

BIOMETHANE

Biomethane reference price

On 22 November 2023, the Regulation of the Minister of Climate and Environment dated 13 November 2023 on the reference price of biomethane came into force. Determining a reference price is an essential part of the introduction and operation of a biomethane support scheme.

At the early stage of market development or use of a new technology, statutory support schemes provide an important incentive and confirmation for the courses of action for potential investors. In the case of biomethane, Polish entrepreneurs have been waiting for a relatively long time for the development and implementation of a domestic support instrument capable to provide a sort of investment boost.

Biomethane, according to the Renewable Energy Sources Act, is a gas obtained from biogas, agricultural biogas or renewable hydrogen, subjected to a purification process. It can be fed into the natural gas network, transported in either compressed or liquefied form by means of transportation other than natural gas networks, or used directly for refueling motor vehicles without being transported.

The biomethane support scheme, introduced under one of the latest amendments to the RES Act, is based on the resale of biomethane fed into the natural gas network at a fixed price and the principle of covering the negative balance. RES installations for the production of biomethane with a total installed capacity, converted to installed electrical capacity, of no more than 1 MW may participate in the support system.

The fixed purchase price of biomethane is equal to the biomethane reference price effective as of the date of submission of the relevant declaration. In accordance with the provisions of the Regulation, the reference price for RES installations for the production of biomethane was set at the level of:

- i. PLN 538 per 1 MWh - generation from biogas;
- ii. PLN 545 per 1 MWh - generation from agricultural biogas.

The current reference price provides a benchmark for assessing the profitability of a particular project and selecting financing methods.

Are you interested in this topic?

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