Canadian Biogas Association
canadienne du biogaz

# 2025
# Biogas Insights Report

December 2025

Canadian Biogas Association
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# Introduction

Canada has an established biogas industry with around 300 Canadian projects already reducing GHG emissions by 8MT, generating over 20 PJ of energy, and processing more than 2 million tonnes of organic waste annually from farm-based and centralized biogas facilities, wastewater treatment plants, and landfills.

However, Canada is only tapping about 14% of its available biogas & RNG potential. Modeling shows that, with immediate action and proper policy support, biogas & RNG could generate 544PJ of clean energy by 2050 – the equivalent of more than 350 large hydro dams – and attract more than $2.9 billion in private investment. Realizing the full potential of biogas & RNG in Canada would also:

- create and support 35,900 jobs,
- reduce 40.2Mt of $CO_2e$ emissions,
- generate $9.8 billion in annual GDP,
- meet more than half of Canada's 2030 methane pledge,
- and return 218 million tonnes of organic material to the soil in the form of nutrient-rich digestate.

Despite the patchwork of federal and provincial programs, which can extend development timelines and complicate project financing, Canada's biogas sector continues to advance with new projects. This report provides an overview of the biogas & RNG landscape in Canada, highlighting recent project activity alongside key federal and provincial policy developments.

While these policy developments signal important opportunities, the sector is at an inflection point. Canada has a well-established biogas industry with many viable projects ready to contribute to the country's energy and climate goals. However, ongoing policy uncertainty, limited support compared with other renewable sectors, and a more favourable investment landscape in the United States have left many projects stalled. Strengthened and predictable policy frameworks will be essential for the domestic sector to realize its full potential.

To understand the sector's current position, it is essential to examine how policy frameworks are evolving across Canada. Recent federal and provincial decisions have created new pathways for project development that can have influence on project economics, investment confidence, and market readiness. This report outlines the most significant regional developments over the past two years and provides a snapshot of new projects across the country. A companion market report with updated operational facility data will follow in 2026.

# Regional Policy and Regulatory Developments

Over the past two years there have been updates both federally and provincially that affect and support biogas & RNG development. The CBA and its members have been actively involved in the regulatory developments in this section and continue to communicate with policy makers at the federal and provincial level to ensure recognition for biogas & RNG.

## Federal

### Clean Fuel Regulations

The federal Clean Fuel Regulations (CFR) remain the most appealing revenue option for biogas & RNG facilities. The CFR requires primary suppliers of gasoline and diesel to gradually reduce the carbon intensity (CI) of the fuels they produce and import into Canada and these reduction requirements have been in place since July 1, 2023. Biogas & RNG can generate gaseous credits for the obligated parties to purchase under Compliance Category 2 (CC2) and liquid credits under Compliance Category 3 (CC3).

Environment and Climate Change Canada released credit market reports which provide insight into the opportunity for biogas & RNG under the regulation. Table 1 summarizes the key findings of the reports. Positive comparisons year over year include:

- Higher credit price in 2024
- Larger market contribution from RNG
- Lower carbon intensity for RNG

**Table 1. CFR Credit Market Summary**

| Compliance Period | June 2022 – Dec 2023 | Jan – Dec 2024 | Jan – Mar 2025* |
|---|---|---|---|
| Credit Price Range | $6.75 – $300 | $3.52 – $280 | $1.00-$280.00 |
| Credit Price Average | $133.20 | $157.07 | $93.08 |
| Credits Generated (CC2+CC3) | 7.43 million | 7.03 million | 1.73 million |
| Credits Generated from RNG | 24,540 | 90,871 | 37,910 |
| Market Contribution from RNG | 0.4% | 4% | 2.2% |
| Carbon Intensity for RNG Range | 18 – 80 $gCO_2e/MJ$ | 7 – 79 $gCO_2e/MJ$ | (-106) - 78 $gCO_2e/MJ$ |
| Carbon Intensity for RNG Average | 70.1 $gCO_2e/MJ$ | 63.1 $gCO_2e/MJ$ | 24.2 g $gCO_2e/MJ$ |

**Q1 of 2025 was marked with some political uncertainty that affected the market at this time. The lower credit value is likely due in part to these factors and are not necessarily expected to remain low for the rest of 2025*

## Canadian Greenhouse Gas Offset Credit System Regulations

The *Canadian Greenhouse Gas Offset Credit System Regulations* apply across Canada to proponents of projects located in Canada that reduce greenhouse gas (GHG) emissions or increase GHG removals from the atmosphere, that generate real, additional, quantifiable, verifiable, unique and permanent reductions, and that are implemented using a federal offset protocol.

