INTERNATIONAL CCS KNOWLEDGE CENTRE

CCUS Investment Tax Credit

REVIEW OF PROPOSED LEGISLATION & REGULATIONS (Summer 2023)

A document covering Canada's draft legislation for the CCUS-ITC and key messages for consultation

INTRODUCTION

On August 4, 2023, the Government of Canada released a full package of Draft Legislation and Regulations and accompanying explanatory notes for consultation as part of Budget 2023 tax measures, including for the Carbon Capture, Utilization and Storage Investment Tax Credit (CCUS-ITC).

Carbon capture, utilization and storage (CCS/CCUS) technology will be an essential part of Canada's ambitions to reduce CO_2 emissions 40 to 45 per cent below 2005 levels by 2030 and to achieve net-zero greenhouse gas emissions by 2050. It is important that there are value streams and business cases to support successful deployment of megatonne-scale CCS/CCUS projects on the aggressive scale and timeline required to meet international climate commitments.

Based on a review of the proposed legislation and regulation, this document provides:

- An overview and considerations for industry.
- Key areas worthy of attention.
- A snapshot of what the legislation and regulations entail (to show the breadth of the ITC).
- Navigation of which federal departments are responsible for certain provisions.
- "The Route to Getting a CCUS-ITC" outlining steps from pre-project through to 20 years of operation.
- New articulated labour provisions for the CCUS-ITC.

Information contained in this document dives into the draft legislation for the CCUS-ITC as provided by Finance Canada, to guide on particular sections of interest. This document provides ease of reference but should not be used to take the place of legislated requirements. It can be read in conjunction with a primer document prepared by the International CCS Knowledge Centre (Knowledge Centre) in the Spring of 2023.

Other mechanisms that federal and provincial governments have implemented or proposed to drive CCUS development are not covered in this primer. More information on stacking and additional benefits for deploying CCUS across industries and jurisdictions requires further analysis.

The timeline for consultation runs until September 8, 2023. Legislation and regulations to enact the CCUS-ITC will need to receive royal assent before the tax credit can be administered. Additionally, Finance Canada has noted that details on the process to claim the CCUS-ITC will be provided at a later date.

CCUS-ITC CONSIDERATIONS

There are numerous provisions in the proposed CCUS-ITC that are found in the draft legislation and explanatory notes which must be considered in order to receive a credit. The legislation says that the purpose of the new sections is to encourage the investment of capital in the development and operation of carbon capture, transportation, utilization and storage capacity in Canada.

Overview of the CCUS-ITC Proposed Legislation & Regulations

There were few significant changes between the previously released CCUS-ITC proposed provisions and those in the draft legislation and regulations. That being said, with a sizable 36 pages devoted to CCUS in the legislation and regulations, CCUS will soon have dedicated placement within in the Canadian *Income Tax Act*.

The CCUS-ITC and new capital cost allowance (CCA) classes both come into play for CCUS projects but are distinct. Classes 57 and 58 relate most directly to the CCUS-ITC equipment and property, and have accelerated investment incentives; while Classes 59 and 60 support exploration and development expenses associated with storing CO_2.

As outlined in our *Spring 2023 CCUS-ITC Primer*, eligibility is not limited to CO_2 capture directly from a facility, it extends to capture from ambient air, and covers the full chain of CO_2 from capture to transportation to certain forms of storage or use. It also extends to other capital such as dual-use power or heat equipment, and various costs for the conversion of equipment and refurbishment.

Eligible jurisdictions for geological storage of CO_2 are currently limited to British Columbia, Alberta, and Saskatchewan, with others having the opportunity to be approved by the Minister of Environment and Climate Change. Storing CO_2 in concrete is an eligible use, whether the concrete is used in Canada or the United States. A scheduled assessment of permanent storage is also required, and if CO_2 is no longer being stored or used in an eligible way, there is a recovery mechanism for the CCUS-ITC. Periods of exception can occur in extraordinary circumstances.

