



European Biomethane Certificate Report 2026

Market Report 2026

2026


Czero
MARKETS

Key Drivers

Market Fundamentals

“

Following a period of policy uncertainty in 2023–24, the UK and European biomethane and RGGO market in 2025 has been characterised by incremental but meaningful progress in subsidy support, certification infrastructure, and commercial demand. While absolute volumes remain modest relative to total gas consumption, developments during 2025 provide clearer signals on how the markets are likely to evolve through 2026.



Bruce Brown,
Head of Trading, C-Zero Markets



Green Gas Support Scheme (GGSS) and Supply Outlook

The Green Gas Support Scheme (GGSS) has remained the central policy mechanism underpinning biomethane production in the UK. During 2025, additional projects progressed through commissioning and injection, gradually expanding the physical supply base eligible for RGGO issuance. Ofgem-published data continued to show growth in accredited GGSS participants and injected volumes, reinforcing the close link between subsidy-backed biomethane production and certificate supply.

In late 2025 at the ADBA Conference, the UK government confirmed an extension to the GGSS commissioning window, providing developers with additional time to bring projects online and qualify for tariff support. This extension improves near-term investment certainty for anaerobic digestion projects and reduces the risk of a sharp slowdown in new biomethane capacity later in the decade. From a market perspective, this supports a more stable supply outlook into 2026 and underpins confidence that RGGO issuance can continue to grow alongside demand.

The timing of the extension is particularly relevant given the phased introduction of mandatory separate food waste collections in England from 2026, which is expected to expand feedstock availability and support further biomethane capacity growth.

Certification Infrastructure and RGGO Market Maturity

The Green Gas Certification Scheme (GGCS), an industry-led voluntary framework, continued to mature in 2025, reinforcing its role as the backbone of the UK renewable gas certificate market. RGGO issuance for biomethane remained the scheme's core activity. Participation in GGCS among biomethane producers continued to increase, enhancing confidence in the integrity and consistency of RGGO supply.

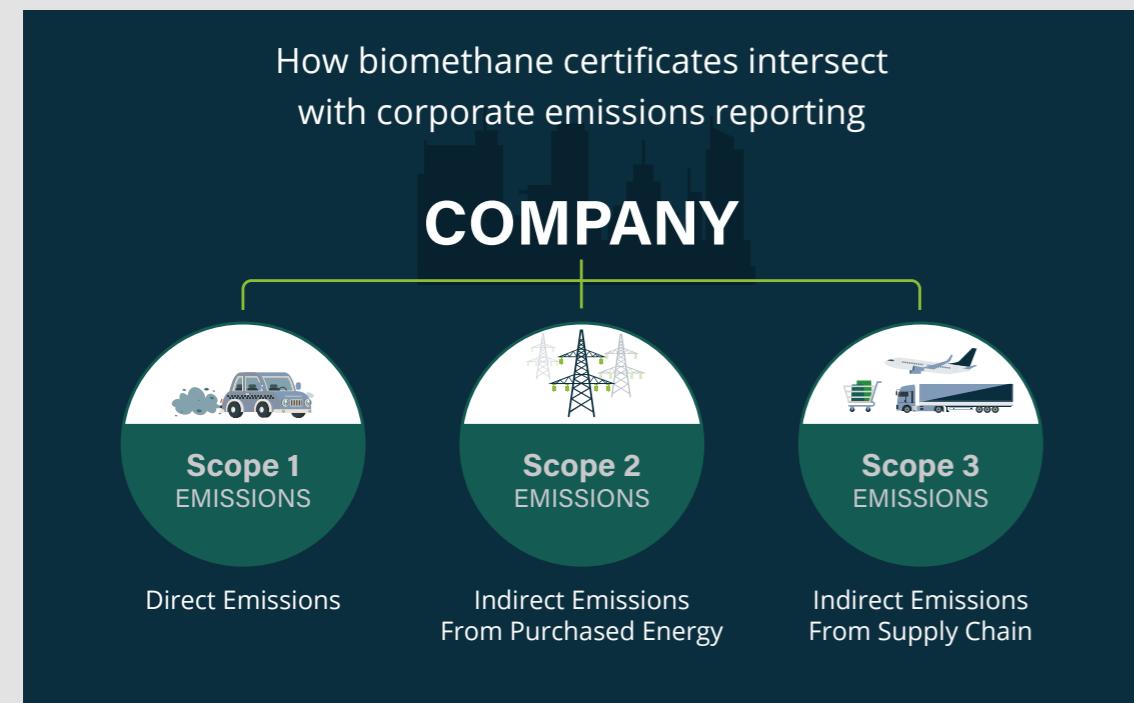
Commercial and Corporate Demand

Commercial interest in UK biomethane continued to broaden in 2025. While heat and industrial use remain core end-markets, corporate offtake agreements are increasingly moving from pledges toward actual delivery, with larger industrial, manufacturing and pharmaceutical buyers signing multi-year RGGO contracts as part of structured decarbonisation strategies rather than purely for reputational reasons.

