The legal framework for agricultural biogas generation in Germany

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Renewable energy expansion targets

- Article 3 (1) read in conjunction with Annex I
- Target for renewables share by 2020:
  - Germany 18%
  - France: 23%

- Renewable Energy Sources Act (EEG)
- Section 1 (2) EEG
- Target for renewables share:
  - by 2025: 40%
  - by 2035: 55%
  - by 2050: 80%
- 2020 forecast: 19.6%
Renewable Energy Sources Act

- First enacted 2000
- Ongoing decrease in level of support for biogas
- Reasons:
  - Biogas increasingly established as a fuel
  - Increasingly competitive with other conventional energy sources
  - Application of cost-effectiveness principle
- The decrease in support has been reasonable however:
- The volume of electricity generated from biogas still grew by 6,000% since 2000.
Renewable Energy Sources Act (EEG)
Development of Biomass-based Electricity Generation

Development of electricity generation and installed capacity of biomass plants in Germany

Source: DBFZ (2016)
Funding instruments under the EEG

- **Feed-in tariff** and **market premium**
- Support only provided for quantity of electricity up to 50% of installed capacity (‘capacity doubling’).
- Since 1 January 2017: Fixed remuneration replaced by bidding
- Separate bidding for wind, solar and bioenergy, i.e. **technology-neutral**
- **Small installations** with <150 kW installed capacity exempted from bidding
- **Expansion pathway** for energy from biomass: 150 MW/a
  - From 2020 to 2022: 200 MW/a
- **Maximum** tariff: 14.88ct/kWh
- **Funding period**: 20 years
Inputs

• Support is provided for all types of biomass as defined in the **Biomass Ordinance:**

• **Organic matter of plant or animal origin;** there are exceptions

• Basically, biomass from energy crops and from waste and residual matter are **treated equally.**

• **Exceptions:**
  • Particularly attractive fixed remuneration for **small manure installations**
  • Proportion of corn and maize in substrate capped at 50% ('**maize cap**')
Funding

• Electricity generation from renewable energy sources is funded by a **surcharge system**.
• Transmission system operators can claw back the costs incurred from electricity suppliers.
• These pass on the cost to consumers.
• Companies in sectors with exceptionally high electricity costs can demand a **cap on the EEG surcharge**.
• However, this is limited to companies with energy consumption in excess of 1 GWh/a.
• Considerations of opening up **alternative financial resources**.
Outlook

• A suitable framework to support bioenergy is in place.

• However, **technological developments and market conditions must be watched at all times.**

• Potential problem: **Extension of the sustainability requirements** for inputs to **gaseous biomass** on revision of the Renewable Energy Directive (RED II).

• This would create major challenges for **smaller installation operators.**

• BMEL will therefore argue for **appropriate thresholds.**
Thank you for your attention.