

## INTERVIEW

**E-NG group sees wider recognition, urges alignment**

Headquartered in Belgium, industry group the e-NG Coalition represents international companies in the e-methane space. Argus spoke to the association's policy director, Rafik Ammar, about the industry's state of play, the key drivers in different regions and the importance of international alignment on certification and regulations. Edited highlights follow:

**What were the most important developments for e-NG in 2025?**

2025 marked a turning point for e-NG, as the sector moved from concept validation to system recognition. E-NG stopped being discussed solely as a promising molecule and began to be recognised as a scalable system solution within energy, fuel and climate frameworks.

First, regulatory recognition accelerated. In Europe, e-NG is now clearly embedded in the renewable fuels of non-biological origin (RFNBO) framework under the revised renewable energy directive (RED III), with sustainability criteria, greenhouse gas (GHG) accounting rules, and Union Database (UDB) traceability taking shape. This has provided a level of legal certainty for developers and offtakers that did not exist three years ago. At the global level, e-methane is now explicitly referenced in Cop-level discussions on sustainable fuels and production scale-up, which is important for international alignment and finance.

Second, project pipelines became tangible as 40 advanced e-NG projects are now under development globally. The US has emerged as the largest projected production hub by capacity, representing 53pc of the 1.2mn t/yr forecast for 2031. Europe is second, driven by Finland, Germany and an increasing number of cross-border initiatives. What changed in 2025 is not just the number of projects, but their maturity – more front-end engineering design (FEED) studies, clearer offtake discussions, and concrete conversations around demand.

Third, the conversation shifted from 'can it work?' to 'how do we scale it?'. The focus moved toward cost modeling, infrastructure use, certification, and corporate demand – clear indicators that the sector has entered an execution phase.

**Where do you see most traction today, and how do regions compare?**

Different regions are progressing for different reasons, and that diversity is a strength rather than a weakness.

In the US, momentum is driven by scale, infrastructure and project economics. Access to large volumes of renewable power, available CO<sub>2</sub> sources, and extensive gas and LNG infrastructure allows projects to move more rapidly toward final investment decisions (FIDs). While federal-level policy signals are mixed, state-level initiatives continue to provide momentum. A recent example is New York state's Renewable Natural Gas Standard Act – currently under legislative review – which explicitly recognises methane produced from renewable hydrogen and CO<sub>2</sub> and sets volumetric procurement targets through 2050. The targets would be set as a share of total volumetric gas throughput and would ramp up progressively. Such initiatives demonstrate that meaningful market signals are still emerging at sub-federal level.

In Europe, traction is more regulation-driven. The EU has built one of the most comprehensive frameworks globally for renewable fuels, including RED III, RFNBO rules, certification schemes, and databases. These create strong medium and long-term signals, particularly for industrial and maritime demand, even if near-term economics remain challenging.

In Asia, particularly Japan, traction is demand led. There is strong strategic interest in e-NG as a drop-in solution for energy security and decarbonisation.

**New York state's planned renewable natural gas quotas\***

Timeframe	Quota %
2026-30	5
2031-35	10
2036-40	15
2041-45	20
2046-50	25

– New York state

## INTERVIEW

The focus is less on domestic production and more on international supply chains and long-term offtake.

**What are the key hurdles to getting projects to FID?**

The main hurdles are no longer technical, they are commercial.

First, cost visibility remains critical. Investors and offtakers require robust, transparent cost modelling that reflects real project conditions for power sourcing, CO<sub>2</sub> supply, infrastructure use and regulatory constraints. This is why the sector is increasingly moving away from generic studies to detailed, project-relevant models.

Second, demand certainty is essential. Projects struggle to reach FID without long-term offtake commitments, yet offtakers – particularly corporates – need confidence that e-NG will be recognised in regulatory and reporting frameworks.

Third, certification and claims continue to be a bottleneck. Even where there is willingness to buy, uncertainty around certification, traceability and GHG accounting – especially for grid-based and LNG supply chains – can delay decisions.

Finally, financing structures are still adapting. E-NG sits at the intersection of energy, fuels and carbon markets, and financial institutions are still calibrating how to value that combination, including the interaction between fuel revenues and carbon attributes.

**What is needed on the regulatory side to help projects move forward?**

*'The sector does not need more ambition; it needs clarity, stability and alignment'*

The sector does not need more ambition; it needs clarity, stability and alignment. At the regional level, regulations must clearly recognise e-NG as a renewable fuel and allow the use of shared infrastructure through mass balance and equivalence approaches. Without this, scalable solutions risk being penalised.

At the international level, alignment is critical. Corporate reporting frameworks, fuel certification schemes, and regulatory rules must point in the same direction. If a molecule is recognised under energy regulation but not under corporate GHG accounting, demand will stall. Regulators can help by providing long-term signals through targets, mandates or support mechanisms that reduce risk for first movers without locking the market into rigid designs.

**What is the latest on EU certification and databases?**

*'The EU has demonstrated that renewable gases can be regulated as mainstream energy carriers rather than niche products'*

The EU is currently the most advanced jurisdiction globally when it comes to e-NG certification. Under RED III and the RFNBO framework, e-NG now has a clear legal basis, with defined sustainability and GHG accounting rules. The UDB is becoming a central reference point for traceability, which is essential for cross-border trade and credibility. The European Commission is now preparing a revision to further strengthen the system, notably on governance, with the possibility to onboard third countries, fraud prevention, and enforcement, and a delegated act extending UDB traceability upstream to additional economic operators is expected. A draft text for public consultation is planned this quarter, with adoption targeted by the end of 2026.

Challenges remain around practical implementation, particularly how equivalence, liquefaction and mass balance are handled in practice, and how EU rules interact with global supply chains. However, directionally, the EU has demonstrated that renewable gases can be regulated as mainstream energy carriers rather than niche products. This is why many non-EU stakeholders increasingly view Europe as a reference point, even for projects developed elsewhere.

To conclude, e-NG is no longer a technology debate. It is a systems question – how we use existing infrastructure, how we align regulation and accounting, and how we create credible long-term demand at scale. The next two years will determine how quickly the sector moves from pilots to markets.