A notable influence on corporate behaviour has been the ongoing dialogue around how renewable gas certificates are treated in corporate greenhouse gas accounting frameworks – particularly under the Greenhouse Gas (GHG) Protocol. The GHG Protocol's Corporate Standard is the basis for most global corporate emissions inventories, and it shapes how companies report progress against climate targets. In 2025, industry and corporate associations, including the "Let

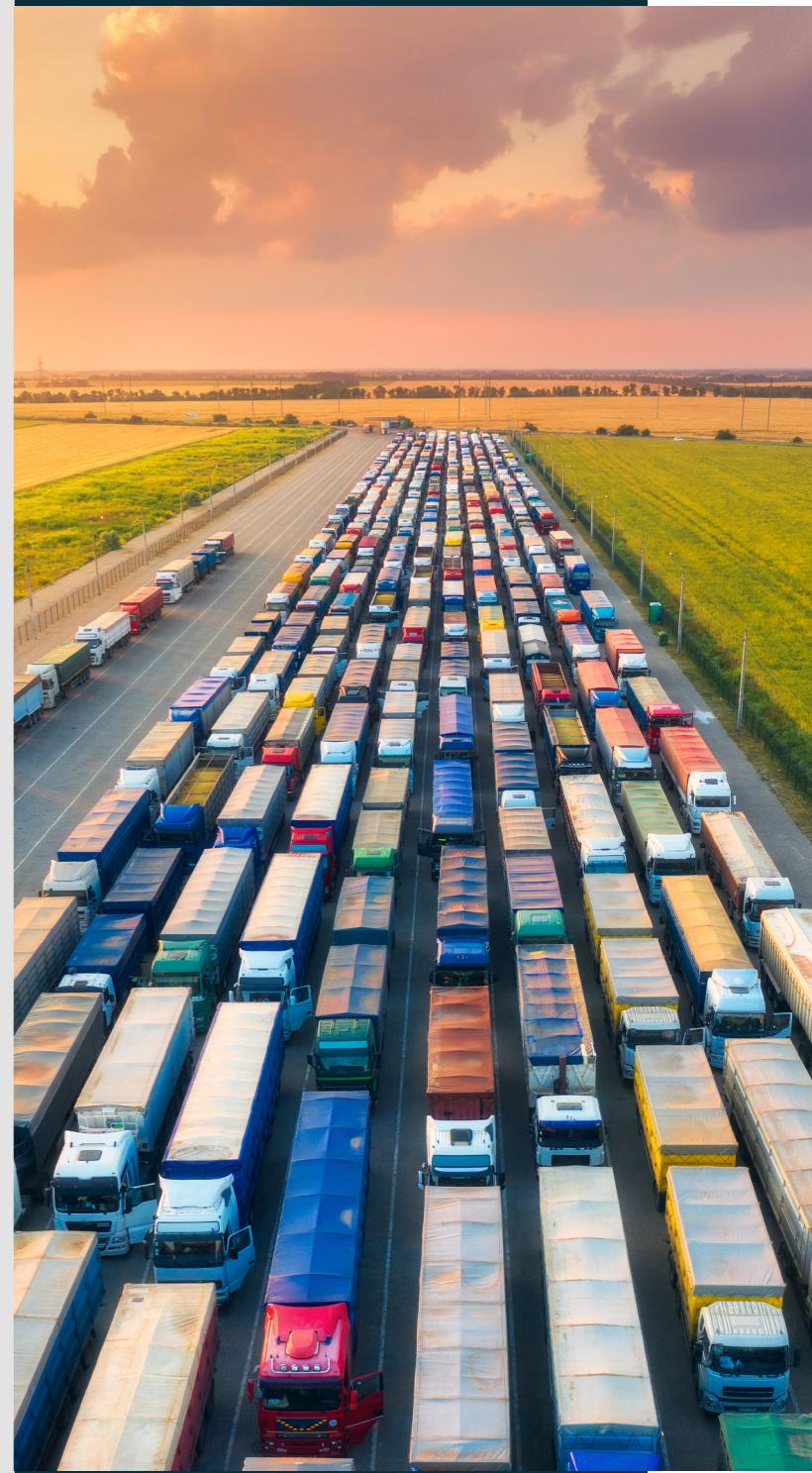
Green Gas Count" coalition, engaged with the Protocol's governance body to press for clear recognition of renewable gas certificates (such as RGGOs) in Scope 1 emissions inventories. Their argument is that without specific guidance, companies face uncertainty about whether certified renewable gas usage can be counted as replacing fossil gas in their carbon disclosures. This has been identified as a material constraint on corporate demand for biomethane and RNG because it affects how emissions reductions are quantified and verified.

