



Cover note regarding the market dialogue concerning the biochar aid scheme

Introduction

In *the Agreement on the Implementation of a Green Denmark* (S, V, M, SF, LA, K, and RV) from November 2024, it was decided to allocate DKK 10.2 billion (2025 price level) for a subsidy scheme supporting carbon storage in biochar produced by pyrolysis, applicable from 2027 to 2045. The subsidy will be granted per ton of CO₂ stored in biochar that is deposited in Danish agricultural soils, with the aim of reducing Denmark's net greenhouse gas emissions.

The Danish Energy Agency ("the DEA") is responsible for the deployment of the biochar aid scheme.

Within the framework as set out *the Agreement on the Implementation of a Green Denmark*, the DEA is currently in the process of preparing the planned tender procedure, including e.g. the form of tender procedure, the model for awarding contracts, the economy and subsidy scheme etc.

The DEA's preliminary overall considerations regarding the deployment of the biochar aid scheme are outlined in the attached *Invitation to market dialogue biochar aid scheme*. The DEA wishes to emphasize that no final decisions have been made with respect to e.g. the legal framework and structure of the deployment of the funds and the foreseen bidding process.

Participation in the dialogue

The DEA wishes to invite all interested operators to provide written contributions on selected themes and questions. The market dialogue will provide an opportunity for the market and potential tenderers to contribute to the DEA's considerations in the preparation of the tender. The market dialogue will also contribute to fulfilling the requirement under EU State aid rules to conduct a public consultation on the tender design.

It is emphasized that all operators who have an interest in the biochar tender (regardless of e.g. which part of the biochar value chain the operator belongs to) are encouraged to submit written contributions to the market dialogue.

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The DEA invites all interested operators to provide written contributions to the questions specified in *Invitation to market dialogue biochar aid scheme*. The deadline for submitting written contributions is 26 August 2026. The deadline has been set with due consideration to the summer holiday period. Input received after this date might not be taken into consideration by the DEA.

The written input may be further elaborated in writing and/or discussed during the market dialogue meeting 18 August 2026. The DEA may ask a limited number of market operators specific additional questions and/or invite a limited number of market operators to participate in dialogue meetings.

Preliminary timeline and next steps

The DEA plans for the tender to open for submission of offers by the end of 2026 and with a tender deadline in March 2027. Please note that this timeline is tentative.

The outcome of the market dialogue will serve as input for the DEA's design of the tender documents and may also serve as input to the subsequent process with the European Commission and the Danish Government regarding the final design and approval of the scheme.

We look forward to receiving your response no later than 26 August 2026 23:59.

Best regards

The Danish Energy Agency