

Changes to the Energy Transport Regulation to implement the revised Renewable Energy Directive (REDIII) – ViGo

Consultation response

Summary

In the context of the ongoing national implementation of the revised Renewable Energy Directive (RED III) and to further advance the energy transition, ViGo Bioenergy, a market leader in the distribution of biomethane and a key investor in the Dutch biomethane market, would like to highlight a few key policy points:

- 1. ViGo Bioenergy is committed to accelerating the energy transition in the Netherlands and therefore **strongly supports the draft RED III implementation***
- 2. However, we insist that the Netherlands must allow biomethane imported via the interconnected infrastructure (as defined in Commission Implementing Regulation (EU) 996/2022 and its possible revision), as well as any certified volumes imported from a third country to count towards these schemes in the same way that the Netherlands allows imported liquid biofuels to count and third party countries allow Dutch biomethane imported into their markets for the purpose of RED III compliance³. Similarly, we ask that the Netherlands allows **mass balanced bioLNG bunkers supplied to shipping to count** towards the current and future Energy for Transport obligations, in the same way that third party countries allow bioLNG supplied to shipping to count towards their respective transport obligations*
- 4. The Netherlands should also **allow bio liquefaction using existing LNG Terminals based on the accepted EU principle of mass balance**, as this allows existing infrastructure to help contribute to the energy transition at lower financial and environmental costs*
- 5. Finally, the Netherlands should **strengthen monitoring of sustainability certification in high-risk jurisdictions and limit the use of high-risk feedstocks which may lead to fraudulent biofuels to come to the market** hindering the energy transition. This includes audits, ex-post revocation of certification of producing facilities and high buy-out prices to impose commercial discipline on market participants.*

The government is taking the appropriate and necessary steps for the RED III (EU/2023/2413) implementation in the transport sector by 1st January 2026. ViGo Bioenergy strongly supports the proposal but with some important modifications.

Based on the RED III transport obligations, the Netherlands needs to drastically increase its supply of biomethane to meet these targets, both through domestic production and via import.

We welcome the ambition, but success will be hard to achieve and at a higher cost to Dutch consumers if there are no changes to the legislation, specifically:

- By opening up the national market to import via the grid;
- By giving biomethane the role it deserves as a cost-effective decarbonisation tool on equal footing with biofuels and other decarbonisation solutions.

More specifically, ViGo Bioenergy believes that:

- The Dutch government should **recognise biomethane imported using the interconnected European grid**. Imported biomethane is necessary for the Netherlands to meet its targets at the lowest cost to the Dutch consumer. Biomethane is one of the most competitive decarbonisation tools and should not be discriminated against. The fact that liquid biofuels may be imported from anywhere in the world, including locations that widely recognised to be at high risk of sustainability fraud, but biomethane imports from the interconnected European grid are not allowed is discriminatory and goes against the very climate goals set out by the Dutch ambition. Additionally, the Dutch biomethane and agriculture sectors have achieved a leadership position in biomethane production and will miss out on an export opportunity that could be a resounding Dutch success story if third party countries follow the Dutch example and instigate biomethane trade barriers throughout Europe. Finally, ViGo Bioenergy maintains that such barrier is simply not compatible with established EU law. Inter alia, this means:
 - Make the Proof of Sustainability the primary compliance instrument together with gas grid mass balancing principles to evidence conformity of the biomethane [sustainability] and lower its costs
 - § Remove the role of Guarantee of Origins (GOs) in registering grid biomethane as these are book and claim instruments
 - § Use mass balancing certification via entry and exit evidence to reduce cost of delivered molecules
 - Alternatively, add GOs to the information on the Proof of Sustainability in the Union Database, to clarify the hierarchy between Proof of Sustainability and Guarantee of Origins in the context of proving conformity with sustainability criteria.
- **Bio liquefaction at existing LNG terminals in the Netherlands like the Gate terminal at the Port of Rotterdam using the accepted EU principle of mass balance should be permitted.** This is a legitimate and sustainable way to liquefy biomethane that is recognised by both the EU commission and voluntary schemes and has been successfully implemented in other LNG terminals, like Zeebrugge in Belgium, or competing terminals in France, Spain, Germany or Italy. It is also an efficient way to utilise existing infrastructure to contribute towards the energy transition. Bio liquefaction has already been performed at Gate for export to other EU countries. Use of existing terminals will aid the delivery of bioLNG to the Dutch transport market, which is currently constrained by a lack of small-scale liquefaction capacity.

- **BioLNG bunkering should be allowed using mass balanced liquefaction for practical and safety reasons if bioLNG is to be used at scale in the Dutch shipping sector and not inflict a severe blow to the Port of Rotterdam.**
 - It is practically impossible to deliver bioLNG bunkers at scale to ships using physically liquefied bioLNG and it creates a higher environmental and safety risk.
 - § These ships are bunkered by barge and cannot be bunkered truck to ship – it would simply take too long to fill the ship up. Likewise, it is impossible to fill up a large bunker barge with physically liquefied bioLNG. To do so would require one very large liquefier in a port connected with a direct link to many biomethane plants. Having that capacity of biomethane plants in one place is simply impossible due to the distributed nature of feedstock. Bunkering physically liquefied bioLNG is simply impossible for large oceangoing shipping.
 - § Beyond the impracticalities of bringing much LNG by road tankers, having large volumes of bioLNG by road would require hundreds of trucks plying the road of holland and converging to Rotterdam to supply these bunkering operations. This would create a large, unnecessary safety risk
 - If these limits remain, the only bioLNG bunkering that will go through the Netherlands is small scale bunker to inland and coastal ships like barges and ferries. Instead, all bioLNG bunkering will go through Belgium where mass balance is accepted. BioLNG is the future shipping fuel of choice, with the order book being dominated by LNG vessels. As such the Port of Rotterdam is poised to become the LNG bunkering hub of the world. It would be a missed opportunity if the Netherlands did not allow bioLNG to contribute.

