



Energy Regulatory Office
of the Czech Republic

Biomethane support scheme Czech Republic ERRA ET COM Vilnius

Jana Vášová



01 Background

The current situation in the Czech Republic



Biogas and biomethane in the Czech Republic

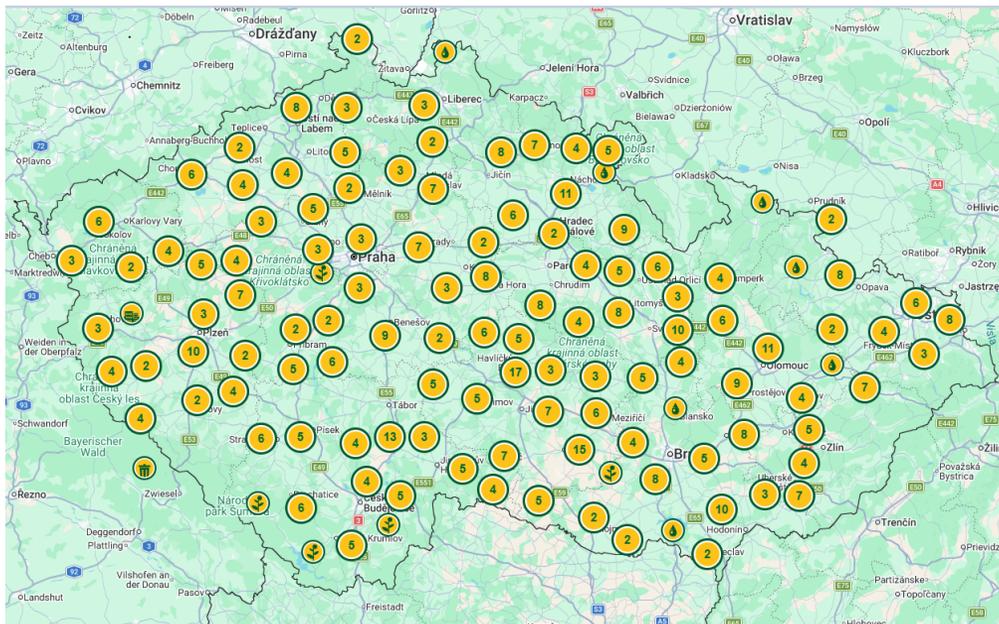
- The Czech Republic is one of the **top EU countries for biogas production**, currently face challenges in producing biomethane.
- While the focus has historically been on producing electricity from biogas, the **clear priority now is producing biomethane**.



Biogas and biomethane stations

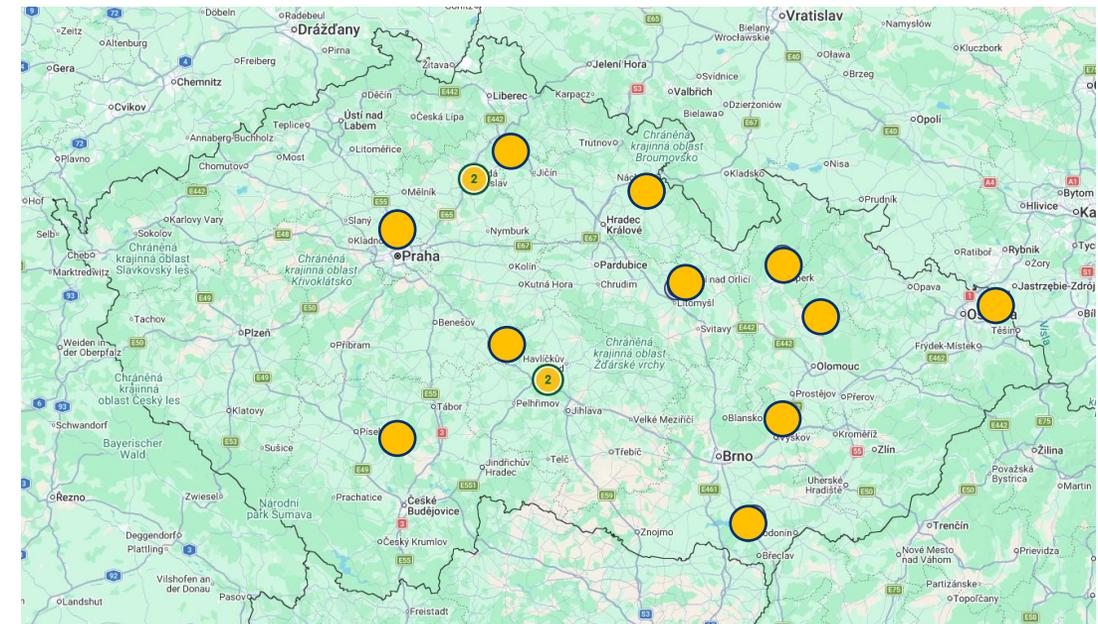
Between 2005 and 2013, the biogas sector expanded due to financial incentives for biogas-based electricity (FIP/FIT).