Two Offset Protocols under the system provide additional opportunities for biogas & RNG projects to leverage and monetize the deep carbon reductions inherent in the technology type.

1. Landfill Methane Recovery and Destruction
   - This protocol was published February 2023 and is applicable everywhere except British Columbia, Alberta, and Quebec. The *Landfill Methane Recovery and Destruction* federal offset protocol creates an incentive for landfill owners, municipalities, and other project developers to implement projects that actively recover and destroy landfill gas in an eligible destruction device, such as a flare or device for energy generation.
   - Currently one landfill is generating credits under the protocol. Canada's Greenhouse Gas Offset Credit System Public Registry indicates the Guysborough Landfill Gas Project in Nova Scotia has issued 4,974 credits.

2. Reducing Manure Methane Emissions
   - A draft protocol was published in April 2025. The *Reducing Manure Methane Emissions* federal offset protocol will create an incentive for farmers, livestock operation owners, and other project developers to implement projects that treat liquid manure to reduce methane emissions. Anaerobic digestion is among the proposed eligible manure treatments to generate credits under the protocol.

## Budget 2024 & Budget 2025

In Budget 2024, the federal government recognized biogas and RNG as priority fuels for development and committed significant new support for the biofuels sector—including a redesigned Clean Fuels Fund delivering $776.3 million over four years, $500 million in biofuel production investments through the Canada Infrastructure Bank, and an additional $500 million in funding derived from Clean Fuel Regulations compliance payments. Together, these measures acknowledged the sector's potential to attract new investment and unlock meaningful clean-energy generation across Canada.

Following the federal election in April 2025 and the arrival of a new government, new measures for the biofuel industry were announced as a response to ongoing trade tensions, including a Biofuel Production Incentives for canola-based diesels and targeted amendments to the Clean Fuel Regulations that support Canadian clean fuel producers. The discussion paper on the CFR amendments was published in December 2025, and the CBA has remained highly engaged throughout the process. Budget 2025 did not introduce further measures for biogas or RNG beyond previously announced policies. This represents a missed opportunity at a time when Canada continues to trail U.S. incentives and when more than $1 billion in near-term domestic biogas and RNG projects remain ready to move forward with competitive support. The Canadian Biogas Association continues to underscore the economic and environmental value of biogas and push for the competitive policy signals needed to fully capture this untapped opportunity.

The federal Budget did however introduce a legislation to expand the 30 per cent Clean Technology Investment Tax Credit to include systems that produce electricity and/or heat from waste biomass, with retroactive eligibility for equipment acquired on or after November 21, 2023 and this is an important win for the biogas sector. While most new anaerobic digestion plants are producing RNG in response to current off-take options, biogas-to-electricity remains a viable pathway. The legislative addition of eligibility for these waste biomass systems to the Clean Technology ITC has been included in Bill C-15, which is, as of December 2025, being studied in the House of Commons and is expected to pass in early 2026.

# British Columbia

The Government of British Columbia's *CleanBC Roadmap to 2030* climate plan has committed to a minimum of 15 per cent renewable gases to be blended by natural gas distributors into their gas supply by 2030, although the province has yet to implement a regulatory requirement to meet this target. The Greenhouse Gas Reduction Regulation (GGRR) enables utilities to produce, purchase and distribute RNG, among other fuels, through the natural gas system to their customers and allows utilities to pay up to $31/GJ to produce or purchase renewable gas. The Final Report of the CleanBC Independent Review Panel's 2025 comprehensive review of the CleanBC policies and programming, released in November 2025, recommended that increasing production of RNG in B.C. be a top priority for the province going forward. The Report also explicitly recommended the province introduce a regulatory requirement for incremental RNG blend rates with consideration of a made-in-B.C. component, the implementation of a registry to increase confidence in interprovincial RNG purchases via book-and-claim, and an update to the B.C. Renewable and Low-Carbon Gas Supply Potential Study to reflect current market realities.

In March 2024, FortisBC welcomed a decision by the B.C. Utilities Commission (BCUC) on their Revised Renewable Natural Gas Application, which meant that all FortisBC natural gas customers will have one per cent of their gas designated as RNG. FortisBC is the first energy utility in North America to automatically designate RNG for customers. However, the BCUC did not approve their proposed program that would have seen all new residential buildings connecting to the gas system to have 100 per cent of their gas designated as RNG.

