

Alberta Industrial Greenhouse Gas Compliance

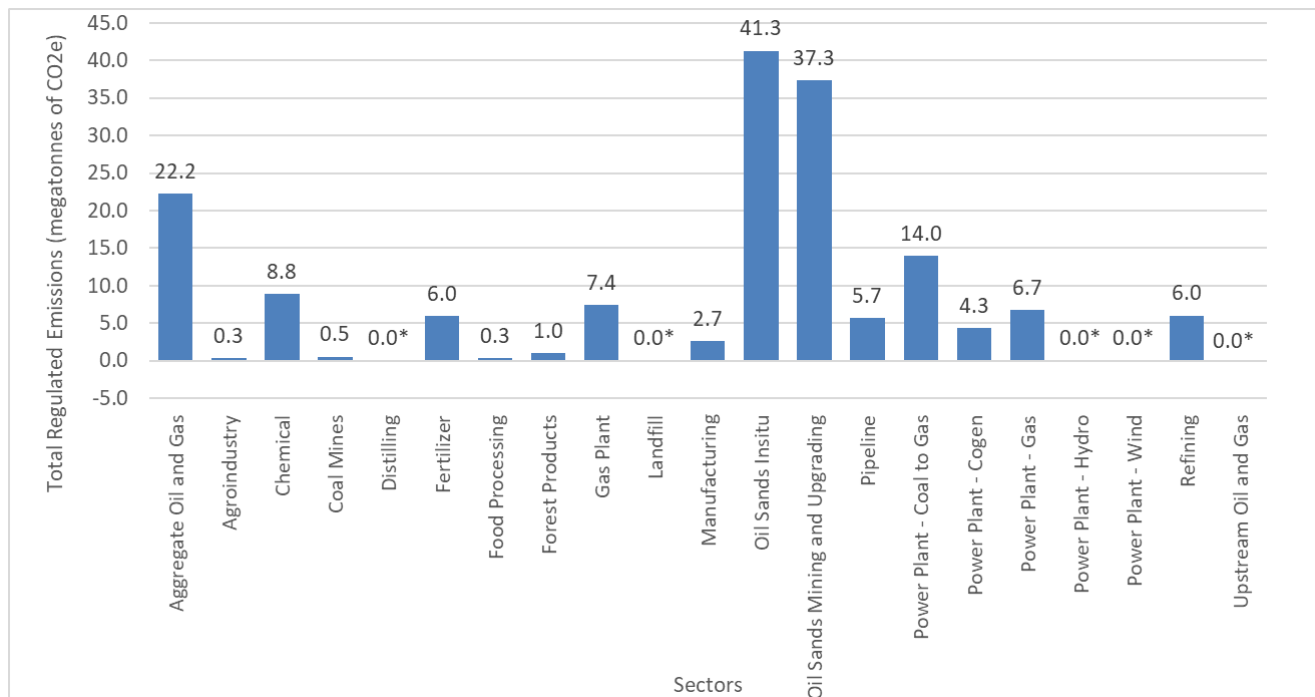
Summary of 2023 Compliance Results under the Technology Innovation and Emissions Reduction (TIER) Regulation

Regulated Facilities and Compliance Report Submissions

Alberta Environment and Protected Areas anticipated the submission of 537 compliance reports from regulated facilities and received 528 compliance reports at the time of publication. Alberta Environment and Protected Areas continues to work with regulated facilities to receive late submissions and resolve issues identified in compliance reports which may require resubmissions in some cases.

