



EBA
European Biogas
Association

**GUIDE TO THE
REPowerEU Action Plan**

22.05.2022

Background

On Wednesday 18 May the European Commission published its plan setting out how the European Union can eliminate its dependency on Russian fossil fuels. As phase out of Russian coal imports has already been agreed and a gradual phase out of oil by end-2022 is currently under discussion, the [REPowerEU](#) plan focuses on how to phase out of Russian gas by 2027 in an orderly and affordable fashion.

Notably, the REPowerEU includes a Biomethane Action Plan detailing tools and measures to scale up the sector and roll out 35 bcm of biomethane by 2030, including a Biomethane Industrial Partnership. Our sector is among the ones prioritized by the European Commission in reaching a more sustainable and sovereign energy system.

The Commission's action plan is structured along four main dimensions:

- 1) **Energy Efficiency** - Entailing a higher EE target and behavioral measures
- 2) **Supply diversification** – Common Purchasing of green hydrogen, LNG and gas from reliable trade partners
- 3) **Energy transition acceleration** – Higher Renewable Energy Ambitions reflected in stepped up targets
- 4) **Investment and reforms** – Revised Recovery and Resilience Plans, ad-hoc REPowerEU grants and calls under the main EU financing programmes.

The European Commission reckons that delivering on the planned objectives will require an **additional investment of €210 billion between 2022 and 2027**. However, this would save almost €100 billion per year in reduced fossil-fuel imports.

As most of the proposed measures require national implementation and budgetary increase, the ball is now with the Council: **the success of the plan will be largely determined by national capitals.**

USEFUL LINKS:

- ✓ [European Commission's Press Release](#)
- ✓ [Chapeau Communication](#) : Scene Setting and background for the action
- ✓ [Annexes to the Communication](#) : Detailing investments, Maps of Wind and Solar potential and Gas infrastructure's needs
- ✓ [Staff Working Document](#) including **Biomethane Action Plan** (Pages 34-47).
- ✓ Legislative proposal increasing energy efficiency and Renewable Energy Targets and taking steps to shorten Permitting and authorisations ([Proposal](#), [Recommendation](#), [Guidelines](#))
- ✓ Legislative proposal revision Regulation (EU) 2021/1060 , Regulation (EU) 2021/2115, ([Recovery and Resilience Plans](#))

What's in it for Biogas and Biomethane?

1. BIOMETHANE ACTION PLAN

The proposed actions aim at facilitating the increase in production of biogas and boost its subsequent conversion into bio-methane, respecting criteria agreed in the REDII. The focus is on waste and residue-based capacity and on the development of sequential/cover crops and sustainable biomass in marginal land. **The overall outlook is very positive and demonstrates the political prioritization of our sector. The main weaknesses identified are lack of focus on transport and on cross border trading.**

Actions are grouped under **5 areas**:

- (i) Promoting production, use and injection in the grid
- (ii) Providing Incentives for biogas upgrading into biomethane
- (iii) Promoting adaptation of existing infrastructure and the development of new infrastructure for biomethane through EU gas grid
- (iv) Address RND&I gaps
- (v) Access to finance

AREA	ACTION	EBA'S ASSESSEMENT
I. Promoting production, use and injection in the grid	<p>Creation of a Biomethane Industrial Partnership</p> <p>Support for identifying, developing and mainstreaming of best practices in policy making and support to the production of biogas and biomethane, and related to that infrastructure development.</p>	<p>This largely corresponds to EBA and Sustainable Biomethane Initiative request to create an Industrial Alliance under the aegis of the EC. It supports political prioritization of the sector. As the governance is still not well defined, EBA is reaching out to the EC to make sure to play a key role in the concretization of the partnership.</p>
	<p>National Biomethane Strategies</p> <p>Assess national potentials for biogas and biomethane production and the integration of the latter into the grid. Most sustainable paths, based on wastebased production and the evaluation of the conditions to further promote the biomass coming from sequential, cover cropping or other from marginal lands.</p>	<p>Planning is one of the key elements suggested by EBA</p> <p>Integrating National Biomethane Strategies with clear milestones in the National Energy and Climate Plans, will give the chance to monitor the achievement of the biomethane targets at national level or to address gaps (Governance of the Energy Union Regulation). Coordination will be needed to make sure MS are applying harmonized methodology for the potentials assessment.</p>
	<p>Consider broadening the scope of the fuel supply obligation in the Renewable Energy Directive (art.25)</p> <p>While maintaining the primary focus of the supply obligation, its scope could be increased to cover all uses of biomethane</p>	<p>It could correspond to a blending mandate. While this could be a generally positive measure for the biomethane market further discussion with EBA membership will be needed to define conditions and details.</p>