In June 2025, the BCUC launched an inquiry, *Review of Renewable Natural Gas Definition and Accounting*, to examine the BCUC's definition of RNG and the sufficiency of mechanisms for ensuring that greenhouse gas emissions associated with RNG purchased from projects located outside of B.C. are properly accounted for. The inquiry will continue into 2026, and the outcomes could affect how RNG is transacted in British Columbia. In the interim, any purchases of RNG by the utilities have been limited.

B.C.'s Low Carbon Fuel Standard (LCFS) sets requirements that encourage the use of renewable and low carbon fuels and offers incentives to organizations that supply them. Biogas & RNG projects in British Columbia are eligible to generate credits for sale under the LCFS and the standard currently has six approved carbon intensities for RNG projects in the Province, ranging from -34.4 to 21.02 $gCO_2e/MJ$. In November 2025, the average LCFS credit price was $238.52 per credit.

# Alberta

Alberta is taking strides to increase RNG production and leveraging its ample agricultural resources. The government is actively involved in keeping updated with the biogas sector and the Canadian Biogas Association is encouraged by early stages of provincial consideration of a voluntary RNG market.

To further support the industry, Alberta's government introduced legislation that came into effect June 23, 2025 to enhance clarity surrounding organic waste in the agricultural industry, with the aim of inviting the budding biogas industry into the province. Bill 44 updates the Agricultural Operation Practices Act (AOPA) and provides clarity on how organic material can be managed, which will provide certainty for agricultural operations regarding storing and using digestate generated from manure and provide investor confidence. One of the most significant updates is the formal inclusion of digestate management under AOPA. Digestate in Alberta can now be stored in manure storage facilities or applied directly to agricultural land following the same requirements for manure application, provided it meets the requirements outlined in the new On-Farm Storage and Land Application Code. The legislation also allows certain organic materials off the farm to be used as nutrient sources under AOPA.

Emissions Reductions Alberta (ERA), funding by the Government of Alberta's Technology Innovation Emissions Reduction (TIER) Fund, provides clean technology investments to Alberta-based technologies that lower emissions and costs for industries. ERA has also been instrumental in providing millions of dollars of funding for six biogas & RNG projects. ERA is also a registered compliance fund under the federal Clean Fuel Regulations. Any funds directed to Alberta through CFR compliance channels will be managed by ERA and invested in projects that deliver outcomes aligned with the regulation.

Biogas & RNG projects are eligible to generate credits for the Alberta Emission Offset System, under the Biogas Production & Combustion Quantification Protocol, which enables compliance flexibility for facilities regulated under TIER, however recent changes have affected the value of credits. On September 16, 2025, the Alberta government announced two key reforms to the TIER framework: (i) Allowing facilities that had voluntarily opted in to TIER to more easily opt back out, now that the federal fuel charge has been reduced to $0; and (ii) Allowing on-site investments into emissions reductions facilities to be recognized towards an emitter's compliance obligations. Whereas formerly, obligated parties that exceeded their emissions intensity target could comply with TIER through the purchase of either Emissions Performance Credits or Emission Offsets or Sequestration Credits, or simply by making a payment into the TIER fund, beginning in 2026 they will have the option to comply through eligible investment in on-site technology and process improvements. This change earned strong criticism from climate stakeholders on the basis that it will contribute to the growing oversupply of credits in the TIER system and weaken the investment signal for new emissions reduction projects.

# Ontario

Since 2023, Ontario has had developments on both the RNG and electricity sides when it comes to biogas.

In Enbridge Gas's 2024 Rebasing Application to the Ontario Energy Board (OEB), it sought approval to procure enough RNG to supply 1 per cent of its Ontario customer demand in 2025 and gradually increase to 4 per cent by 2028. The purchases would have been made on long-term contracts and the Low-Carbon Voluntary Program (LCVP) would have been a big step forward for Ontario offering similar RNG programs to FortisBC in British Columbia and Énergir in Quebec. The LCVP would have offered gas to large volume sales service customers, and any costs not recovered would have been included in the recovery of the costs of gas supply to residential customers, up to $2 per month for typical residential customers per 1% of RNG procured. Unfortunately, even with the financial limits in place, in May 2025 the OEB denied the proposal to have system supply customers provide a financial backstop for the program and was denied. The program was approved as a non-utility business activity and severely limited the development of RNG in Ontario.

