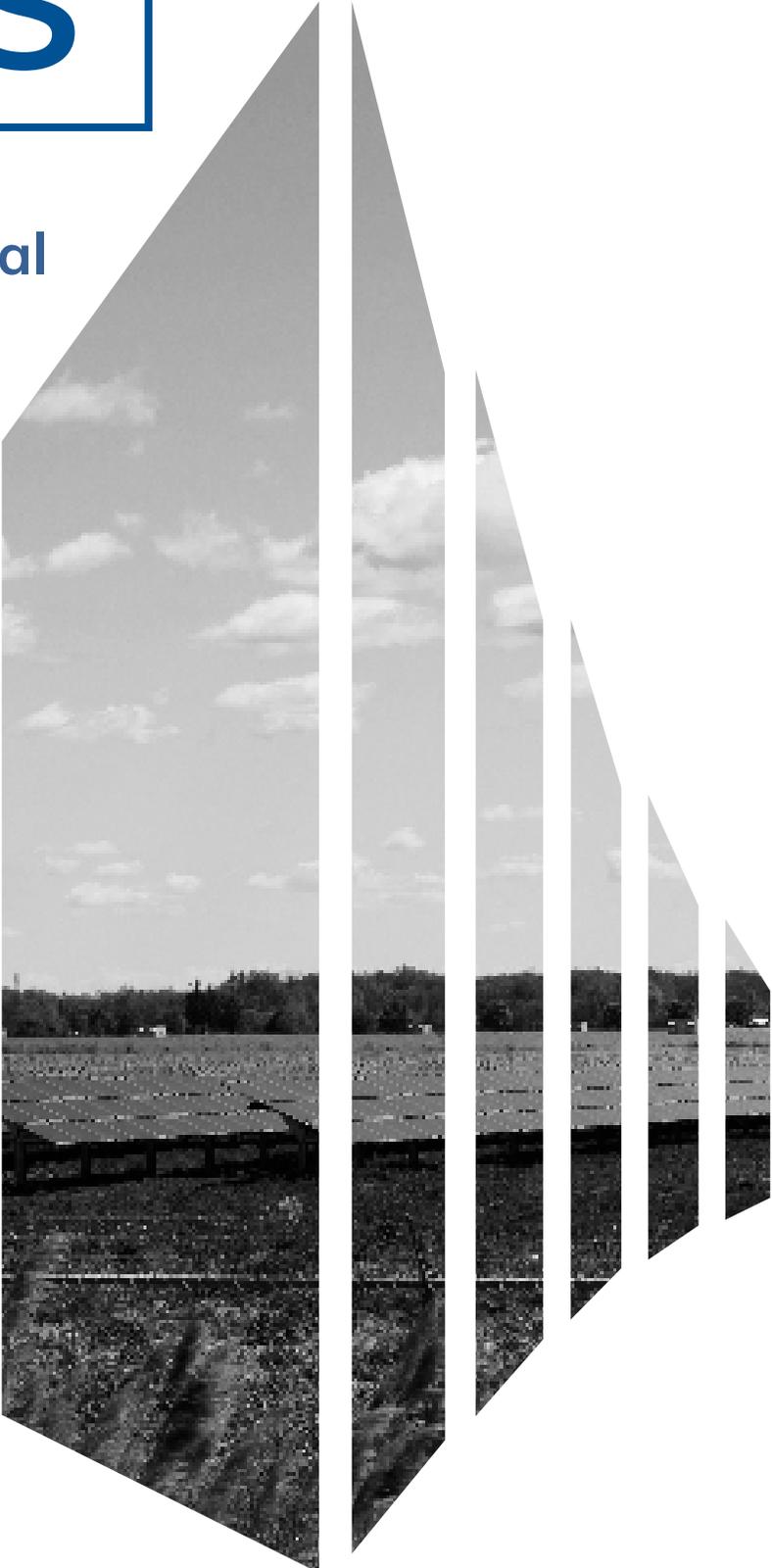


# ISSUE IN FOCUS

## Provincial and Federal Offset Programs



*Celebrating 100 Years*

**SASKATCHEWAN**  
CHAMBER *of* COMMERCE

## The Issue

The Government of Saskatchewan is developing a provincial greenhouse gas (GHG) offset program as part of the *Prairie Resilience: A Made-in-Saskatchewan Climate Change Strategy* commitments. “Offset credits will serve as a compliance option for regulated emitters subject to *The Management and Reduction of Greenhouse Gases (Standards and Compliance) Regulations*.” The goal is to create additional incentives for actions resulting in carbon sequestration or reduced GHG emissions beyond the reductions required through regulations. The program will expand to also motivate farmers, foresters, ranchers, municipalities and other businesses to sequester carbon and sell GHG offset credits. The Ministry of Environment is developing proposed offset protocols for agricultural soils sequestration, enhanced oil recovery, composting, and landfill gas, and they are looking at opportunities for regional and/or national alignment.

**Offset:** an amount that diminishes or balances the effect of a contrary action.

**Offset Program or Protocol:** detailed guidelines to meet program and regulatory requirements that reduces GHG emissions to “offset” the release of GHG from another action.

The Government of Canada is also currently developing a Federal Greenhouse Gas (GHG) Offset System. The goal is “to encourage cost-effective domestic GHG emissions reductions and removals from activities that are not covered by carbon pollution pricing and that go beyond legal requirements.” Offset protocols in the first phase of development include advanced refrigeration systems, improved forest management, landfill methane management, and enhanced soil organic carbon. Protocols determine the method for quantifying GHG emissions reductions for a given project type. Protocols for additional project types may be created in the future. The final regulations should be published in fall 2021.

## Our Position

Businesses in Saskatchewan are concerned about offset recognition being geographically constrained because the linkage of offset markets across Canada and globally is critical to the effective functioning of an emission trading system. Saskatchewan companies being able to use offsets produced elsewhere would help competitive positioning and potentially broaden participation. Climate change is a global issue; therefore, offsets should be available across borders.

## Recommendations

- Harmonize protocols across jurisdictions.
- Use protocols that have already been developed, modify them depending on

- context, and create new ones as needed.
- Consider how to integrate future protocols with existing ones.

## History

- May 5, 2021 – Letter to Minister Wilkinson – [SCC Response to Federal GHG Offset Program](#)
- April 16, 2021 – [Response to Saskatchewan’s Greenhouse Gas Offset Program Discussion Paper](#)
- August 2019 – [Government of Saskatchewan Offset Program Discussion Paper – Engagement Summary Report](#)
- [Federal Greenhouse Gas Offset System](#)