The coalition's recommendations - backed by more than 140 companies and trade associations - urge interim guidance while the GHG Protocol's corporate standard is under revision, arguing that clear accounting treatment would expedite corporate investment in renewable gas and related projects.



At the same time, mainstream disclosure platforms (such as CDP) continue to clarify how certificates should be documented in emissions responses, signalling that although final accounting rules are still developing, companies can still use RGGOs in their reporting with transparent disclosures.

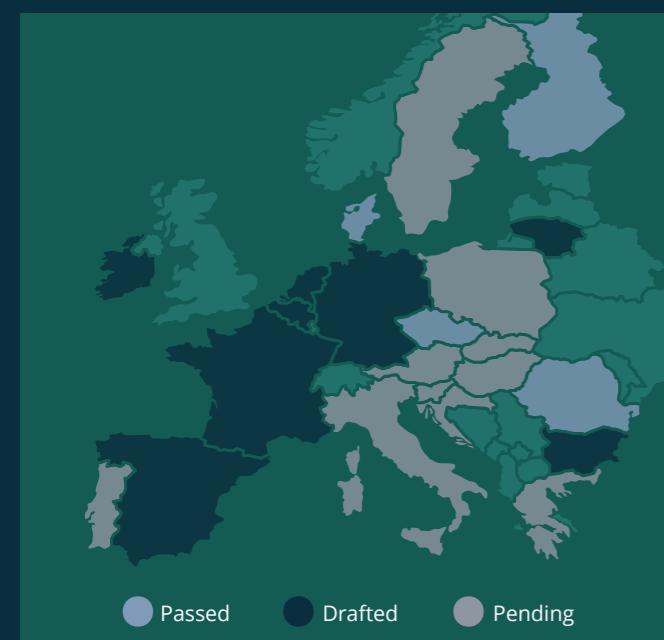
The transport sector remained a key source of demand through the Renewable Transport Fuel Obligation (RTFO). Bio-CNG and bio-LNG consumption for heavy goods vehicles increased during 2025 as refuelling infrastructure expanded, reinforcing competition between transport compliance markets and grid-injected biomethane for a limited supply base. This dynamic is likely to remain a key driver of RGGO pricing and allocation in 2026.



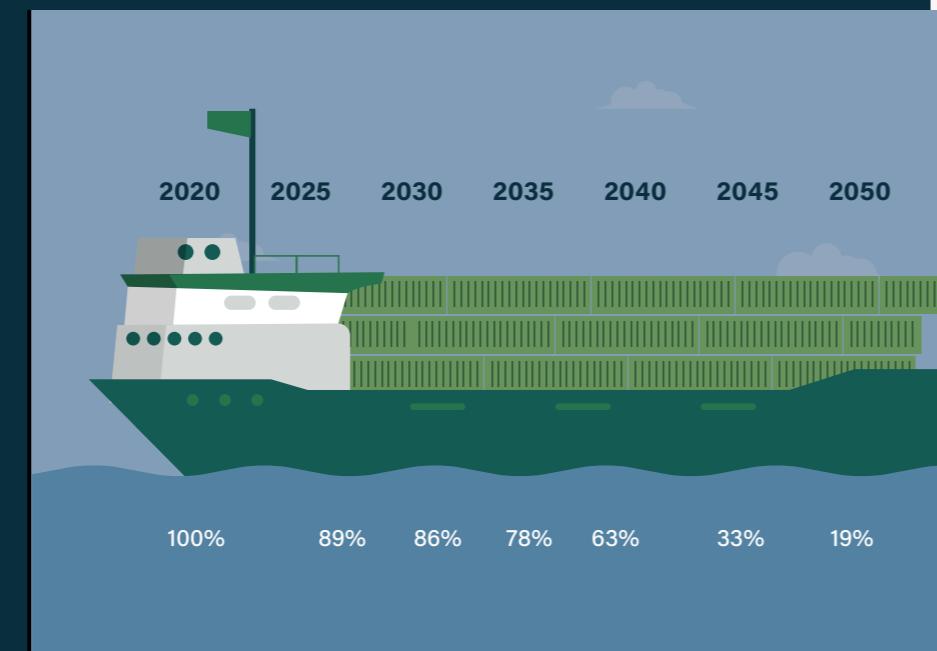
Germany's RED III Implementation: Implications for Biofuel and Biomethane Markets

In early December 2025, the German federal cabinet approved legislation to implement the EU's revised Renewable Energy Directive (RED III) into national law, marking a key step in aligning Germany's renewable energy and transport fuel policies with updated EU targets. The draft sets out an expanded greenhouse gas reduction quota for transport fuels, increases the share of renewable energy required across energy sectors, and strengthens incentives for renewable fuels including biofuels and advanced low-carbon fuels - though parliamentary ratification may delay full effect beyond the EU's 1 January 2026 transposition deadline.

