Roadmap Green Gas in the Netherlands

Task 37 Toronto (interactive)

25th March 2020

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Content

- Previous Roadmap 2014
- Status Green Gas in the NL
- New Roadmap
- Parts of the process
- Instruments old and new
- Next step
- Questions

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2014 Roadmap Biomethane (main focus biomethane potential)

Potential biogas from digestion

Why did this grow did not become the truth?
- belief...
- technique....
- too many....
Climate-agreement & Goals

Green gas sector has ambition to grow to 70 PJ Green Gas in 2030
Agreements about the built environment

- 3,4 Mton CO$_2$ reduction in 2030: 1,5 mln. Houses from the gas grid (8 mln. in 2050)

- District after district:
  - Under direction of the municipalities
  - Transition vision heat finally in 2021 (which district when, and on what alternative)
  - Supported by The Expertise Centre for heat (ECW)

- Individual:
  - Under the direction of the owner, on natural moments (selling, renting or renovation)
  - Insolation, and individual solutions (heatpump)
  - Supported by subsidies and energy consultants

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Alternatives for heating with the grid

Collectie Warmte <70°C
- Restwarmte van datacenters, warmte koude opslag (WKO), oppervlaktewater, ondiepe geothermie, riothermie

Collectieve Warmte >70°C
- Restwarmte van industrie, biomassa en geothermie

All Electric
- Warmtepompen, infrarood, "nul-op-de-meter"

Collectief

Individueel
- Duurzaam gas: Biogas, mestvergister, power to gas (H2)
- Maar ook: hout pellets en biomassa ketels

Renewable gas

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Results anno 2019

Grow of green gas from 2015 is disappointing, status 1-1-2019 100 million m³
For grow to 70PJ or 2BCM: New roadmap

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Roadmap: process

› Fase I: State of the sector
  - Inventarisation phase: bilateral talks, workvisits, and visiting conferences
  - Twoweekly meeting coregroup and several steering groeps
  - Stakeholdersconference (for support) 6th of November

In core group: Ministry (EZK), Vertogas, Topsector Renewable Gas, Energysupplier (RWE), sector-reprensentative, RVO

Fase II: choise between different measures by EZK
  - Policy choises and tuning with sector
  - Planned: april 2020 sending policyletter to chamber
Roadmap: parts I

› More professional sector
  – Topics: knowledge-accumulation, surroundings-management, better company processes, continuity, sustainability
  – Better role for one sector

› Upscaling
  – Topics: grow of sector especially on repeating and development on a greater scale

  – Roadmap looks at instruments and laws and rules

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Roadmap: Parts II

› Innovation
  - Goals: Determine innovation needs and priorities and promote innovation sharing in the sector
  - Roadmap take advantage of the innovation roadmap for hydrogen

› Re-use
  - Goals: investigate whether grow in the sector can be facilitated by re-use of knowledge, research of old gas-chain-locations and infrastructure
  - Under the roadmap there is an investigation of EBN to do research for old gas-locations for green gas

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Policy instruments

- Production
- Supply
- Question

Policy-instruments

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Actual instrument

› SDE+ is a good working instrument with many advantages...
  - (Limited)differentiation is possible in stimulating per category of production
  - Certainty for the producer for subsidy for a certain period

› ... But is not the ideal instrument for the transition
  - Besides the differentiation, the heterogene business case fits difficult into the base-amount
  - In the development phase: limited budget, yearly changing base-amounts and fixed dates give uncertainty not much flexibility
  - When objection and appeal: risqs for exceeding realisation time
  - The stimulating of producers does not stimulate development/innovations in the chain

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Alternative instruments

Production  Supply  Question

SDE  BV  EB

Policy-instruments

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Possibility to some changes in the SDE+/++, for instance:

- New categories
- Fixed amounts in the budget for green gas
- Possibility to adapt the time for realisation with object or appeal

Other points are real disadvantages

- Fixed moments for applying (twice a year)
- Only stimulating the producer
Stimulating with Tax measures (TM)

Raise Energy tax (ET) for fossil gas or reduce ET for green gas

› Advantages
  - Stimulating green gas versus fossil
  - Giving flexibility on energyprice for consumers

› Disadvantages
  - Risq on import (stimulating production abroad)
  - Combination with subsidy instrument is delicate
  - No differentiation on basis of production costs, this result in cheap production methods
  - Limited relation with the green gas chain
Blending Obligation (LT)

- Obligation for supplier to blend in the gas supply a part with green gas
- Compare with the RFU-system in mobility

- Advantages
  - Market stimulating instrument
  - Energy suppliers are connected in the chain
  - Multiannual standardisation gives a dot on the horizon (multiannual development)
  - Gives a clear and solid direction to the sustainability

- Disadvantages
  - Effect on price for consumers (when no compensation in energy tax EB)
  - Risk for import and stimulation of production abroad
  - Combination with subsidies is difficult (sheet 32)
  - Not possible to stimulate differentiation so overstimulation of cheap production methods (no innovation)
How to continue?

Policy-letter to lowerhouse in which
- overview of possible measures
- advise to the sector to start with an ‘implementation agenda’ for the 2 BCM (70 PJ) as a goal
Questions??