

# ISSUE IN FOCUS



*Celebrating 100 Years*

SASKATCHEWAN  
CHAMBER of COMMERCE

## Prairie Resilience Framework and Proposed Technology Fund

### Background:

The Saskatchewan Chamber of Commerce submitted comments on the Prairie Resilience: A Made-in-Saskatchewan Climate Strategy in July 2018.

Consistent with the Government of Saskatchewan's stated position, the Chamber maintains that a direct carbon pricing scheme, either in the form of a tax or through a cap and trade program, is not the appropriate mechanism for reducing greenhouse gases in the province, as such a policy will put Saskatchewan's Energy-Intense and Trade-Exposed (EITE) sectors at a competitive disadvantage. The Chamber instead advocates for technological investments and incentives to reduce carbon emissions.

### Issue:

The Saskatchewan Chamber of Commerce supports the concept of the Saskatchewan Technology Fund, as outlined in the recent proposed amendments under The Management and Reduction of Greenhouse Gases Act.

The Chamber believes the Fund should enable regulated emitters in the province to invest in technologies and processes that lead to demonstrated reductions in fuel use. The focus on reducing fuel usage among regulated emitters will have the most impact in reducing emissions more generally. To this end, the Fund can operationalize research and foster partnerships between various sectors.

### Recommendations:

1. The Fund should be structured as an arm's length, distributed authority agency (also referred to as a distributed public governance agency) to minimize potential political interference and ensure autonomy, while mandating the

achievement of its objectives. The Chamber recommends that the Government of Saskatchewan use TSASK as a model for the creation of the Fund.

2. The Government of Saskatchewan should have responsibility for setting the mandate and objectives of the Fund, while the Fund should have jurisdiction over its own administration and finances.
3. The Fund should be staffed by technical experts with the required competencies to carry out the day-to-day work of the organization. On the governance side, the Board membership should be based on the types of skillsets required for the Board to provide proper oversight.
4. The Fund should employ two distinct types of measurement approaches simultaneously. The first approach is tracking background indicators and metrics over time. The second approach is measuring important parameters that can be fed back into management decision-making.
5. The Chamber recommends that the Government of Saskatchewan provide the Fund with a one-time only grant of money to get the Fund started. After the Government of Saskatchewan's initial investment is made, the Fund should be financed solely by revenues resulting from payments made by regulated emitters having to satisfy their compliance obligations.
6. There should be no expiry date on banked performance credits or offsets that can be used by regulated emitters. Ultimately, if a regulated emitter is forced to pay money into the Fund to satisfy their compliance obligations, then it follows they should have the right to access money in the Fund whenever it is needed. An option should exist for a regulated emitter to release any of its banked credits to other uses in the Fund if such emitter wishes to do so.
7. The registration of performance credits and offsets should be managed by the Fund in-house and the trading of performance credits and offsets should be done through an online exchange. Further, if the Federal Government does implement a carbon tax in Saskatchewan and returns the revenues to the Province, it is recommended that such monies be directed into the Fund, to be used in programs to reduce emissions.
8. For third-party accounting and verification of annual reported greenhouse gas emissions and/or credits, the Chamber recommends the definition of 'qualified persons' be interpreted in a manner like the one outlined in the Saskatchewan Environmental Code to ensure consistency. This will require individuals certified in ISO 14064 greenhouse gas accounting standards.
9. Have a provision segregated accounts so that member contributions can be directed towards their own GHG emissions while allowing for any pooled contributions they want to make.

## **History:**

Letter to Minister Environment 2018

Letter to Deputy Minister Environment 2019