

## PRESS RELEASE

EEG 2021 brings hoped-for turnaround for biogas industry  
**EnviTec Biogas starts new year with renewed optimism**

**Lohne/Saerbeck, 14 January 2021** - The new year has started on a positive note, despite the ongoing coronavirus pandemic. Olaf von Lehmden, CEO of EnviTec Biogas AG: “The passing of the new 2021 Renewable Energy Sources Act (EEG) by the Bundestag just before Christmas marks a key step towards a bright future for biogas generation in Germany.” The new EEG provides planning reliability, von Lehmden notes, which is a substantial improvement to the old EEG from 2017. As a result, the new law finally introduces the improvements urgently needed for renewable electricity generation from biomass. Von Lehmden: “Raising the maximum bid value to 18.4 ct/kWh offers sound prospects for continued economic viability.

For sustainably developed sites with reasonable heat output, this at last marks the achievement of a satisfactory ruling from an economic perspective.” As conventional power station capacities are drawn down, policymakers seem to be turning their attention to the base load capabilities of biogas plants. Von Lehmden also sees the adjustment to tender volumes, the increase in the flexibilisation allowance and the removal of the flex bonus cap as positive developments.

“But the new EEG is not without its flaws,” warns EnviTec CFO Jörg Fischer, who assumes lawmakers will – as already announced – correct these issues over the next few months. As an example, Fischer cites the law’s current system whereby existing plants who have already received the flex bonus will receive the flex allowance in the second subsidy period only on the output not previously subsidised by the flex bonus. “Customers with a heat plan in place should therefore make the most of the flexibilisation option now,” Fischer continues: “further potential will result from the RED II Directive on CO2 compensation – to be transposed into German law around the end of June.

Since the RED II Directive is being transposed into national law throughout the EU, von Lehmden believes this will create momentum in EnviTec’s European markets. In terms of international biogas markets, EnviTec’s Management Board sees key opportunities for expansion in Denmark and France, as well as China, where there is every indication of potential for further growth. While China in particular has reduced its targets for annual biogas production, the figures are still promising, with over 10 billion cubic metres by 2025 and 20 billion by 2030.

Other fast-moving markets include Italy, as well as southern and eastern European countries such as Greece and Estonia.

Returning to Germany, 1 November 2020 marks the date of entry into force of the German Building Energy Act (GEG), which will offer an interesting set of opportunities for the role of biomass energy. “The new GEG is especially interesting for the heating sector,” von Lehmden says.

He sees the area of hydrogen production as more problematic, however. Although biogas plus steam reforming offers one of the cheapest methods for producing green hydrogen from renewable sources of energy, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) has circulated a draft ordinance whereby biogas is excluded from quota offsets and therefore from the market itself. Quite apart from the discriminatory nature of this ruling, this also contradicts the EU Directive that explicitly includes biogas.

Globally, EnviTec Biogas sees the bio LNG sector as booming. Von Lehmden: “In heavy goods traffic in particular, LNG and renewable methane are really gaining ground.” Von Lehmden also points to the US, parts of Europe and China, where LNG is already a standard fuel, with more than 50,000 trucks and 1,300 filling stations now in operation. According to a recent report from the German Energy Agency (dena), “LNG is creating future-proof jobs in these countries as a strategic cornerstone for the environmentally friendly and competitive logistics of the future.”<sup>1</sup>

“All things considered, we’re therefore cautiously optimistic about prospects for the next twelve months and are confident of being able to develop many new markets,” says von Lehmden. Von Lehmden also notes the healthy, sustainable growth that can be seen in all areas of the company – and especially in the Group’s core business segment, plant construction: “Building work is already underway on half of the order book for 2021.”

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<sup>1</sup> [https://www.biogasrat.de/wp-content/uploads/2017/12/9125\\_\\_Studie\\_LNG\\_in\\_Deutschland\\_Fluessigerdgas\\_und\\_erneuerbares\\_Methan\\_im\\_Schwerlastverkehr.pdf](https://www.biogasrat.de/wp-content/uploads/2017/12/9125__Studie_LNG_in_Deutschland_Fluessigerdgas_und_erneuerbares_Methan_im_Schwerlastverkehr.pdf)

## About EnviTec Biogas AG

EnviTec Biogas AG covers the entire value chain for the production of biogas, including the planning and turnkey construction of biogas plants and biogas upgrading plants as well as their commissioning. The company takes charge of biological and technical services on demand and also offers full plant and operational management. In addition, EnviTec also operates its own biogas plants. In 2011, EnviTec Biogas expanded its business operations into the direct marketing of upgraded biomethane as well as the marketing of green electricity and balancing energy. With a presence in 16 countries worldwide, EnviTec Biogas AG is represented by its own companies, sales offices, strategic partners and joint ventures. In 2019, the EnviTec Group generated revenue of EUR 213.6 million and EBIT of EUR 10.3 million. The Group currently employs over 450 people worldwide. EnviTec Biogas has been listed on the Frankfurt Stock Exchange since July 2007.

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