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European Commission
DG Taxation and Customs Union
Desk Officer
Mr. Alexander Blaha
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Mr. Christian Patermann

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European Biogas Association's statement on CN classification for gas from Biomass

Dear Mr. Blaha, dear Mr. Patermann,

European Biogas Association (EBA) very much welcomes the efforts of the Customs Code Committee to set a uniform classification as regards the combined nomenclature (CN) for gas from biomass. Currently, the classification practices differ from a country to country within the EU which also brings about confusion regarding taxation of gas from biomass. The current Energy Taxation Directive (2003/96/EC Art 2(3)) reads that "When intended for use, offered for sale or used as motor fuel or heating fuel, energy products other than those for which a level of taxation is specified in this Directive shall be taxed according to use, at the rate for the equivalent heating fuel or motor fuel". Member States that consider biogas to be an equivalent energy product of natural gas tend also to tax these energy products in the same way. In EBA's view this is illogical: biogas is a renewable energy source that is rightly promoted by means of different national support schemes. Allowing a high level of taxation for biogas would therefore be counterproductive and destroy the incentive in the first place.

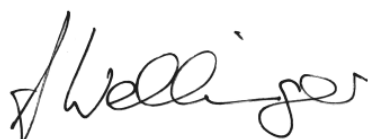
By means of this letter, EBA would like to underline that biogas is not a petroleum gas and should therefore not be categorised under the same code as natural gas. For comparison, please see below a list of the contents of biogas and different natural gases used throughout Europe.

Composition	Biogas [volume %]	Average Russian natural gas [volume %]	H-gas in Belgium [volume %]	L-gas in Belgium [volume %]
methane CH ₄	45-70	97,527	88-93	82,3
ethane C ₂ H ₆	0	1,134	4,7-6,4	3
propane C ₃ H ₈	0	0,326	0,2-1,4	0,5
n-butane n-C ₄ H ₁₀	0	0,051	0,02-0,22	0,1
2-methylpropane CH ₃ CH(CH ₃)CH ₃	0	0,054	0,01-0,25	0,075
Nitrogen N ₂	0-2	0,821	0,31-3,69	13
Carbon dioxide CO ₂	30-55	0,060	0,0-1,7	1,1
2,2-dimethylpropane CH ₃ C(CH ₃) ₂ CH ₃	0	0,000	0	0
2-methylbutane CH ₃ CH(CH ₃)CH ₂ CH ₃	0	0,011	0,001-0,06	0,02
n-pentane n-C ₅ H ₁₂	0	0,007	0,00-0,43	0,02
Fractions of hydrocarbons C ₆ and higher	0	0,009	0,0-0,66	0,05
Other gases (H ₂ S, NH ₃ , H ₂)	0-2	0	0	0
Oxygen O ₂	Up to 1	Up to 0,05	0	0
Total	100	100	100	100

In the upgraded form biogas (=biomethane) can be stored and used in the same way as natural gas but since biogas is of biological origin and may effectively contribute to the decarbonisation of the European energy sector as an advanced biofuel, biogas should certainly not fall under the code 27 11 21 (Petroleum gases and other hydrocarbons – natural gas). Instead, EBA suggests introducing the CN sub heading of 27 05 (coal gas, water gas, producer gas and **similar gases other than petroleum gases and other gaseous hydrocarbons**) for gas from biomass. This code refers to complex gaseous mixtures such as biogas which are not methane rich gases like natural gas.

In case of any questions please do not hesitate to contact us.

Kind regards,



Arthur Wellinger

President

European Biogas Association (EBA)