

Prairie Resilience:

A Made-in-Saskatchewan Climate Change Strategy

Cooperation with the Mining Sector

Pacific Northwest Economic Region – July 23, 2019

Saskatchewan Mining Industry

- Canada is one of the largest mining nations in the world producing more than 60 minerals and metals.
- Canada ranks in the top five countries in the global production of 16 major minerals and metals
- Saskatchewan mining ranks globally - first in potash, second in uranium.
- Saskatchewan mining is the largest industrial employer of Indigenous people in Canada.



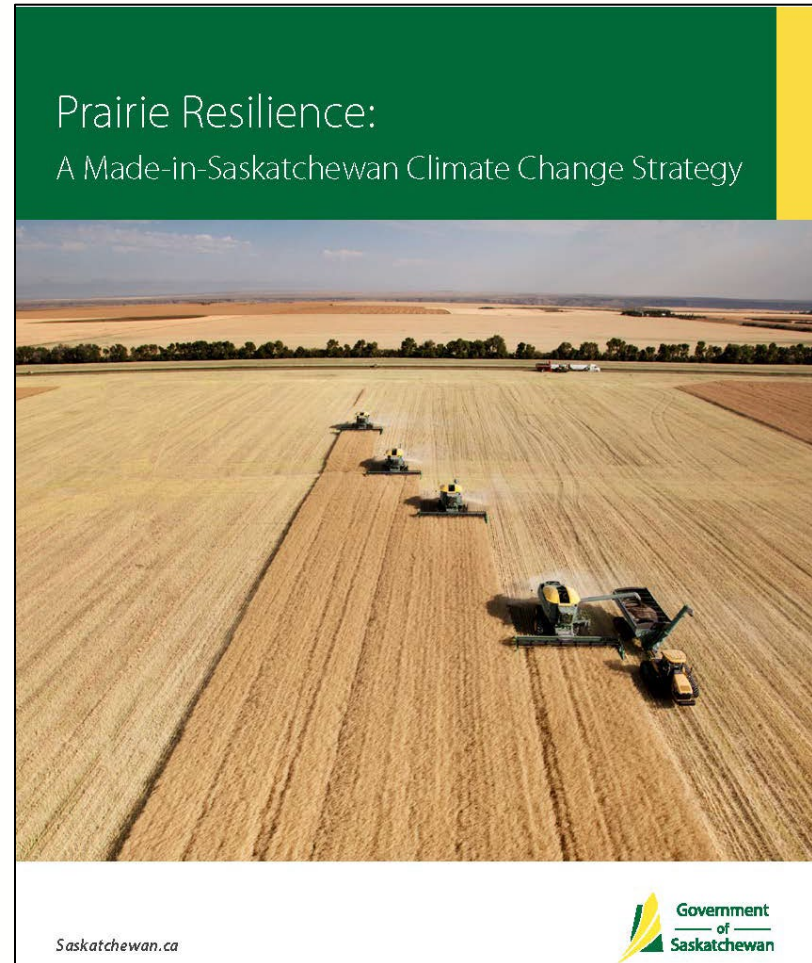
Image Source: https://en.wikipedia.org/wiki/Saskatchewan#/media/File:Saskatchewan_in_Canada.svg

By TUBS – Own Work

Prairie Resilience

Released December 2017, *Prairie Resilience* is a comprehensive **system-wide** policy approach:

- **Resilience** is the over-arching focus / Climate Resilience Measurement Framework;
- Over **40 specific commitments** to action;
- Enhanced emphasis on **renewable energy in electrical generation**; and
- **Output-based** performance standards for mining facilities, with flexible compliance mechanisms.



