CEE Biomethane markets - comparison

Introduction to Biomethane Trading

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CEE Biogas/Biomethane

CEE region – comparison table	Czechia	Poland	Slovakia	Ukraine	EU
Number of biogas stations	573	346	111	83	19 000
Production of biogas GWh	6 832	3 407	810	1 366	196 000
No. of biomethane production units	7	-	2	2	1 350
in construction	3	?	2	2	?
CNG filling station	230	25	19	300	4 200
National 2030 biomethane target (mld. m^3)	0,65	2,5*	0,3	1,0	35

* PL 2030 target is 10 % pipeline transported renewable and low emission gases

Investment subsidy

- CZ: MPO Calls - OP TAK (EU); interconnection pipeline buyout/refund by DSO under certain conditions
- SK: MHSR Calls (EU) – on building of new and modernization of existing plants; interconnection cost in ratio 25/75 with DSO, max EUR250k
- PL: National Recovery and Resilience plan (EU)
- UA: Projects of national importance in manufacturing sector can get governmental subsidy (min. EUR 12M); investment & tax incentives
- CAPEX/investment subsidy is (sometimes) not biomethane transaction killer

Production subsidy

- Czechia – biogas (-> electricity), notification process EC
- Slovakia – biogas/methane (-> electricity), no operational subsidy for „gas“ production
- Poland – operational subsidy for biogas (-> electricity); for biomethane proposal of operation subsidy of max PLN 425/MWh
- Ukraine – operational subsidy for biogas (-> electricity); debts of system
- Production subsidy is (usually) export killer

Potentials/Experiences/Issues

- UA high potential due to developed gas infrastructure, lack of advanced of advanced biofuels/feedstock and distance of plants from the grid are issues
- Maritime law – ban of fossil gas exports, exception for biomethane
- Termination of SK biogas support schemes in years 2025-2028
- EU harmonisation issue – biogas registry setup (AIB/ERGaR)
- Ramp up biomethane production CZ, technology, feedstock mix, estimates
- Technical conditions of biomethane injections in PL

Introduction to biomethane trading

Price categories of biomethane:

1/ „Super“ advanced biomethane with highly negative CI score (manure)

2/ Waste only biomethane with low CI score (waste & residues)

3/ Energy crops (conventional)

- Structure of the transaction: green value/premium + commodity
- Green premium LT: fixed price; inflation index; price progression; MSA
- Commodity: Spot index basis (THE - Germany)
- Contracts: Biomethane Agreement + Standard Gas Agreement (EFET)
- Contract length: Spot versus Long term (5-15 years)

Documentary biomethane

Proof of Sustainability: PoS

- Most valuable document
- Best source of information – including GHG emissions and their calculations

Guarantee of origin: GO

- Evidence of injected volume of sustainable gas, double counting
- Solely GOs do not contain sufficient information to certify sustainability or demonstrate meeting of GHG savings criteria

Proof of Sustainability (PoS) for Biogas and Biomethane V2.6

Applies under the Renewable Energy Directive (EU) 2018/2001 (RED II)

Unique Number of the PoS:

Date of Issuance of the PoS:

ISCC

www.isco-system.c

Supplier | **Recipient**

Name: | Name:

Address: | Address:

Certification System: **ISCC EU**

Certificate Number: | Contract Number:

Address of dispatch/shipping point of the sustainable material:

☐ Same as address of supplier

Address of receipt/receiving point of the sustainable material:

☐ Same as address of recipient

Dispatch date of the sustainable material:

Producer of biomass fuel ☐ Date of installation[1]

User of biomass fuel ☐ Date of installation[1]

