ACT

The biomethane buyer's new reality

Why SBTi V2 turns procurement plans into action

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01.
Intro

For companies with ongoing natural gas demand, the decarbonization options are relatively clear: reduce consumption, electrify where feasible, or switch to alternative fuels such as biomethane.

What has been less clear is how biomethane certificates fit within evolving sustainability frameworks, reporting expectations, and long-term sourcing strategies.

The recent update of the Science Based Targets initiative's (SBTi) Corporate Net-Zero Standard provides buyers, for the first time, a framework on how qualifying market-based instruments can support target implementation within shared systems such as gas grids, including clearer guidance on how biomethane certificates can support broader decarbonization strategies. For procurement teams, this creates greater confidence when evaluating, justifying, and executing sourcing decisions.

As SBTi Corporate Net-Zero Standard V2 removes one source of uncertainty, more companies will be able to evaluate biomethane with greater confidence. In a market where demand signals are already strengthening, this puts greater weight on buyers' procurement decisions: what they purchase, when they source it and which requirements they set from the start.

EUROPE'S BIOMETHANE MARKET

8.2 bcm
Installed biomethane production capacity in Europe by the end of Q2 2026, 17% higher than the previous year.

327
New biomethane plants commissioned during the same period.

1,975
Biomethane facilities operating across Europe.

More than €36 billion
Committed investment in European biomethane production.

02.

What changes under SBTi Corporate Net-Zero Standard V2?

The biomethane market is already expanding trading across borders and moving into longer-term contracts.

SBTi Corporate Net-Zero Standard V2 has now removed one important source of uncertainty for companies considering market-based instruments. That does not settle every reporting question, and it does not make every biomethane product interchangeable. It makes procurement strategies more important.

That matters particularly in a market where the location of biomethane production does not necessarily align with the location of buyer demand. Biomethane supply remains geographically concentrated given the locality of desirable feedstocks, infrastructure, and investment conditions, while buyers are dispersed. Certificate systems in some jurisdictions may address accessibility challenges through a book-and-claim approach. For many organizations, however, accessibility was only part of the equation. Questions remained around how certificates fit within decarbonization strategies.

SBTi Corporate Net-Zero Standard V2 acknowledges the practical reality of shared energy systems. Where physical traceability is still limited or impossible, market-based instruments can provide the link between renewable production and corporate consumption claims. This is particularly relevant in sectors where decarbonizing natural gas consumption remains challenging due to infrastructure constraints, grid connectivity limitations, or long asset replacement cycles.

Direct action remains the priority under SBTi Corporate Net-Zero Standard V2, including efficiency improvements, electrification and physical fuel switching.

Where emissions arise within a shared system and cannot be fully addressed through direct action alone, qualifying biomethane certificates may provide an additional route for target implementation, subject to SBTi's activity-pool and integrity requirements.

This ultimately increases the level of clarity that stakeholders need when considering biomethane certificates within a science-based climate strategy.

As Tamara Nameroff, Global Director of Research & Development and Sustainability at ACT Group, explains:

"Businesses need practical, credible pathways to decarbonize, and greater clarity from SBTi is an important step forward. Recognizing that certain market-based instruments can play a role alongside direct emissions reductions will help accelerate investment in the energy transition, particularly where physical traceability is difficult or impossible.

This greater level of clarity can help organizations secure internal buy-in, allocate budgets, and evaluate longer-term sourcing options.

Clarity →	Confidence →	Demand →	Competition
Clarity from SBTi V2 Clearer treatment of biomethane certificates	**Greater confidence** Lower uncertainty around biomethane procurement	**Higher biomethane demand** More buyers enter or increase purchasing	**More competition for biomethane** More buyers compete for the right supply

03.
Competition for the right supply

Unlike compliance markets, where activity is driven by regulatory obligations, voluntary procurement decisions differ across companies, sectors, and geographies. While, compliance-driven demand can also affect buyers' sourcing for voluntary reasons, as both may compete for the same products.

Three signals of a broadening European biomethane market

01. Record activity in Guarantees of Origin transfer volumes.

1,383 GWh
of GoOs transfer volumes across 796 transfers in Q1 2026, compared to 1,206 GWh in Q1 2025

Source: ERGaR data

02. Biomethane is now being sourced through a broader European market rather than consumed solely where it is produced.

88%
of Danish biogas GoOs was sold abroad in 2024, including 28% to Germany and 26% to Sweden

Source: https://www.biogas.dk/wp-content/uploads/2025/11/Biogas-Outlook-2025-English-2nd-September.pdf

03. Buyers are committing budgets and volumes years ahead.

1,383 GWh
combined volume contracted through at least 18 publicly known Biomethane Purchase Agreements (BPAs) for voluntary purposes across seven European countries, with agreement durations ranging from 3 to 15 years.

