



## Facilitating renewable gas through the revision to the Renewable Energy Directive

The European Commission will soon launch a legislative proposal on the revision of the Renewable Energy Directive (2009/28/EC). This statement sets out the reasons why renewable gases can play a critical role in the decarbonisation of Europe's energy mix and then lists specific items that should be included in the revised Renewable Energy Directive (RED II). Together we represent biogas and hydrogen producers, gas infrastructure operators, gas suppliers and vehicle manufacturers.

Renewable gases can be produced through several different processes and can be created using many different sources of energy. Typical examples include biogas made from anaerobic digestion and gasification or green hydrogen produced from renewable electricity. By treating the renewable gas to meet the required specifications, it can be injected into the gas grid, stored easily and delivered directly to the consumer. In 2013, Europe produced approximately 14 mtoe<sup>1</sup> of renewable gas, enough to heat approximately 11 million homes and this production could be at least trebled by 2030. The benefits of renewable gasses are many and include:

- **Multi-purpose:** gases are an extremely useful form of energy and they can be used across different energy sectors: in electricity generation, industry, heating and cooling and in transport. In transport, gases offer an alternative energy source that can be used across all modes of transport, from passenger cars to trucks and ships, without sacrificing the comforts customers are used to.
- **Link gas and electricity infrastructures:** renewable gases pave the way for a stronger linkage between the gas and power networks, through power-to-gas plants, fuel cells, CHP plants and CCGTs, etc. This also helps to integrate intermittent sources of renewable generation.
- **Flexible:** gases can be stored easily and cost-effectively. E.g., by using the existing natural gas storage systems in Europe, we can store up to 97 bcm of gas, an amount of energy equivalent to one third of the entire EU annual electricity demand.
- **Easily transported:** Europe has an extensive natural gas grid already in place, totalling 2.2 million kilometres, with 255 renewable gas injection points into the gas grid already in place. Also, several regional hydrogen grids are in place and an area-wide road-bound logistics network exists for both CNG and hydrogen. Optimising the use of this infrastructure to transport and store renewable gasses will bring cost benefits to consumers. Furthermore, public acceptance problems for new (large) electricity projects can be avoided.
- **GHG reduction:** renewable gases offer amongst the lowest emissions of GHG compared with many alternatives. Furthermore, the air quality benefits are significant compared with other fuels.
- **New source of energy:** Europe's security of energy supply can be improved, by having access to a new renewable source of gases.

---

<sup>1</sup> European Biogas Association. Average household heating requirement assumption of 15,000kWh

We believe that RED II should be prepared bearing in mind the following principles:

- The equal treatment for different types of renewable energy and fuels;
- Using a holistic approach to energy policy that is necessary to unlock the opportunities of an integrated energy system across borders and across energy types.

### *The following issues should be addressed within RED II:*

#### 1. Facilitate trading of renewable gas

Mass-balancing of renewable gas injected into the gas grid should be facilitated through the introduction of a certification scheme at European level to support the cross-border trading of renewable gases allowing the sustainability verification and proper registration of injected and withdrawn renewable gas volumes.

#### 2. Equal treatment of renewable gases in transport

The promotion of sustainable energy carriers for transport should be equitable. Renewable gases should be rewarded with the same multiple counting towards renewable transport targets that renewable electricity enjoys.

#### 3. Update the list of renewable sources in the Annexes

The list of biogas feedstocks in Annex V of the Renewable Energy Directive (and Annex IV of the Fuel Quality Directive) should be updated with those biogas feedstocks that are currently not included, but can substantially contribute to decarbonisation, such as straw, catch crops, grass and industrial organic waste. The timing is right to explicitly include green hydrogen and its different production pathways. Furthermore, flexibility should be foreseen in the process of updating the annex in future.

#### 4. Maintain gas grid integration measures

The current provisions in Article 16 of RED for access to the gas grid should be maintained. A regulatory framework allowing for the introduction of green hydrogen, biomethane and renewable synthetic natural gas (SNG) should be established. The representatives of the renewable gas producers and grid operators are dedicated to working together at the European level.

#### 5. Provision of supporting environment

The revision of the RED provides an opportunity to explore some additional supporting measures, such as:

- removing the obligation for power-to-gas plants to pay inappropriate taxes and levies on the electricity grid;
- an electricity market design which rewards flexibility and grid services;
- allowing for self-consumption of renewable gas;
- allowing renewable gases delivered through the gas grid to count as renewable energy;
- valuing the GHG emissions savings of renewable gases by introducing technology-neutral fuel comparators.

#### 6. Consistency with other policy measures.

The revised RED should be consistent with other measures the State Aid Guidelines for Energy and Environment, Fuel Quality Directive, Alternative Fuels Infrastructure Directive, Waste Framework Directive, Emissions Trading System and also the upcoming reform on energy market design. Supporting research and development programmes are also necessary.