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Legal, financial and technical conditions
for the injection of biomethane in the gas
network (online conference, Oct. 6 2022)

SUMMARY

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Part 1

Connection to the gas grid

Conditions related to the gas network (1)



Gas network operator shall carry out necessary work to strengthen the network

Costs of the work shall be shared between the network operator and the biomethane producers

Conditions related to the gas network (2)

- Three ways of dealing with investment needed to connect biogas plants to the gas network:
 - “Strengthening work” whose cost can be included in the tariff for the use of the gas network : no contribution from the producer
 - “Connecting work” whose cost can be “pooled” and shared between a number of producers
 - Other investment: cost shall be borne by the producer only

Conditions related to the gas network (3)

- Three mechanisms established to face the challenge of developing and strengthening the gas network:
 - Establishment of “connection zoning”
 - Costs of strengthening work included in the tariff for the use of the gas grid (“pooling”)
 - Sharing of costs for work that is not “strengthening work” “pooled” or “mutualized” by producers
- For each new project of biogas unit, gas grid operators shall:
 - ✓ calculate the costs of necessary “strengthening work” and connection work
 - ✓ evaluate the potential “mutualization” of “strengthening work” within the tariff for the use of the gas grid and/or with other grid connection work of producers nearby
- French Energy Regulator shall decide on the level of investment and the schedule for “strengthening work”

Conditions related to the gas network (4)

➤ More on the investment program for “strengthening work” to be shaped by the gas network operator:

- Criterion of the “technical and economic ratio” (TER):

↪ If $TER < 4,700$ € per cubic meter per hour gas network operators shall draft the investment program

↪ If $TER > 4,700$ € per cubic meter per hour but the producer bears part of the costs of the “strengthening work”, thus reducing TER

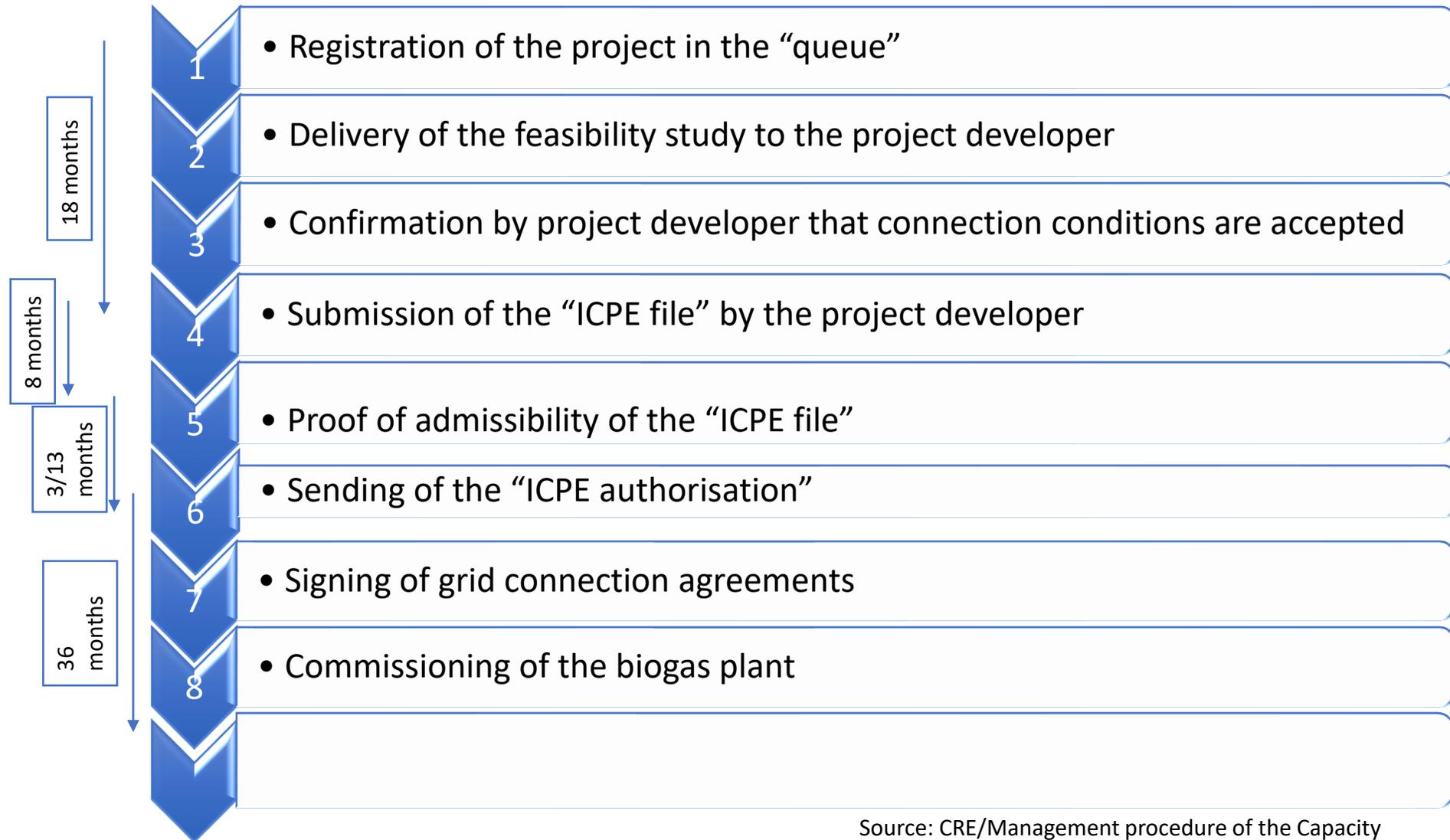
- Investment program to be submitted to French Energy Regulator:

✓ TER under the threshold

✓ For each TSO concerned, overall costs of “strengthening work” over one year shall be less than 2% of annual revenues of the tariff for use of the transport network

✓ For each DSO concerned, overall costs of “strengthening work” over one year shall be less than 2% of annual revenues of the tariff for use of the distribution network

Conditions related to the gas network (5)



Part 2

Conditions related to the biogas plant

Conditions related to the biogas plant (1)

- Legal requirements to ensure quality of biogas produced:
 - The direct release of biogas into the air is prohibited during normal operation.
 - The maximum H₂S content of the biogas coming from the installation in operation is fixed by prefectural order (units subject to prefectural authorization)
 - Equipment to measure content of CH₄ and H₂S shall be controlled and calibrated every year, and calibrated by certified experts at least every three years
 - Biogas cleaning units shall limit the emission of methane in the flue gas

Conditions related to the biogas plant (2)

➤ Requirements of the gas network operator, pursuant to the gas injection agreement:

- Technical characteristics of the biogas to be complied with by the producer:

- ✓ Gross calorific value
- ✓ Wobbe index
- ✓ Density
- ✓ Water dew point
- ✓ Hydrocarbons dew point
- ✓ Sulfur content
- ✓ Mercaptan sulfur content
- ✓ H₂S and COS content
- ✓ CO₂ content
- ✓ Tetrahydrothiophene
- ✓ O₂ content
- ✓ Impurity content
- ✓ Hg, chlorine, fluorine, hydrogen, ammonia, carbon oxide
- ✓ Temperature

Conditions related to the biogas plant (3)

- Requirements of the gas network operator, pursuant to the gas injection agreement:
 - If the biogas plant is located in an area where strengthening work is necessary, the gas transport network operator may impose other requirements concerning the quality of the biomethane
 - Propane gas may be added as long as biomethane still makes up for 93% of the volumetric flow
 - If new characteristics are imposed, producer shall bring the plant into line with new standards within 6 months upon notification by the gas network operator, producer shall bring evidence of compliance within that timeframe
 - Impact of the replacement of L-gas by H-gas if producer injects biomethane in a B-gas network
 - Tests are carried out by the gas network operator

Conditions related to the biogas plant (4)

➤ Other noticeable conditions to the injection of biogas :

- Unavailabilities of the plant due to the gas network operator shall be less than 3% per year. An indemnity shall be paid by the gas network operator to the producer if this threshold is exceeded
- Producer may freely modify the flow rate of biomethane, if it is not less than the minimum flow rate nor more than the maximum authorized flow rate indicated in the special conditions
- Increase of the maximum production capacity shall be notified to the gas network operator, as it may require new technical studies reg. gas network. Injection agreement shall be amended.
- Services delivered by the gas network operator are fee-based
- Connection works are carried out by the network operator at its sole responsibility pursuant to a connection agreement to be entered into with the producer, subject to conditions
- Price for the connection works “as such”: application of the “rebate rule” (*“réfaction”*)

- † 10 Associés
- † 1 Senior of counsel
- † 8 Collaborateurs
- † 7 Administratifs

29, rue du Faubourg St-Honoré
75008 Paris

Tel: + 33 1 42 66 63 19
Fax: + 33 1 42 66 64 81
bmh@bmhavocats.com

www.bmhavocats.com

ASSOCIÉS



Catherine Nelken



Anouk Darcet-Felgen



Isabelle Le Coq



Christophe Gronen



Detlev Kühner



Stéphane Dassonville



Dr. Martin Hauser



Anja Droege Gagnier



Dr. Aymeric Le Goff



Sébastien Canton



Thibaut Housel

COLLABORATEURS



Marielle Fabre



Amélie Dorst



Almut Weise



Jessica Noy-Gsell



Laurence Duriez



Vincent Capelle



Ludivine Perrot-Wiebach

ADMINISTRATIFS



Glenn Lising



Katarina Poetsch



Emilie Fédou



Vincent Notté



Juliette Lebon



Mina Kong

SENIOR OF COUNSEL



BMHAVOCATS

29, RUE DU FAUBOURG SAINT-HONORÉ
75008 PARIS

TEL: + 33 1 42 66 63 19 / FAX: + 33 1 42 66 64 81
bmh@bmhavocats.com

www.bmhavocats.com

