

## Purpose of the Program

The Bioenergy Producer Program (BPP) is a \$63-million program developed to support liquid biofuel production and stand-alone bio-power production for two and a half years.

### A. Principles

- The BPP applies to bioenergy production in Alberta from October 1, 2017 to March 31, 2020.
- The BPP will provide funding to successful applicants who have entered into, and comply with, a BPP grant agreement.
- Successful applicants will be offered funding for qualifying production up to a maximum level of funding that the Alberta Climate Change Office (ACCO) determines within the application period.
- ACCO has full discretion to determine eligibility and to approve successful applicants under the BPP.

### B. Previous BPP Grant Holders

- Holding a previous BPP Grant Agreement does not guarantee acceptance into the BPP.
- Previous BPP Grant Holders must meet the extension eligibility criteria, produce an eligible bioenergy product and submit a complete application as outlined in the BPP Application Guidance Document in order to be considered for funding.

### C. Application and Approval

- Applications will be received during a two-week period prior to each Program Period commencing.
- Program Period 1 (October 1, 2017 to March 31, 2018) will be open only to previous BPP Grant Holders that meet the extension program eligibility criteria.
- Program Period 2 and 3 will be open to previous BPP Grant Holders and new applicants that meet the extension program eligibility criteria.
- Applications will be accepted from February 12, 2018 to February 26, 2018.
- Prospective applicants that intend to apply for funding under the program but do not meet the eligibility criteria in the February 2018 application period will be eligible to submit an application starting March 2018.
  - Prospective applicants are required to complete and submit the Expression of Interest form in the February 2018 application period for their future application package to be considered eligible.
  - New facilities will be permitted to submit an application within the first 14 days of each month.
- Successful applicants will be approved for the remaining duration of the BPP based on their initial application, subject to complying with the terms and conditions of the BPP grant agreement.
- The application package must be submitted with all supporting materials before the application deadline. Any late or incomplete submissions will not be accepted.
- ACCO is not responsible for reviewing applications submitted prior to the deadline to notify the applicant of an incomplete submission.
- All questions and applications can be submitted to:
  - [BPP@gov.ab.ca](mailto:BPP@gov.ab.ca)

### D. Producer Eligibility

- In order to be eligible for funding under the program, applicants must be located in Alberta.
- Funding will only support bioenergy production that leads to a greenhouse gas reduction when compared to a conventional alternative.

- Applicants must have been in production for a minimum of three consecutive months prior to their application being submitted.
- Facilities that are regulated under Alberta’s Specified Gas Emitters Regulation (or its successor) or registered as offset projects are ineligible to receive funding, unless they held a previous BPP Grant Agreement.
- The consumption of qualifying bioenergy products (whether produced and consumed on-site or purchased) is not eligible.
- Qualifying volumes are those that are produced in Alberta and subsequently sold into the market.
- Producers who participated in previous bioenergy programs (e.g. BPP or Bioenergy Producer Credit Program) and who have not satisfied the full conditions of their grant agreements (e.g. owing money or failure to achieve production requirements) will not be eligible to receive funding under the BPP.
  - However, if the producer resolves any outstanding issues from their previous agreement(s) before the first day of the application period they wish to apply for, they may be eligible to apply.

## E. Awarding Grants

- Funds will be distributed to approved applicants using the following process:
  - Producers will apply for funding for the quantity of eligible bioenergy production which they commit to produce each program period of the BPP and request to receive support for.
  - ACCO determines the maximum level of funding per facility for the program duration.
  - ACCO will determine the level of funding provided to each successful applicant in consideration of the overall demand for funding. (this may result in lower facility caps than listed below if the program is oversubscribed).
  - ACCO will offer grants to successful applicants to support bioenergy production up to the quantity applied for, and not to exceed the maximum level of support specified in the grant agreement.
- Funding paid for production at a facility must not exceed the amounts listed in Table 1.

Table 1 – Maximum funding per facility

Bioenergy Product	Program Period 1 - Maximum Funding per Facility	Program Period 2 - Maximum Funding per Facility	Program Period 3 - Maximum Funding per Facility
Electricity from Combustion and Gasification of Biomass	\$2,000,000	\$3,700,000	\$3,700,000
Electricity from Combustion of Biogas	\$500,000	\$1,000,000	\$1,000,000
Liquid Biofuels	\$2,000,000	\$3,700,000	\$3,000,000

## F. Greenhouse Gas Requirement of Program

- Applicants will be required to submit a third party verified Life Cycle Emission Assessment of their production with their application package.
- The third party verifier will be required to complete a verification report, including a signed statement of qualification and signed conflict of interest checklist. These must be submitted to ACCO as a part of the supporting documentation for the life cycle emission assessment.
- The ACCO will provide guidance on calculating the Life Cycle Emission Assessment to be completed by the applicant.
- The full Life Cycle Emission Assessment must demonstrate the bioenergy product leading to an emission reduction when compared to the conventional alternative in order for the production to qualify for funding.

