



STX Commodities
- The Impact of RED II on the European Biomethane Market -

European Biogas Conference 2020

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STX

I. Company Profile - STX Commodities

Solutions offered:

- Access to the international commodities markets
- Liquidity and competitive pricing
- Spot and forward solutions for clients to mitigate risks

-  Green Electricity
-  Carbon
-  Energy Efficiency
-  Compliance Certificates

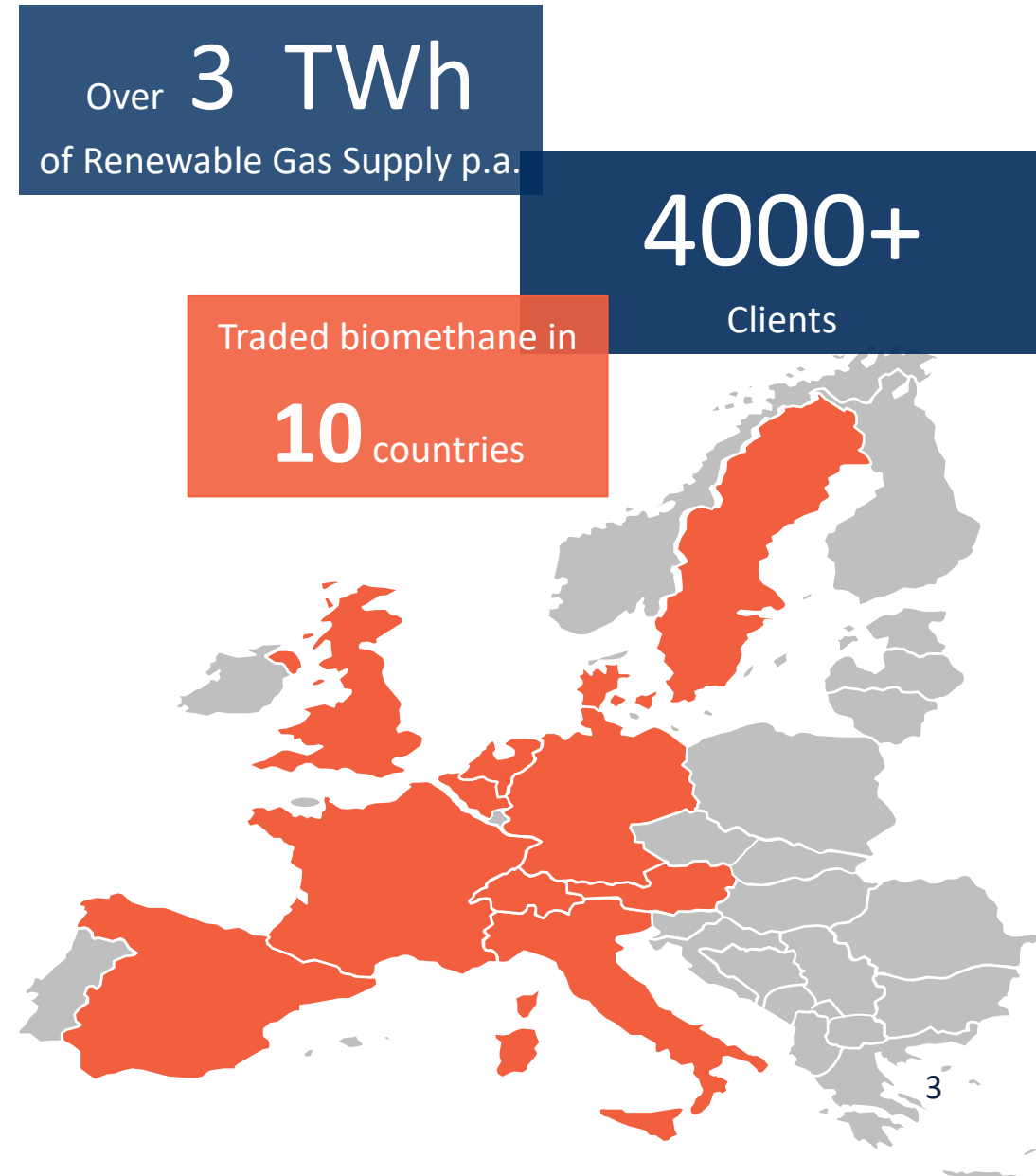
-  Alternative Fuels
-  CSO Tickets
-  Biofuels
-  Biogas



