

Greenhouse Gas Industrial Reporting and Control Act Bulletin 030

Initial Grant Payments for the CleanBC Industrial Incentive Program 2024.

Greenhouse Gas Industrial Reporting and Control Act (GGIRCA)

Overview

The CleanBC Industrial Incentive Program (CIIP) encourages cleaner industrial operations by reducing carbon tax costs for facilities that can demonstrate their operations are among the lowest emitting for their sector compared to world-leading greenhouse gas emissions benchmarks.

This bulletin notifies industrial operators of the intention to issue an early grant payment for the 2024 CIIP program year in the first quarter of 2024, ahead of the application period.

Background

- On April 1, 2024, a newly designed B.C. Output-Based Pricing System (B.C. OBPS) will replace the CIIP and will be mandatory for large industry.
- The B.C. OBPS ensures there is a price incentive for industrial emitters to reduce greenhouse gas (GHG) emissions while promoting innovation and protecting competitiveness.
- The BC OBPS will provide a point-of-sale exemption from the carbon tax, flexible options to satisfy compliance obligations such as offsets, and the ability to generate earned credits which could be used for future compliance obligations or sold to other industrial operators.
- As we transition to a new industrial emissions pricing system, the Province will be frontloading CIIP payments for 2024 to ensure operators have the fiscal room to accommodate the change.

Applicability

Qualified industrial operations that participated in the CleanBC Industrial Incentive Program in 2023 may be eligible for an initial grant payment. This initial grant payment will be conditional on the operation completing their reporting and verification obligations under the Greenhouse Gas Industrial Reporting and Control Act (GGIRCA), and on successfully applying for the CIIP in 2024.

Grant agreements can be expected in the first quarter of 2024. Initial grant payment amounts will be 75% of the CIIP grant payment made to each operation for 2024, pro-rated to adjust for the carbon tax increase in 2023. Early CIIP payments are expected to be made to 73 industrial operators, representing 454 individual industrial facilities. Early payments are expected to total \$187.75M, of the roughly \$250M in total payments expected for the entire CIIP 2024 year.

Nothing is immediately required for industrial operations to receive their early payments. For those who were eligible to apply in 2023 but didn't, and therefore aren't receiving an early payment, you are encouraged to apply to CIIP starting in May 2024 and closing in June to receive their entire incentive payment.