## G. Supported Bioenergy Products

Products supported under the BPP include:

- Liquid biofuels, including biodiesel, renewable diesel, pyrolysis oil, ethanol, dimethyl ether, advanced drop-in fuels and other renewable fuel alcohols produced from feedstocks other than cereal grain, and ethanol and other renewable fuel alcohols produced from cereal grain. Qualifying biofuels must be certified to meet fuel-grade ASTM or Canadian General Standards Board (CGSB) specifications. Bioenergy products placed in inventory do not qualify for support until sold.
- Electricity generated by a producer of biogas from a farm-based anaerobic digester (mainly using agricultural and animal farming residue) who is a market participant in Alberta's interconnected electric system, has a nominal capacity of at least 150 kilowatts and is not an approved micro-generator under the Micro-Generation Regulation;
- Electricity generated from combustion and gasification of woody biomass in a stand-alone facility by a market participant in Alberta's interconnected electric system, that has a nominal capacity of at least 5 megawatts and is not an approved micro-generator under the Micro-Generation Regulation Any facility where the primary purpose or revenue stream is not electricity generation from biomass, such as a pulp mill or sawmill (including a pulp mill or sawmill that owns and operates an adjacent cogeneration facility), are not within the scope of funding. Electricity from co-firing biomass with coal is not considered an eligible product.

All bioenergy products receiving support must meet eligibility criteria such as commercial standards, accurate measurement, greenhouse gas emissions reductions and use of eligible feedstocks (see the Application Guidance Documents for reference).

## H. Producer Credit Rates

- Support for qualifying production is based on the following rates, subject to the maximum levels of support:

Producer Credit Rates	
<b>Liquid Biofuels</b>	
First Generation Ethanol	\$0.10 per litre
Advanced Biofuel	\$0.14 per litre
Renewable Diesel, Biodiesel, Pyrolysis Oil	\$0.13 per litre
<b>Electricity from Combustion and Gasification of Biomass</b>	
Monthly Average Pool Price is equal or below \$45 per MWh	\$25.00 per MWh
Monthly Average Pool Price is above \$45 per MWh	\$70.00 per MWh – Monthly Average Pool Price (\$ per MWh) = Credit Rate (\$ per MWh)
<b>Electricity from Combustion of Biogas</b>	\$60.00 per MWh

**Note:** Monthly average pool price will be collected from the AESO and subsequently published on the BPP website.

## I. Reporting, Invoicing and Payment

- For production reporting and payment purposes, production is measured at the point of sale or delivery off-site, and the production date is based on the date of sale or transport off-site.
- Invoices, quarterly reports and annual reports must be submitted complete and on time.
  - All annual reports must be verified, at the facility's expense, to a limited level of assurance by a third party verifier to ensure accuracy of the submission.
  - The facility must make every effort to resolve issues identified during the verification report prior to finalizing their submission.

- The verification team must have the capacity to accurately assess all aspects of the annual report and underlying data and quantification systems, including but not limited to the completeness of the data inventories, data management systems reliability and appropriateness of quantification methodologies.
- The designated signing authority for the verifier must be a Certified Professional Accountant or Professional Engineer.
- Final payment for each Program Period will be issued after the ACCO has received and reviewed the Annual Report and verification report.
- Payment approved by the ACCO will normally be made by electronic funds transfer to the applicant's financial institution when the application for the payment has been processed.

## J. Compliance

- Failure to meet the terms and conditions of the grant agreement may affect the level of grant support provided and may lead to termination of the agreement.
- All invoices, quarterly reports and annual reports must be complete and submitted on time. Any late and/or incomplete document will count as a Compliance Incident under the Grant Agreement and may result in a reduction of the grant payable.
- The ACCO may terminate an agreement if not satisfied with the recipient's performance under the terms of the grant agreement.
- In the event of non-compliance, the ACCO has full discretion in accepting *force majeure*, including circumstances that the ACCO considers unforeseeable and beyond the recipient's control that do not relate to financing, the economy and markets.

## K. Program Administration

- The program is administered by the ACCO.
- Receipt of funding for bioenergy production is subject to the terms and conditions of a grant agreement with the Government of Alberta, issued in accordance with the Environment and Sustainable Resource Development Grant Regulation (AR 182/2000).
- Applicants or their authorized signing officers must complete the BPP application and supply any documents which are required in accordance with the timelines set out in the grant agreement, or as requested by the ACCO.
- Successful Grant Holders are responsible for submitting complete and on time reporting as required under their grant agreement. ACCO is not responsible for reviewing and notifying the Grant Holder prior to the reporting deadline of any incomplete or missing form(s).
- All grants may be subject to provincial audit to verify the quantity, eligibility and life cycle assessment of production receiving support.
- Any information obtained under a BPP agreement will be subject to the provisions of the *Freedom of Information and Protection of Privacy Act*.
- Program results will be published and updated at least annually. Applicant name (company), grant amount, facility location and aggregate data on bioenergy production, payment and emission reductions may be published.

## L. Program Budget

- The Program Period budgets\* are as follows:

Period 1	Period 2	Period 3
October 2017 to March 2018	April 2018 to March 2019	April 2019 to March 2020
\$10 Million	\$28 Million	\$25 Million

\*These amounts include program administration expenses.