Biogas stations



The first biomethane plant in Rapotín began injecting biomethane into the grid in 2020.

Biomethane stations





Biogas and biomethane production

Most biogas plants receive FIT/FIP operational support for 20 years, with the majority of support periods ending between 2028 and 2032.

Biogas stations

- 540 biogas stations with an average installed capacity of 700 kW of which:
 - 410 agricultural (approx. 50-80% non-advanced raw materials, mainly corn)
 - 130 WWTP + landfill gas
- 1.2 billion m³ /year of biogas corresponds to approx. 700 million m³/year of biomethane (7 TWh/year in HHV)
 - 2.6 TWh/year of electricity
 - a large part of the **heat is wasted!**

Biomethane stations

- 13 biomethane stations (11 injection + 2 off-grid) of which:
 - 11 agricultural + waste treatment (advanced raw materials)
 - 2 WWTPs
- Total installed capacity
 - 28 million m³/year (290 GWh/year)
- Total production for 2025
 - 17 million m³/year (177 GWh/year)
- Just 3 biomethane stations used the operating support scheme for 2023–2025.



EU and national targets for biomethane 2030

- EU: **35 bmc** of biomethane in 2030, i.e. approx. 350 TWh
- Czech Republic National Plan: **0.5 bmc** of biomethane in 2030, i.e. approx. 5 TWh (total gas consumption in the Czech Republic approx. 70 TWh)
 - Mandatory targets for gas suppliers 5.5 (or 2.75%) in gas supply to transport
(CNG supply 1 TWh, i.e. the target is 27 GWh of advanced biomethane)



Challenges

- **Conversion of existing** facilities from producing electricity from biogas to producing biomethane.
- Construction of **new biomethane stations**.
- **Demand support** – determination of obligated parties or mandatory quotas
- **Finalisation** of the CISAF notification process with the EC (which has been ongoing for almost a year).
- The successful launch of **biomethane auctions** and the support scheme.



02 The new biomethane support scheme in the Czech Republic

Biomethane plants commissioned in 2026-2030



Three market pillars - all inclusive

- **Auctions for biomethane producers**
bid price criterion
- **Auctions of mandatory gas purchasers**
purchases gas without GO+PoS
- **Auctions of GO+**
GO+ the aggregated certificate (GO+ PoS)





Key features of the new support scheme

- Support is available only for biomethane produced in the Czech Republic and **injected into the Czech gas grid.**
- Guaranteed support for a period of 15 years.
- The amount of support is **determined exclusively by auction.** Producers submit a **bid price** at which they can produce and inject biomethane into the gas grid.
- The producer is guaranteed **to sell gas to a mandatory purchasing trader** selected by the Ministry of Industry and Trade.
- Producers who receive operational support cannot issue GO and **does not trade GO or POS** certificates.
- The **auction bonus(FIP)** is paid monthly. It equals the **difference between bid price and monthly gas market price.** The contract for difference (**CfD**) principle applies.
- The entire biomethane production chain must be **certified under a voluntary scheme.** The producer have to meet **sustainability and emission savings criteria**, which it reports only in **the national database (OTE)** not in UDB.