Source: Sia partners

Trading volumes are increasing, cross-border sourcing is becoming more common, and companies are making multi-year procurement commitments. These developments require companies to secure future budgets and integrate biomethane into procurement planning years in advance.

These signals reflect confidence in biomethane's long-term role within corporate decarbonization strategies.

But available supply is not interchangeable.

Feedstock, origin, certification, carbon intensity, and claim requirements can significantly narrow the volumes suitable for an individual buyer.

04.

What this means for biomethane buyers

Biomethane procurement needs to account for requirements that may not move at the same speed. SBTi Corporate Net-Zero Standard V2 has clarified the role qualifying certificates can play in target implementation, while GHG Protocol has yet to establish definitive guidance for their treatment within Scope 1 inventories.

Certificates can therefore play a role in target implementation without automatically being reflected in a company's greenhouse gas inventory. More specifically, intervention reflected in a company's physical inventory can support a company-level emissions claim, while broader activity-pool or sector-level action outside the inventory supports a system-contribution claim. This distinction illustrates why organizations should continuously engage auditors, adapt sourcing requirements and report transparently on the treatment of certificates.

How certificates are treated therefore has implications not only for reporting and claims, but also for how buyers structure procurement. Spot procurement can help organizations address immediate demand, while longer-term agreements provide greater supply visibility and budgeting certainty. The trade-off is flexibility. Factors such as traceability, chain of custody, verification processes, double counting and volume matching are becoming increasingly important in long-term sourcing decisions.

For companies operating across several countries, the challenge becomes even more complex. Each facility may sit within a different regulatory, registry, and assurance environment. A certificate that supports a claim at one site may not automatically meet the requirements of another. Procurement teams must therefore coordinate contract volumes, certificate attributes, cancellation processes, and audit evidence at both portfolio and facility level. The more fragmented the footprint, the more important centralized governance becomes.

Taken together, these considerations extend procurement far beyond price and contract terms alone. In a market where supply remains finite, and demand signals continue to strengthen, procurement quality is becoming just as important as procurement volume.

05.
Build the right procurement strategy

01. Define the sourcing objective

KEY CONSIDERATION

Decarbonization targets, voluntary climate commitments, regulatory compliance, securing a sustainable energy source

KEY QUESTION

What do we need the biomethane sourcing to achieve?

02. Define the intended claim or treatment

KEY CONSIDERATION

Company-level emissions reduction claim vs. broader contribution to decarbonization

KEY QUESTION

What do we intend to report or claim from the biomethane procurement?

03. Set qualification requirements

KEY CONSIDERATION

Feedstock, geography, GHG intensity, certification, additionality, and relevant production characteristics

KEY QUESTION

What requirements must the biomethane meet to be eligible?

04. Choose the sourcing model

KEY CONSIDERATION

Physical/bundled supply, mass balance where applicable, or certificate/book-and-claim approach

KEY QUESTION

Which sourcing model best meets our company's requirements?

05. Choose the contract structure

KEY CONSIDERATION

Spot purchase, multi-year agreement, or single source long term offtake

KEY QUESTION

What level of price, volume, and supply certainty do we need?

06. Verify before contracting

KEY CONSIDERATION

Traceability, chain of custody, registry, certificate retirement/cancellation, double-counting safeguards, auditability

KEY QUESTION

Can the environmental attributes be traced and verified?

07. Contract and monitoring

KEY CONSIDERATION

Volumes, delivery periods, attribute ownership, replacement provisions, reporting and verification data

KEY QUESTION

How do we ensure compliance with our requirements over time?

06.

Preparing for what comes next

SBTi Corporate Net-Zero Standard V2 provides more clarity, but it does not remove the need for procurement judgement. Buyers still need to determine which feedstocks, certificates, registries, contract structures and accounting treatments fit their requirements, and how much flexibility to retain as standards develop.

ACT works across voluntary and compliance biomethane markets to help companies assess those requirements, access suitable supply and structure procurement around volume, certification, price and contract needs.

If biomethane is moving from evaluation into procurement within your business, talk to our team about the requirements that could shape your sourcing strategy.

Talk to ACT about building the right biomethane procurement strategy for your business.

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