



# Blending Requirement

Biogas for Transport

## Introduction

This PDF provides insight into how the Danish blending requirement (GHG reduction obligation) works – and how certified biogas can be used as the most effective and verifiable solution to meet the requirements.

In Denmark, fuel suppliers and distributors must reduce the greenhouse gas intensity of their transport fuels by a fixed percentage each year. This means that fossil fuels must gradually be replaced or compensated by renewable alternatives such as biogas.

As a producer and supplier of certified biogas and guarantees of origin, we help you comply with regulatory requirements – while strengthening your green profile through verified CO<sub>2</sub> reductions, full traceability, and flexible solutions.





## How the system works

The Danish reduction obligation stems from the EU Renewable Energy Directive (RED) and is administered by the Danish Energy Agency. Companies that sell fuel for transport must annually document that their total fuel sales result in a reduction in GHG intensity compared to a defined baseline.

Biogas can be used directly as fuel (CBG/LBG) or indirectly through guarantees of origin. Advanced biogas based on manure and residual products counts double – making it particularly attractive.

## Who is covered?

- Fuel retailers and distributors (e.g., Circle K, OK, Q8, Shell)
- Importers of transport fuels
- Gas suppliers for transport (CBG/LBG)

These companies must document compliance with the reduction obligation each year to the Danish Energy Agency.

Transport operators such as bus companies, logistics firms, and waste collection companies are not directly obligated but increasingly demand biogas as part of their green strategy.

## Why is the blending requirement relevant for you as a customer?

The blending requirement is a legal obligation – but for you as a fuel supplier, gas distributor, or importer, it is also a strategic opportunity.

By using certified biogas or purchasing guarantees of origin (GOs), you can meet your reduction obligation easily and with full documentation – without changing your physical fuel deliveries.

### Your benefits:

- Meet the reduction requirement efficiently with certified biogas GOs.
- Obtain verifiable CO<sub>2</sub> reductions approved under RED requirements.
- Avoid penalties – we ensure correct and fully verified documentation.
- Strengthen your ESG and market profile through concrete climate action.
- Achieve full traceability via Energinet and third-party-verified data.

In short: We make it easy for you to comply with your reduction obligation while strengthening your green business profile.

## How does it work in practice?

When a company sells fuels for transport, it must ensure each year that the total climate impact of its sales is reduced by a set percentage. This happens in three steps:

### 1. Calculating the company's obligation

The company calculates its reduction obligation based on:

- the amount of fossil fuel sold, and
- a fixed CO<sub>2</sub> baseline used by all.

The result shows the volume of CO<sub>2</sub> reduction the company must achieve that year.

### 2. How the reduction can be met

The company can meet the requirement in several ways:

- Delivering biogas for transport (e.g., CBG or LBG)
- Purchasing guarantees of origin or CO<sub>2</sub> credits from other actors who have delivered more green energy than they are obligated too.

This provides flexibility in how the reduction requirement can be achieved.

### 3. Documentation and reporting

To ensure traceability and correct reporting:

- all biogas must be certified and unsubsidised under RED (e.g., ISCC or REDcert),
- Danish producers must have guarantees of origin issued by Energinet,
- the company must submit its data annually to the Danish Energy Agency – no later than 31 March for the preceding year.

## Allocation and flexibility

In Denmark, the reduction obligation is calculated dynamically based on actual sales. Companies that over-comply can save or sell their credits, while under-compliance requires purchasing credits.

This flexibility creates a market for guarantees of origin and biogas certificates – where certified biogas becomes a real, tradable asset.

## Price and market

Biogas for transport is traded at a higher price than biogas for electricity and heating – because the reduction obligation and double-counting increase its value. Biogas prices typically follow a level competitive with HVO.

Demand for Danish REDcert GOs with low CI scores is growing significantly – both from domestic actors and European markets with stricter climate requirements.

## New regulations and developments

Denmark is currently implementing the RED III Directive, which introduces stricter sustainability and traceability requirements:

- 70–80% GHG reduction requirement depending on plant age
- Limit on energy crops (max. 4% – maize banned from 2025)
- Stricter requirements for documentation and chain-of-custody systems

From 2026, a CO<sub>2</sub> tax refund for green biogas in transport is also expected, strengthening biogas as a competitive alternative to diesel.

Be aware of the future 2030 requirements in the “Executive Order on the Reduction of Greenhouse Gases from the Transport Sector and Sustainability”, where biogas may play an even larger role.

## In short

The blending requirement is both a legal obligation and a market opportunity. With certified biogas and guarantees of origin, you can:

- Document your compliance with reduction requirements
- Create value and flexibility in your green portfolio
- Strengthen your profile as a responsible player in a market with increasing climate demands



### Want us to help you move forward?

Would you like to know more about how biogas certificates can help you meet your reduction obligation?

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A strategic partner in non-fossil energy and CO<sub>2</sub> reduction since 1980.  
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