



INFORMATION LETTER

OIL AND GAS DIVISION

OGD-23-02

SUBJECT: British Columbia Eligibility for the Carbon Capture Utilization and Storage Investment Tax Credit

The Ministry of Energy, Mines and Low Carbon Innovation received on November 15, 2022 a letter from staff at Environment and Climate Change Canada confirming that British Columbia (BC) is an eligible jurisdiction under the proposed Carbon Capture Utilization and Storage Investment Tax Credit (CCUS ITC). The province will join Alberta and Saskatchewan as listed prescribed jurisdictions under the tax credit.

The decision to acknowledge BC's eligibility under the tax credit was concluded after a detailed review. The letter outlining the decision states:

“We are pleased to inform you that the Minister of Environment and Climate Change Canada has approved BC as a prescribed jurisdiction under the federal CCUS investment tax credit. After a detailed review, officials from Environment and Climate Change Canada and Natural Resources Canada have concluded that, in their view, BC's regulatory framework around geological sequestration is sufficient to ensure that CO₂ is permanently stored. The review found that BC has developed considerable expertise with injection and storage projects in the province, and that the use of the CSA standard Z741 for geological storage of CO₂ is a key strength of the province's framework.”

Environment and Climate Change Canada has shared with BC that it has provided its determination to officials at the Department of Finance Canada. Department of Finance Canada is responsible for finalizing the tax credit.

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