II. Biomethane Activities of STX

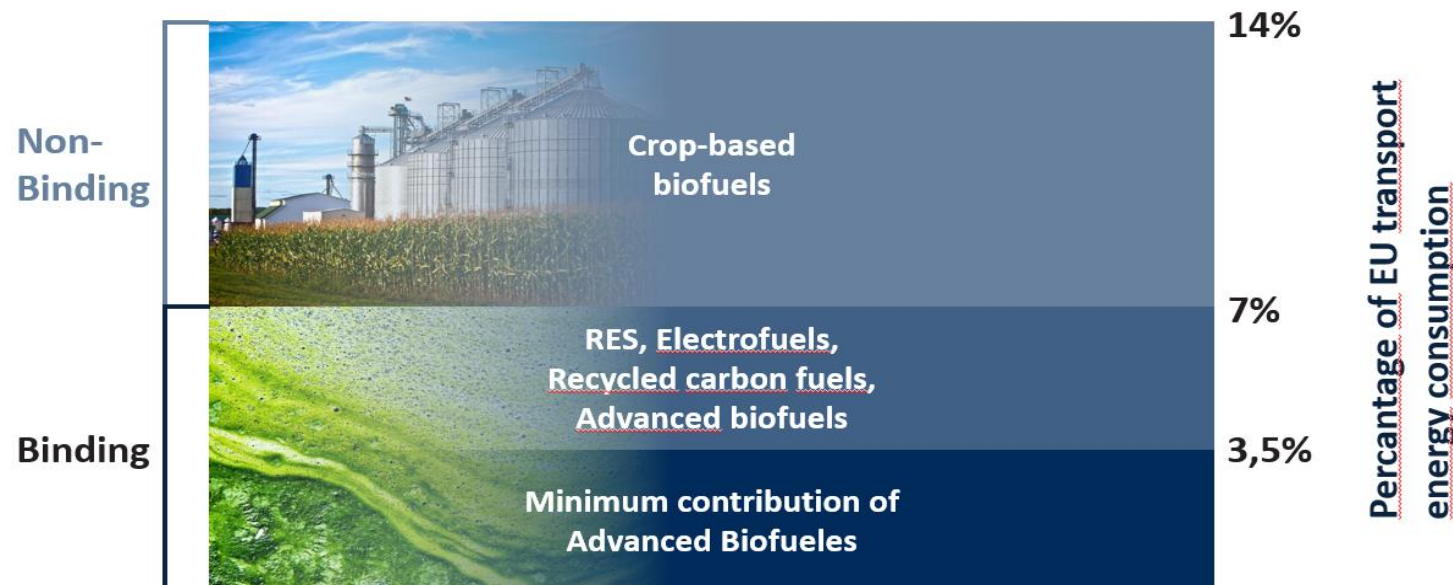
- STX actively trades in 10 European countries, with a total traded volume of more than 10 TWh
- Part of working groups to set up tracking systems and increase use of renewable gases
- One of the founding members of ERGAR scheme
- Supplying Biomethane in 6 countries
- Contracted production in 5 countries

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III. Essential RED II Biomethane Targets

- Union binding target of 32% RES (Art3(1)) – not coupled to specific Biomethane share except for Transport Sector.
- Heating/Cooling – 1,3% increase in share of RES (Art 23(1)) - "Encouragement" but not binding
- Transport – **Fuel Suppliers Obligation**, share of RES increase 14% by 2030 (Art 25(1)) – biggest impact – Promotion of advanced biofuels over crop based biofuels (hard limit of 7%), see below



IV. Implications for the European Market

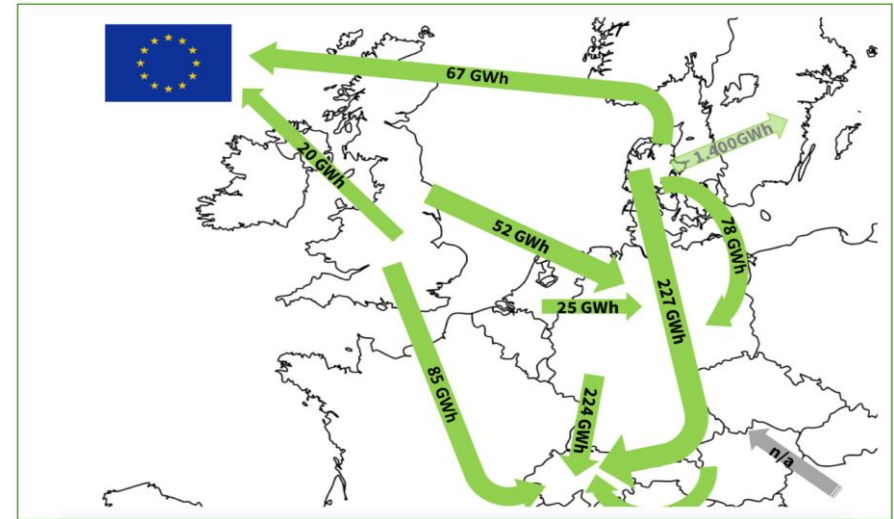
- A future carbon-neutral transport sector (currently ca. 30% of overall EU CO₂ emissions) and supply diversification are relevant targets for all countries
- After 2020, biogas and Biomethane will count towards the 32% target of the RES (renewable energy share) of the EU energy consumption
- Increase of **RES target** in the transport sector from 10% in 2020 (2018 8,1%) to **14% in 2030**, with an obligatory/binding 7% share for Non-Crop/Food based fuel sources
- Industrial/Corporate – promotes creation of registries and certification, therefore enables correct tracking framework for the use of biomethane

V. Current Market Developments

Biomethane remains to prove being a decentralized energy source, providing a flexible and secure supply of energy that supports the Energy transition to renewable energy sources (RES).

Three main Observations:

1. Increasing number countries actively producing and using biomethane
2. Strong growth rate in the Voluntary Markets
3. Increase of the transport sectors throughout Europe – focus on waste 2nd Generation / Advanced Biofuels (acc. RED II)



Share of energy from renewable sources in transport
(in % of gross final energy consumption)



VI. Conclusion

Does Red II support the future of the European Biomethane industry?

- Generally yes, but you have to look at it from a more differentiated perspective:
- Heavily dependent on national legislation and implementation in each individual country
- Most important factor is the correlation between CO₂-Emission reduction and cost-effectiveness of biomethane production
- Beyond binding regulations there will be a big push towards voluntary Biomethane usage fueled by increasing climate awareness

Thank you
for listening!

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