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Merger and Acquisitions

bp completes acquisition of Archaea Energy

bp announced it had completed its purchase of Archaea Energy, a leading provider of renewable natural gas (RNG). The oil giant said this marked a milestone in the growth of bp's strategic bioenergy business. In October 2022, bp announced it had agreed to acquire Archaea, subject to regulatory and Archaea shareholder approval. Having received those approvals and with the transaction complete, bp said Archaea expands its presence in the US biogas industry.

Bioenergy is one of five strategic transition growth engines that bp intends to grow rapidly through this decade. bp expects investment into its transition growth businesses to reach more than 40% of its total annual capital expenditure by 2025, aiming to grow this to around 50% by 2030.

However, bp was recently criticized for its plans to spend as much as double the amount on oil and gas projects than on renewable investments in 2023.

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TotalEnergies applies to take over the Polish Biogas Group

The French company TotalEnergies and Electricite Holdings intend to take over Polska Grupa Biogazowa. The Polish firm own 15 biogas-fired CHP plants and two photovoltaic farms in the country. In addition, the company is implementing 13 investment projects concerning the

construction of further biogas CHP plants, including three photovoltaic farms in various locations in Poland. TotalEnergies and Electricite Holdings, belongs to a capital group controlled by TotalEnergies SE, whose activity is focused on the energy sector and consists, among others, of mining and processing in the oil and gas industry. The French company also operates in the energy and renewable energy sectors.

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Varo Energy buys 80% of Dutch biogas firm

Fuel trader and refiner Varo Energy, owned by Carlyle and energy trader Vitol, announced that it had bought an 80% stake in Dutch biogas maker Bio Energy Coevorden BV with a view to doubling its capacity by 2026. The deal follows advances by other oil firms into biogas, captured from organic waste in landfills or farms, including multibillion dollar acquisitions by BP and Chevron as the sector hunts for non-fossil fuel feedstocks for fuel production, power generation or heating. The acquisition, which Varo said is its largest since 2015, was announced about a year after Dev Sanyal took over as chief executive officer of the company following three decades at BP where he last served as the head of gas and low carbon energy.

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Goldman Sachs to invest € 1bln in biomethane venture

Goldman Sachs Asset Management said on Monday it had launched a biomethane business called Verdalia Bioenergy and aimed to invest more than 1 billion euros (\$1.08 billion) in Europe over the next four years. Some 80 billion euros of investment is needed to increase the EU production of biogas and biomethane tenfold to reach a target of 370 terawatt hours per year (TWh) by 2030, accelerating decarbonisation and increasing energy security. Verdalia Bioenergy will invest in both early-stage biomethane development projects as well as existing assets. It has already signed an agreement to purchase a portfolio of biomethane projects with a total capacity of around 150 GWh/year in mid-stage development in Spain.

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GreenGas to partner with IFM Investors to accelerate growth

IFM Net Zero Infrastructure Fund has signed a definitive agreement to acquire a majority interest in Green Gas USA, a US-based renewable natural gas (RNG) developer, owner and operator. Green Gas utilizes mature technologies to capture, purify and transport biogas from existing organic waste streams for its end use as pipeline quality RNG. The acquisition marks a significant milestone for the company and secures long-term investment capital to expand its footprint of renewable natural gas projects and continue delivering on its mission to help food processors, farmers and industrial manufacturers capture greenhouse gas emissions from their operations. The deal represents NZIF's first investment in the low carbon fuels sector, a core target sector of the fund.

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CNH industrial takes majority stake in Bennamann, UK

CNH Industrial is expanding its alternative fuel capabilities by taking a majority stake in Bennamann – a UK-based expert in solutions to capture, repurpose and store fugitive methane emissions for energy use. In conjunction with CNH Industrial equipment, Bennamann's infrastructure delivers a carbon negative system that fully supports a circular economy in farming. This move boosts our leading position and portfolio in alternative fuels for the agriculture industry. Reducing emissions such as methane and CO₂ from biowaste and operations is one of agriculture's greatest environmental issues. To help farmers meet this challenge, CNH Industrial has been pioneering sustainable alternative power solutions in

agriculture for over two decades, including the world's first tractor running on compressed natural gas – the New Holland T6.180. The relationship of CNH with Bennamann began in 2019 when they jointly developed a liquefied natural gas fuel tank for the methane tractor prototype.

