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Biogas Across Borders -

Options and Opportunities for the biogas sector

Welcome note

Dear Ms. Schretter, Ladies and Gentlemen,

Also from my side, I would like to welcome you here in the Bavarian Representation in Brussels. And I am very pleased that today's event takes place in our Bavarian premises.

"Biogas Across Borders - Options and Opportunities for the biogas sector":

Renewable Energies in transport is a more and more rising topic with a certain urgency regarding the CO2-emissions and the goals in the Renewable Energy Directive up to 2020 and the RED II up to 2030.

Renewable Energies in transport:

Is it only e-mobility, synfuels or eFuels coming up from Power-to-Gas and Power-to-Liquid solution or hydrogen?

Are Biofuels and Biogas an option in the future?

At the moment e-Mobility and synfuels or e-Fuels, are discussed quite extensively as **one** future option in the transport sector. But, mostly these techniques and fuels are still expensive and commonly not available at a large scale. Moreover that they are not renewable, when they are produced with natural gas or with electricity from coal power.

First of all mobility in the future has to have low CO₂-emissions. Climate problems will strike us probably first before the resource problem arise. So we have to look at the emissions of the fuels and techniques, which we will want to use in future. The European strategy for low-emission mobility points in the right direction.

But we also have to look at efficiency of our new technologies and in addition to their resource-and energy-use. We have to look at the ability of recycling batteries and which technique is reasonable for which kind of transport. We have to look at short distance and long distances transports and transports of heavy loads and with high power.

E-Mobility in trucks with heavy loads and long distance or in ships or aircrafts are not the best solution.

We must get accustomed, that mobility in the future will be different and we have to look at all alternatives.

We have an urgent need on using every applicable option to achieve our goals. For alternative fuels we have to develop new technologies, loading or filling-infrastructure-, transporting-, storing- and producing- infrastructure, fuels and blends, new mobility systems and we have to involve people to succeed in the future.

It is elementary not discussing alternatives – <u>either</u> ... <u>or</u>... – but to discuss synergies - ...<u>and</u>...!

At the moment e-Mobility for short distances and biofuels in blends in several proportion (i.e. B30, diesel with 30 percent biodiesel, or petrole with 20 percent ethanol E20) and not at least biomethane can give us a quite good option to reduce CO₂-emissions! In the case of biomethan, it can lower other emissions, like particulate matter and NO_x-emissions, too.

Biofuels and biomethane are a good option in the mid-term, if we want to succeed in fulfilling our ambition, the Energiewende.

For Biomethane infrastructure and technology exists already. Biomethane has low CO₂-emissions, especially made of liquid

manure. In Germany, up to now we only use 20 % of slurry. That means we have a potential there, which we can extend.

And the production of biomethane has low cost impact in comparison to other alternative fuels.

In Germany and other Countries like in France, it might be also a new opportunity for some biogas plant operators, which do not want to be or stay in the power or heat market.

In the Member states we have different supporting-systems to promote transport with biofuels and biogas.

In Germany we have the use of alternative fuels based on the guideline of the Fuel Quality Directive. The German legal framework sets a general greenhouse gas reduction target of 4 % since 2017. From 2020 on, the proportion will rise, corresponding to the European Fuel Quality Directive, up to 6 % greenhouse gas emission reduction. That means, we leave the decision to the market, which option to choose, to reach the targets. Although the EU-KOM recommends in their report (after article 9) not to prolong the GHG-Quota after 2020,

the GHG-Quota has some convincing advantages:

1. A general greenhouse gas reduction target offers the possibility to reach the target with cost and technically efficient means.

- 2. With this framework, market and national economy decide which technique will be used. In this way non-profitable techniques and developments will be avoided.
- 3. Through this, market will demand the most efficient type of fuel, judged by the comprehensive EU sustainability guideline.
 Thereby the development of better and more efficient fuels will be driven.

That means from the goal "greenhouse gas reduction", it appears to be an appropriate way of proceeding on the reason for transparency, simplicity and economic efficiency.

Research studies i.e. Prof. Zeddies, from the University Hohenheim, Stuttgart, confirms:

[Implications of the political decisions regarding biofuels and commodity markets" AUSWIRKUNGEN POLITISCHER BESCHLÜSSE AUF BIOKRAFTSTOFFE UND ROHSTOFFMÄRKTE in 2016.]

1. The duty of reducing greenhouse gas emissions, (introduced in 2015) is the proper regulatory intervention for reaching efficiency in climate protection within the fuel sector.

and

2. Since coming into force, the greenhouse-gas-emission reduction is leading to a significant increase in efficiency and the greenhouse gas reduction took place.

3. The duty of reducing greenhouse gas emissions squeezes less efficient fuels and production methods out of the market.

The figures, published by the Federal Office for Agriculture and Food for using the FQD in German law indicates also, that GHG-Quota of the FQD is the right way:

Biofuels showed a greenhouse gas reduction potential in 2017 in Germany of more than 81 % compared to greenhouse gas emission of fossil fuels (year before 77 % and the year before 70 %). This means GHG-Emissions of more than 7.7 Mio. t CO₂ in Germany in the transport sector are saved that year.

Furthermore, based on those figures, in 2017 biofuels from waste and residues had a share of about 1 percent in the German fuel market, without any subquota.

To sum it up:

- Mobility has to lower CO2-Emissions
- Mobility in our minds, too has to become more variable in according to find the best solution,
- Biomethane today, as one biofuel is available as Bio-CNG or Bio-LNG,

- Fuel Quality Directive gives us a proved mean to support the most efficient CO2-reducing fuel
- Biomethane can lower emissions CO₂ and others, like particulate matter and NO_x-emissions
- It can be used now, the technique and infrastructure is available,
- It is an option for energy intensive transports
- It can be an opportunity for biogas operators
- And it can be traded already between a lot of countries, hopefully in the future in all Member states over the European Renewable Gas Registry (ERGAR)
- Trading commitments would support the spreading.

So in my opinion

Biomethane is an option and an opportunity

Ladies and Gentlemen,

Thank you for joying us and discussing this important topic with an excellent panel.

I wish you all an interesting event and a lively discussion. Thank you very much for your attention.