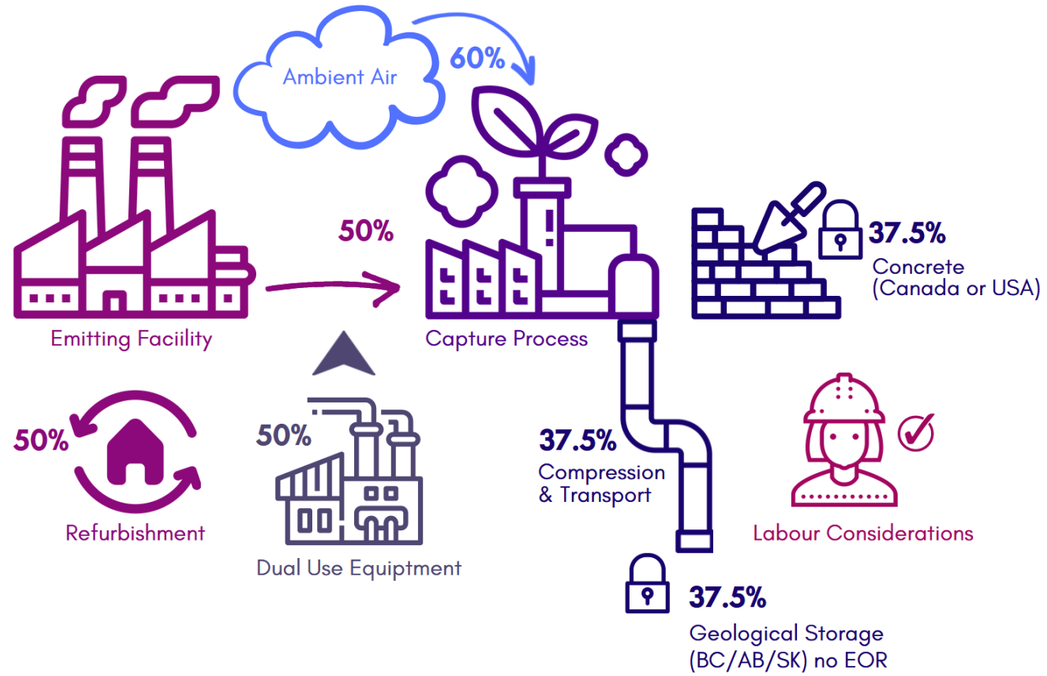
There are ineligible projects as well, such as those where captured CO_2 is used for enhanced oil recovery. Engineering and operating expenses are also not eligible. Other CO_2 uses (besides the allowable geological storage and CO_2 sequestration in cement) could be made eligible in the future.

There are “strings” attached to the CCUS-ITC that are not typical for tax measures that play a part in the amount received or have penalties attached for non-compliance. These include project plan eligible use projections, climate risk disclosure reporting, knowledge sharing provisions, and labour requirements.

Labour provisions are now articulated that will apply to CCUS projects. We support the inclusion of fair labour practices and wages. It will be important for project proponents to plan accordingly for skilled trades given the number of projects in the short timeframe of eligibility; competing projects for other ITCs that also have similar labour requirements; and, for some, the remote nature of projects.

A more detailed look at “The Route to Getting a CCUS-ITC” is explained later in this document.

This document intends to help navigate these new listed legislative changes as well as the new CCA classes that form the regulatory changes listed on the next pages. The below diagram indicates a simplified visual of where and how to receive a CCUS-ITC to 2030 (all amounts halve from 2031-2040):



CCUS-ITC CONSIDERATIONS

Comments back to Finance Canada should be submitted no later than September 8, 2023. There may be individual considerations related to administrative burden or capacity/costs internally to comply with the requirements. General messaging to consider and key areas for those looking to receive a CCUS-ITC are contained on this page.

Considerations for Consultations

The draft CCUS-ITC legislation provides greater clarity on the requirements for taxpayers, eligible property and use of captured carbon, and mechanisms for recovery taxes and refurbishment tax credits. To maximize impacts for project developments, there will likely be a push to gain certainty on remaining details by prospective CCUS proponents in order to satisfy internal decision-making related to a company's final investments and related contracts.

Details are still not provided for prospective CCUS project proponents related to the process for applying, and relevant guidelines to be released by Finance and NRCan, respectively. Guidance includes information required in a project plan, components for knowledge sharing requirements, and property verification. Understanding better what is necessary, and having parameters that are clear and efficient, will result in projects that commence sooner – which means a sooner realization of achieving Canada's emission reduction goals.