While the final legislative process in Germany is still ongoing and full implementation may be delayed, the direction of travel has been clear to market participants. Anticipation of stricter compliance requirements, alongside the potential removal or reduction of favourable counting mechanisms under Germany's transport GHG quota system, has already influenced trading behaviour. In recent weeks, market participants have reported increased forward buying activity as obligated parties and intermediaries seek to secure compliant volumes ahead of expected rule changes.



Status of RED III national adoption across EU member states, highlighting delays in formal transposition despite EU-level agreement.



This has coincided with upward pressure on biomethane and associated GHG certificate prices, particularly for advanced and waste-based pathways that are well positioned under RED III sustainability criteria. Given Germany's role as one of Europe's largest transport fuel markets, these developments have had spillover effects beyond its borders, contributing to firmer pricing for biomethane volumes in neighbouring markets such as Denmark and the Netherlands.

Although uncertainty remains around precise timelines and implementation details, Germany's RED III announcement reinforces a broader trend of tightening regulatory demand for high-quality renewable fuels. Together with other policy drivers such as FuelEU Maritime and national blending mandates, RED III is expected to continue supporting demand for biomethane and low-carbon fuel certificates, increasing competition for compliant supply and underpinning prices over the short to medium term.

FuelEU Maritime: Emerging Implications for the Biomethane and Bio-LNG Market

The FuelEU Maritime Regulation, which came into force on 1 January 2025, has transitioned from policy into a tangible compliance driver for low-carbon marine fuels, with observable effects on renewable gas and certificate markets. The regulation requires large commercial ships calling at EU and EEA ports to reduce the well-to-wake GHG intensity of their energy use, starting with a modest 2 % reduction in 2025 and rising to progressively steeper cuts over time.

A key mechanism of FuelEU is its flexible compliance framework, including voluntary pooling and surplus trading, which allows shipowners that achieve very low lifecycle emissions - often through Manure/Waste-based bio-LNG feedstocks - to generate and trade compliance value. Reports show bio-LNG used for FuelEU compliance selling at premiums and, in some cases, well above conventional LNG costs, reflecting strong demand from vessel operators trying to meet the regulation's targets.

Market dynamics in 2025 and early 2026 illustrate how regulatory demand is influencing price formation and procurement strategies. Bio-LNG prices in northwest Europe have shown a narrowing spread between subsidised and unsubsidised material, driven by robust uptake of subsidised volumes that are attractive for FuelEU compliance. Although it remains to be seen whether subsidised volumes will continue to be eligible for reduction in GHG emission offset.



In practice, FuelEU Maritime is already influencing fuel procurement decisions rather than sitting in the background as a future obligation. Shipping companies are increasingly distinguishing between fossil LNG and certified renewable alternatives, with bio-LNG offering a clear compliance advantage where lifecycle emissions are robustly evidenced. As pooling arrangements have expanded over the course of 2025, early price signals have begun to emerge around the value of surplus compliance, improving transparency and reinforcing the premium attached to low-carbon fuel pathways.

Looking ahead into 2026, the experience of the first compliance year suggests that FuelEU Maritime will remain a structural source of demand for high-quality biomethane and bio-LNG, rather than a short-term policy effect. As targets tighten and more vessels are brought into pooling structures, competition for limited low-Cl supply is likely to persist. This dynamic is expected to continue supporting price differentiation between standard biomethane volumes and those capable of delivering the largest lifecycle GHG savings, with implications across fuel, certificate, and cross-sector renewable gas markets.

Conclusion Market Outlook for 2026

Looking into 2026, the UK biomethane and RGGO market is poised for incremental but structurally significant development, shaped by clearer policy direction at home and evolving regulatory pressures across Europe.

On the supply side, the Green Gas Support Scheme (GGSS) extension gives developers breathing room to complete commissioning and secure tariff support, helping pipeline capacity to scale in 2026. The continuing maturation of the Green Gas Certification Scheme (GGCS) - and its engagement in broader emissions measurement frameworks - also supports more robust certificate tracking and buyer confidence, which in turn improves market liquidity.

