

Biomethane in Italy

challenges and opportunities

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Italy NECP ambitious on renewables in transport

Italy has a high RES-T target: 22%

One third of the target will be met through advanced biofuels, 75% of which through advanced biomethane

Background

- natural gas in transport is an Italian specialty
- three quarters of natural gas vehicles in the EU circulate in Italy
- the number of CNG filling stations exceeds 1.100 and consumption is around 1,1 bcm

Opportunity

switch the supply of natural gas in transport to biomethane

Tools

the 2018 biomethane incentive scheme provides for up to 1.1 bcm p.a. for transport; abt. 10% of this capacity will be operational by 2020 Q4;

Challenges

- implementation of existing legislation
- increased climate ambitions by 2030

1. RED2

Revision of Annex 9a (by 21/06/2021)

- letter d) “Biomass fraction of industrial waste not fit for use in the food or feed chain”: interpretation of “residue” vs. “waste” for plant licensing purposes
- increase feedstocks

Current feedstocks

Grape marcs and wine lees	5%
Animal manure and sewage sludge	1%
Biomass fraction of industrial waste	11%
Biowaste from private households (separate collection)	84%

2. Advanced Biomethane incentives

In addition to the pre-existing “biomethane-in-transport” scheme, the NECP envisages the evaluation of biomethane for non-transport uses

Strategic options under consideration

- evaluation of mandatory minimum, increasing shares
- use of EU finance, including NGEU & RRP

3. Conversion of biogas plants into biomethane plants

Electricity from biogas is becoming less and less competitive vs. wind and solar

Strategic options

- move biogas electricity from day-ahead market to ancillary services
- upgrade biogas to biomethane
 - make biomethane compete with advanced biofuels,
 - introduce mandatory shares for gas suppliers

Challenges (RED2)

- “mass balance” needed for “hybrid” biogas-for-electricity production and biogas-for-biomethane production;
- gradual streamlining of feedstocks (biogas for electricity and biogas for biomethane)

4. bio-LNG

An interesting option to avoid grid and other constraints and huge potential of growth

Background

- abt. 90 LNG fuelling stations in Italy today;
- 2 bio-LNG plants under construction: public contribution of up to €1.2M and 70% of cost;
- huge and growing fleet of LNG HD vehicles

Strategic opportunities

- for biomethane plants far from the gas network
- LNG in maritime
- link to agriculture
 - circular economy
 - pathway to exiting subsidised agricultural diesel

Thank you for your attention!