Beneficially, there is leeway for taxpayers concerning factors outside the realm of their control. If such external factors affect the CCUS project, the eligible use percentage will not be impacted – as demonstrated in the provisions on extraordinary circumstances and shutdowns.

Consideration for external factors concerning labour provisions are not as lenient. Even with *reasonable efforts* provisions included for meeting apprenticeship requirements, CCUS proponents may be penalized with a tax for factors outside of their control. Ultimately, if there is a lack of available apprentices accessible to CCUS projects due to competing projects, failure to meet labour requirements may substantially reduce the value of ITCs or result in tangible penalties. This creates risks and reduces viability for projects, especially in rural and remote areas beyond the control of taxpayers.

The CCA Class 57 rate of eight per cent reflects a depreciation for CCUS equipment that is slower than most other comparable capital. The CCUS projects have an expected operating life of 20 years, as per the legislation. Despite the accelerated CCA for Class 57 for the first year, we have heard from companies that this depreciation rate may not incent CCS projects to the intended extent. The CCA class will have greater impact after 2031 and will be the only tax incentive for projects after 2040.

Finally, transparency on the requirements for Environment and Climate Change Canada (ECCC) to expand designated jurisdictions beyond Canada's western provinces would be beneficial for project proponents. Direction to ECCC to provide this information in guidelines, for example, would benefit potential projects and provincial policy makers in locations currently ineligible for the CCUS-ITC.

Other Key Areas for Attention

Financing CCUS projects frequently requires funding from multiple sources. With several supports for CCUS that would operate independent of the CCUS-ITC - such as the ability to generate credits, the potential to access carbon contracts for differences, application-based programs, or various provincial measures – policy certainty is critical in projecting project finances. Policy certainty on the stacking rules of both provincial and federal government programs including the CCUS-ITC are needed for projects to reach a final investment decision.

The proposed legislation and its explanatory notes might benefit from additional commentary. This would offer clearer guidance and reduce ambiguity for CCUS project proponents, especially regarding how tax credits would be affected by support from non-government entities or crown corporations.

Non-government assistance, as defined in the Income Tax Act, is essentially an amount that can reasonably be considered to have been as assistance for the cost of a property. This non-government assistance may be in the form of a grant, subsidy, forgivable loan, tax deduction, etc. The draft legislation explicitly states that non-government support lowers the cost for CCA class 57 and 58 property. However, if such support is repaid or no longer anticipated, the cost is reinstated. The text does not straightforwardly address how any assistance, whether from the government or other sources, affects the CCUS-ITC. It only speaks to CCA classes 57 and 58.

Further, the *clean technology ITC* lists definitions for both government and non-government assistance and explicitly states that these assistances upon repayment may once again be eligible for the clean electricity ITC. It would be helpful to understand why, in plain language, government assistance is only relevant to one of the ITCs, and how government program supports, such as repayable contributions or crown corporation loans, impact the CCUS-ITC.

A "qualifying taxpayer" for the CCUS-ITC is a taxable Canadian corporation that in essence is not exempt from tax. Canadian municipalities, Indigenous-owned businesses and crown corporations may be exempt from some or all taxation but have expressed explicit interest in pursuing CCUS projects. Potential supports from these non-qualifying CCUS proponents, which typically do not have a profit motive, deserves consideration for government support.

Finally, bioenergy with CCS or BECCS, are a set of technologies that can produce electricity and other products while removing overall carbon from the atmosphere. The CCUS-ITC provides no explicit additional supports for BECCS projects that generally have higher input costs than other CCUS projects and provide removal benefits equivalent to Direct Air Capture with CCS that receives higher CCUS-ITC rates.

CCUS-ITC RELATED PROPOSED TAX LEGISLATION

Documents were provided by Finance Canada for legislative proposals relating to the *Income Tax Act*. The proposed language for the CCUS-ITC falls between pages 15 and 36, with additional considerations for labour covered in pages 44-48.

Legislative Proposed Sections

The *Income Tax Act* will be amended to add the below sections which will come into force January 1, 2022.