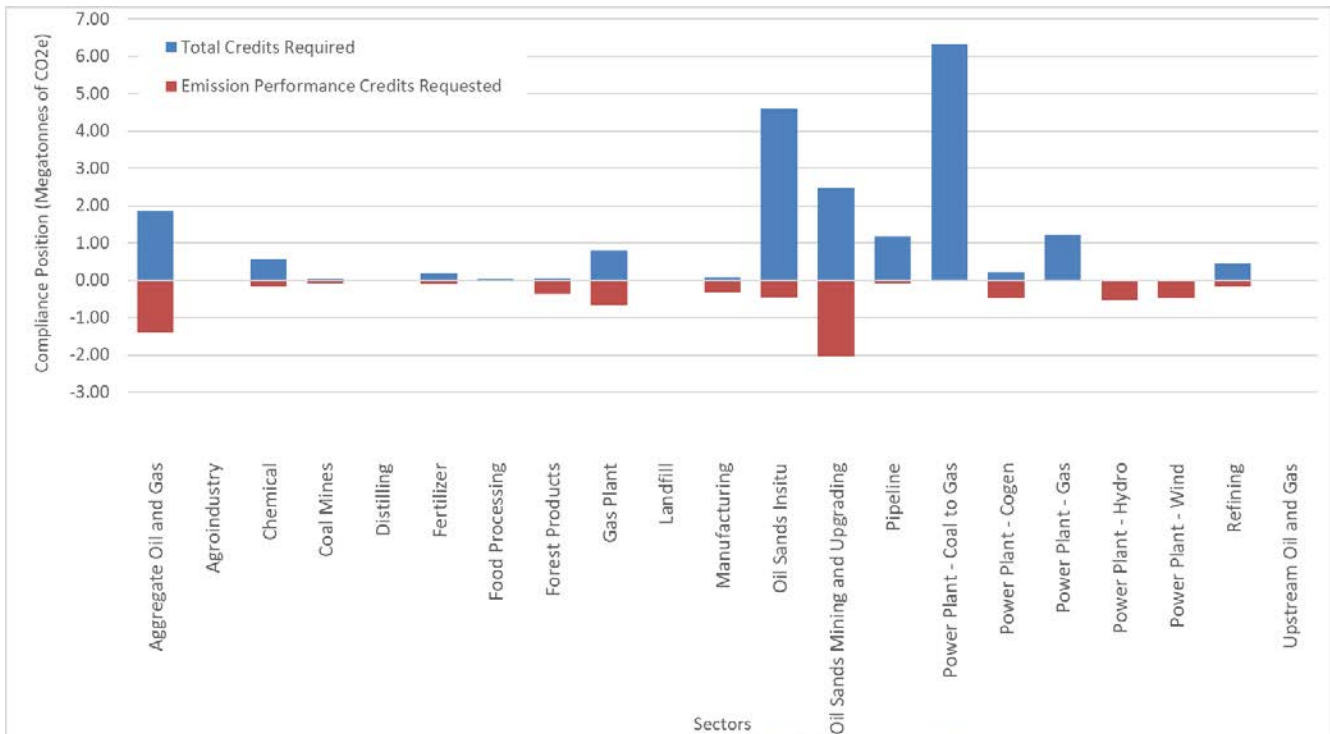
Total Regulated Emissions by Sector

Total regulated emissions (TRE) for all compliance reports submitted was 164.7 megatonnes of carbon dioxide equivalent (CO₂e). The chart below illustrates the total regulated emissions by sector. Please note that total regulated emissions from sectors labelled 0.0* are less than 50,000 tonnes of CO₂e.



