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Report on target countries' analysis

North-East Europe

Estonia and Latvia

Identified challenges

Estonia requires i**ncentives for biomethane construction and production**, as well as **demand-side support**.
Latvia lacks regulation and experiences slow development of policy frameworks. There are delays in implementing necessary changes and a lack of support and accountability within governing bodies.

Key economic considerations in Estonia include **target markets**, **infrastructure availability**, and **international trade**.
Latvia's political climate and regulatory environment are unstable. There is a **lack of financial support** for equipment installation and a limited number of transport units.

Estonia faces challenges related to the **perception of co-benefits**, **workforce availability**, and r**ural development** regarding biomethane.
Circular economy is undervalued in Latvia, and there is over-promotion of electric vehicles. A **prevailing belief** exists that **biomethane will not be necessary**.

Proposed solutions

Implement a support mechanism for biogas plant construction, focusing on biomethane production, and
Enact a transport energy law, thoroughly evaluate international experience and practices, and address the lack of subsidies.

Ensure security for existing and future biogas plants through **international trade** and utilize a Guarantee of Origin system enabling Estonian producers to inject biomethane domestically and sell gas with GOs to other European clients.
Implement targeted support schemes, support bus fleet transition to biomethane, and realize initiatives to improve raw material availability.

To **foster biomethane adoption**, it is necessary to prioritize public education, building community understanding of its benefits. Simultaneously, **empowering municipalities to transition to CNG transport**, through **incentives** and support, is vital for widespread implementation.

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Report on target countries' analysis

South-East Europe

Serbia

Identified challenges

Serbia **lacks a clear political commitment** to the renewable energy sources (RES) sector, prioritizing other RES technologies like solar and wind power. The **energy supply** remains monopolized by natural gas and electricity, and there are no incentive measures for biomethane. A national biomethane plan and strategy are also absent.

Fossil fuels have a strong traditional presence across all sectors in Serbia. The **low price of natural gas and electricity**, largely due to coal-fired power plants, creates an economic barrier to biomethane adoption. **High investment** costs for biomethane plants, risks for farmers in introducing new agricultural productions, **low digestate revenues**, and **high waste collection and transportation costs** further hinder economic viability.

Public opinion in Serbia is generally negative towards renewable energy subsidies. There may be **local community opposition** to the siting of waste-to-biomethane plants. Serbian farmers lack established traditions and practices for producing unconventional crops, and rural areas face youth emigration.

Proposed solutions

Emphasize Serbia's energy independence, adopt best practices from EU countries, promote **cross-sectoral cooperation** for RES and circular bioeconomy, increase public pressure on the government for environmental issues, create a **biomethane roadmap**, and amend sub-legislation for biomethane energy production.

Raise entrepreneur awareness of biomethane's positive impact on CO_2 reduction, **allow biomethane injection into main pipelines** or **direct producer-trader connections**, **introduce feed-in tariffs** for both producers and consumers, and **implement support measures** for efficient digestate use, but also for farmers, actively involved in the production of **new energy crops**, fundamental for climate change mitigation.

Increase public knowledge of renewable energy relevance, conduct environmental impact assessments for all potential plants including local community influence, **educate farmers** on new business opportunities with unconventional crops, and **enhance rural employment** through biomethane sector development and green transition.

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Report on target countries' analysis

South-East Europe

Romania

Identified challenges

Biomethane development is **hindered by absent dedicated legislation** and its exclusion from renewable energy targets. The National Circular Economy Strategy overlooks circular bioeconomy, necessitating strong governmental lobbying. A **supported biomethane market is crucial**, with strategic and financial backing for start-ups, including research and education participation in IPOs, to drive long-term growth.

Romania's biomethane sector faces challenges from **undervalued feedstock**, a **dominant linear economy**, and **market-driven energy prices** hindering RES viability. Insufficient biomethane CAPEX incentives, a flawed green certificate system, and high transport costs for low-energy materials further impede progress.

Local communities in Romania are **reluctant towards new biogas and biomethane projects** that manage waste near their residences. **Local administrations prioritize other projects** deemed more attractive to the community.

Proposed solutions

Romania needs a **dedicated "green gas strategy",** integrating biogas and biomethane into its renewable energy plan. This includes an action plan with **financial details**, learning from successful strategies like Denmark's. National targets for biomethane, binding waste management legislation, research support, and long-term monitoring are essential for effective implementation.

Require **mandatory government assessment** of biogas and biomethane production potential, **include anaerobic digestion** of organic substances in all economic sectors within the circular bioeconomy action plan, and **calculate feed-in tariffs and premiums** to support additional biomethane production costs from residues and biomass.

Adopt a long-term communication strategy and action plan for transformative social change, **provide accurate information to local communities** about biomethane project benefits, and **counter disinformation** affecting environmental issues and the biomethane sector.

Report on target countries' analysis

South-East Europe

Greece

Identified challenges

Biomethane **target achievement** faces **uncertainty**. **Plant construction timelines** are lengthy, hindering rapid scaling. The biomethane market's immaturity further **complicates progress**. These factors create a **challenge** in meeting **promotion goals**, requiring strategic interventions to accelerate development and market uptake.

Economic viability is **challenged** by **limited biogas plant operation**, absent biomethane support schemes, and high handling costs. **Securing financing** and **network connections** is difficult. Targeted incentives, feed-in tariffs, auctions, and feedstock support are needed. Utilizing **digestate**, ensuring **CO_2 profits**, and **clear network costs** are crucial. Demand-side **incentives** and **natural gas taxes** can stimulate growth, along with facilitated bank financing.

Potential **social resistance** exists toward biomethane projects. It is crucial to avoid imposing additional economic burdens on society due to biomethane production.

Proposed solutions

Upgrade biogas plants to biomethane, **boosting bio-LNG and bio-CNG**. Build **local distribution networks**. **Utilize all biomethane sources**, including landfills. Establish efficient supply chains for **diverse feedstocks**. This ensures a **comprehensive, decentralized approach** to renewable biomethane production, enhancing energy sustainability.

Economic success requires tailored **support beyond plant capacity**, including feed-in tariffs/premiums and potential auctions. Feedstock collection needs aid through gate **fees and direct support**, while digestate use and CO_2 avoidance profits boost profitability. GoOs must be fostered, network costs clarified, and demand stimulated via **incentives** and **potential gas taxes.** Facilitating **bank financing** is crucial.

Biomethane production should not create extra **financial strain on society**. **Careful planning and implementation** are essential to ensure economic benefits outweigh any potential costs, maintaining affordability and public support.

This factsheet refers to an official report produced by the GreenMeUp consortium. To have **access to the full document** for more detailed information, please **click here**.

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