Resilience Framework

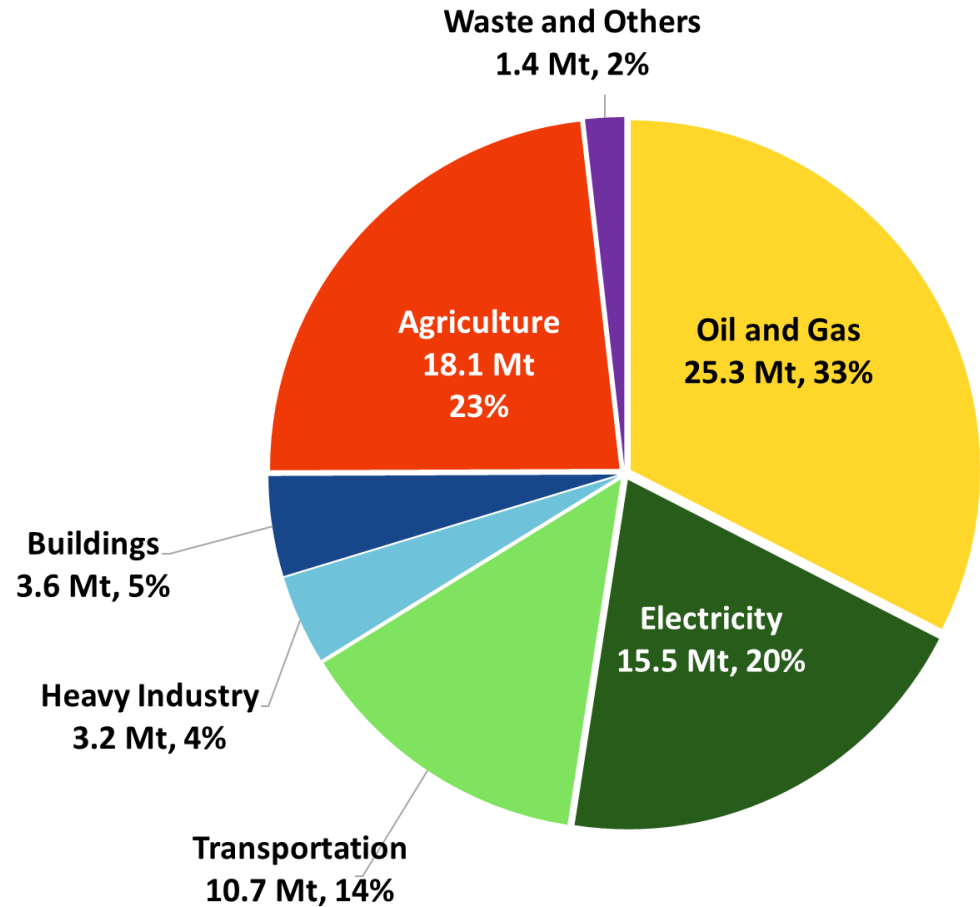
- *Prairie Resilience* is designed to make Saskatchewan more resilient to the climatic, economic and policy impacts of climate change.
- The Government of Saskatchewan commits to track and report on the resilience framework annually.
- Examples of the 25 measures:
 - *Renewable Energy Capacity*
 - *Total GHG emissions from electricity sector*
 - *Communities with emergency preparedness plan*
 - *Emissions intensity of Saskatchewan's economy*

