

PORTUGAL LAUNCHES BIOMETHANE AND H2 TENDER

The tender for the purchase of biomethane and renewable hydrogen has been finally launched by the Portuguese Government. Purchase agreements will be tendered for 10 years with a starting price of 62 €/MWh for biomethane and 127 €/MWh for hydrogen. Applications must be submitted by July 26th.

CONTACTS

JOÃO MACEDO VITORINO

JVITORINO@MACEDOVITORINO.COM

FREDERICO VIDIGAL

FVIDIGAL@MACEDOVITORINO.COM

HENRIQUE DUARTE MENDES

HMENDES@MACEDOVITORINO.COM

On May 27th, 2024, the Portuguese Government finally launched the first [electronic tender to purchase biomethane and hydrogen](#) produced by water hydrolysis using electricity generated from renewable energy sources.

The tender establishes the purchase of the following maximum quantities:

- Biomethane: 150 GWh/year with a maximum price of €62/MWh; and
- Hydrogen: 127 GWh/year, with a maximum price of €127/MWh.

Transgás, S.A., in its capacity of Wholesale Supplier of Last Resort, will directly contract with producers to purchase the auctioned quantities. These agreements will last for 10 years from the first grid injection and must start within 36 months from the date of the award.

The auction is split into three main phases:

- Qualification: bidders shall submit the tender application and provide a provisional bond in the amount of 1% of the base price in €/MWh/year, multiplied by the energy the promoter intends to bid for over 10 years;
- Bidding: the tender is designed under a "descending clock" type, with multiple sequential rounds, and the outcome will be based on the price and quantity offered by the bidders;
- Awarding: successful bidders will be awarded with a certificate granting the right to sell the biomethane or hydrogen and will be required to replace and provide a new bond in the amount of 1% of the final bid price in €/MWh/year, multiplied by the awarded energy capacity for 10 years.

Any legal entities meeting the tender requirements can take part in the auction if they are registered as producers of renewable or low-carbon gases at the time of the application.

Promoters have until June 12th to request clarifications on the tender documents and must submit their applications by July 26th.

The tender documents can be accessed on the [Tender Platform](#) or the [DGEG](#) website.

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