Despite this setback on RNG development, there have been some Ontario opportunities for biogas to electricity projects. In December 2024, Ontario announced the largest competitive energy procurement in Ontario's history to meet soaring energy demand. Ontario's procurement target increased from 5,000 MW to 7,500 MW to be contracted by 2029 and the government has provided direction to IESO to begin the second Long-Term Procurement (LT2), for which biogas facilities >1 MW are eligible. Along with LT2, the Minister of Energy and Mines asked the IESO to report back on a proposal to establish a Local Generation Program for smaller scale, distributed-connected generation, which includes biogas.

The IESO's Progress Report on Contracted Electricity Supply for Q3 2025 identified one bioenergy project contracted under the first Long-Term Procurement (LT1) with a capacity of 0.9 MW. The IESO is also currently consulting on a Local Generation Program and a Repowering initiative which provide opportunities for smaller and existing facilities. The CBA and its members who own and operate biogas to electricity facilities in Ontario have been actively engaged in these consultations to ensure the program criteria are viable for their projects – particularly term length, pricing, and technology specific criteria.

Another positive development was a regulatory amendment to clarify and improve the Ontario Emissions Performance Standards (EPS) in April 2024. The amendments included expanding the eligibility for RNG that allows RNG delivered by Ontario's natural gas pipeline to be eligible to deduct from the facility's verified emissions.

# Quebec

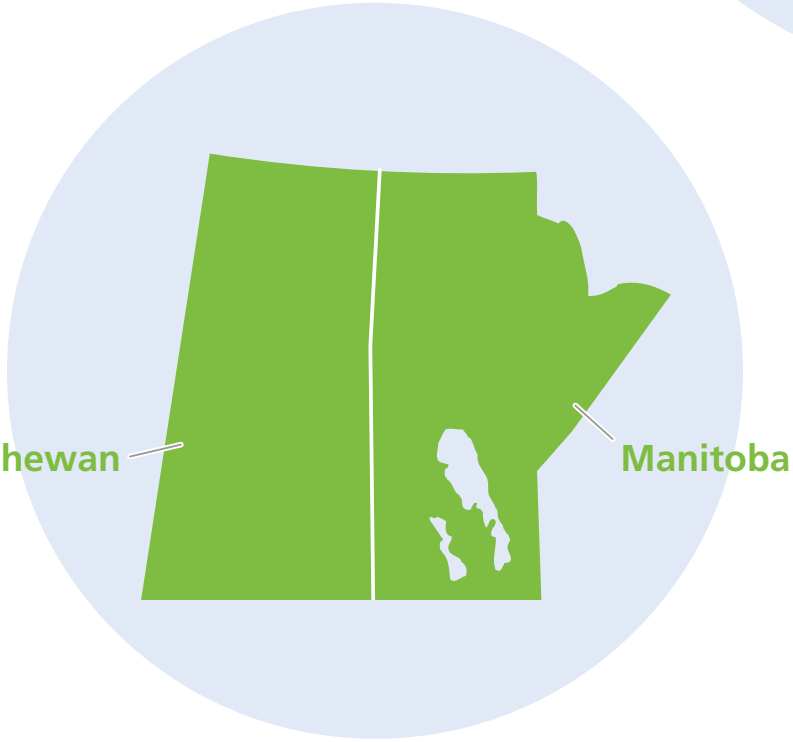
There have been positive regulatory developments in Quebec by the Régie de l'énergie that greatly support Énergir in advancing RNG in Quebec. Quebec has had an RNG program since 2016. In 2022, the Provincial Biomethane Regulation was amended to add the targets of 7 per cent by 2028 and 10 per cent by 2030, including gas from renewable sources such as RNG to increase the proportion of renewable gases in the grid.

In February 2024, a decision by the Régie de l'énergie du Québec approved an initiative that required all new network connections be powered by 100 per cent renewable energy, effective April 2024. As stated in its Vision 2030–2050 report, Énergir believes that its natural gas network has reached maturity and it plans to significantly reduce the volume of fossil natural gas and make the residual volume it distributes progressively renewable. To achieve this, Énergir offers several energy solutions to support customers in the transition to renewable energy. It begins with a focus on energy efficiency solutions to help customers reduce their energy consumption and electrification of off-peak winter heating through dual energy, then looks to RNG for the remaining portion of the energy supply.

A further decision allows Énergir to improve its RNG offering to customers. On June 6, 2025, the Quebec legislature passed Bill 69, Loi assurant la gouvernance responsable des ressources énergétiques et modifiant diverses dispositions législatives (Act to ensure responsible governance of energy resources and to amend various legislative provisions). The Act encompasses a wide range of significant changes to the legislative and regulatory framework for both electricity and natural gas in Quebec. Notably, it introduces a definition for RNG and grants natural gas distributors the ability to take into account the revenues generated from the sale of carbon credits to reduce the cost of RNG to customers.

