Government policy on biogas

International seminar on biogas
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Den Bosch, 4 november 2010

Contents

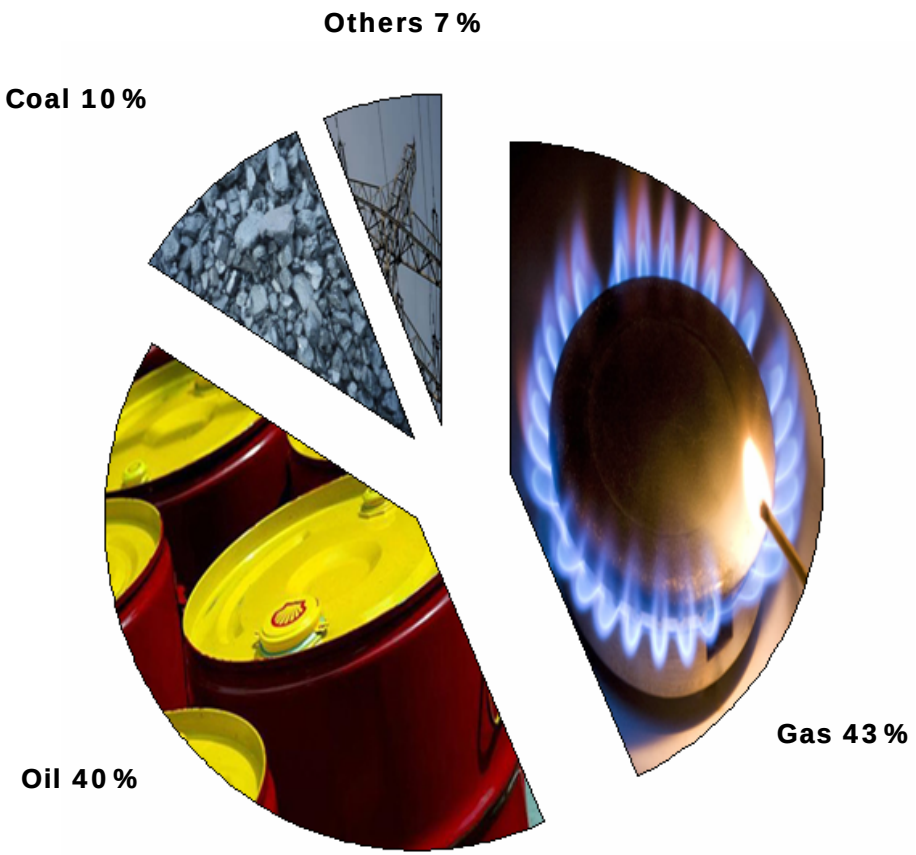
Coalition agreement

Energy

‘For the supply of energy The Netherlands needs to be less dependent on other countries, high prices and polluting fuels. Energy security should be increased and more attention will be given to revenue potential in the energy field. The European targets for a sustainable energy supply are guiding. This means 20% CO2 reduction and 14% renewable energy in 2020.’

