Traceability and Chain of Custody” apply).

For Greenhouse Gas calculations, the ISCC Japan FIT standard for palm kernel shells and palm trunks requires the calculation of GHG emissions along the supply chain so that each batch of ISCC Japan FIT certified material has a GHG intensity associated with it. However, as the scope of the ISCC Japan FIT standard for palm kernel shells and palm trunks currently does not cover the generation of electricity but only palm kernel shells and palm trunks production and trade, ISCC does not require a specific GHG reduction value for the certified palm kernel shells and palm trunks. Should Japan’s regulations require the certification of electricity production, ISCC will define a baseline and include targets based on the requirements set by METI.

*GHG
calculations*

2 Scope and definitions

This standard aims to define requirements for economic operators (i.e. System Users) along the supply chain to deliver palm kernel shells and palm trunks for power production considered as eligible under Japan’s FIT legislation. Therefore, this standard is globally applicable for economic operators producing, processing and trading palm kernel shells and palm trunks destined for use for power generation in Japan.

*Palm kernel
shells and palm
trunks eligible
under Japan’s
Feed-In-Tariff*

This version of the standard becomes valid after official approval by the Ministry for Economy, Trade and Industry Japan (METI). Whenever any contradiction or inconsistency exists between this version and previous versions of this standard, the latest version shall prevail. All aspects of this standard are considered to be normative, including the intent scope, standard effective date, references, terms and definitions, tables and annexes, unless otherwise stated.

*Status and use
of the standard*

Users implementing this standard shall ensure that the intent of this standard is met. Users shall implement all of the requirements specified in this standard, and any and all additional measures necessary to achieve the intent of this standard.

In the event of any inconsistency between this ISCC Standard and other ISCC Standards, the ISCC Japan FIT Standard shall prevail.

The following terms are particularly important for this standard:

System User

Any natural or legal person that concluded a contract with ISCC regarding the use of an ISCC certification system for the purpose of obtaining a certificate or a statement of conformity. A System User has to comply with the respective requirements laid out here and in the document “ISCC Japan FIT: Principles and Criteria – Palm Kernel Shells and Palm Trunks” in order to receive an ISCC certificate.

Point of Origin

Are operations where the palm kernel shells and palm trunks occurs or is generated. Points of origin provide a signed self- declaration to the certified collecting point. Points of origin may obtain individual or group certification on a voluntary basis.

Collecting Point

Economic operators that collect or receive palm kernel shells and palm trunks material directly from the points of origin in order to distribute or further process the collected palm kernel shells and palm trunks.

Processing Units

Processing units are facilities that convert input materials by changing their physical and/or chemical properties. Processing units can be oil mills, refineries, biodiesel and/or ethanol plants and others. Collecting points or storage facilities conducting a mechanical filtration or sedimentation (e.g. of used cooking oil with the goal of removing contaminants such as bones, cutlery, etc. or to reduce the water content of the used cooking oil) are not regarded as processing units. This applies, if both the raw materials and the materials after the mechanical treatment can be classified and declared with identical waste codes. They are certified according to the audit requirements for storage facilities

Trader

Traders are economic operators that trade sustainable materials (i.e. raw materials, intermediate products or final products). All traders must be covered by certification.

Paper Trader

Refers to traders who do not receive sustainable material physically but only on a “paper” basis.

Storage Facilities

Storage facilities include warehouses, silos, tanks etc. A logistics center is an economic operator that operates and manages a group of storage facilities under a single legal entity at different geographical sites but with a corporate management system. A storage facility can be the owner of the sustainable material or store or transfer the sustainable material on behalf of the owner. Non-certified storage facilities that are used by certified System Users for storing sustainable material must be audited.

3 Requirements

3.1 General requirements

The following ISCC standards and procedures shall apply in addition to this standard:

Relevant ISCC standards and procedures

- > The document **ISCC Japan FIT: Principles and Criteria – Palm Kernel Shells and Palm Trunks**, shall apply to any Point of Origin, Collecting Point and Processing Unit along the supply chain.
- > The **ISCC Terms of Use** shall apply to any System User along the supply chain with legal ownership of ISCC certified material.

Note: A System User is any natural or legal person that concluded a contract with ISCC regarding the use of an ISCC certification system for the purpose of obtaining a certificate or a statement of conformity.

- > The document **ISCC EU 102 – Governance** shall apply to ISCC as an organisation, to cooperating CBs, to ISCC System Users, and to other stakeholders of ISCC.
- > The document **ISCC EU 103 – Requirements for Certification Bodies and Auditors** shall apply to Certification Bodies (CBs) to become recognised by the ISCC System and to the auditors conducting ISCC audits.
- > The document **ISCC EU 201 – System Basics** shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users) and Certification Bodies cooperating with ISCC.
- > The document **ISCC EU 201-01 Waste and Residues** shall apply to all supply chain elements which are involved in the production, collection or processing of waste and residues.
- > The document **ISCC EU 203 – Traceability and Chain of Custody** shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users) and Certification Bodies cooperating with ISCC.

Note: under ISCC Japan FIT for palm kernel shells and palm trunks only the chain of custody options for Identity Preserved and Segregation apply.

- > The document **ISCC EU 204 – Audit Requirements and Risk Management** shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users) and Certification Bodies cooperating with ISCC.
- > The document **ISCC EU 205 – Greenhouse Gas Emissions** shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users) and Certification Bodies cooperating with ISCC.

- > The document **ISCC EU 206 – Group Certification** shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users) and Certification Bodies cooperating with ISCC.
- > The document **ISCC EU 208 – Logos and Claims** shall apply to all participants in the certification system, i.e. companies along the supply chain using the ISCC System (System Users) and Certification Bodies cooperating with ISCC.
- > The document **ISCC PLUS** is an additional compulsory source of information to the ISCC EU System Documents for a certification under ISCC PLUS. As the ISCC PLUS and ISCC EU certification schemes are widely harmonized, the ISCC EU System Documents also apply for ISCC PLUS. This means that the ISCC EU System Documents also serve as system documents for the ISCC PLUS scheme. The few differences and requirements that are specific to ISCC PLUS are described in this document.

3.2 Additional criteria for Japan FIT eligible palm kernel shells and palm trunks

3.2.1 Greenhouse Gas emissions of palm kernel shells and palm trunks

The System User shall calculate and minimize the GHG emissions along the supply chain related to the collection, transport and processing of palm kernel shells and palm trunks from the first element in the supply chain to the point of delivery (see also “ISCC Japan FIT: Principles and Criteria – Palm Kernel Shells and Palm Trunks” chapter 3.2.19).

*ISCC GHG
methodology*

3.2.2 Requirement related to Chain of Custody

The System User shall ensure that the Chain of Custody model for Identity Preserved and/or Segregation is used.

*Identity
preserved or
segregation*