

Credit Rate for Stand-alone Biomass Combustion and Gasification

The credit rate for stand-alone electricity generated from the combustion and gasification of woody biomass in the Bioenergy Producer Program (BPP) follows a combination of a fixed and variable rate based on Alberta’s pool price. In this system, the Grant Holder will receive a credit rate based on the average monthly pool price of electricity, calculated by the Alberta Electric System Operator (AESO).

Credit Rate Functionality

- The credit rate holds a fixed \$25/MWh when the average monthly pool price is \$45/MWh or lower.
- When the average monthly pool price reaches \$45/MWh, it will start phasing out, so that the total of the average monthly pool price and credit rate is equal to \$70/MWh.
- Once the average monthly pool price reaches \$70/MWh, the credit rate is equal to \$0/MWh.

The calculation of the credit rate is shown in Table 1, for reference.

Average Monthly Pool Price Calculation

- At the end of each month, the AESO publishes a Pool Monthly Summary report, providing the monthly average pool price for the electricity market in Alberta.
 - <https://www.aeso.ca/>
- The Alberta Climate Change Office will take this number for the purposes of calculating the credit rate for that month.
- The average monthly pool price will then be posted on the BPP webpage, along with the corresponding credit rate to be used in the Quarterly Invoice Report.
 - [Bioenergy Producer Program](#)

Example Scenarios

- 1) The average monthly pool price in Alberta’s market is calculated to be \$20/MWh. The credit rate will be set at \$25/MWh for that month.
- 2) The average monthly pool price in Alberta’s market is calculated to be \$60/MWh. The credit rate will be set at \$10/MWh for that month.

Table 1: BPP credit rate calculation for stand-alone electricity producer from biomass combustion

Average monthly pool price of electricity in Alberta’s spot market (\$/MWh)	BPP credit rate (\$ per MWh)
\$0.00 to \$45.00	\$25.00
\$45.01 to \$69.99	\$70.00 – Average monthly pool price (\$/MWh)
\$70.00 and above	\$0.00