127.44 covers:

1) Definitions
2) tax credit
3) deemed deduction
4) cumulative CCUS development tax credit
5) CCUS refurbishment tax credit
6) Changes to project or eligible use
7) Qualified CCUS project determination
8) Special rules – adjustments
9) Repayment of assistance
10) Partnerships
11) Limited partners
12) Unpaid amounts
13) Designation of jurisdiction
14) Revocation of designation
15) Purpose
16) Tax shelter investment
17) Late filing

Part XII.7 Carbon Capture, Utilization and Storage covers:

211.92

1) Definitions
2) Recovery of development tax credit
3) Acceleration of recovery tax
4) Development credits recovery amount
5) Refurbishment credits recovery amount
6) Extraordinary eligible use reduction
7) Effect of extraordinary circumstances
8) Shutdown
9) Development property disposition
10) Refurbishment property disposition
11) Election – CCUS project sale
12) Partnerships
13) Member's share of tax
14) Election by member to pay tax
15) Joint, Several and solidary liability

211.93

1) Reporting requirements
2) Publication
3) Shared filing
4) Penalty – non-compliance with reporting requirements
5) Failure to disclose
6) Eligible use reporting

211.94 Administration

211.95 Records and books

Subsection **225.1(1.1)** Collection-commencement day of the *Income Tax Act* will be amended to provide for the CCUS section 211.92 (2) to (5) respecting the day the notice of assessment is sent.

The **Consequential Amendments related to the CCUS-ITC** delve into making tax requirements workable with the new proposed changes. One amendment of note in this section **103(3)** considers how tax credits must be shared reasonably related to the capital spend on a project in a partnership even if unreasonable proportions were agreed upon.

Labour Requirements in the Proposed Legislation

Certain labour requirements are drafted to be legislated and will apply as of October 1, 2023.

127.46 covers:

1) Definitions
2) Reduced or regular rate
3) Prevailing wage requirements
4) Indexation of prevailing wages
5) Apprenticeship requirements
6) Addition to tax – wage requirement
7) Addition to tax – apprenticeship requirement
8) Indexation
9) Gross negligence
10) CCUS refurbishment credit
11) Corrective measures – prevailing wage requirement
12) Top-up amount
13) Top-up payment not made
14) Tax treatment of top-up amount
15) Exception

Section 127.46 introduces new labour requirements related to CCUS, clean technology, clean hydrogen, and clean electricity. (Only the CCUS and clean tech ITCs are part of the package of legislative proposals.) Labour requirements apply where you claim the higher-rate ITC. If labour requirements are not met, the CCUS-ITC is reduced by 10 percentage points. If labour requirements are blatantly disregarded, the gross negligence clause add a further penalty.

There are two main aspects to the labour requirements:

1) **Prevailing Wage Requirement:** covered workers* should be paid based on an "eligible collective agreement" or receive compensation equivalent to that agreement, including benefits.
2) **Apprenticeship Requirement:** 10% of labour in Red Seal trades is performed by apprentices.

The prevailing wage and apprenticeship guidance is similar to that of the US Inflation Reduction Act (IRA), which includes support for CCUS projects receiving a production tax credit. However, the IRA labour requirements include a "good faith exemption" that appears to provide more clarity on how an exemption works than the similar Canadian clause.

Under the proposed legislation, **reasonable efforts** must be made to hit 10% Red Seal labour hours. If bound by a labour law or agreement that limits apprenticeships, the expected number of apprenticeships is the most allowable by such laws or agreements.

However, the **addition to tax clause** states that even if reasonable efforts are made and the claimant does not hit the 10% apprentice threshold, an additional penalty is added equivalent to the difference between the expected hours and the actual hours apprentices worked, multiplied by $100.

The additional tax on projects that fail to meet the apprenticeship requirements despite their best efforts is punitive for circumstances beyond the control of the taxpayer. Additionally, greater clarity on what constitutes reasonable efforts would provide taxpayers more certainty in understanding the parameters of project execution.

**Covered workers refer to employees of the ITC claimant that prepare or install property at site; their work is primarily manual or physical; isn't administrative / clerical or executive; and isn't a "business visitor to Canada".*

NEW CCA CLASSES

Changes to the *Income Tax Regulations* are also proposed. Depreciation schedules for property is an important additional consideration which allows for a declining rate at various percentages depending on the type of property. Classes 57 and 58 relate directly to the CCUS-ITC property types, and Classes 59 and 60 and additional CCA classes that CCUS-related projects may choose to avail of.