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TotalEnergies acquires 20% of Finnish biomethane startup

In France, TotalEnergies has acquired a 20% stake in Ductor, a Finland-based start-up that has developed an innovative technology to process high-nitrogen organic waste, such as poultry manure, which is usually difficult to use for biomethane production. By allowing the treatment of new types of input, this technology is helping to accelerate the development of the biogas value chain, thus contributing to the energy transition. It will also enable TotalEnergies to seize new market opportunities. TotalEnergies has also formed a partnership with Ductor to develop and invest in several biomethane production projects, primarily in the United States and Europe. Ductor already has a pipeline of fifteen to twenty projects, some of which are at an advanced stage. The partners are planning to develop an initial facility in Ohio, United States. Under the terms of this joint venture, TotalEnergies will market the production of the biomethane, and Ductor the production of the sustainable biofertilizers.

TotalEnergies is a leading company in the European biogas segment with production capacity of 1.1 TWh. The Company aims to become a major player in the international market by joining forces with leading partners such as Clean Energy, Veolia, and Ductor. It is active across the entire value chain, from project development to marketing of this renewable gas and its byproducts, including biofertilizers and bioCO₂.

Ductor builds, owns, and operates turnkey facilities, turning high nitrogen feedstocks and organic waste from the agricultural sector into sustainable fertilizers and biogas.

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Policy

DOE launches Clean Fuels & Products Shot

The U.S. Department of Energy has launched the Clean Fuels & Products Shot, which aims to significantly reduce greenhouse gas (GHG) emissions from carbon-based fuels, including through the increased use of biomass and waste feedstocks. The initiative is the seventh component of the agency's Energy Earthshot program. The program aims to accelerate breakthroughs of more abundant, affordable and reliable clean energy solutions within the decade. These breakthroughs are needed to drive innovation needed to solve the climate crisis, reach 2050 net-zero carbon goals and create new clean energy jobs. Previously announced components of the Energy Earthshot program includes those dedicated to clean hydrogen, long-duration power storage, atmospheric carbon dioxide removal, geothermal energy, floating offshore wind, and industrial heat. The Clean Fuels & Products Shot focuses on reducing carbon emissions from the fuel and chemical industry through alternative, sustainable sources of carbon to achieve a minimum of 85 percent lower GHG emissions compared to fossil-based sources by 2035. The effort also aligns with the interagency Sustainable Aviation Fuel Grand Challenge, the DOE said.

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EU's CO₂ Heavy-Duty Vehicles proposal fails to recognize biomethane

On the 14th of February, the European Commission published its proposal to review Regulation EU 2019/1242 setting CO₂ emission performance standards for new heavy-duty vehicles in the EU. This piece of EU legislation is fundamental for the decarbonization of the heavy-duty segment and for supporting the development of all the technologies contributing to the shift towards zero- and low-emission mobility. As acknowledged by the European Commission, the decarbonization of the transport sector will have to rely on multiple and complementary solutions to reduce its

GHG emissions while responding to all mission profiles. Sustainable and renewable fuels, such as biomethane, are part of the current alternatives to cut down emissions, given their readiness and compatibility with existing vehicles and refueling infrastructure.

The European Biogas Association prides the increased ambitions of the proposal, but regrets the choice of the Commission not to recognize the contribution of renewable fuels, including biomethane, to the decarbonization of the sector. The EU executive body has missed the opportunity to provide a strong positive signal to the biomethane value chain by setting stringent targets at tailpipe without providing a mechanism to factor in the contribution of renewable fuels in reducing overall CO₂ emissions across the vehicle's lifecycle.

