

# ENERGY & NATURAL RESOURCES

BIOMETHANE ACTION  
PLAN 2024-2040

VdA EXPERTISE



March 2024

## **The Portuguese Council of Ministers Resolution No. 41/2024, of 15 March, approves the Biomethane Action Plan 2024-2040 (BAP) with the aim of creating an integrated and sustainable strategy for the development of the biomethane market in Portugal.**

In this context, the BAP foresees two phases with different time horizons (not definitive and to be adapted during the implementation phase) and a complementary and transversal axis to the use of gas at national level:

**Phase 1:** Creation of a biomethane market in Portugal

**Phase 2:** Strengthening and consolidation of the biomethane market in Portugal

**Complementary and transversal axis:** ensuring social and environmental sustainability.

### **I. Vision for Biomethane in Portugal**

The strategic vision of the BAP is to promote the biomethane market by 2040 as a sustainable way to reduce natural gas imports in the industrial and domestic sectors, including its use in mobility, taking full advantage of existing endogenous resources in different sectors.

In line with its strategic vision, the BAP sets the following general goals:

- Train strategic sectors to use the potential of biogas in order to implement a domestic biomethane market.
- Consolidate the development of the national biomethane market as a strategic vector for decarbonisation and the bioeconomy.
- Build a socially and environmentally sustainable sector.

### **II. The biomethane value chain**

The biomethane value chain includes several stakeholders, ranging from the collection and processing of raw materials to the production of gas and its transportation/distribution.

### **III. The Biomethane Action Plan**

The proposed approach highlights the relationship between the general goals and the different phases of the BAP through a set of development priorities which are embodied into specific courses of action (L).

#### **Phase 1 (2024-2026)**

##### **Priority 1: Accelerate the development of biomethane production (L1 to L6)**

- Publication of the support framework for biomethane production, which shall include (i) Contract for Difference (CfD) mechanisms, (ii) investment incentives through CAPEX support, (iii) possible incentives and benefits for avoided CO<sub>2</sub> emissions (depending on the waste used) provided through carbon certificates, and (iv) temporary exemption from any type of tax related to the production or consumption of biomethane in order to encourage market creation.
- Operationalisation of the regulations and procedures for guarantees of origin.
- Launch of the first centralised biomethane purchase auctions.
- Study of the impact of sending bio-waste for anaerobic digestion on current biological treatment infrastructures for composting and articulation of objectives with PERSU 2030 and other sectoral plans.
- Creation of a specific incentive to commit and empower municipalities to selective collection of bio-waste.
- Encouraging the conversion of existing biogas plants to biomethane and speeding up the implementation of projects that have already been approved (namely by regulating the automatic transition from the current FiT applied to electricity production to the remuneration system to be used for biomethane production).
- Evaluation and revision of the targets for incorporating biomethane into the gas network.
- Evaluation of tax incentives for vehicle biomethane as an advanced biofuel and SGCIE industry.

- Assessment of biomethane potential at regional level and uses for digestate.
- Assessment of public gas grid development needs according to biomethane potential, including, if necessary, the implementation of pilot injection projects to inject biomethane directly into the transport network.
- Publication of results for optimising biomethane injection into the public gas grid.

#### **Priority 2: Create a favourable regulatory framework (L7 to L8)**

- A favourable and clear framework for grid connection requests, including well-defined and transparent technical analysis criteria, namely:
  - Application of the right-to-inject policy established by Decree-Law No. 62/2020 of 28 August for biomethane producers seeking to inject into the public gas grid.
  - Definition of a cost-sharing policy for the integration of new producers into the public gas grid, including the sharing of costs between the producer/developer and the network operator.
  - Adjustment of the applicable tariff system for gas injections into the transmission grid following the approval of the proposal to amend Regulation EC No. 715/2009 of the European Parliament and of the Council of 13 July 2009.
- Streamline and clarify the environmental permitting procedures required to implement biomethane projects.
- Establish a common contact point for all contacts deemed necessary for the evaluation and proper execution of the required permitting procedures.
- Provide legal standards and support guides, as well as define timelines and clarify all necessary permitting procedures throughout the value chain.
- Consolidate scattered legislation governing the construction and licensing of biogas and biomethane production facilities and the rest of the value chain.
- Empower municipalities or other relevant entities in the licensing process to reduce the maximum response time for issuing licenses and other documents.