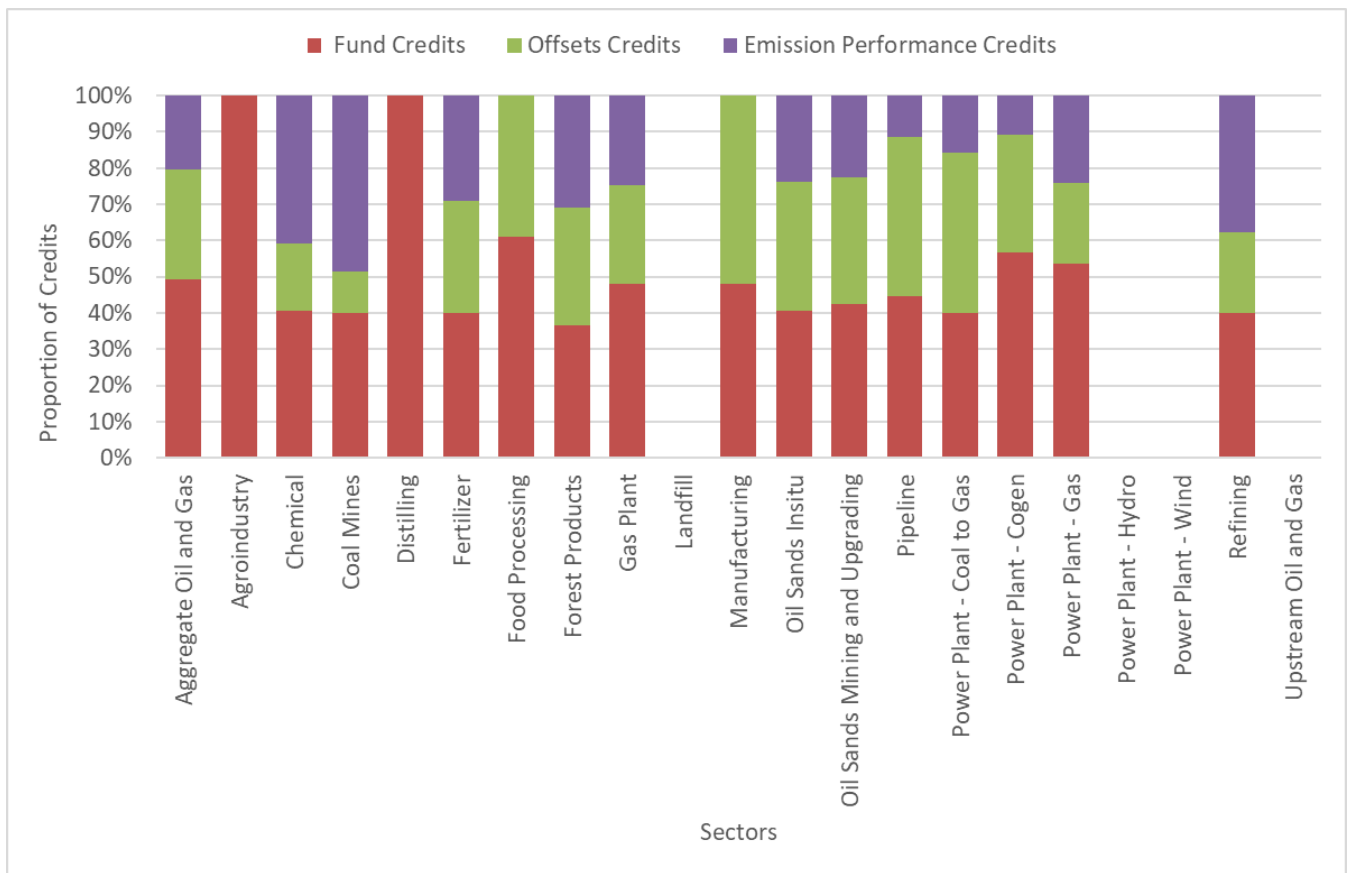
Compliance Position by Sector

Section 12 of TIER requires that a facility’s net emissions not exceed the allowable emissions. If a facility’s total regulated emissions are less than its allowable emissions, then it is eligible to request emission performance credits. If a facility’s total regulated emissions are greater than its allowable emissions, then the facility is required to meet its true-up obligation to ensure that the facility’s net emissions do not exceed its allowable emissions. Overall, there were 20.1 megatonnes of true-up obligations and 7.34 megatonnes of emission performance credits were requested. The chart below illustrates the magnitude of compliance positions by sector.



Credit Usage

Facilities can meet their true-up obligations by submitting fund credits, emission performance credits (EPCs), and/or emission offset credits (Emission Offsets) and Sequestration Credits. Overall, facilities submitted 8.68 million fund credits, 7.28 million Emission Offsets, and 4.17 million EPCs. In proportional terms, 43% of compliance instruments were fund credits, 36% were Emission Offsets, and 21% were EPCs. The 8.68 million fund credits, purchased at \$65 per tonne of CO₂e, translates to \$564.1 million in contributions to the TIER Fund. The actual total 2023 fund credit payment is expected to be adjusted based on revisions to compliance reports where there are material errors. The chart below illustrates the proportions of the various compliance instruments that each sector used to meet true-up obligations.



Summary of Historic Compliance Results

Alberta has regulated industrial greenhouse gases under three regulations over the past 17 years:

- The Specified Gas Emitters Regulation (SGER) from 2007 to 2017;
- The Carbon Competitiveness Incentive Regulation (CCIR) from 2018 to 2019; and
- The Technology Innovation and Emissions Reduction (TIER) Regulation from 2020 and onward.

Since 2007, Alberta has required 254.5 million tonnes of cumulative compliance through submission of emission performance credits, emission offsets and fund credits.

ANNUAL COMPLIANCE RESULTS

Compliance Year	Emission Offsets Submitted (megatonnes CO ₂ e)	EPCs Submitted (megatonnes CO ₂ e)	Fund Credits Submitted (megatonnes CO ₂ e)	Total Compliance (megatonnes CO ₂ e)	Fund Payment (\$Million)
2007 (half year)	0.9	0.2	3	4.1	45.2
2008	2.9	0.6	5.9	9.4	88.3
2009	3.8	1.5	4.4	9.7	66.3
2010	3.9	1.9	5.3	11.1	78.9
2011	5.4	0.8	4.2	10.4	62.9
2012	3	0.7	5.9	9.5	93.7
2013	2.2	1.3	6.3	9.8	94.4
2014	2.3	1.3	5.6	9.3	84.3
2015	0	0.3	9	9.3	135.7
2016	0.8*	1	10.3	12.2	206.5
2017	9.2*	6.1	3.1	18.5	94.2
2018	8.0*	3.9	17.8	29.6	533.2
2019	9.9*	5.3	15.9	31.0	476.1
2020	1.2*	1	18.3	20.6	547.6
2021	5.1*	2.1	12.6	19.8	503.5
2022	2.2*	0.6	17.3	20.1	864.0
2023	7.2*	4.1	8.7	20.1	564.1
Total	68.0	32.7	153.6	254.5	4,538.9

*Includes 5.7 Mt total from 2016-2023 of additional credits issued under section 7(1.2) of the SGER and section 16(3) of the CCIR and section 19(3) of TIER.

The data presented in this publication are updated as of July 26, 2024 and rounded for presentation purposes. Figures and tables are subject to change as a result of adjustments based on internal compliance reviews and auditing processes.