Auctions for biomethane production

- 1-2 auctions per year are planned (2026-2030)

Year	2026	2027	2028	Celkem
Volume	90 mil. m3	110 mil. m3	150 mil. m3	350 mil m3

- The auctions will begin immediately after the European Commission completes its approval process (which takes nearly a year)
- The auction will include a **ceiling bid price**. (determined by ERO).
- Technologically neutral** auction without distinction between new/conversion/upgrading.
- Minimum monthly supply** corresponding to the maximum energy output of the biomethane production plant.
- The **minimum volume share** requirement for **advanced biomethane** shall increase over time
- The **maximum level of greenhouse gas emissions**



The Mandatory Buyer of Gas

This auction ensures **producers receive the best possible price** and terms for gas. Producers do not need to negotiate contract terms (all inclusive).

- It is selected in an auction by the Ministry **for 3 years**, based on the most attractive **bid for a coefficient relative to the gas market price**.
- It is obliged to purchase gas (*physical gas flows*) without entitlement to GO+ at the **market price, which is adjusted by the tendered coefficient**.
- It is also **responsible for balancing** the gas it purchases from the producer.



Auction of GO+

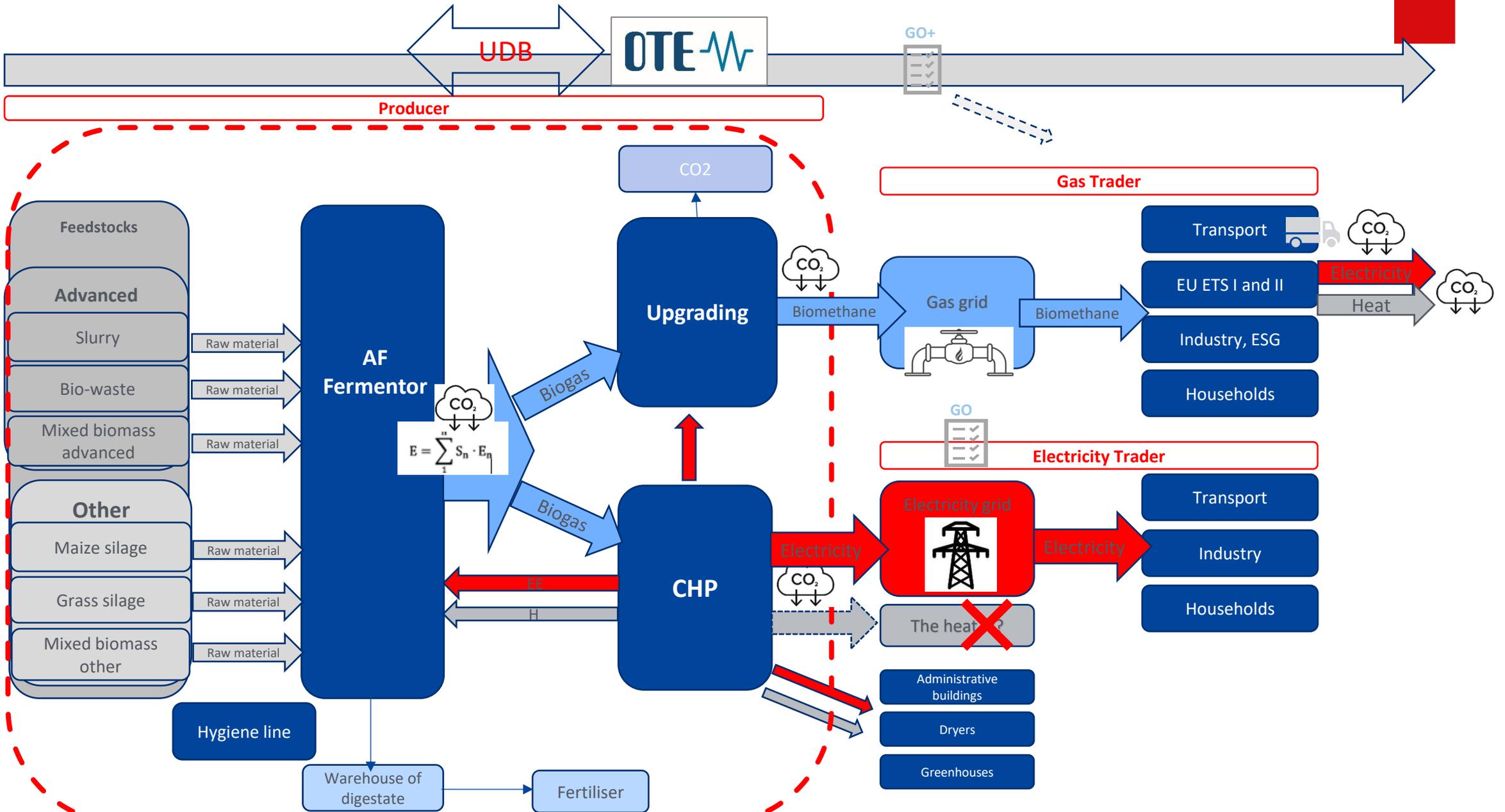
- The supported biomethane producer loses the right to issue a GOs.
- **GO+** can only be issued when sustainability and GHG-emission criteria are met. GO+ include the relevant **PoS** data, **which cannot be used separately**. Combining all biomethane attributes (GO and PoS) into a single aggregated **GO+** certificate **helps prevent double counting**.
- The **GO+** are issued to a **special state account** in the market operator's system.
- The market operator OTE **organizes auctions of GO+**.
- **Only licensed gas suppliers** may purchase GO+ to demonstrate their RES gas supply for disclosure, mandatory targets across all consumption segments (including transport, EU ETS, and ESG purposes), in line with RED III Art. 19 and Annex 1 of the Gas Directive. The **system ensures mass-balance compliance within the Czech VTP**.
- **Biomethane support will be financed from GO+ auction revenues**. If these revenues are insufficient to cover the full support costs, the remaining amount will be funded from the state budget.”