# Prairie Provinces and Atlantic Canada

Biogas and RNG development in the Prairie and Atlantic provinces continue to progress where resources and project conditions allow, though activity remains more limited compared to major provinces. Saskatchewan's natural gas utility has been exploring options to integrate RNG into its system. Manitoba has identified biogas and RNG as strategic opportunities in its Roadmap to Net Zero, with the City of Winnipeg choosing to sell landfill gas to a third-party upgrader, and two agricultural projects advancing. In Atlantic Canada, Nova Scotia maintains interest in new projects following earlier biogas-to-electricity developments under the COMFIT program. New Brunswick fully allocated funding for its 2024 Anaerobic Digester Feasibility Studies Program, with several agricultural facilities now completing detailed assessments. Prince Edward Island and Newfoundland and Labrador show emerging interest but currently have minimal biogas or RNG development underway.

# New Projects and Industry Activity

A number of new projects were announced in 2024 and 2025. A snapshot of announced operational and in development projects are provided in Table 2. The CBA is aware that more projects are currently under development than those listed below, and the table contains only the publicly posted projects.

These newly announced and upcoming projects show strong momentum for all project types across multiple provinces. British Columbia, Alberta, Quebec, and Ontario remain key hubs, with projects ranging from large-scale landfill RNG facilities to farm-based and source-separated organics systems. Overall, the pipeline of developments indicates growing investor confidence, expanding provincial support, and a continued shift toward high-value RNG production across Canada's agriculture, organic waste and landfill sectors.

**Table 2. New and Developing Canadian Biogas & RNG Projects**

| Project | Location | Type | Status | Production | Partners |
|---|---|---|---|---|---|
| Delta RNG Facility | Delta, BC | Landfill | Began Operation 2024 | 3,000 GJ/day | Village Farms, Terreva Renewables |
| Hartland Landfill | Vancouver Island, BC | Landfill | Began Operation 2025 | 360,000 GJ/year | |
| Kasko Cattle Co. Ltd | Alberta | On-farm | Funding received from Government of Canda | | Taurus Canada |
| Rimrock Biodigester Facility | Alberta | On-farm Agricultural Feedstock | In development | 450,000 GJ/year | Biocirc |
| Future Energy Park | Alberta | | In development | 4 PJ/year | Green Impact Partners |
| Saint-Nazaire d'Acton area project | Quebec | Agricultural Feedstock | Signed letter of intent | 110,000 GJ/year | Biogest America |
| Hébertville-Station engineered landfill site (ELS) | Quebec | Landfill | Operation expected in 2026 | 190,000 GJ/year | The Régie des matières résiduelles du Lac-Saint-Jean (RWM) and Waga Energy |
| Convertus Mauricie (Enercycle) facility | Saint-Étienne-des-Grès, QC | SSO | Operation expected in 2026 | 70,000 GJ/year | Convertus Group and Énergère |
| Sainte-Sophie Landfill and Biomethanization Plant | Sainte-Sophie, QC | Landfill | Operation expected in 2026 | 68 million $m^3$ RNG/year | Waste Management |
| Southgate Renewables anaerobic digester project | Dundalk, ON | SSO | Operation expected in late 2026 | 200,000 GJ/year | Envest Corp. |
| Twin Creeks RNG facility | Warwick Township, ON | Landfill | Operation expected in 2026 | 2 million MMBtu/year | Waste Management |
| Convertus York Biofuel facility | York Region, ON | SSO | Operation expected in 2027 | 250,000-350,000 GJ/year | Convertus Group |
| Penobsquis Biogas Facility | Penobsquis, NB | Standalone | Operation expected in 2028 | | Bio Voltex |

# Future Outlook

Canada's biogas and RNG sector is poised for steady growth, with new projects emerging across agricultural, landfill, and organics streams and a potentially supportive, though patchwork, policy landscape taking shape. Yet the pace of development continues to be constrained by uncertainty and gaps in federal and provincial programs, underscoring the need for clearer, more consistent market signals to unlock the full biogas & RNG opportunity.

Looking ahead, the Canadian Biogas Association will remain active at the federal level, particularly in strengthening and stabilizing pathways for biogas & RNG in the Clean Fuel Regulations and will continue to advance provincial opportunities that reduce barriers and create long-term revenue certainty. With the right policy support, the Canadian industry is ready to scale quickly and deliver significant clean energy, waste management, and methane-reduction benefits across the country