

## NGVA Europe view on the Revision of the Renewable Energy Directive 2016/33/EC – Trilogues

Ahead of the trilogues taking place between the two co-legislators and the European Commission regarding the recast of the Renewable Energy Directive, this document summarises the key recommendations to strengthen the impact of renewable gaseous fuel in transport in the revised text.

- **Maintained the dedicated target for advanced biofuels**

A serious commitment on transport decarbonisation can no longer be delayed and a strong binding sub-target for advanced biofuels will play a decisive role in supporting Member States when defining their strategy, while effectively contributing to the fuels uptake on the market. Biomethane represents an immediate solution, especially for those transportation modalities which have no electrification alternatives to be decarbonised. It offers the opportunity to act on the current fleet, taking advantage of an infrastructure already in place.

Today production of renewable gas is mainly based on biomethane issued from anaerobic digestion, including waste residues like municipal organic wastes, agricultural residues and animal manure. This allows a clever approach to produce locally a clean and high quality renewable fuel from waste materials, which would have otherwise been disposed, producing at the same time high quality by-products like bio-fertiliser. A real good example of circular economy.

The potential of biomethane production towards 2030 will largely cover the need for biomethane in the transportation sector, also well beyond the set targets. The Impact Assessment<sup>1</sup> of RED II assumes 21 Mtoe of energy to reach the share of 6.8% of RES in transport. In the final proposal, advanced biofuels are called to provide at least the 3.6% by 2030, which corresponds approximately to 11 Mtoe.

In a recent study published by the Commission<sup>2</sup>, the production of biogas through anaerobic from feedstocks falling under the RED Annex IX list could vary from 28.8 and 40.2 Mtoe. Assuming an upgrading capacity of 40%, 11 up to 16 Mtoe will be available for grid injection and as gaseous biofuel. The large potential of biomethane production coming from gasification and power to gas will secure some extra 19 to 27 Mtoe<sup>3</sup>. In this perspective, the 3.6% share for advanced biofuels of the initial Commission proposal appears the very minimum ambition to aim at.

---

1 [http://eur-lex.europa.eu/resource.html?uri=cellar:1bdc63bd-b7e9-11e6-9e3c-01aa75ed71a1.0001.02/DOC\\_2&format=PDF](http://eur-lex.europa.eu/resource.html?uri=cellar:1bdc63bd-b7e9-11e6-9e3c-01aa75ed71a1.0001.02/DOC_2&format=PDF), pag 125

2 Optimal use of biogas from waste streams - An assessment of the potential of biogas from digestion in the EU beyond 2020

3 ECOFYS - Gas for Climate -How gas can help to achieve the Paris Agreement target in an affordable way

- **Revision of unbalanced multipliers**

Sustainable biofuels are, together with electric vehicles, one of the main low-carbon alternatives to fossil fuels used in transport, but more easily deployable thanks to the already existing transport infrastructure, thereby allowing the decarbonisation of an already circulating and manufactured fleet.

Should multipliers be the way forward to promote the uptake of these technologies on the market, a more balanced approach among the different options must be ensured. Therefore, NGVA strongly recommends to refer to the efficiency of the engine when setting multipliers in the legislation, in-line with the most recent JEC-WTW Efficiency ratio between BEV and ICE vehicles, reflected in the European Parliament position. Creating space to electricity by inflating with unrealistic multipliers their share in the final contributions towards the target, means undermining the achievement of EU CO<sub>2</sub> emissions reduction target, compromising the level-playing field with other renewable fuels while altering the perception of its real benefit.

- **GOs to count towards RED and GHG emission reduction targets at EU and national level**

Guarantees of origin (GOs) should be used to account for renewable gas in transport and demonstrate that production of renewable gas is in line with the sustainable requirements of directive, while proving a reduction in CO<sub>2</sub> emissions. NGVs using blends of renewable methane should be rewarded and GOs are instrumental in this respect, since they prove that the renewable gas sold at a given moment by a specific refueling station is from a renewable (gas) source.

This would represent for the gas sector a big opportunity to ensure that additional renewable gaseous fuel is integrating in the current natural gas volumes and trigger the production capacity needed to fulfil the increased transport demand for gas vehicles and trucks in the next decade.

It is equally important that GOs count towards European and national RES and GHG emissions reduction target. As they are conceived now, there are no (legal) incentives for the MS to import from others countries, leaving dispersed and untapped the huge potential of sustainable feedstocks available around Europe. Given the high potential for cross-border trade of biomethane, a harmonized, European approach is required. The recognition of gas grids as a single logistical facility is the essential requirement to allow volumes of biomethane be traded and transported around Europe thanks to mass-balancing.

- **Correct accountability of biomethane produced from power-to-gas technology**

A scientifically-based classification of methane produced under different power-to-gas pathways, differentiating between the sources of electricity and carbon dioxide is to be developed in order to optimize the reporting of CO<sub>2</sub> savings. However, NGVA Europe believes that under the current proposal, renewable synthetic gas produced through power-to-gas technology turning renewable electricity and carbon into synthetic gas for injection in the existing gas networks should be recognized and accounted as such when issuing GOs, thereby contributing towards the advanced biofuel target.

- **Consistently link RED with CO2 Regulation and DAFI**

Besides being one of the most sustainable fuels according to the sustainability criteria set by the RED II, biomethane heavily contributes to the CO2 reduction when used as fuel in transport. This must be acknowledged and accounted also in the legislation ruling on CO2 emissions in the mobility sector, i.e. the directive of Alternative Fuels Infrastructure (DAFI), the post-2020 CO2 standards for Cars and Vans currently debated by the co-legislators, and the upcoming EU Heavy-Duty vehicle CO2 regulation.

When looking at the total emissions on a well-to-wheel basis, biomethane has a huge, unrecognized, role to play. In comparison with petrol and diesel, natural gas generates already a GHG emission reduction of up to 23%. The mitigation effect becomes close to zero, or even negative, when considering biomethane pathways. By using this fuel, a car is no longer emitting, but actually saving CO2. At the moment these savings cannot be accounted anywhere since a tank-to-wheel approach applied, ignoring and penalizing an industry which is currently boosting the European bioenergy sector. Instead, electricity used transport is always assumed releasing zero emissions despite being produced from a variety of sources, including fossil one, favoring thereby an industry which is based outside Europe.

In addition, natural gas refueling infrastructures should be developed further. To facilitate a homogeneous market throughout Europe, consistency must be ensured across the different legislations and EU projects putting in place such measures at the national levels to guarantee interoperability among European countries.

\*\*\*