The Netherlands: A country of gas

Largest gas producer inside the EU



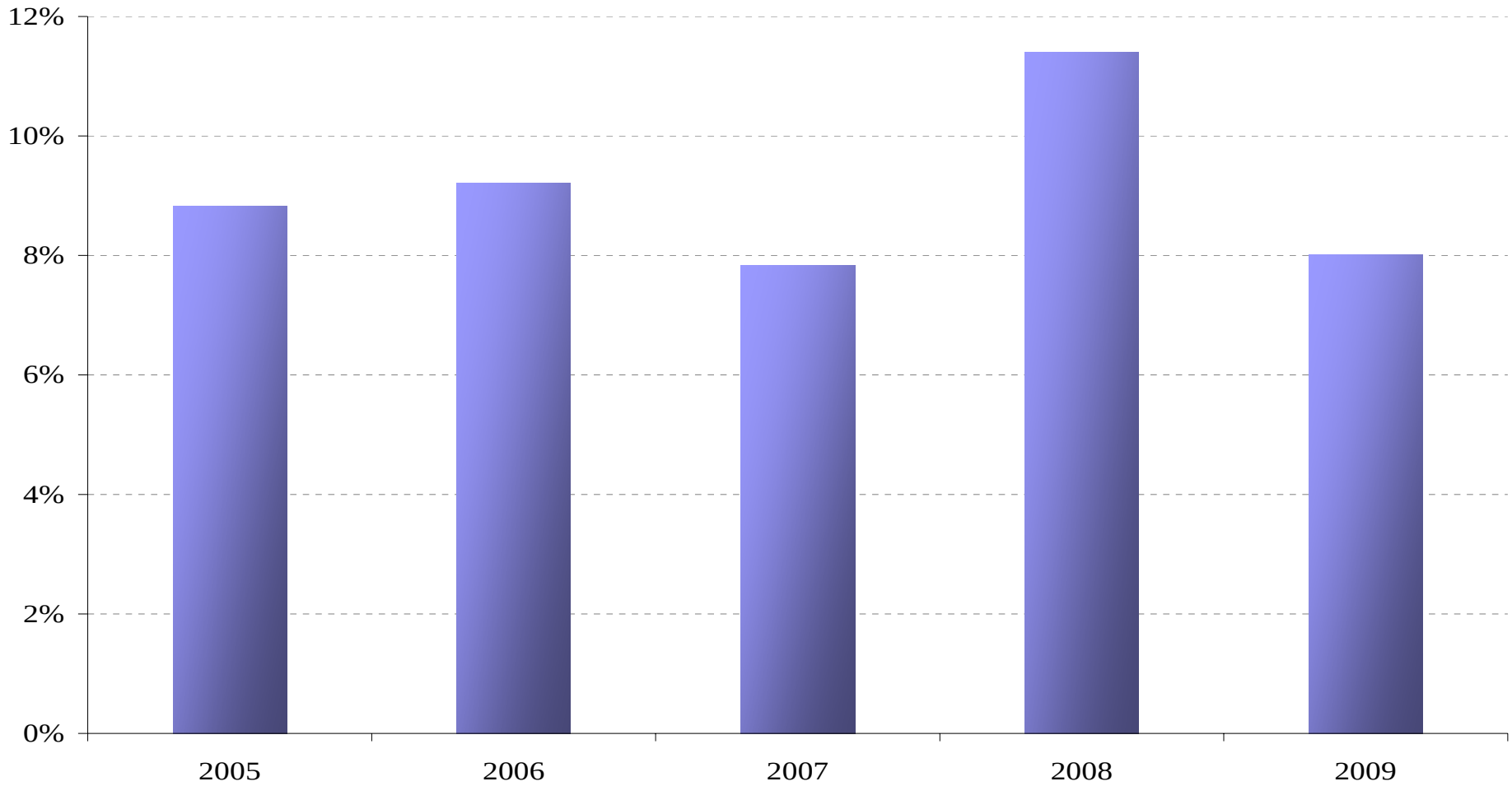
Source: IEA 2008

Current production
80 bcm

Domestic consumption
45 bcm

Export
Other consuming countries of Dutch gas are mainly Germany, Belgium, Italy, France *(and the UK)*