Regulatory Tax Classes

Section 1100 of the *Income Tax Regulations* (Schedule II) will be amended to add CCUS Capital Cost Allowance (CCA) classes that apply to property acquired after 2021.

Class 57 (8 per cent)

- The property that is part of the CCUS project is listed in this section and encompasses the equipment for capturing, transporting, and storing CO_2, and related monitoring and control equipment.
- It includes dual-use heat and power equipment, and equipment for preparing and compressing CO_2 for transport; buildings or structures used for installing or operating equipment used for capture, transport or storage; and any property that converts or refurbishes another property to be about to capture, transport or store CO_2 in a geological formation.
- Not included: equipment for hydrogen production, natural gas processing or acid gas injection.

Class 58 (20 per cent)

- This is similar to Class 57 but is for the use of CO_2 instead of the geological storage.
- It includes property for CCUS that is for use of CO_2 in industrial production, including EOR, and related monitoring and control equipment; buildings or structures used for installing or operating equipment used for CO_2 use; or and any property that converts or refurbishes another property for CO_2 use.

Class 57 and 58 will be eligible for enhanced first year depreciation under the Accelerated Investment Incentive which applies the CCA rate to 1.5 times the net addition for that class that year and suspends the existing half-year rule.

Class 59 (100 per cent)

- This 100 per cent CCA rate applies to property that is acquired for the purpose of determining the existence, location, extent or quality of a geological formation to permanently store CO_2 in Canada.
- It includes property acquired as a result of undertaking environmental studies or community consultations (including studies or consultations undertaken to obtain a right, license or privilege to determine the existence, location, extent or quality of a geological formation for the CO_2).
- Not included: property acquired for any oil or gas well (or temporary roads or preparatory work for a well); and property for EOR is not included.

Class 60 (30 per cent)

- This includes property for drilling or converting a well (in Canada) for permanent CO_2 storage (not for EOR); building a temporary road or preparatory work for the well; or for monitoring pressure changes or other phenomena in the geological formation.
- Also included is property acquired related to the right, license or privilege of determining the existence, location, extent or quality of the formation or to permanently store the CO_2 in geological storage.

The New CCA Classes and the ITC

Qualified CCUS expenditures for the CCUS-ITC draw their definition from the new CCA classes with qualified carbon capture, transportation and storage expenditures representing equivalent costs in Class 57 and qualified carbon use expenditures representing Class 58. Additionally, qualified CCUS expenditures must be verified by NRCan.

The “projected eligible use per centage” is used in the calculation of CCUS-ITC credits and recoveries for qualified capture and transportation expenses. If a CCS project uses CO_2 for EOR, then the storage or use expenditures for that industrial process will not qualify for the CCUS-ITC. However, projects using CO_2 for EOR can still deduct property listed under Class 58.

Class 57 and 58 property (capture, transportation, storage, and use) allows for CCUS tax credits to be disregarded in determining the cost of property for these two classes. The CCUS-ITC does not depreciate the net amount for the respective CCA classes.

Property included in Classes 57 through 60 would be eligible to access an enhanced first-year allowance through the Accelerated Investment Incentive The incentive allows for up to 1.5 times the net addition to the class for the first year and a suspension of the CCA half-year rule (for property available for use before 2028).

RESPONSIBLE FEDERAL DEPARTMENTS

While the Income Tax Act and its associated regulations are the responsibility of the Department of Finance, there are other federal ministers who have obligations under the Act. Knowing who is responsible for what elements of the CCUS-ITC is important. Dealing with oversight from multiple departments could increase administrative-related timing for various processes and credit receipt.
(Note: the titles of ministers are taken directly from the proposed language)

The CCUS-ITC and new CCA classes play an important role in government support for CCUS projects across Canada. The CCUS-ITC alone may not be sufficient for all companies reach a positive final investment decision for CCUS projects.

Current provincial, federal and crown corporation grants, contributions, and investments in CCUS projects are primarily designed to support innovation, technology adoption, research and development, and FEED studies – which are not eligible for the CCUS-ITC. (See our Summer 2023 The Need for FEED document.)

