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PRESS RELEASE

European Commission gives green light for biogas on access to sustainable finance

However, the criteria hinder the deployment of biomethane in transport and buildings

- **The EU Taxonomy recognises anaerobic digestion (AD) and the integration of biomethane in gas grids as sustainable activities.**
- **The criteria adopted by the EU Taxonomy will put the use of biomethane in the transport sector at stake**.
- **The new regulation puts too strict restrictions on the use of renewable gas in building heating systems.**

Brussels 22 April 2021 – **The EBA welcomes the adoption of the EU Taxonomy yesterday by the European Commission as a means to channel investments towards sustainable activities across the European Union.** The decision to label the production of biogas from anaerobic digestion (AD) as a low-carbon activity recognizes its valuable contribution to climate-neutrality, even though the chosen criteria are not fully aligned with the Renewable Energy Directive (RED). Biogas production enables greenhouse gas emissions savings in agriculture and waste management, as acknowledged by the Methane Strategy released last October.

The regulation also supports the role of biogas and biomethane in providing renewable heat and power and recognises the **need to integrate "low-carbon gases"**, including biomethane, **in existing natural gas grids.** This sends a positive signal to investors and operators across the whole energy value chain for further deployment of biogas and biomethane in the coming years.

However, the criteria adopted by the EU Taxonomy will put the use of biomethane in the transport sector at stake. The manufacture and operation of some vehicles using biomethane is included in the regulation, for instance bi-mode trains and coastal vessels. Yet in most cases, the new regulation confirms the tailpipe approach to measure CO2 emissions and therefore fails to recognize the climate benefits of biomethane (either compressed or liquified). On the basis of a lifecycle analysis (LCA), BioCNG and BioLNG can reduce emissions by more than 100%[1]. Vehicles could use locally produced biomethane, contributing to a circular economy and creating new business and job opportunities for farmers, agro-industries, waste treatment operators and local population. This decision is inconsistent with the Taxonomy Regulation (articles 9 and 10), as well as with the overall objectives of the EU Green Deal (achieving climate-neutrality and moving towards an efficient circular economy).

Available technologies and market needs point to biomethane as the best available solution right now to decarbonise multiple transport modes and segments. Earmarking green investments only for zero emission vehicles, according to a tailpipe approach, will strongly penalize the scale-up of sustainable solutions, such as biomethane, in road and maritime transport, as well as in non-electrified segments of the rail network. It will also jeopardize the development of low-emission fleets in low-density areas, where electric and hydrogen vehicles are not the most appropriate.

[1] JEC, *The Well-To-Wheels report v5*, 2020, https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/jec-well-tank-report-v5

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The EU Taxonomy puts too strict restrictions on the use of renewable gas in building heating systems and fails to identify highly efficient gas appliances and hybrid heat pumps as sustainable assets. Yet investments in gas and hybrid heating appliances can be beneficial for the energy system and energy consumers. On the one hand, by bringing flexibility and security of supply. On the other hand, by being fit for different building types and climate zones while remaining affordable for all[2].

The EBA calls for higher transparency in the elaboration of the next batch of the EU Taxonomy by the European Commission and the Platform of Sustainable Finance, expected to be adopted by the end of the year. This new batch will be also critical for the biogas and biomethane sector, as it will focus on four other environmental objectives, including the transition towards a circular economy. The scientific references used in the assessment, and explanations of the rationale for the criteria and thresholds of each activity should be accessible for consultation.

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About the EBA

The European Biogas Association is the voice of renewable gas in Europe since 2009. EBA advocates the recognition of biomethane and other renewable gases as sustainable, on demand and flexible energy sources that provide multiple knock-on socio-economic and environmental benefits. Supported by its members, EBA is committed to work with European institutions, industry, agricultural partners, NGOs and academia to develop policies which can enable the large-scale deployment of renewable gases and organic fertilisers throughout Europe, supported by transparent, well-established sustainability certification bodies to ensure that sustainability remains at the core of the industry. The association counts today on a well-established network of over 100 national organisations, scientific institutes, and companies from Europe and beyond.

[2] Hybrid Heating Europe, *Vision Paper*, March 2021, https://hybridheatingeurope.eu/wp-content/uploads/2021/03/hhe_vision-paper_final.pdf