

## STX Group moves beyond biomethane's traditional financing model

*STX Group recently announced an innovative partnership with BioValue. Sead Keric, managing partner of renewable gas at STX Group, reveals more.*

STX Group is a leading global environmental commodity trader and climate solutions provider, which is committed to accelerating the global transition towards a low-carbon economy. It sees renewable natural gas (RNG) as instrumental to this transition. The organisation's interest in biomethane goes back to 2013, Keric told *Bioenergy Insight*.



“The initial draw was the German feed-in tariff (EEG) which incentivised using biomethane in combined heat and power plants for renewable electricity generation. This, along with similar programmes in other European countries like Sweden's energy and CO2 taxes, demonstrated the potential of biomethane for decarbonisation.”

He added that STX Group's recent activity in the biogas sector, including a partnership with Perpetual Next Conversions on a biogenic CO2 project in February this year, shows intense activity beyond biomethane production and trading. The company intends to rethink climate finance and enhance partnerships and collaborations across the space to maximise impact and unlock opportunities.

“The biomethane market is unique – it's bilateral, lacking a central exchange to connect buyers and sellers. This is where STX Group sees its value: acting as a bridge to place biomethane from producers with fragmented destination markets across Europe. This focus on facilitating transactions complements our broader commitment to climate solutions and environmental finance,” continued Keric.

### **Partnership with BioValue**

STX Group recently announced a financing partnership with Dutch biomethane producer BioValue for the construction and development of the Groengas Cothen biomethane plant. It will add 80 GWh of RNG capacity each year.

Keric said that STX Group has expertise in environmental commodities and climate finance, and that BioValue is a major Dutch biomethane producer: “This partnership allows us to leverage our strengths to support BioValue's development and contribute to Europe's growing biomethane industry. BioValue's established position in the market made them a strong partner for this collaboration.”

The partnership goes beyond traditional offtake agreements. Keric explained that this innovative

model likely involves STX Group providing upfront capital or development financing for the Groengas Cothen plant. This approach benefits BioValue in providing it with greater financial flexibility compared to traditional fixed-pricing offtake agreements.

The success of the collaboration could pave the way for future partnerships between STX Group and BioValue, or other companies, in the expanding biomethane market, he added.

### **Further collaborations**

STX Group has a broad commitment to biogas, as it views the entire biomethane value chain as critical – from sourcing feedstock to operating the injection infrastructure. This holistic approach allows it to identify and support opportunities that strengthen the entire biomethane industry, according to Keric.

“Partnerships are key to this strategy. Collaborations like our latest deal, with Perpetual Next Conversions on a biogenic CO<sub>2</sub> project, announced in February, exemplify this,” he added. “By capturing CO<sub>2</sub> from biogas production, we explore valuable applications such as synthetic fuel production. This highlights our commitment to maximising the environmental and economic benefits of biogas.”

“Financing biomethane projects can be challenging, but STX Group is a leader in innovative climate solutions and environmental finance. The BioValue partnership as previously mentioned goes beyond traditional offtake agreements by offering flexible financing models tailored to the specific needs of project developers, better unlocking the potential of the biomethane sector.” Beyond the European market, the company is one of the leading RNG traders in the US, and is actively monitoring promising biogas markets in Asia, where supportive policies are attracting investment in biogas infrastructure.

“This ensures we play a leading role in the development of a robust and sustainable global biogas industry.”