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A STABLE AND RELIABLE EUROPEAN MARKET FOR BIOMETHANE

Over the next 4 years, 15 partners from 10 different European countries, supported by other key players acting as third parties, will join their forces in the REGATRACE project to contribute to the uptake of the European common biomethane market. The project, coordinated by the Institute of Studies for the Integration of Systems (Isinnova), receives funding from the European Union's Horizon 2020 Research and Innovation Programme under Grant Agreement no.857796.

Biomethane can play an important role in achieving EU political targets and helping the transition to a resource-efficient and circular economy. Produced from waste or residual streams of organic materials, biomethane can be transmitted and stored in large quantities in existing infrastructures, facilitating the decoupling of the energy systems from fossil fuels and acting as a combining vector between the European natural gas and electricity grids.

Kicked off in June 2019, **REGATRACE (Renewable GAs TRAdE Centre in Europe)** is aimed to establish an **efficient trade system based on issuing and trading biomethane/renewable gases Guarantees of Origin (GoO)**. This objective will be achieved through the founding pillars: (I) European biomethane/renewable gases GoO system; (II) Set-up of national GoO issuing bodies, (III) Integration of GoO from different renewable gas technologies with electric and hydrogen GoO systems; (IV) Integrated assessment and sustainable feedstock mobilisation strategies and technology synergies; (V) Support for biomethane market uptake; (VI) Transferability of results beyond the project's countries.

The establishment of a stable and harmonised Europe-wide market for biomethane, capable of integrating the national issuing bodies, will not only reinforce the trade function of biomethane but will also enable the feasibility of investments to supply the whole European market and promote cross-border biomethane trade.

During its implementation, REGATRACE will **substantially contribute to the increase of biomethane deployment in the different project countries**. A network of issuing bodies will be established by including existing national biomethane registries (Austria, Denmark, Estonia, Finland, France, Germany, The Netherlands, Switzerland and UK) and by creating issuing bodies in the "Target" countries of the project (Belgium, Spain, Ireland, Italy, Poland, Lithuania and Romania). Additionally, REGATRACE will support 7 countries (Croatia, Czech Republic, Greece, Latvia, Slovenia, Sweden and Ukraine) to pave the way for the set-up of registries and to elaborate national visions and roadmaps for biomethane.

A significant help will be also provided by the comprehensive set of project's actions at country level. REGATRACE will contribute to **more informed policy, market support and financial frameworks** and to build consensus among all stakeholders about the ways of promoting the biomethane industry in the Member States. Through a participatory process involving several stakeholders, the project will ensure the proper exploitation and transferability of best practices from successful Member States to the rest of Europe. Moreover, decision making tools, like the **Guidance for the feasibility analysis and the Guidebook on securing financing for biomethane investments** will be developed to offer **practical**

support to the biomethane project developers in every participating country for the deployment of the biomethane projects.

Mapping the state of play of renewable gases in Europe

As first outcome, the Regatrace project published a report intended to serve as basis to set-up a harmonized biomethane market throughout Europe. The report maps the state of play of renewable gases market in 23 Member States and their current legislative framework, with the aim to assess the market feasibility of biomethane projects.

The report shows that Each Member State has a different view on the subsidy and use of renewable gases. Currently, EU countries implement different support schemes for biomethane and the height and length of operational support for biomethane can differ to a large extent also between different regions. The most common support scheme for biomethane in Europe is a Feed-in Tariff, followed by Feed-in Premium and fiscal incentives. In some cases, several countries have more than one type of support schemes in place, which either complement each other or differentiate in the end-use application of the biomethane.

The study reveals that many countries consider **biomethane as an interesting alternative for existing biogas plants, as they can decarbonize the natural gas grid**. This is leading to a shift from subsidy for biogas to biomethane. However, still two important biomethane countries (Austria and Germany) focus their subsidy scheme for biomethane on electricity production only and other end-uses are only supported to a minor extent.

Awaiting European harmonization, bilateral and multilateral cooperation are set-up to transfer minimal volumes of biomethane cross-border. Nevertheless, the cross-border trade of biomethane is still limited as for most countries, production and consumption are well balanced. Issuing bodies for end consumer disclosure (so called GoOs) according to RED II Article 19 are slowly being established in European Member States (Q4 2019).

The readiness to pay for biomethane was also examined with a choice experiment, which allowed to monetize individual aspects or characteristics of the renewable gas and predict consumers preferences. The study demonstrates that **GHG reduction compared to natural gas is the aspect of the renewable gas with the highest impact on consumers choice (29%)**, followed by cost additionally to natural gas (27%), origin of the gas (17%), and the reliable delivery of the renewable gas (14%). The type of input materials and the length of the contract play only minor roles in the decision-making process.

The full report can be consulted [here](#).

Project consortium: Istituto di Studi per l'Integrazione dei Sistemi ISINNOVA (IT); European Biogas Association – EBA (BE); AGCS Gas Clearing and Settlement AG – AGCS (AT); CIB-Consorzio italiano Biogas e Gassificazione – CIB (IT); Deutsche Energie - Agentur Gmbh – DENA (GER); Romanian Association of Biomass and Biogas – ARBIO (RO); Renewable Gas Forum - Irish Green Gas Company LBG- RFGI (IRL); Fluxys Belgium SA – FLUXYS (BE); DBFZ Deutsches Biomasseforschungszentrum Gemeinntzige Gmbh – DBFZ (GER); Association of Issuing Bodies Aisbl – AIB (BE) ; AB Amber Grid - AMBER GRID (LT) ; Nedgia SA – NEDGIA (SP) ; European Renewable Gas Registry – ERGaR (BE) ; Elering AS – ELERING (EE); Unia Productentow I Pracodawcow Przemyslu Biogazowego – UPEBI (PL).

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