#### **Phase 2 (2026–2040)**

##### **Priority 3: Increase biomethane production in Portugal (L9 to L11)**

- Definition and articulation of targets with sectoral policies, including flexibility between cogeneration for own consumption and biomethane production.
- Targets for the use of sludge from wastewater treatment plants, agro-industrial and livestock effluents for biogas and biomethane production.
- Training and capacity building for companies in the agro-industrial and farming sector.
- Studies on the use of biogenic CO<sub>2</sub> and the feasibility of gasification or power-to-methane units in regions of high interest.
- Publication of a study on the various options for the use of biogenic CO<sub>2</sub>, taking into account its strategic dimension for the decarbonisation of other sectors.

##### **Priority 4: Development and creation of value chains at regional level (L12 to L15)**

- Publication of the mapping of alternative biomass potential for use in biogas production.
- Use of alternative feedstocks for biogas production in sludge, livestock and agro-industrial wastewater co-digestion systems.
- Strategic definition of the location of biomethane communities or regional virtual pipelines.
- Publication of a regulatory framework for the quality requirements of raw materials used in biogas production.
- Implementation of a strategy for digestate as a fertilizing material.
- Campaign to promote composting as a biotechnology for the treatment/reuse of digestate.
- Digestate well established on the market as an alternative to chemical fertilizers.

##### **Priority 5: Strengthening research and innovation (L16 to L17)**

- Provide a funding line for R&D&I projects in the field of biomethane, biogenic CO<sub>2</sub> and digestate.
- Projects completed and results widely disseminated.
- Definition of strategic options for the use of biogenic CO<sub>2</sub> resulting from biogas cleaning for gasification and power-to-methane.

**Priority 5: Strengthening research and innovation (L16 to L17)**

- Provide a funding line for R&D&I projects in the field of biomethane, biogenic CO<sub>2</sub> and digestate.
- Projects completed and results widely disseminated.
- Definition of strategic options for the use of biogenic CO<sub>2</sub> resulting from biogas cleaning for gasification and power-to-methane.

**Transversal axis**
**Priority 6: Ensuring the sustainability of the sector (L18)**

- Implementation of the European strategy to reduce methane emissions to the atmosphere.

**Priority 7: Stimulate and strengthen synergies between actors in the value chain (L19 to L20)**

- Campaign to promote biomethane as a substitute for fossil natural gas.
- Creation of a biomethane roadmap/academy and promotion of training activities.
- Cycle of forums and workshops for the participatory involvement of the community in the use of biomethane.

- launching of a centralised auction for the purchase for biomethane and hydrogen produced through electrolysis from water, using electricity from renewable energy sources, as defined in Ministerial Order No. 15/2023 of 4 January, which will be an important public policy instrument; and
- launching of future auctions that will catalyse the implementation and further development of the expanding biomethane market in Portugal.

**V. Task Force**

The Portuguese Council of Ministers Resolution No. 41/2024, of 15 March, also creates a BAP monitoring group, coordinated by the National Energy and Geology Laboratory (*Laboratório Nacional de Energia e Geologia, I. P.*), which shall be responsible for assessing the implementation of the BAP annually. The arising results shall be published on the National Energy and Geology Laboratory websites.

The BAP monitoring group shall also be responsible for submitting a proposal to the government to revise the BAP by 31 December 2026.

**IV. Public support for biomethane production**

The BAP considers financial support for the production of renewable gases as a key strategy for the green reindustrialisation of the country.

In this context, and in line with the strategy for the development of renewable gases in Portugal, which includes various public support for investments, the BAP has adopted:

- publication of a new notice under REPowerEU, following the reprogramming of the Recovery and Resilience Plan (PRR), which will provide a total of 255 million euros in investment support (CAPEX) related to renewable gas production plants;

# Contacts



**ANA LUÍS DE SOUSA**  
ALS@VDA.PT



**MARIA GORJÃO HENRIQUES**  
MMH@VDA.PT



**MARIA DO CARMO MOTA**  
MDCM@VDA.PT