	<p>Promote participatory multi-stakeholder engagement</p> <p>Events to raise awareness, provide training and technical assistance, and involve in implementing European cross-border integrated projects.</p> <p>Possible developing of EU strategy for energy transition in rural areas to support the integrated energy solutions in rural areas, (decentralized small biogas in the overall renewable energy mix.</p> <p>Further develop work and mission of Rural Energy Community Advisory Hub.</p>	<p>Broad action, bringing visibility to the sector and its interdependence with rural communities. Concrete objectives under this point still need refining.</p>
	<p>Reduce red tape and speeding up permitting</p>	<p>EBA will work to make sure the Renewable Energy Directive review proposal tabled with the REPowerEU takes adequately into consideration the specificities of the sector.</p>
	<p>Promote sustainable biogas and biomethane co-operation with neighboring and enlargement countries</p>	<p>It could also deliver increased business opportunities for technology suppliers while contributing to energy security for neighboring countries.</p>
<p>II.</p> <p>Provide incentives for biogas upgrading into biomethane</p>	<p>Reduce the costs for economic operators, which currently prevent biogas upgrading into biomethane.</p> <p>Considering proportionate sharing of grid connection costs + lifting of injection cost (as in Gas Package). The content of existing promotion schemes at national level for electricity production from biogas should also be reviewed to focus on support for biogas upgrading (making sure there is a long-term benefit)</p>	<p>In line with EBA’s position on the current Gas Package.</p>
<p>III.</p> <p>Promote the adaptation and adjustment of existing and the deployment of new infrastructure for the transport of increased shares of biomethane through the EU gas grid</p>	<p>Carry out regional assessment of network development and matching it with the potential of sustainable biomethane production</p> <p>Identification of GO-TO areas through regional maps with the highest potential for biomethane production due to feedstock availability (, existing operating biogas plants and connection capacity.</p> <p>Assess challenges, bottlenecks and other possible measures from the infrastructure perspective for cost-efficient deployment of biomethane</p> <p>Assessment carried out by TSOs and DSOs</p>	<p>Similar to the “Zoning approach” promoted by EBA in the Gas package. This action currently combines different level of planning and could, result in simplification for operators.</p> <p>The possibility to be included in the future list of projects of Common interest is a great opportunity.</p> <p>EBA will speak for the first time, at the next European Commission Energy Infrastructure forum on June 3rd.</p>

	<p>Identification and assessment of candidate projects for the future lists of Projects of Common Interest.</p>	
	<p>Address gas quality standardization issues</p> <p>Solve the problem related to the uncoordinated application of existing CEN gas quality standards across borders.</p>	<p>This will facilitate cross border trading and flows.</p>
<p>IV.</p> <p>Address RND&I gaps</p>	<p>Provide further support to the development of innovative technologies for the production of sustainable biogas and biomethane</p> <p>Reference to gasification of biogenic residues and wastes from all sectors and industries, biogenic CO2 effluents and waste, organic part of industrial waste waters and municipal sludge, as well as feedstock from marginal and contaminated lands through phytoremediation</p>	<p>Positive. Possible Horizon or LIFE calls.</p>
	<p>Provide further support to innovative solutions and research on barriers and integration of sustainable biomethane to the gas grid</p> <p>Special focus to increasing cost effectiveness and efficiency of small-scale upgrading technology.</p>	<p>Positive tech focus. Possible Horizon or InvestEU.</p>
	<p>Further support the expansion of sustainable biomass feedstock</p>	<p>Grants and upcoming calls on mapping and sequential cropping/innovative biomass types/ Marginal land potential</p>
<p>.V</p> <p>Access Finance</p>	<p>Provide access to grants and loans</p> <p>Common Agriculture Policy, structural and cohesion; policy funds, National Resilience and Recovery Plans, Horizon Europe, Innovation and Modernisation; Funds, LIFE funding, and other national funding in line with State aid rules? Reallocation of UK Horizons envelope to biomethane projects</p>	<p>Positive. A variety of financial instrument. Guidance for SMEs on how to make the most of the grants availability should also be considered.</p>
	<p>Innovation Fund</p> <p>Specific REPowerEU calls to be launched</p>	<p>Very positive for medium and large size projects. With current EUAs high prices the financial envelope of Innovation fund is steadily growing.</p>

