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AGRICULTURAL GREEN GAS DEMONSTRATION PROJECTS IN THE NETHERLANDS. A STAKEHOLDER ANALYSIS

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Abstract

In the Netherlands green gas is seen as a sustainable alternative to natural gas. However, green gas is still not competitive to natural gas in terms of pricing, and production volumes are remarkably low. Currently, there is a lot of attention to green gas which stems from upgraded biogas, which is produced by manure-based anaerobic co-digestion by livestock farmers. In this article the central question is to understand green gas demonstration projects from stakeholders' perspectives, and identify barriers accordingly. The results of our analysis show that a disproportionate burden lies with biogas producers, who are therefore unwilling to invest. In large part this is due to juridical-administrative stipulations that provide gas grid operators with little incentives to invest, notably in biogas infrastructure and biogas treatment equipment. However, biogas producers face many more risks and challenges: (production) subsidies not being granted, legal permits to operate biogas plants not being granted, limitative environmental policies that restrict business operations, and price instability regarding co-feedstock. Moreover, access to bank to loans has declined strongly in recent years. Altogether, the risks potential biogas producers face, the lack of regulatory incentives grid operators have to engage in green gas business development, and the lack of market demand among end-consumers, do not favor green gas niche development. This can only change when policy makers design stakeholder specific strategies to solve those barriers; e.g. public investments funds to cover for high upfront costs, and regulatory changes regarding the role and competences of grid operators.

Key words: biogas, biomethane, energy transition, implementation, renewable energy, stakeholder analysis

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