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EU gas package

On 28/03, the Council of the EU adopted its positions ("general approaches") on the Gas Directive and the Gas Regulation. It laid out provisions to adapt the gas market and infrastructure to low-carbon and renewable gases. The Council clarified the rules for tariffs and tariff discounts for hydrogen and renewable gases seeking to access the gas grid and gave more flexibility to member states for setting them. It differentiated between tariff discounts for renewable (100%) and low-carbon gases (75%) in the natural gas system. The general approach allows for the blending of hydrogen into the natural gas system of up to 2% by volume (instead of 5%) in order to ensure a harmonised quality of gas. The Council extended the transition phase for implementing detailed rules for hydrogen till 2035. Now that the Council has reached general approaches on the proposals, negotiations with the European Parliament may begin. The proposal for a regulation aims to facilitate the uptake of renewable and low-carbon gases, in particular biomethane and hydrogen, into the EU gas market. It would require existing natural gas infrastructure to integrate hydrogen and renewable gases, by removing tariffs for cross-border interconnections and lowering tariffs at injection points.

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EU: REDIII Agreement

On 29/03, the last trilogue (negotiations between representatives of the European Parliament, the Council of the European Union and the European Commission) on the Renewable Energy Directive (RED) took place and a political agreement was reached. The revised Directive will feature a 45% RES energy consumption target (42.5% binding, 2.5% inspirational), a 29% energy intensity target for transport and a merged target for RNFBOs and advanced biofuels in transport. Article 29(10) on GHG savings includes retroactive requirements. Biogas and biomethane will deliver sustainable and flexible solutions to buildings, power and transport sectors. If the measures on accelerated permitting procedures for renewable energy projects, proposed in the directive, are accompanied by improved administrative capacity at member state level, this will help delivering the 35bcm biomethane target by 2030. The whole biomethane value-chain, including manufacture of anaerobic digestion (AD) and gasification systems, is solidly based in the EU.

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Sánchez, Fitzpatrick introduce bill to create new tax credit for RNG

U.S. Congresswoman Linda T. Sánchez and Congressman Brian Fitzpatrick introduced the Renewable Natural Gas Incentive Act, bipartisan legislation that would provide a tax credit for renewable natural gas (RNG), which can be used in heavy-duty vehicles like buses and freight trucks to immediately reduce greenhouse gas and particulate emissions while further supporting clean and efficient transportation across the country. The tax code currently provides a 50-cent credit for natural gas used in transportation including natural gas from

renewable sources. This credit, however, is less than the credit for renewable biodiesel which has consistently benefited from a \$1 a gallon tax credit and is currently only available through 2024. The Renewable Natural Gas Incentive Act would create a \$1.00 per gallon tax credit for sellers of renewable natural gas used for transportation for 10 years, allowing businesses to maximize the credit's effectiveness to reduce their emissions while investing in zero-emission vehicle infrastructure.

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EU's Net Zero Industry Act

Recently, the Commission proposed the Net-Zero Industry Act to scale up manufacturing of clean technologies in the EU and make sure the Union is well-equipped for the clean-energy transition. This initiative was announced by President von der Leyen as a part of the Green Deal Industrial Plan. The act will create better conditions to set up net-zero projects in Europe and attract investments, with the aim that the Union's overall strategic net-zero technologies manufacturing capacity approaches or reaches at least 40% of the Union's deployment needs by 2030. The proposed legislation addresses technologies that will make a significant contribution to decarbonisation. These include: solar photovoltaic and solar thermal, onshore wind and offshore renewable energy, batteries and storage, heat pumps and geothermal energy, electrolyzers and fuel cells, biogas/biomethane, carbon capture, utilisation and storage, and grid technologies, sustainable alternative fuels technologies, advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle, small modular reactors, and related best-in-class fuels. The Strategic Net Zero technologies identified in the Annex to the Regulation including solar photovoltaic and solar thermal technologies, onshore wind and offshore renewable technologies, battery/storage technologies, heat pumps and geothermal energy technologies, electrolyzers and fuel cells, sustainable biogas/biomethane technologies, Carbon Capture and Storage (CCS) technologies and grid technologies will receive particular support and are subject to the 40% domestic production benchmark

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