



Launch of biomethane and hydrogen auction worth 140 million euros

Yesterday, 27.05.2024, the opening of the competitive procedure, in the form of an electronic auction, for the purchase of biomethane and hydrogen was approved, through the publication, in the official gazette, of Order no. 5971-A/2024 by the Minister for the Environment and Energy, Maria da Graça Carvalho.

The respective parts of the procedure - Tender Programme, Annexes and Specifications - have already been made available on the website of the Directorate-General for Energy and Geology ('DGEG').

The contracting authority is the Portuguese natural gas company, Transgás, S.A., as Wholesale Supplier of Last Resort ('CURg'), and DGEG is responsible for conducting the procedure, in which it will also be competent to appoint the jury.

The maximum base bid prices for each lot will be 62€/MWh for biomethane and 127€/MWh for renewable hydrogen.

The maximum quantities for contracting the purchase of renewable gases are 150 GWh/year for biomethane (PCS) and 120 GWh/year for hydrogen (PCS).

This auction will be based on the Portuguese scheme worth 140 million euros that the European Commission approved in December 2023 to support the production of renewable hydrogen and biomethane in order to promote the transition to a zero net emissions economy.

According to the specifications, the contract for the purchase by the SRB and sale by the Producer of Gases of Renewable Origin must be signed by 31 December 2025 and will last for 10 years from the date of the first injection into the Public Gas Network.

Applications may be submitted on the respective Procedure Platform, at <https://www.omip.pt/pt/LGR2024>, within 60 days of the date of publication of the notice announcing the opening of the Procedure.

If you have any doubts or questions on this matter, please do not hesitate to contact the Environment, Energy and Natural Resources Law team at pbbr - Sociedade de Advogados, SP, RL.

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