

Policy Workshop in Leipzig Underscores Key Actions for European Biomethane Market Advancement

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The European biomethane market is exhibiting substantial expansion, playing an increasingly vital role in the continent's transition towards a sustainable energy system. Recent data presented at the GreenMeUp policy workshop in Leipzig underscores the current progress and **future potential** of this crucial renewable energy source. This workshop has been hosted in the **DBFZ facilities**, and co-organized by **CRES**, **DBFZ** and **ETA florence** as partners of the GreenMeUp project.

In 2023, Europe achieved a combined **biogas and biomethane production** of 22 billion cubic meters (bcm), representing 7% of the EU's total gas consumption. Of this total, 4.9 bcm was specifically **biomethane** production across Europe, with 4.1 bcm originating within the **EU-27**. This signifies a notable year-on-year growth of 18% in Europe and 21% within the EU-27. By the first quarter of 2024, the **installed capacity for biomethane in Europe** had reached 6.4 bcm. The **total number of biomethane plants** in Europe surpassed 1,510 in 2023, with 1,324 located in the EU-27, indicating the addition of **over 200 new plants** during that year. Significantly, over 85% of these plants are **connected to the gas grid**, predominantly the distribution network.

Several nations are at the forefront of this expansion. **Italy**, **France**, **Denmark**, and the **UK** are **leading** in both **biomethane production** and **scale-up efforts**. Italy experienced a significant increase in biomethane production following the adoption of **RED II** in 2018. France has established an indicative biomethane target of 44 TWh by 2030, a considerable increase from the initial 14-22 TWh target. Similarly, Italy has revised its target upwards to 60 TWh by 2030, from a previous 44 TWh.

Germany, while a major player in the broader biogas sector with approximately **8,450 biogas plants** and an installed electrical capacity of 6.5 GWe as of December 2023, presents a slightly different picture for biomethane specifically. **Gross electricity production** from German biogas plants reached 28.7 TWhe (11% of renewable electricity share), and **heat supply** amounted to 14.3 TWth (7% of renewable heating and cooling share). Approximately 10% of the biogas produced in Germany is upgraded to biomethane, with a feed-in of around 10 TWhHs. Germany had roughly 250 biogas upgrading plants with a total feed-in capacity of approximately 155,000 cubic meters per hour as of December 2024.

The **REPowerEU plan**, launched on May 18, 2022, aims to significantly scale up biomethane production by 2030. Member States have communicated **cumulative targets** of 30-32 bcm for biogas and biomethane in their **National Energy and Climate Plans drafts** (February 2024). The industry anticipates a €25 billion **investment mobilization** by September 2024, with the first sustainable biomethane molecules from these investments expected to enter the energy system in 2026-2027.

The European Union is actively supporting biomethane innovation through various **funding instruments**. **Horizon Europe**, with a total budget of €95.5 billion for 2021-2027, allocates significant **funds to Cluster 5** (Climate, Energy and Mobility) with €15.1 billion and the **Innovation Fund** with €47 billion for 2020-2030, including €1.6 billion specifically for aviation. The **Biomethane Industrial Partnership**, established in September 2022, aims to stimulate the production of EU renewable gases to achieve a sustainable annual biomethane production of 35 bcm by 2030.

Challenges such as **permitting times**, assessed at over 4 years, and the need for **synchronized policies** across various sectors remain. However, the current robust growth trajectory and ambitious targets clearly indicate the crucial role of biomethane in achieving Europe’s climate neutrality objectives by 2050.



GreenMeUp – Green Biomethane Market Uptake is a Horizon Europe project that aims at providing a basis for policy-makers and stakeholders to develop more informed renewable energy policies and country-tailored market uptake measures, in order to improve and complement existing biomethane policy in Europe.

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