2. STEPPED UP RENEWABLE ENERGY TARGETS

Higher renewable targets may drive biogas and biomethane demand. The Commission is proposing to increase the targets currently under discussion in the context of the Fitfor55 Package. **Concerning transports, the advanced biofuels target is the only one remaining unchanged**, while the increase of the Renewable Targets seems to be mainly covered by H2 and electrification.

TARGET	REPowerEU	Fitfor55	EBA Assessment
Overall RES Target	45%	40%	Positive
H&C- Average yearly RHC increase	2.3 pp	1.5 pp	Positive
DHC	2.3 pp	2.1 pp	Positive
Buildings	60%	49%	Positive if tech neutral and if no boiler ban.
RES-T in 2030/GHG intensity reduction	32%/16%	28%/13%	Positive if tech neutral. From data EC would like the increase to be in electricity and H2.
Share of advanced biofuels	2.2%	2.2%	Negative/Unchanged Target
Biomethane production beyond transport	35 bcm	18 bcm	Positive
RES in Industry yearly increase	1.9pp	1.1pp	Positive. Having a solid GOs framework even more important.

3. POSSIBLE ISSUES WITH ENERGY EFFICIENCY

The Communication on Energy Savings, which is part of the package, reports that the Implementation of the full “Fit for 55” package would lower our gas consumption by 30% (equivalent to 100 bcm) by 2030. More than one third of this would come from meeting the EU energy efficiency target put forward in the Energy Efficiency Directive (EED) recast proposal. An important role would also be played by the Energy Performance of Buildings Directive (EPBD), Ecodesign and Energy Labelling legislation. In particular, a set of measures hitting fossil gas boilers could hit indirectly the biomethane sector (phase out subsidies for gas boilers and requirements for zero emissions heating systems). Finally a reform of ecodesign will revise the category of this products decreasing their performance class.

What is next?

Overall, the REPowerEU Action plan is an excellent news for the biomethane and biogas sector and lays down solid basis for our sector to meets its target.

- ✓ **EBA's secretariat is actively engaging with policy makers** and with the European Commission to make sure the implementation of the plan is swift, inclusive and bringing concrete possibilities for market operators and that the Governance of the Biomethane Industrial Partnership is fit for purpose.
- ✓ **EBA's will monitor Council discussions on the package and will inform membership**
- ✓ **Public Consultations on the legislative proposals** are now open in the Commission Portal, EBA will provide an answer after members consultation ([Regulation on REPowerEU chapter](#) – [Permitting](#))

Overview of the rest of the initiatives:

- ✓ [EU Save Energy Communication](#)
- ✓ [EU External Energy Engagement Strategy](#)
- ✓ [EU Solar Strategy](#)
- ✓ [Amendments to Renewable Energy, Energy Performance of Buildings and Energy Efficiency Directives](#): Aims to increase the target to 45% by 2030, bring renewable energy generation capacities to 1236 GW by 2030, and accelerate permitting procedures for renewable energy projects and related infrastructure through dedicated 'go-to' areas for renewables.
- ✓ [Recommendation on permitting procedures and Power Purchase Agreements](#): Aims to streamline procedures at national level, the Commission will convene renewable energy experts with environmental assessment experts from Member States on 13 June.
- ✓ [Regulation establishing the Recovery and Resilience Facility](#)
- ✓ [Proposal for a Regulation on REPowerEU chapters in recovery and resilience plans](#)
- ✓ [Guidance on recovery and resilience plans in the context of REPowerEU](#)

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