

Canada's Output-Based Pricing System

Exploring how to use OBPS proceeds to reduce emissions in the Yukon – Stakeholder Questions

Introduction

The following questions are intended to highlight some important considerations for designing a program to fund projects that will reduce emissions in the Yukon. The examples provided beneath each question are not exhaustive. They are provided to help guide your response and other opinions will be considered and are encouraged.

Please send your written submission to carbonrebate@yukon.ca by Monday October 1, 2022. Your submission should include details describing the rationale behind your preferred solutions and can be written in whatever format you prefer. You will also have an opportunity to discuss these issues and provide feedback during meetings that we will schedule throughout the end of the summer and into the early fall.

Questions

Q1. *What facilities should be eligible to apply for funding?*

- Facilities registered in the OBPS only?
- Facilities eligible to register in the OBPS, including on a voluntary basis?
- Energy-intensive and trade-exposed facilities, including those not eligible for OBPS?
- Should any other facilities or groups be eligible to apply for funding?

Q2. *How should we evaluate and rank multiple projects?*

- Based on only the total expected reductions of greenhouse gas emissions?
- Based on reductions of greenhouse gas emissions per dollar of funding provided?
- Based on other factors in addition to emissions reductions? If so, what other factors?
- Based on a first-in-first-served model, subject to certain minimum requirements?
- Can you identify any other methods for evaluating and ranking projects?

Q3. *Where should projects take place?*

- Projects should take place at the eligible facility only?
- Projects should take place anywhere in the Yukon?
- Should there be other restrictions on where projects should take place?

Questions continued on next page

Questions continued

Q2. How should we ensure that greenhouse gas emissions reductions are incremental to “business-as-usual” (i.e., that reductions would only occur if the project is funded)?

- Exclude projects required under existing regulatory obligations (e.g., reclamation)?
- Exclude projects related to necessary maintenance, repairs, and equipment upgrades?
- Require third-party confirmation reductions are incremental to business-as-usual?
- Are there other methods to ensure reductions are incremental to business-as-usual?

Q5. Should there be minimum or maximum funding amounts for each project?

- What should the minimum or maximum amounts be?
- Should these amounts be the same for all applicants and projects?
- Can you identify any other considerations related to minimum or maximum funding?

Q6. Should applicants be required to cover a portion of the project costs?

- What should be the cost-sharing ratio for applicants and the Government of Yukon?
- Should the cost-sharing ratio be the same for all applicants and projects?
- Can you identify any other considerations related to cost-sharing?