Reporting and tracking

- Under Decree 166/2022 Coll., all energy producers, including biomethane producers, must submit **monthly reports to the national database OTE on primary raw materials and produced energy**. This unified reporting supports operational support, issuance of GOs, and monitoring of sustainability criteria, emission savings, and statistics.”
- To **prevent double counting** of energy and related emissions, the Czech Republic manages the entire GO+ system through state institutions:
 - OTE as the issuing body
 - ERO as the supervisory disclosure body.

Biomethane production and supply chain





The National database by

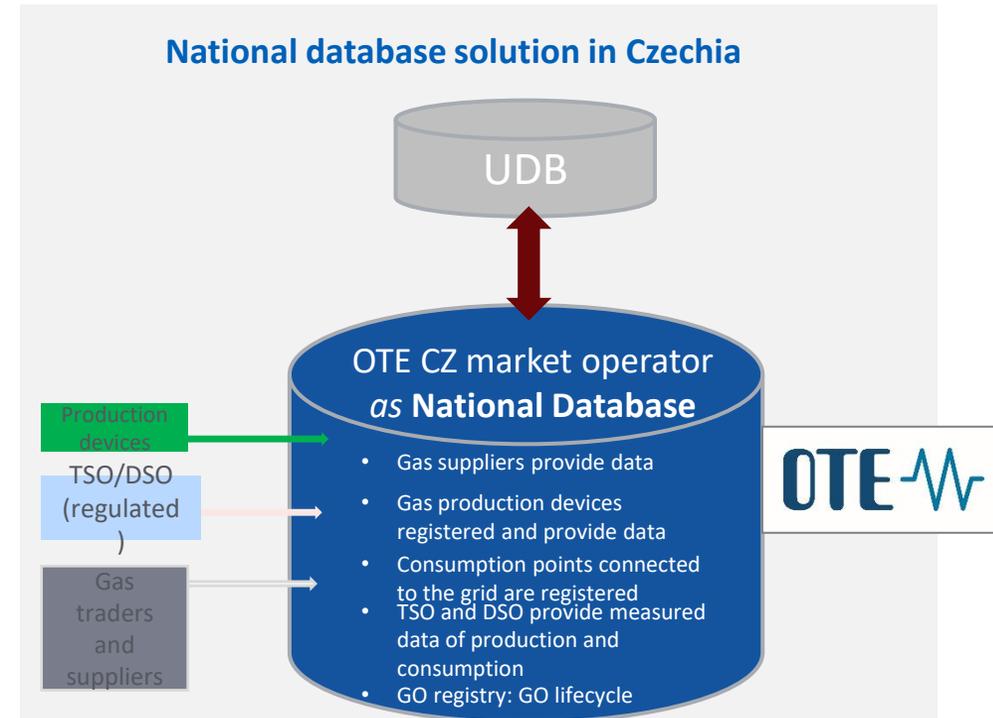
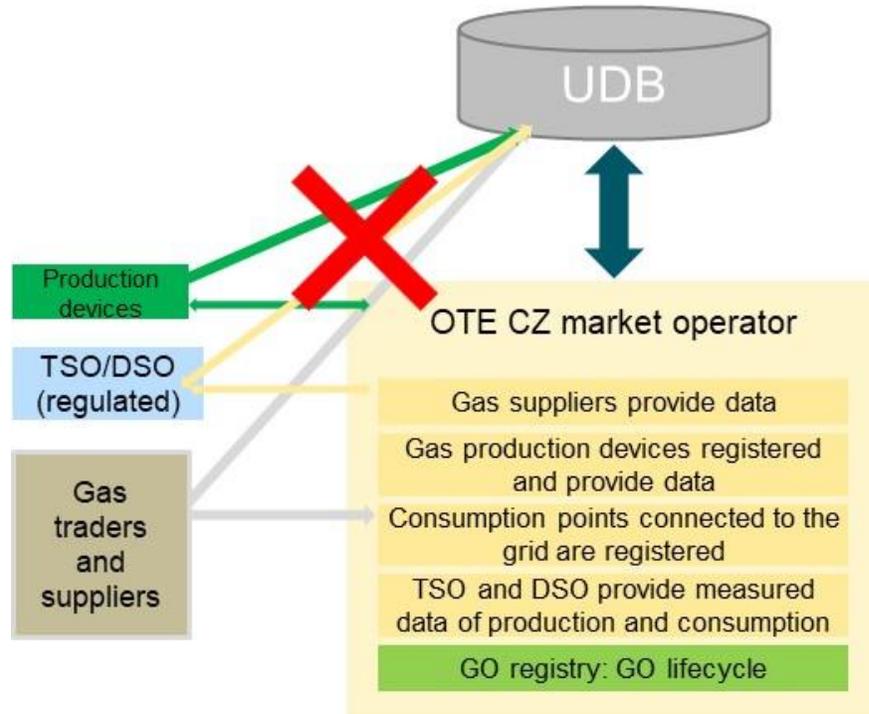
The state-owned Market operator - OTE is a “central energy hub” for the production, trade and supply of electricity and gas in the Czech Republic and:

- operates the **national database** in accordance with Article 31a of RED III for the monitoring of renewable and low-carbon gaseous fuels in the Czech Republic and **is responsible for connecting to UDB**,
- is government-authorized **issuing body** and system operator for GOs, and is an approved member of **the AIB Electricity** scheme and since May 2024 also approved member of the **Gas scheme**,
- is responsible for **organising GO auctions**, including GO+ biomethane,
- is authorized to **pay out FIP** support
- organises the daily and intraday electricity and **gas markets**, evaluate electricity and **gas system balances** and provide the system for **REMIT**,
- via the OTE system, **TSOs/DSOs provide market participants with measured data for billing** purposes and for evaluating electricity and gas system balances.

