CARBON PRICING IN CANADA

20th Annual IEA-IETA-EPRI Workshop on GHG Emissions Trading

21 October 2020

IETA
CLIMATE CHALLENGES
MARKET SOLUTIONS

What to Watch…

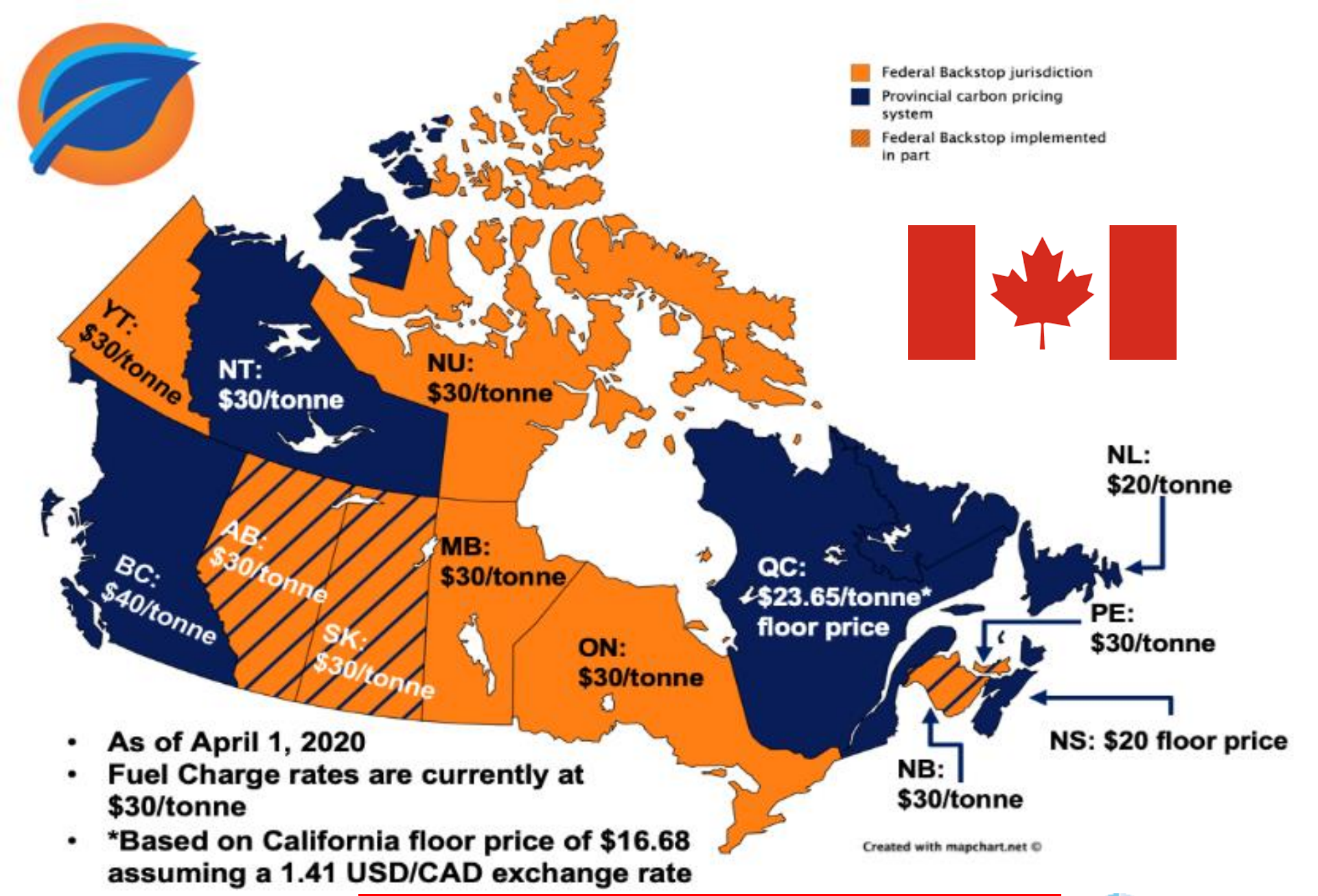


Canada Climate Target = 30% below 2005 levels by 2030

- **What to Watch?**
  - ✓ Enhance current national (2030) target
  - ✓ 2050 Net-Zero Legislation and Pathways
  - ✓ Nature Based Solutions (Forestry, Agriculture)
  - ✓ Transport and Clean Fuel Standard (CG1 Liquids Class)
  - ✓ Technology (Hydrogen, CCUS, Digitization etc.)
  - ✓ Climate and Transition Finance
  - ✓ International Climate Diplomacy through COP26
  - ★ Carbon Pricing Evolution, Supreme Court Case, Equivalencies

Canadian Carbon Pricing Landscape (2020)

	"Price"	Carbon Tax		Cap-and-Trade	Output-Based	
	$/tCO2e	Federal	Own	Own	Federal	Own
Federal	$30					
BC	$40		✓			
AB	$30	✓				✓
SK	$30	✓			✓	✓
QC	$23 (floor)			✓		
NS	$20 (floor)			✓		
PEI	$30		✓		✓	
NL	$20		✓			✓
NW	$30		✓			
ON (?)	$30	✓			✓	
MB, NU, YK, NB	$30	✓			✓	



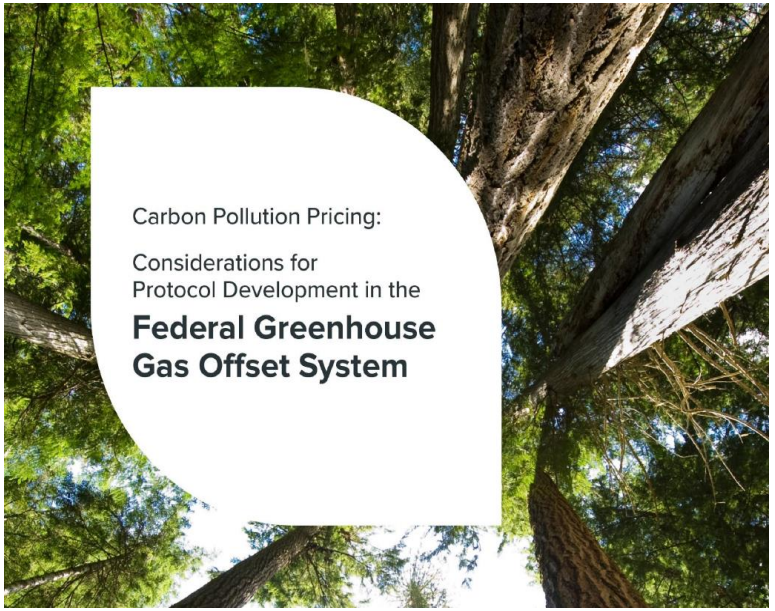
- As of April 1, 2020
- Fuel Charge rates are currently at $30/tonne
- *Based on California floor price of $16.68 assuming a 1.41 USD/CAD exchange rate

Federal Offsets & Recognized Units

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Federal Offset System Under Development (Proposed Priority Project Type List for Protocols)

1. Advanced refrigeration systems
2. Aerobic composting of organic waste
3. Afforestation / Reforestation
4. Anaerobic digestion
5. Improved forest management
6. Landfill methane management
7. Livestock manure management
8. Soil organic carbon



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