Output-Based Pricing System

Environment and Climate Change Canada

Carbon Pollution Pricing Systems in Canada

The Greenhouse Gas Pollution Pricing Act (GGPPA) in Canada establishes a federal carbon pollution pricing system. The federal pricing system has two parts: a regulatory charge on fossil fuels like gasoline and natural gas, known as the fuel charge, and a performance-based system for industries, known as the Output-Based Pricing System (OBPS)¹.



Output-Based Pricing System for Industry

The OBPS applies in provinces or territories whose current programs don't meet stringent federal benchmarks or where there is an absence of carbon pricing². The OBPS intends to provide an incentive for industrial emitters to reduce their GHG emissions³.

Operational Policy Team:

The Carbon Markets Bureau (CMB) contributed to the development of carbon pricing and is responsible for administering the OBPS. The Operations and Implementation Team (OIT) is responsible for strategy, planning, and administration of the system.

Carbon Markets Bureau (CMB) Industrial Greenhouse Gas Emissions Management (IGEM) Output-Based Pricing System – Operations & Implementation Operational Policy Team

Key Contributions

- Managed operations and implementation project planning by actively communicating with colleagues and subject-matter experts to ensure projects and deliverables were completed in a timely fashion.
- Reviewed and created regulatory compliance promotion material to clearly convey messages to regulatees and the public learning about the Output-Based Pricing System.
 - Supported operational policy and guidance development by reviewing and updating standard operating procedures to help ensure operational efficiency and consistency.

INTERESTING FACT: The Supreme Court of Canada ruled earlier this year that the Canadian Parliament has the authority to put a price on carbon pollution in jurisdictions that do not have their own system that meets minimum national stringency standards².

Key Takeaways

- Communication: It is important the message you are trying to convey is clear, simple and legally accurate when developing and editing website text related to legislation.
- <u>Teamwork</u>: Operationalizing Canada's Federal Carbon Pricing Program requires collaboration across numerous teams to ensure comprehensive implementation.
- <u>Cumulative Effect</u>: Every piece of work counts. It all adds up to successful implementation of a program that incentivizes emissions intensity reductions







^{2.}Text from Supreme Court of Canada rules on the constitutionality of the Greenhouse Gas Pollution Pricing Act - Canada.ca

3.Text from Output-Based Pricing System - Canada.ca