1. General information

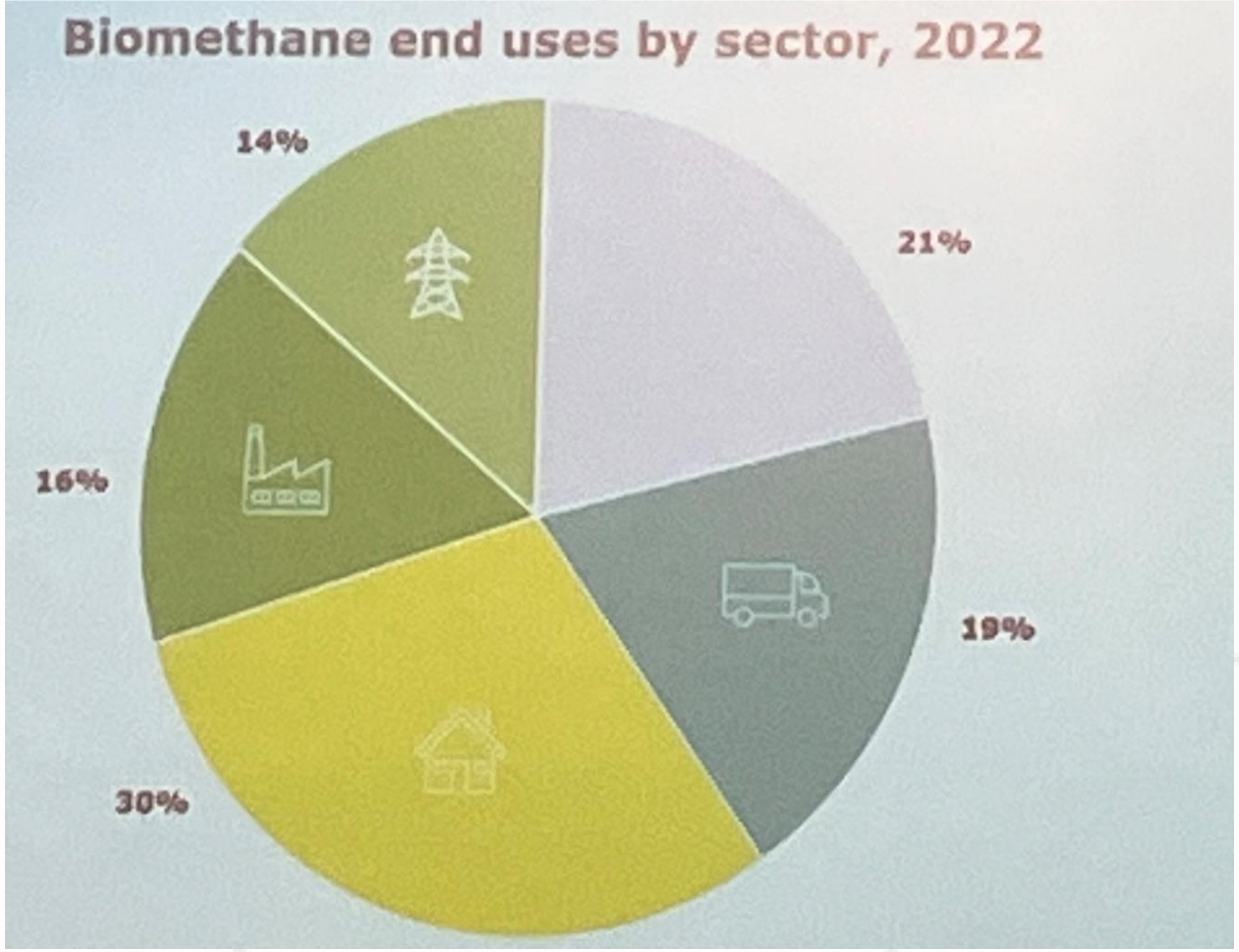
Type of Product

#	Quantity [MWh]	Feedstock	Country of Origin	Exc GHG Method	fulfils Art. 29 REDII[2]	waste / residues[3]	low ILUC risk[4]	Intermed. crop[5]
1								

Other factors

- Biomethane producer has interconnection agreement with DSO
- HPP/MPP injection types
- Combustion heat – Gross calorific value variance/propanisation
- The producer (usually) does not participate in the balancing gas market -> trader (deviation)
- Physical commodity shipping to prove mass balace
- Certification by the EC voluntary certification scheme (e.g. ISCC EU)
- UDB and other administration on producer

Transport is not „mantra“



End customer for biomethane:

- Buildings/heating– 30 %
- Transport – 19 %
- Industry – 16 %
- Electricity production – 14 %
- Other – 21 %

Source: EBA Statistical report 2023

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