INTRODUCTION

In 2020 about 1 TWh of biogas was produced of which biomethane represented about 0.10 TWh. The interests in biomethane production have been increased in the past years. Currently most of the biogas is produced from biowaste and sewage sludge. Landfill gases represent one third of the biogas production. Agri-biomasses and manure are only marginally treated in biogas plants, but they are considered being the input with most potential for the new biogas plants in Finland.

There are 76 biogas plants, of which 18 upgrades biomethane, and 33 landfill-gas collection sites in Finland. There is natural gas network only in the southern part of Finland. The gas network, LNG terminals and off-grid biogas production constitute the Finnish gas infrastructure. Only three biogas plants locate along the gas grid, hence the role of off-grid biogas production is crucial. Most of the biogas is used currently in CHP. The use of biomethane in transport is growing.

According to the many studies, the techno-economical biogas production potential of Finland is about 10 TWh, and the theoretical production potential up to 25 TWh. The Finnish biogas sector has set its own target of having 4 TWh annual biogas production in 2030.

Biogas sector and nutrient recycling have been very present in the national political discussions and decisions. The national biogas action plan (published in January 2020) defines the measures for the sector between 2020-2023.
SUPPORT SCHEMES FOR BIOGAS

The most important subsidy schemes in Finland are currently tax exemption and investment support.

Biogas is exempt from excise duties in all end-use applications (electricity, heating, transport). The tax scheme is under investigation in 2020-2021.

Investment support is available for the construction of new renewable energy production facilities and thus for newly build biogas plants, both for industry and agricultural plants. There are different aid levels depending on the type of investor and the level of innovativeness.

The FiT for electricity and the heat bonus closed for new applicants in 2018. It was replaced with a renewable electricity tendering scheme. However, at moment of writing (April 2021), none of the biogas installations were successful in obtaining funding from the scheme.

A fiscal incentive to encourage the processing of manure and other biomasses in a biogas plant is under development. The objective of the incentive is to reduce emissions to air and water.
SUPPORT SCHEMES FOR BIOMETHANE

As for biogas, the most important subsidy schemes for biomethane are as well tax exemption and investment support. In general, the Finnish energy and climate strategies promote biomethane particularly for transport fuel use.

Biomethane is exempt from excise duties in all end-use applications (electricity, heat, transport). It is expected a tax for at least biomethane use in road transport will be introduced as a result of the uptake of the biomethane delivery obligation.

Investment support is available for the construction of new renewable energy production facilities and thus for newly built biomethane plants, both for industrial and agricultural plants. There are different aid levels depending on the type of investor and the level of innovativeness.

Starting form 2022, biomethane will be part of the national biofuel delivery obligation among other types of biofuels.

The fiscal incentive under development to encourage the processing of manure and other biomasses in a biogas plant will apply for biomethane plants as well. The objective of the incentive is the reduce emissions to air and water.
OTHER TYPES OF SUPPORT

The types of support in place, which indirectly promote biogas and biomethane production are listed below:

- Temporal investment support for circular economy project. The support is available for actual investments and R&D.
- Temporal investment support for nutrient recycling project to improve the quality of water lands. The support is available for actual investments and R&D.
- Temporal (2021-2022) investment support for biogas and nutrient recycling project.

- Temporal (2021-2024) company car tax benefits. *
- Temporal (2020-2022) procurement aid for heavy duty gas vehicles. *
- Temporal (2020-2021) subsidies for converting passenger cars to run on ethanol or gas.
- Temporal (2018-2021) investment aid for the establishment of filling stations.

*The role of biomethane in the national transportation policy will be re-defined by the end of 2021.

SUSTAINABILITY CONDITIONS

The Finnish sustainability requirements are strongly based on the RED II. There are no additional national sustainability requirements.
About EBA

EBA is the voice of renewable gas in Europe. Founded in February 2009, the association is committed to the active promotion of the deployment of sustainable biogas and biomethane production and use throughout the continent. EBA counts today on a well-established network of 40 national organisations and over 100 scientific institutes and companies from Europe and beyond.