

CMS | Romania to issue draft GEO promoting biomethane production



The Romanian government is planning to introduce a new government emergency ordinance on biomethane production in Romania, which is being eagerly anticipated by the industry given that Romania's vast gas distribution network of approximately 60,000 km could be repurposed for transporting green gases such as biomethane, which would secure supplies and contribute to the decarbonisation of the energy system.

The new draft GEO amends current definitions (i.e. guarantee of origin, distribution pipeline, natural gas, biogas, biomethane, biomethane injection installation) from the Electricity and Natural Gas Law No. 123/2012 to better integrate biomethane into the legal framework.

In addition, the following definition for a biomethane producer has been introduced: "The biomethane producer is the natural or legal person whose specific activity is the production of biomethane, which, from a technical and safety point of view, can be injected into systems, under the conditions of this title."

Specific rights and obligations are being introduced for biomethane producers in line with those enjoyed by natural gas producers. These obligations include the following:

- to hold the authorisations for the establishment of biomethane production facilities and a natural gas supply license;
- to ensure the safe, efficient, and environmentally friendly operation of biomethane production facilities;
- to ensure the regulation of pressure and measurement of biomethane from the regulation-measurement stations to the distribution system;
- to ensure the quality and odourisation of biomethane in accordance with the regulations and standards in force, and for biomethane delivered at commercial delivery-takeover points for natural gas into the natural-gas distribution systems in accordance with the conditions specified in the technical connection notice.
- to comply with the technological parameters mentioned in the technical connection notice by the natural gas distribution system operator.
- bear the costs of all works:
- for connection between the production facility and the downstream system objectives, including resizing, expansion or interconnection of the downstream system; and
- the injection facility.
- operate the injection facility, the data transmission facility, including the outlet valve from the injection facility to the distribution system;
- acquire the right of use and easement on behalf of the downstream system operator on the land on which the

objectives operated by the downstream distribution system operators are located, in accordance with the delimitation specified in the technical connection notice and to bear all costs related to obtaining and exercising these rights, including any compensation or indemnities for exercising these rights;

→ pay the specific tariffs for the use of distribution systems.

In the draft GEO, the main rights of the biomethane producer are:

- to develop technical and commercial rules specific to their activity and submit them to ANRE for approval;
- to market the biomethane produced in the production facilities within the limits of the natural gas supply licence;
- to request access and connection to the natural gas distribution system;
- to interrupt the operation of the facilities to carry out maintenance and repair work, as well as in other situations provided for by law, with prior notification of the dispatchers of the affected systems and, where applicable, of the suppliers and end customers.

The goal of the new draft GEO is to develop a functional market for biomethane, reduce the pressure on landfills and contribute towards achieving the targets set by the European Green Deal and RED III.

According to the European Biogas Association, Romania has the potential to become a major European biomethane producer, ranking 6th in the EU by 2030 with a capacity of 2 billion cubic meters (bcm) annually and 7th by 2050 with 8 bcm/year.

The Energy Strategy 2025-2035 sets tangible goals for biomethane production: achieving a 5% biomethane share in the national gas grid by 2030 and 10% by 2050. Projections suggest that up to 501 kilotons of oil equivalent (ktoe) of biomethane could be produced from agricultural residues and waste by mid-century, providing both an energy source and a circular economy solution.

For more information on this draft GEO and opportunities in Romania's biomethane sector, contact your CMS client partner or these CMS experts: **Varinia Radu**, **Raluca Diaconeasa** and **Ada Romanti**.