More broadly, the Dutch Government should not miss the window of opportunity provided by the REDIII implementation to boost the decarbonisation Dutch transport and energy transition sector by:

- Increasing targets across the board with a continuous GHG savings upwards slope
- Switching from a low-level fine for non-compliance under the EBE scheme to a large economic incentive under the new ERE regime by raising the penalty to a level compatible with most advanced defossilisation technologies
- Strengthening sustainability certification in high-risk jurisdictions and limiting the use of high-risk feedstocks vulnerable to fraud which allow unsustainable biofuels to come to the market. This includes audits of plants, ex-post revocation of plant certification, and ex-post cancelation of ERE certificates, forcing commercial discipline on market participants.

Finally, please find below a short list of technical legal comments which we prefer to report in Dutch language to avoid any possible misunderstanding:

- Artikel 6, lid 2, REV dient aangepast te worden aan artikel 7, lid 2, BEV waarin een uitzondering voor LPG (incl LNG) is opgenomen voor het voeren van een massabalans over de laatste opslaglocatie. De passage “van de desbetreffende opslaglocatie” dient niet van toepassing te worden verklaard op LPG en LNG.

- Artikel 10, lid 2, REV dient aangepast te worden aan artikel 7, lid 2, BEV. Het voorgestelde artikel 10, lid 2, REV leest als een voorraadadministratie die wordt gevoerd over een opslaglocatie wat niet goed aansluit bij de in artikel 7, lid 2, BEV opgenomen uitzondering voor LPG en LNG.
- Artikel 12 REV. Aan deze eis kan niet in alle gevallen worden voldaan. Wanneer een importeur zowel LNG als bio-LNG uitslaat, zal dit als één totaal bedrag op de accijns aangifte staan. Op de accijns aangifte is het volume bio-LNG niet separaat aangegeven.
- Artikel 20, lid 2, sub a, onder 1° REV: Conform het bepaalde in artikel 7, lid 2, BEV is geen opslaglocatie vereist voor LPG en LNG. De eisen die aan het openen van een rekening worden gesteld, moeten in lijn worden gebracht met de voorwaarden waaronder brandstoffen kunnen worden ingeboekt.
- Artikel 20, lid 2, sub a, onder 2° REV en Artikel 20, lid 2, sub a, onder 3° REV: Zie hierboven
- Artikel 20, lid 2, sub a, onder 4° REV. Voor het inboeken van vloeibare biobrandstoffen is geen AGP vereist. Zie bijvoorbeeld de nieuwe definitie van "Locatie" zoals opgenomen in de Wet Milieubeheer. Voor inboeken is een levering aan de Nederlandse markt vereist. Hiervan is blijkens de definitie uit de Wet Milieubeheer sprake bij een uitslag tot verbruik zoals bedoeld in de Wet op de accijns. Hieronder vallen diverse belastbare feiten, deze bepaling is niet beperkt het belastbaar feit uitslag uit een accijnsgoederenplaats. Je kunt ook zonder het hebben van een accijnsgoederenplaats op reguliere wijze accijns betalen en daarmee leveren aan de Nederlandse markt vervoer. Bijvoorbeeld ten aanzien van brandstoffen die conform artikel 20 Energiebelasting richtlijn (2003/96/EG) niet in een accijnsgoederenplaats hoeven te worden geproduceerd en opgeslagen. De eisen die in Artikel 20, lid 2, sub a, onder 4° REV aan een rekening met inboekfaciliteit worden gesteld zijn daarmee te beperkend en leiden er toe dat iemand die leveringen verricht die in aanmerking komen voor inboeking, dit niet kan omdat niet aan de accijnsgoederenplaats eis kan worden voldaan. Het gebruik van het woord "indien" zoals gedaan in Artikel 19, lid 2, sub e, REV zou ook hier een goede oplossing zijn.
- Artikel 20, lid 2, sub c, onder 4° REV. Hier geldt hetzelfde als hierboven aangegeven voor Artikel 20, lid 2, sub a, onder 4° REV.
- Bijlage 1: het komt de duidelijkheid ten goede wanneer naast LPG ook LNG als standaardbrandstof wordt genoemd.

About ViGo Bioenergy

ViGo Bioenergy is building an end-to-end value chain of biomethane-to-transport. ViGo owns and operates refueling infrastructure that distributes biomethane to heavy duty trucks as either bioLNG or bioCNG and is building anaerobic digesters to produce its own biomethane. Our goal is to make biomethane available for use as a substitute fuel for diesel to sustainably reduce CO₂ emissions in heavy-duty transport. ViGo has a downstream presence across Germany, UK, Belgium and the Netherlands with a network of 46 bioLNG stations, making it one of the largest filling station operators in this segment, and has a growing biomethane production base in the Baltics. We aim to maintain our market leading position in biomethane production and distribution by growing our portfolio to over 70 stations and 5 large-scale production facilities over the next five years.