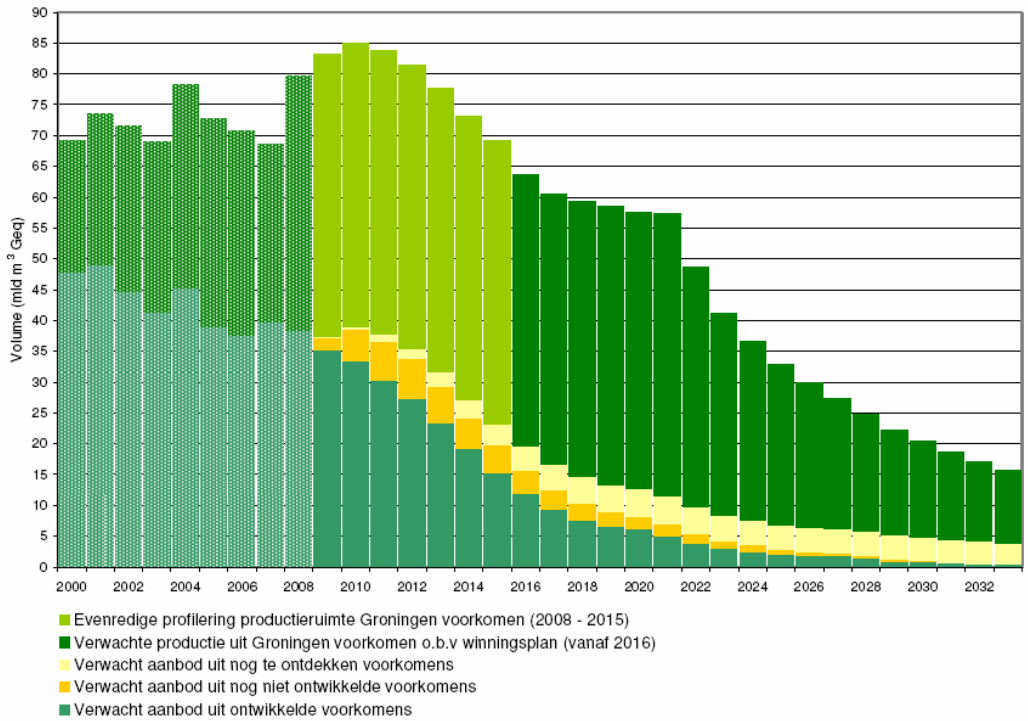
The contribution to the Dutch Economy



Notes and sources: From NLOG publication "Natural Resources and Geothermal Energy in the Netherlands, Annual review 2009", EBN Financial Statements.and Eurostat

Declining production of natural gas

Gas production (2000-2008) and estimated production (2009-2030)



Domestic demand in 2030: around 45-50 bcm

Gas ambitions

The Netherlands aims to be a gas hub (gasrotonde)

Large investments in infrastructure:

- LNG terminals and pipelines

Diversification of gas sources is essential:

- Russian gas
- Norwegian gas
- LNG terminals
- biogas / biomethane

The ambitions for renewable energy

Targets

1. Meet the EU target of 14 % renewable energy in 2020 (Renewable Energy Directive)

   a. Biogas for production of electricity and heat
   b. Biomethane for feed in into the gasgrid

2. Target of 10 % for renewable energy in transport in 2020. (Fuel Quality Directive)

   c. Biogas and biomethane as a transportation fuel

Why biogas?

1. Renewable energy targets

2. CO2 reduction in agricultural sector

3. Biobased Economy

- Agricultural sector
- Infrastructure (harbors)
- Knowledge & innovation
- Chemical sector

The instruments

Exploitation

1. Subsidy scheme for renewable energy production (SDE)
2. Facilitating Program at Agency NL (Dutch Government Agency)

Innovation

a. generic instruments,

1. EOS (Energy research subsidy)
2. EIA (Energy investment tax reduction)

b. specific actions for gas:

1. Tenders for gasification and digesting
2. Sustainable Biomass Import program
3. Energy Transition Platforms, Platform New Gas

Current development and challenges

- Current production of biomethane which is injected into the grid is 23 million cubic Nm3.

- At the moment the growth of biomethane is 35 million Nm3 per year (2009, 2010).

Challenges

1. The production increase for biogas and biomethane depend mostly on the subsidies available.

2. The access to the gasgrid

3. Gasquality

4. Financing

5. Co-digesting

Concluding

Natural gas and biogas are important for the Energy supply and the Dutch economy.

Biogas and biomethane are important renewables for realizing the Dutch renewable energy targets.

We have started, but there is a lot of work to be done.

Thank you for your attention