

Gas Regulation: positive tariff discount for biomethane injection but missed opportunity for dedicated target

Brussels, 11 December 2023 – The biomethane industry regrets lack of ambition for biomethane on Gas Regulation deal reached last Friday, as the Council's views prevailed over the provisions put forward by the European Parliament. The last trilogue on the [Gas Regulation](#) ended up with a missed opportunity to set higher ambition for biomethane, as lawmakers dropped out the EU biomethane target put forward by the European Parliament.

Giulia Laura Cancian, EBA Secretary General said: *"This a missed chance for a clear driver for biomethane growth as sought initially by the European Parliament. An EU biomethane target, including an indicative one, would have been a significant political signal for the biomethane industry, but also for fuel suppliers and industries looking for alternatives to fossil fuels."*

A bottom-up approach to favor biomethane injection into gas networks, as initially proposed by the European Parliament, was likewise missing in the final proposal. Such a measure would contribute to efficient energy planning at local and regional level. This should be further explored in the framework of the revision of the Governance Regulation.

Considering geopolitical tensions and increased natural gas imports into the European Union (EU), biomethane production is a relevant and mature solution to secure EU gas supply, while creating local value and jobs. Estimates conclude that at least 35 bcm of biomethane could be produced in 2030 and around 150 bcm by 2050, based on the available sustainable feedstocks. At a national level, Denmark has already 37-40% of biomethane in its gas supply and is aiming for a 100% by 2030. In some regions, the share of biomethane in the gas network during summer was up to 100%.

On the positive side, the agreed Gas Regulation includes a 100% tariff discount for the injection of biomethane into networks. This will improve the business case of biomethane producers. However, based on the new deal, national regulators should go further by exploring cost-sharing mechanisms for building the grid connection, which entails major financial cost for project developers.

Contact

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About the European Biogas Association (EBA)

The 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. The association counts today on a well-established network of over 300 national associations, academia and companies involved in the biogases value chain.