Canada

MEMBER PROFILE

➢ **Population (2023)**: 40.1 M
➢ **Territory**: 9,98KM
➢ **Real GDP/Capita (2022):** 55,522.40 US$
➢ **GHG emissions (2022):** 708 MT
➢ **GHG emissions/ capita (2022):** 18.2 t
➢ **GHG emission reductions target** (2030): 40-45% below 2005 levels
➢ **GHG emission reductions target** (2050): net-zero
➢ **Sectoral target:** 100% EV sales in 2035
➢ **Renewable electricity production (2019)**: 67% of total electricity produced (including 60% hydro, 5% wind)
➢ **Energy consumption** (2019): (40% oil, 36% natural gas, 17% electricity; 6% biofuels)

CARBON PRICING MECHANISM

➢ **Entry into force**: 2019 (federal)
Type: Hybrid system comprising a direct price (fuel charge) and an ETS (Output-Based Pricing System (OBPS))
➢ **Linking jurisdiction**: N/A
➢ **Scope:** The federal carbon pricing system applies in provinces or territories that do not meet minimum national stringency criteria (the “benchmark”) or request the federal system. The fuel charge applies a regulatory charge on fuels such as gasoline, diesel and natural gas, and is generally paid by fuel producers and distributors. The federal OBPS applies to industrial facilities that emit 50,000 t CO2e per year and optionally to facilities that emit greater than 10,000 t CO2e per year. The federal fuel charge is currently in place in most provinces and territories with the exception of British Columbia, Quebec and Northwest Territories. The federal OBPS is in place in Manitoba, Prince Edward Island, Nunavut and Yukon, with provincial or territorial carbon pricing systems covering industry in all other jurisdictions.
➢ **Coverage**: 78% (combined coverage of federal, provincial and territorial systems)
➢ **Covered sectors:** Fossil fuels combustion (fuel charge) and industry (OBPS)
➢ **Cap trajectory:** Minimum national carbon price of CA $65 (US$ 47)/t CO2e in 2023, increasing by CA$ 15 (US$ 10.92)/year to reach CA$ 170 (US$ 123.78)/t CO2e in 2030
➢ **Auctions**: NA
➢ **Carbon price (2024):** 80$ CA/58.25$ US
➢ **Revenue use:** All proceeds from the fuel charge and OBPS are returned to the sub-national jurisdiction of origin. In jurisdictions that requested the federal backstop, proceeds are returned to the subnational government. In other jurisdictions where the federal backstop applies, 90% of revenues from the fuel charge are returned to households through the Canada Carbon Rebate, and the remainder supports

businesses, farmers and Indigenous groups. Proceeds from the OBPS are returned to the jurisdiction of origin to support industrial projects to cut emissions and use new cleaner technologies and processes.

➢ **Main mitigation policy**: 2030 Emissions Reduction Plan / Plan de réduction des émissions pour 2030

➢ **Carbon pricing mechanism** reference sources: Carbon pollution pricing systems across Canada (English and French)

OTHER INTERNATIONAL COLLABORATION

- Global Carbon Pricing Challenge (GCPC)
- Carbon Pricing in the Americas
- Powering Past Coal Alliance
- International Carbon Action Plan (ICAP) (Observer)