Some competitive programs, such as Innovation, Science and Economic Development Canada's Strategic Innovation Fund are open to CCS projects that meet program specific criteria and outcomes.

Business cases for projects include the generation of compliance and/or offset credits and other government investments. Depending on the jurisdiction, offset-based protocol systems can provide CCUS operators environmental credits related to capturing and storing CO_2.

Without a long-term guaranteed price on carbon, understanding the business case related to operating costs of a project can be challenging. The Canada Growth Fund is currently designing a carbon contracts for differences (CCFDs) scheme – hopes from companies are that CCFDs will stabilize carbon prices.

Minister of National Revenue

The minister responsible for the *Income Tax Act* and as such any amendments related to the CCUS-ITC within.

New subsection 127.44(17) is an administrative rule for the purpose of ensuring efficient administration of the CCUS tax credits by the minister. The rule permits the minister to accept **late-filing** only until one year after the filing-due date. No overpayment by the taxpayer is deemed to arise under that subsection until the form has been filed with the minister.

The minister may *determine* that one or more CCUS projects is **one project or multiple projects**, in *consultation* with the Minister of Natural Resources who can ask for all documentation in order to assess.

The minister can *deem* a project to **not be a CCUS project** (upon *recommendation* from the Minister of Natural Resources).

Minister of Environment

The minister *determines and designates* that a **jurisdiction** within Canada or the United States has sufficient environmental laws and enforcement governing the permanent storage of captured carbon (and can *revoke* if significant changes are made to those laws and enforcement). This will be *published* on the internet.

The provinces of **Alberta, British Columbia and Saskatchewan** are *deemed to have been designated* by the minister

Minister of Natural Resources

Dual use equipment is *verified* by this minister as per the definitions and Class 57.

Determination of any engineering related design studies that are not pre-feasibility, feasibility or FEED studies that won't be impacted by **preliminary CCUS work activities** of property in Class 57 or 58, or for any **project plan**.

A **project plan** must follow the guidelines *published* by the minister; and be filed with the minister in the form and manner *described* by the minister, before the project's first day of operations. If there are any **changes to the project or eligible use** a new project plan must be filed with the minister within 90 days.

Initial **project evaluation** needs to be *issued* by the minister as a part of the requirements to be a **qualified CCUS project**.

Project evaluations by the minister will also show if a project is expected to incur qualified CCUS expenditures of $250 million or more (for the purposes a **knowledge sharing CCUS project**). Knowledge sharing reports will be submitted to the minister.

Property acquired before the first day of commercial operations of the project needs to be *verified* as described property in Class 57 or 58 by the minister to be considered a **qualified carbon capture/storage/transportation or use expenditure**.

The Department of Natural Resources Canada will *publish* a **technical guide** that will apply conclusively as to whether a process is a CCUS process, or property falls under Class 57 or 58, with respect to engineering and technical matters.

The minister will *publish* a ***CCUS-ITC Technical Guidance Document*.**

THE ROUTE TO GETTING A CCUS-ITC

(PAGE 1 OF 2)

Eligible expenses for the CCUS-ITC are refundable in order to incent the large capital investment. These values and timelines have not changed from initial proposed values, though timelines are becoming tougher to meet the longer it takes for the certainty that comes with royal assent.

Preliminary CCUS Work

- Obtaining permits or regulatory approvals
- Performing design/engineering work, including FEED studies
- Conducting feasibility studies or pre-feasibility studies
- Conducting environmental assessments
- Clearing or excavating land

(Some activities before the CCUS project qualify under Class 59 & 60)

Apply to Qualify

Create a Project Plan

- reflects FEED work
- indicates how much carbon dioxide will be captured for eligible and ineligible use each year
- contains information required in the guidelines
- filed before commercial operation begins

Calculate Projected Eligible Use Percentage

expected eligible use ÷ expected eligible & ineligible use

Initial project evaluation issued by NRCan

Qualified Project

- Expected carbon dioxide capture based on the project plan
- The initial project evaluation was issued
- The projected eligible use percentage is equal to or greater than 10% in a year*
- Not on a coal plant regulated by the *Reduction of Carbon Dioxide Emissions from Coal-fired Generation of Electricity Regulations*
- For storage in concrete the process must be evaluated and third party validated by stated ISO standards

**if project starts after September the first period is to December 31 the following year*

Qualified Expenditure

There is a prescribed equation to follow. Briefly:

- Broken down in to capture, transportation, storage and use categories
- Total capital cost of property and equipment listed in Class 57 (Class 58 for use) in the year
- The proportion of dual use equipment for the CCUS project**
- What period the expenditure was made and a respective value per period.

