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**CANADA  
POWERED BY  
WOMEN**

# Policy Cards

**Powering Prosperity:** Energy and economy  
shaping Canada's future

## **Purpose and contents of this document**



### **Purpose of this document**

This document is intended to provide you with helpful context on the workshops that will be a part of Canada Powered by Women's event series.

It includes a summary of key Canadian energy policies and facts to help you prepare for the workshop and the topics that will be explored. These policy cards may be freely used and referenced, provided full attribution is made to Canada Powered by Women.



# POLICY 101 CARD

## IMPACT ASSESSMENT ACT (BILL C-69)

### WHY THE POLICY WAS SET UP

The Impact Assessment Act (IAA), introduced as **Bill C-69** and passed in 2019, was designed to **modernize how Canada reviews major projects** with potential environmental and social impacts. Aiming to restore public trust after years of controversy, the Act introduced a **clearer, more predictable, and transparent assessment process**. It broadened the scope of federal decision-making to include **environmental, health, Indigenous, and economic factors** - reflecting efforts to balance economic development with sustainability, reconciliation, and climate goals, while addressing interjurisdictional tensions and public concerns.<sup>1,4</sup>

### SUMMARY OF THE POLICY

The IAA replaced the Canadian Environmental Assessment Act (2012) and expanded the scope of project reviews<sup>1</sup>. Key features include:

- **Broad Scope of Assessment:** Considers not just environmental effects, but also impacts on **Indigenous rights, climate change commitments, gender-based analysis, and economic factors**.<sup>1,4</sup>
- **Designated Project List:** Applies to projects outlined in federal regulations (e.g., offshore oil and gas, large mining projects).<sup>2</sup>
- **Early Planning Phase:** Introduces an initial planning stage involving Indigenous groups, stakeholders, and the public to identify potential issues before a full review.<sup>3</sup>
- **Independent Agency:** Administered by the **Impact Assessment Agency of Canada (IAAC)**, with expert input from relevant departments, Indigenous representatives, and review panels.<sup>1</sup>
- **Ministerial/Federal Cabinet Decision:** Final approval is based on whether the project is in the **public interest**, considering assessment findings.<sup>1</sup>
- **The IAA and the Major Project Office work together** to ensure major projects are assessed in a manner that respects federal, provincial and territorial jurisdiction, and enhances coordination for permitting.<sup>6</sup>

#### CANADA - CENTRIC

- **Indigenous Participation:** Seeks to uphold the duty to consult Indigenous communities, though implementation and outcomes vary by project.
- **Balancing Objectives:** Integrates economic, environmental, climate, and reconciliation considerations, with ongoing tension over how trade-offs are resolved in practice.
- **Legal & Jurisdictional Context:** The Supreme Court (2023) found parts of the Act unconstitutional, requiring legislative amendments.
- **Process & Timing Impacts:** Longer timelines, legal challenges, and unclear accountability can delay approvals and affect investment decisions.

#### CANADA AT THE CENTRE

- **Approval Credibility:** A modernized, transparent assessment framework is intended to restore public trust and provide clarity to global investors.
- **Climate Alignment:** Embedding climate considerations in approvals aligns Canada with global shifts toward sustainability-linked decision-making.
- **Investment Signal:** Regulatory certainty—or lack thereof—may influence Canada’s attractiveness for large, globally competitive projects.
- **Interjurisdictional Dynamics:** Federal-provincial tensions may shape perceptions of Canada’s ability to advance major projects at scale.



# POLICY 101 CARD

## CANADA'S INDUSTRIAL CARBON TAX

### WHY THE POLICY WAS SET UP

Canada's industrial carbon tax was introduced under the **Greenhouse Gas Pollution Pricing Act (GGPPA)** in 2019 as part of the federal government's climate strategy<sup>1</sup>. The goal was to create a consistent price signal to reduce emissions while minimizing economic disruption for emissions-intensive and trade-exposed industries<sup>2</sup>. The policy aligns with Canada's broader commitment to reduce greenhouse gases and transitioning to a lower-carbon economy. Alberta's TIER system, the first of its kind in Canada, served as the model for other provinces.<sup>8</sup>

### SUMMARY OF THE POLICY

The tax applies to large industrial emitters through the **Output-Based Pricing System (OBPS)**. Facilities that emit more than 50,000 tonnes of CO<sub>2</sub>-equivalent annually are assigned an emissions intensity benchmark based on their level of production. If actual emissions exceed the benchmark, the facility must either:

- Pay a carbon price (**\$95 per tonne** as of April 1, rising \$15 annually until it reaches **\$170 per tonne by 2030**)<sup>7</sup>,
- **Reduce emissions**, or
- **Use compliance credits:** Facilities can use surplus credits, buy approved offsets, or purchase federal fund credits to meet their obligations

Most industrial emissions in Canada are now regulated by provincial OBPS equivalents (e.g., in BC, AB, SK, ON, and QC), making the OBPS a key regulatory backstop. Unlike consumer-level carbon taxes, the OBPS is tailored to industrial sectors, with provinces able to create their own systems if they meet federal requirements.<sup>3</sup>

#### CANADA - CENTRIC

- **Policy Flexibility:** Facilities can comply through emissions reductions, credit trading, or offsets—helping manage compliance costs and support innovation.
- **Revenue Recycling:** OBPS revenues are returned to provinces and often reinvested in emissions-reduction programs and industrial incentives.
- **Sectoral & Cost Impacts:** Emissions-intensive sectors (e.g., oil & gas, cement, steel) face higher compliance costs that must be balanced against margins and decarbonization investments.
- **Competitiveness & Certainty Concerns:** Some firms raise concerns about impacts on investment decisions, competitiveness, and regulatory certainty.

#### CANADA AT THE CENTRE

- **Global Alignment:** Canada's system is broadly aligned with international carbon pricing approaches, particularly the EU.
- **Trade Readiness:** Alignment strengthens Canada's position as carbon constraints expand globally, including potential carbon border adjustment mechanisms (CBAM).
- **Credibility as an Energy Supplier:** A structured, benchmark-based system supports Canada's reputation as a reliable, lower-carbon energy and industrial producer.
- **Carbon Leakage Protection:** Applying the price only to emissions above benchmarks helps prevent production from shifting to lower-regulation jurisdictions.

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# POLICY 101 CARD

## CANADA'S CLEAN ELECTRICITY ACT

### WHY THE POLICY WAS SET UP

The Clean Electricity Regulations (CER) are part of Canada's broader strategy to achieve a **net-zero electricity grid by 2035**, which is a key milestone on the path to economy-wide net-zero emissions by 2050<sup>1</sup>. The intent of the policy is to reduce emissions from electricity generation while ensuring system reliability and affordability for Canadians. It also supports commitments made under the **Paris Agreement** and aligns with Canada's **Emissions Reduction Plan**<sup>3</sup>.

### SUMMARY OF THE POLICY

In August 2023, the federal government released draft **Clean Electricity Regulations** under the Canadian Environmental Protection Act<sup>3</sup>. The regulations aim to gradually phase out unabated fossil fuel generation - particularly natural gas - while maintaining grid reliability<sup>2</sup>. Key elements include:

- **Performance Standard:** Starting in 2035, most electricity-generating facilities must meet an emissions intensity limit of **30 tonnes of CO<sub>2</sub> per GWh**, effectively requiring **net-zero or near-zero emissions**.<sup>1</sup>
- **Scope:** Applies to fossil fuel-fired plants generating over **25 MW**, including new and existing units, with compliance deadlines depending on commissioning dates.<sup>1</sup>
- **Flexibility Mechanisms:** Includes options for **temporary exemptions**, allowances for plants needed for reliability, and future updates to reflect technological readiness.<sup>2</sup>
- **Complementary Initiatives:** The regulations are part of a broader suite of measures including federal investments in **clean power, interprovincial transmission, and energy efficiency**.<sup>3</sup>

#### CANADA - CENTRIC

- **Decarbonization Imperative:** Cleaning the grid (electricity ~8–9% of GHGs) is essential to enable emissions reductions across transportation, buildings, and industry.
- **Reliability & Flexibility:** Temporary exemptions and reliability-based extensions acknowledge system constraints and differing provincial timelines.
- **Regional Differences:** Provinces face uneven challenges based on their electricity mix, with gas-reliant jurisdictions facing steeper transitions than hydro-rich regions.
- **Cost & Investment Pressures:** Achieving net-zero electricity requires significant investment in generation, storage, and grid infrastructure, raising concerns about cost, feasibility, and reliability.

#### CANADA AT THE CENTRE

- **Foundation for Economy-Wide Decarbonization:** A clean electricity grid underpins Canada's ability to decarbonize the broader economy.
- **Long-Term System Transformation:** Federal investments in clean power, storage, and interprovincial transmission support a modern, resilient energy system in the longer term.
- **Credibility in a Low-Carbon Future:** Progress toward a net-zero grid strengthens Canada's standing as a reliable, lower-carbon energy producer as global constraints tighten.

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**Deloitte.**