

Appendix B:

Coverage and opt-in thresholds for industrial carbon markets in Canada

Carbon Pricing Market and Jurisdiction	Coverage	Opt-In Thresholds	Examples of Greenfield Facilities That May Be Ineligible to Participate
Output-Based Pricing System (OBPS), Federal	Facilities that emit >50,000 tonnes of CO ₂ e per year	The Minister of Environment and Climate Change will consider applications from facilities that emit >10,000 tonnes of CO ₂ e on a case-by-case basis as outlined in the Policy regarding voluntary participation in the OBPS	Any facility undertaking activities not listed in Schedule 1, Column 1 of the OBPS Regulations
OBPS, British Columbia	In development, to be clarified by end of 2023; under BC's GHG Reporting Regulation, facilities that emit >10,000 tonnes of CO ₂ e must report	In development, to be clarified by end of 2023	Electricity (CER may make participation impossible)
Technology Innovation and Emissions Reduction (TIER) Regulation, Alberta	Facilities that emit >100,000 tonnes of CO ₂ e per year, or those that import <10,000 tonnes of hydrogen per year	Three requirements must be met to opt in: Facility must "compete directly" with another regulated facility Facility must emit >2,000 tonnes of CO ₂ e Facility must belong to an EITE sector	Alberta's like-for-like criteria currently allows non-emitting facilities to opt in (e.g. wind and solar). It is not fully clear which first-of-kind projects may not meet this standard.

Carbon Pricing Market and Jurisdiction	Coverage	Opt-In Thresholds	Examples of Greenfield Facilities That May Be Ineligible to Participate
Emissions Performance Standard (EPS) Program, Ontario	Industrial facilities with annual emissions >50,000 tonnes of CO ₂ e in the sectors regulated by the OBPS	Details pending, but firms that emit >10,000 tonnes of CO ₂ e can apply for consideration	Non-emitting electricity and storage
Cap-and-Trade System, Quebec	Facilities that emit >25,000 tonnes of CO ₂ e; electricity producers and importers where GHGs associated with production >25,000 tonnes of CO ₂ e; distributors of fossil fuels used in Quebec are required to cover the GHG emissions resulting from the products they distribute.	Facilities that emit >10,000 tonnes can apply for consideration, provided the facility's sector of activity is listed in Appendix A of the C&T Regulation. Facilities that do not generate a compliance obligation under the cap-and-trade system are ineligible to receive free allocations of permits during quarterly auctions and therefore have no incentive to participate in the market.	Direct air capture; green ammonia; any process not listed in Appendix A of the C&T regulation (limited to mining, quarrying, oil and gas extraction; electric power generation, transmission and distribution; natural gas distribution; heating and cooling for industrial purposes; manufacturing; and pipeline transportation
OBPS, New Brunswick	Industrial facilities with annual emissions >50,000 tonnes of CO ₂ e (facility-level benchmarks)	Case-by-case. Per the Amendments to the Province's Environment Act : "The Minister may establish threshold criteria."	Any new, non-emitting facility that does not have its own benchmark.