Corporate demand remains an important growth pillar. As more companies embed emissions targets into procurement practices, secure and credible accounting treatment of RGGOs will be increasingly valuable. Engagement with the GHG Protocol's standard revision process and continuing industry advocacy provide a pathway to greater clarity, which should help reduce barriers for corporates seeking to use RGGOs as part of their decarbonisation strategies



Talk to us about green certificate pricing

Across both buy and sell-side markets, with technical market support, data-led insight, and price risk management strategies.

Risk Assessment: Upside and Downside Risk Factors

Across Europe, the market context for renewable gases is evolving rapidly:

- EU-wide targets, such as the REPowerEU biomethane ambition of ~35 bcm by 2030, underscore a strong political imperative to scale biomethane production as part of decarbonisation and energy independence goals.
- National implementations of RED III and related GHG quota systems continue to influence price formation and forward contracting behaviour across key continental markets, particularly in Germany and the Netherlands. Regulatory uncertainty: such as potential changes to double-counting provisions, which has already driven price movements and procurement strategies in late 2025 and is expected to remain relevant through 2026.
- Other domestic measures - from blending mandates under development to maritime compliance frameworks such as FuelEU Maritime - are layering additional demand signals that interact with wider European certificate markets. These mechanisms not only stimulate demand for low-carbon fuels, they also reinforce the value of robust certification and cross-border recognition of renewable attributes.

Taken together, these domestic and European influences suggest **2026 will be a bridge year**: not one of dramatic volume spikes but one where the underpinnings of a more integrated and transparent market solidify. The interplay of supply maturation, evolving corporate accounting norms, and international policy drivers should foster greater liquidity, clearer price signals, and broadening participation across sectors and borders. Such developments will be crucial in sustaining confidence among producers, buyers, and investors as the market moves toward the deeper scale-up required by the end of the decade.

Up ↑ Side Price Risks

Looking ahead, several factors point to potential upside for biomethane and certificate markets. The implementation of FuelEU Maritime is already translating into tangible demand for low-carbon intensity biomethane, particularly from the shipping sector, where bio-LNG offers one of the most practical near-term compliance options. At the same time, demand from continental Europe continues to strengthen, with markets such as Germany and Denmark actively prioritising decarbonisation alongside energy security, driving increased interest in certified biomethane imports.

In the UK, biomethane supply is expected to remain structurally tight, providing continued support for prices as new capacity additions struggle to keep pace with expanding end-use demand. Transport remains a key growth driver, with fleet operators increasingly adopting bio-LNG and bio-CNG to meet tightening carbon reduction obligations. Encouragingly, interest from industrial and pharmaceutical buyers also remains resilient, even in the absence of fully resolved guidance on the treatment of biomethane within voluntary carbon accounting frameworks, highlighting the strategic role renewable gas is playing in corporate decarbonisation planning.

Down ↓ Side Price Risks

Despite these supportive dynamics, a number of downside risks remain. Most notably, the GHG Protocol Council has yet to formally approve the use of biomethane certificates for Scope 1 emissions reductions, creating uncertainty for corporates and dampening some elements of voluntary demand. At the European level, steady growth in domestic biomethane plant build-out could gradually reduce reliance on UK-sourced RGGOs, particularly in markets focused on local supply chains.

A further downside risk is the potential for increased biomethane supply driven by additional anaerobic digestion (AD) capacity. Policy support measures, including the extension of the GGSS commissioning window and the introduction of mandatory separate food waste collections in England from 2026, may accelerate AD project development and improve feedstock availability. If a larger number of projects reach commissioning than currently anticipated, this could lead to higher biomethane injection and RGGO issuance, easing supply tightness and placing

downward pressure on certificate prices over the medium term, particularly for subsidised or lower-differentiation volumes.

Persistently low wholesale gas prices also continue to challenge biomethane's competitiveness for voluntary buyers, where cost remains a decisive factor. In parallel, market participants are increasingly prioritising additionality and environmental plant credentials, which has reduced appetite for subsidised volumes and biomethane produced from positive CI pathways. Finally, the tight spread between EU Allowances (EUAs) and biomethane certificate prices has limited the economic incentive to use biomethane for ETS compliance, constraining demand from emissions-trading participants.

If you would like to discuss these risks in more detail or explore how they may impact your specific exposure or procurement strategy, please get in touch with the Carbon Zero Markets team, who would be happy to help assist in your strategy moving into 2026 and beyond.



info@c-zeromarkets.com

www.c-zeromarkets.com

St Georges House, 15 Hanover Sq,
London W1S 1HS

0203 778 2337