Saskatchewan's Climate Resilience
Measurement Framework



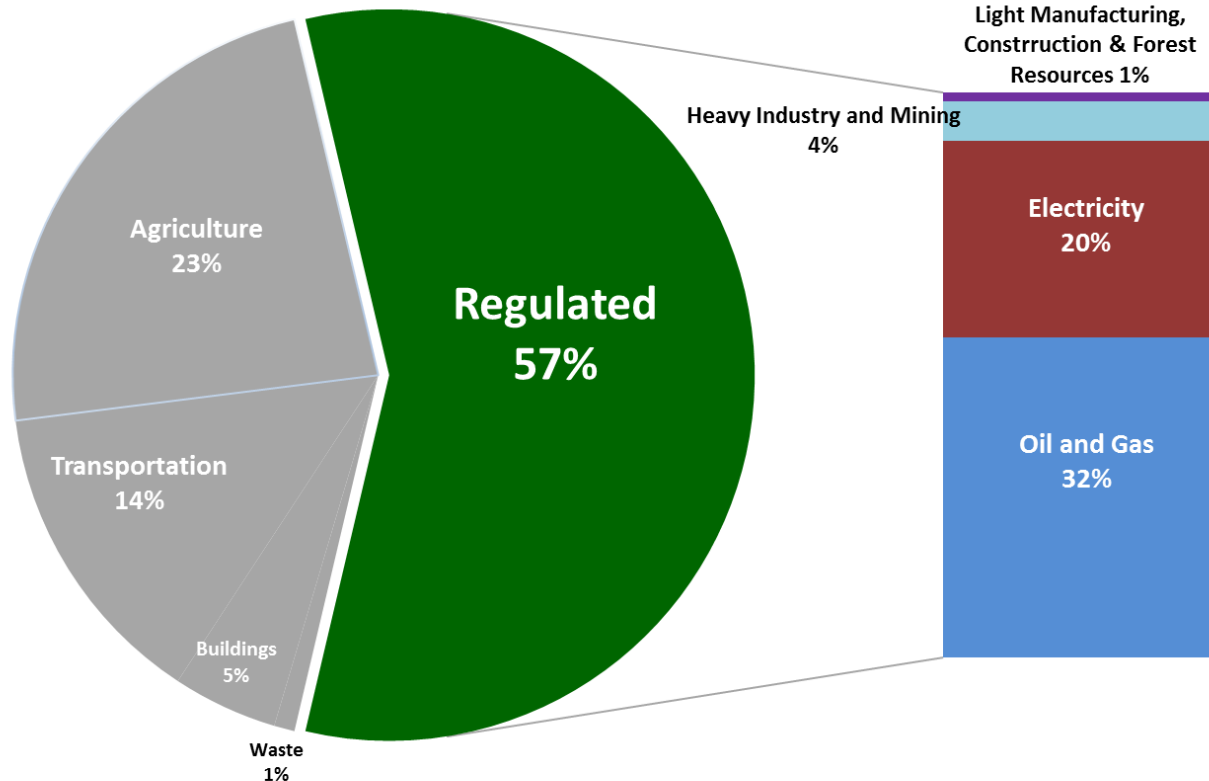
Saskatchewan's 2017 Emissions Profile

Saskatchewan mining sector represents 3% of provincial emissions



Sask Total (2017) = 77.8 Mt

Regulated GHG Emissions



Sources: Environment Canada NIR 1990-2017

- 57% of provincial emissions are now regulated under *Prairie Resilience*.
(45 Mt of 78 Mt total)
- 33% of facilities under new GHG regulations are in mining sector.
(22 of 67 facilities)

Cooperative Policy Development Process

- Good policy development requires good two way engagement.
- Mining industry representatives have been amongst the most engaged in policy development process.
- SMA and mining sector comments on all aspects of the program have been very detailed and invaluable for policy development.



Multi-sector Technical Briefing, Regina, March 2019

Cooperative Policy Development Process

2017

- Provincial results-based regulatory approach framed strategic approach in development of *Prairie Resilience*
- Initial discussions with SMA and mining sector indicated preference for provincial vs federal regulation
- Release of *Prairie Resilience* in December
- Partial Proclamation of *Management and Reduction of Greenhouse Gases Act* (MRGHG)

The Management and Reduction of Greenhouse Gases Act

being

Chapter M-2.01 of *The Statutes of Saskatchewan, 2010* (effective January 1, 2018, except clauses 2(a), (b), (g) to (i), (n) to (q), (l), (w) and (x); clauses 7(2)(i) to (l), (n) and (o); subsections 7(7) and (8); sections 10 to 16, 20, 22, and 66; clause 75(4)(c); subsections 75(5) and (6); section 77; clause 78(1)(b); subsection 78(11); and clauses 84(1)(b), (e), (g), (i), (j), (l), (s), (u) to (w) and (z) not yet proclaimed) as amended by the *Statutes of Saskatchewan, 2013*, c.13; 2014, c.E-13.1; and 2018, c.48.

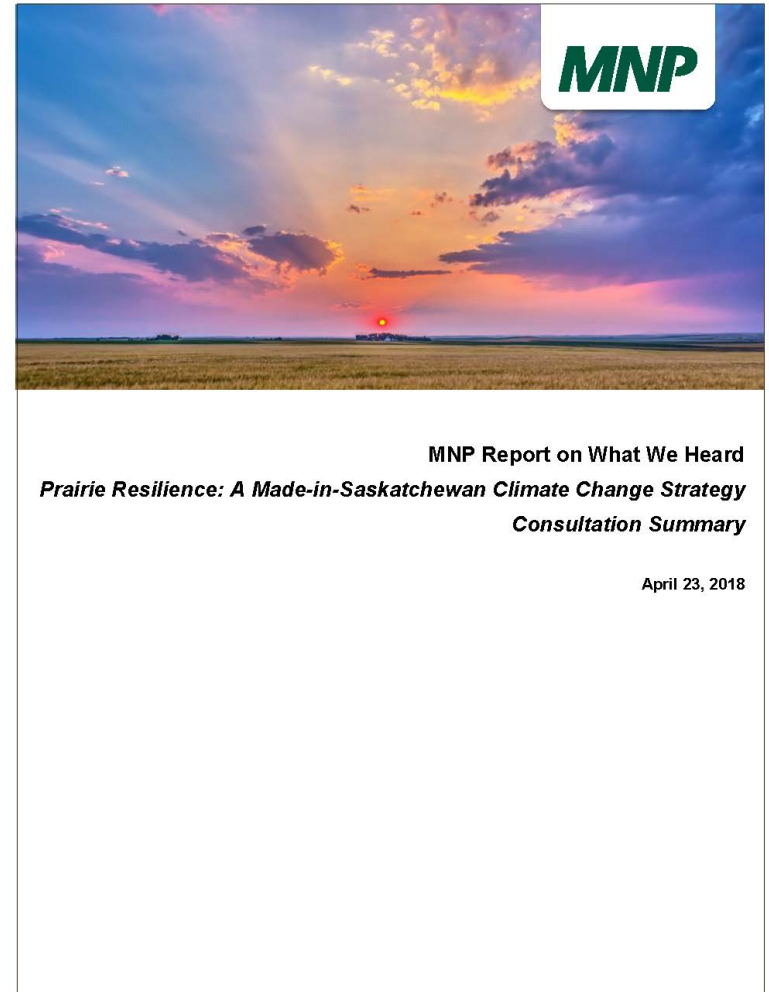
NOTE:

This consolidation is not official and is subject to House amendments and Law Clerk and Parliamentary Counsel changes to Separate Chapters that may be incorporated up until the publication of the annual bound volume. Amendments have been incorporated for convenience of reference and the official Statutes and Regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the official Statutes and Regulations, errors that may have appeared are reproduced in this consolidation.

Cooperative Policy Development Process

2018

- 70+ plenary and bilateral meetings including SMA & mining companies
- Involvement of mining industry in both design and review stages
- **Federal government accepts provincial OBPS approach**
- Facilities registered in Saskatchewan are **exempt from federal carbon tax**
- Reporting regulations and MRGHG Act amendments completed.



Cooperative Policy Development Process

2019

- OBPS Regulations came into force January 1, 2019
- Industry feedback & engagement on OBPS standard development
- Ongoing & detailed industry engagement on compliance options
 - technology fund, offset credits, performance credits



Belle Plaine Site visit, 2019

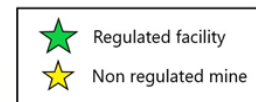
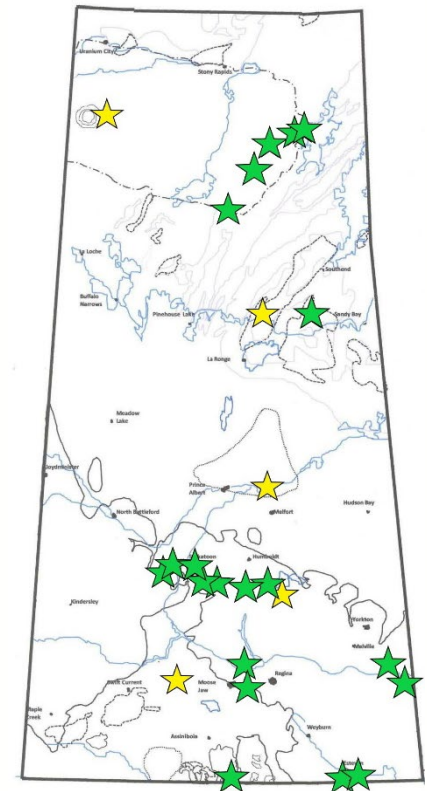
Output-Based Performance Standards

Saskatchewan developed output-based performance standards (OBPS) to reduce emissions intensity across industrial sectors.

Saskatchewan's OBPS policy design considered:

- Overall economic growth;
- Competitiveness and trade exposure;
- Minimal regulatory burden;
- Early actions taken by regulated emitters; and
- Sector-specific achievability.

Mining Facilities in Provincial OBPS



Output-Based Performance Standards

The Management and Reduction of Greenhouse Gases (Standards and Compliance) Regulations (January 1, 2019).

- Sector-specific, facility-level **performance standards** on facilities emitting \geq **25,000 tonnes CO₂e** annually;
- **5 per cent performance standard** for mining and potash;
- Voluntary opt-in for facilities emitting \geq **10,000 tonnes CO₂e** annually;
- **67 facilities** in sectors including **mining** (22 facilities), manufacturing, pulp, oilseed processing, steel, fertilizer, refining and upstream oil and gas; and
- These facilities generate 12 per cent of total provincial emissions and are expected to reduce that portion by a total of 10 per cent by 2030.

Flexible Compliance Options

Industry can meet standard in ways best suited to their business by:

- Meeting the **performance standard**;
- Earning a **performance credit**;
- Purchasing an **offset credit**; or
- Making a payment to the **technology fund**.



The Management and Reduction of Greenhouse Gases (Baselines, Returns and Verification) Standard

saskatchewan.ca/environment/climate-change



Implementation Schedule

2019	2020	2021
OBPS obligations began: <ul style="list-style-type: none"> • Registration in February • Baselines due by September 	Shadow reporting year: <ul style="list-style-type: none"> • Report 2019 emissions against OBPS obligations • Verification required • True-up not required 	Regulatory system in place: <ul style="list-style-type: none"> • Report 2020 emissions against OBPS • True-up for 2019 & 2020 emissions (verified & compliance obligations)
Technology fund implementation	Best Performance credit system implementation	Offset credit system implementation

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