



PRESS RELEASE

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Renewable gas – a strategically important, essential energy for France

The *Syndicat des énergies renouvelables* (Renewable Energies Union) and gas transmission system operators GRDF, GRTgaz, the SPEGNN and Teréga have just published the 2022 edition of the Renewable Gas Overview. This eighth edition comes during a year that has seen a major energy crisis, confirming the strategic importance of producing renewable gas nationally. The boom in methanisation that got underway last year has continued, and the sector has real potential. Nevertheless, the current economic framework is preventing projects from emerging – even though they are vital for France's energy independence and for decarbonising the economy. Our aim of having renewable gas account for 20% of the energy mix by 2030 is within reach – provided powerful measures are quickly implemented by the state authorities in order to prevent the abrupt slow-down which has already started across a dynamic sector – one which is a source of numerous environmental and societal benefits.

Jules Nyssen, chairman of the Renewable Energies Union said: *“The renewable gas production sectors are a major lever for decarbonising the French energy system and ensuring its resilience. But the economic and regulatory framework is currently preventing the sector from developing. And yet, it is essential in all of our energy transition scenarios. Although it was buoyant until 2022, it would be ludicrous to do without renewable gas in the current context – gas which is produced in France and which already has a safe and robust network for transporting it”.*

Methanisation – the multiannual energy programme target for 2023 exceeded more than a year ahead of time

In 2022, for the second year in a row, nearly 150 biomethane production sites were brought into service. There are now more than 500 of them, representing a total of 9 TWh/year of injection capacity as of the end of the year. In less than three years, the production capacity of the biomethane sector has overtaken that of a nuclear reactor¹. Methanisation for injection is the only French renewable energy sector that is currently ahead of the targets set in the multiannual energy programme: by the end of 2023, production capacity will have reached 6 TWh. However, these positive results should not detract attention away from the brutal slowdown that these sectors will suffer starting in 2024. Indeed, since the changes to the economic framework that got underway at the end of 2020, the number of new projects has scarcely managed to offset the numbers that have been abandoned in the queue. To give impetus back to the sector, renewable gas requires a stable economic and regulatory framework – one that is secure over the long term.

Unless immediate decisions are taken and without clearly visible support mechanisms, the impetus will cease in 2024

Despite the initial regulatory measures that were favourably received by the sector in 2022 to tackle the combined effects of the pandemic and inflation, the sector's future gives us cause for concern. The operational implementation of the extrabudgetary Biogas Production Certificate scheme is now a priority. We are awaiting the implementing law to set a meaningful pathway for incorporating renewable gas into suppliers' portfolios – starting in the first few years of it coming into force. The current inflationary landscape, which is preventing a number of projects from getting off the ground, also needs to be properly factored into the next review of the biomethane purchase tariff. Methanisation projects – like renewable electricity projects – need to be able to take advantage of the guarantee fund covering any litigation that was established by the recent law on speeding up the development of renewable energies.

Financing innovative renewable gas production sectors – a key challenge

This law brought in to speed up development of renewable energies provides access to gas infrastructure for all renewable and low-carbon gas (biomethane, synthetic methane, etc.), regardless of how it was produced. Nearly 70 projects have already been identified which are ready for launch in order to develop innovative technologies, such as power to gas, pyrogasification and hydrothermal gasification, which supplement methanisation. Quickly implementing calls for projects funded via the trial contract scheme will also help support their development. These technologies are already operational in Europe (Sweden, the Netherlands, UK), and in France, the first synthetic methane was injected into the distribution network in 2022. This means that these technologies are now mature enough to be deployed.

¹ Over the last three years, the production capacity of the biomethane sector has reached 6.5TWh, overtaking that of a nuclear reactor (5.5 TWh/year). Hypotheses used: availability rate of a methanisation site: 90%; availability rate of a nuclear reactor: 70%, reactor power: 900 MW

About GRDF

As France's main natural gas distribution system operator, **GRDF** distributes natural gas to more than 11 million customers every day for heating, cooking, mobility and industrial processes, regardless of their supplier. To do this, in compliance with its public service remit, GRDF designs, builds, operates and maintains the largest distribution network in Europe (204,239 km). It delivers gas to more than 9500 cities, towns and villages, ensuring safety for people and property, and guaranteeing the high quality of the gas distributed. Gas is a modern, available and economical form of energy that is increasingly environmentally friendly. With the boom in green gas, a locally produced renewable gas, the gas network is now a vital component of the ecological transition. GRDF is a key partner, supporting regional communities and helping them to achieve their net zero targets via their energy and sustainable mobility policies.

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About GRTgaz

GRTgaz is Europe's second-largest gas carrier, with 32,500 km of pipes and 640 TWh of gas transported. The company has 3000 employees and generated nearly €2.1 billion in turnover in 2022. GRTgaz has a mission statement: "Together, we enable an energy future that is safe, affordable and climate neutral". GRTgaz is an innovative company undergoing a major transformation to adapt its network to new ecological and digital challenges. It is committed to a 100% carbon-neutral French gas mix by 2050. It supports the hydrogen and renewable gas sectors (biomethane and gas from solid and liquid waste). GRTgaz carries out public service missions to guarantee the safety of gas transmission for its 945 clients (shippers, distributors, industrial companies, biomethane plants and producers). With its subsidiaries Elengy, the European leader in LNG terminal services, and GRTgaz Deutschland, operator of the MEGAL transmission network in Germany, GRTgaz plays a key role on the European gas infrastructure scene. The company exports its expertise internationally, in particular services developed by its research centre, RICE.

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About the SPEGNN

The SPEGNN is France's professional union of local gas producing companies. It is made up of around 30 local, public and cooperative companies, all of which function as public distribution, supply and production network managers. The union and its members are involved in developing a competitive energy system – one that is safe and carbon-neutral. To do this, it leverages local potential in order to develop renewable gas. The SPEGNN's members are spearheading the energy transition across their respective regions and create short-distribution models and local jobs.

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About the SER

The **Syndicat des énergies renouvelables** (renewable energy union) has 480 members, representing a sector that generates over 160,000 jobs. It is the professional organisation that brings together manufacturers from all of the renewable energy sectors: wood energy, biofuels, wind, marine renewable energy, renewable gas, geothermal and heat pumps, hydroelectricity, solar and energy recovery from waste. Its remit is to defend the rights and interests of its members and to strengthen the ties which unite them, in particular to develop the renewable energies industrial sector in France, stimulate job creation and create added value across the country.

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About Teréga

Located in south-western France at the intersection of major European gas flows, for more than 75 years, Teréga has been sharing its exceptional expertise in developing gas transport and storage infrastructure. Today, it continues to develop innovative solutions to overcome the major energy challenges facing France and Europe more widely. Teréga is a fully-fledged accelerator of the energy transition and operates more than 5000 km of pipelines and two underground storage facilities representing 16% of the French gas transport network and 26% of national storage capacity. In 2021, the company generated revenue of €488 million. It employs some 660 people.

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