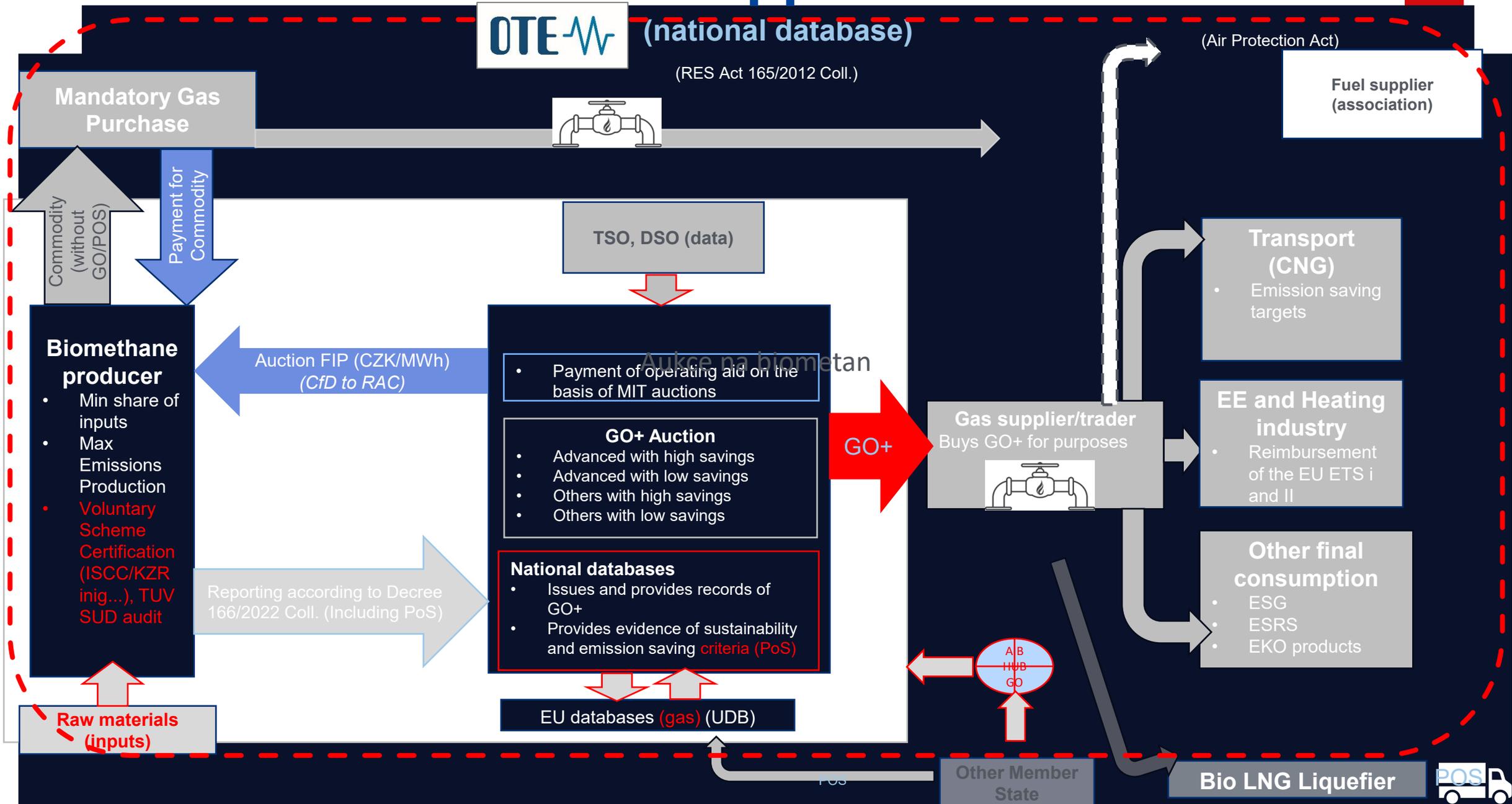


The National database and UDB

UDB for gaseous fuels transposed through the option of the NATIONAL DATABASE art.31a (5) where OTE, the market operator shall embody this role



The new biomethane support scheme





Benefits for biomethane producers

- It will offer producers a 15-year price guarantee and reduce market risk.
- The state takes on the market risk while ensuring the lowest possible support costs!
- More bankable projects.



What next?

- **Finalisation** of the CISAF notification process with the EC.
- Analysis of the possibility of introducing simplified permitting processes.
- The introduction of measures to increase demand for biomethane is key.
- Supporting and operating off-grid solutions. The introduction of so-called 'central injection points'.
- Ensure data transfer to the EU database (UDB) via the national sustainability database.
- **Prevent double counting by clarifying cross-border trade and how shares of biomethane and emissions count towards national targets!**



Energy Regulatory Office
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**Thank you for your
attention**

Jana Vášová

Senior Specialist

Department of Supported Sources and Heating Industry

jana.vasova@eru.gov.cz