If you purchase equipment outside Canada it won't qualify until it is imported

***there are other elements for the equipment to consider in the legislation*

Filing for the CCUS-ITC

Cumulative CCUS development tax credits for the year include all qualified expenditures before the first day of commercial operations

Specified percentages:

direct air capture
2022-2030 = 60%
2031-2040 = 30%
2040 onward = 0%

other carbon capture
2022-2030 = 50%
2031-2040 = 25%
2040 onward = 0%

transportation, storage & use
2022-2030 = 37.5%
2031-2040 = 18.75%
2040 onward = 0%

There will be a 10% decrease if labour requirements are not met.

THE ROUTE TO GETTING A CCUS-ITC

(PAGE 2 OF 2)

Developers will incur qualified expenditures as they build their CCUS project. Understandably, most of these expenses will occur before the first day of commercial operations. Project periods play a role in oversight by carving out timeframes for any changes to the project or other qualified expenditures that may arise from refurbishment.

First day of Commercial Operations

- The day CO_2 is first delivered to transport / storage / use
- This starts the first project period
- Project plans have to be filed before this day
- If an expenditure made on or after this day is considered a refurbishment cost. That amount only qualifies if it is an *eligible refurbishment*
- Eligible refurbishment expenses are capped at 10% of the project's cost

Project Periods

The timelines related to review of the project, reporting and recovery are broken in to periods

First project period

- Day 1 of commercial operations until December 31 four years later (five years, if start date is after October 1)

Subsequent Project Periods

- The next 3 five-year segments following the first project period

Recovery & Other Info

- Recovery taxation years align to the last year of each project period
- If there is ineligible use during the project period of more than 5 percentage points the government can claw back a proportional amount
- In extraordinary circumstances (outside direct control with attempts to rectify) the minister can allow an exception to recovery rules
- If the project shuts down for a period there will be no claw back payment required
- If the CCUS project property is sold then the purchaser is deemed to have claimed the tax credits and will be subject to the Act

Reporting

Tied to receiving a CCUS-ITC are requirements to provide knowledge sharing and climate risk disclosure reports

Knowledge Sharing Reports
Required information will be provided in a *CCUS-ITC Technical Guidance Document* to be published by NRCan

One Construction and Completion Report is due 6 months after the first day of commercial operations covering from the time of the first expenditure to start date

Annual Operating Reports are due each year on June 30 with five reports required in total (the first year is dependent on a pre- or post-October start date)

Failing to provide the report could result in a $2 million penalty each year it is not filed

Climate Risk Disclosure Reports
Annual reporting must be made public for 20 years

Report must include:

- Corporate climate-related risks and opportunities, and the associated processes to determine and manage
- How the corporation's governance, strategies, policies and practices contribute to Canada's Paris commitments and 2050 net-zero goal

Failing to make the report available could result in a penalty of the lesser of 4% of the total of all amounts or $1 million

REFERENCES

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US Federal Register, *Prevailing Wage and Apprenticeship Initial Guidance Under Section 45(b)(6)(B)(ii) and Other Substantially Similar Provisions* (November 20, 2022), https://www.federalregister.gov/d/2022-26108/p-15

The International CCS Knowledge Centre (Knowledge Centre) is dedicated to advancing the understanding and use of large-scale carbon capture and storage (CCS) as a means of managing greenhouse (GHG) emissions. Through experience-based guidance, the Knowledge Centre provides the know-how to implement and optimize large-scale CCS projects through the base learnings from both the fully-integrated Boundary Dam 3 CCS Facility and the comprehensive second-generation CCS study, known as the Shand Study. The Knowledge Centre was founded in 2016 as a non-profit organization by BHP and SaskPower. ccsknowledge.com

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