

Supplemental Information

1. Government of Canada Greenhouse Gasses and Pollution Pricing Act (GGPPA)

In 2018, the Federal Government passed the *Greenhouse Gasses and Pollution Pricing Act* (GGPPA) which established a national price on carbon dioxide equivalent emission (CO₂e) with increasing stringency. The GGPPA contains two parts:

- (1) A regulatory fuel charge on fuels such as gasoline, diesel, and marketable natural gas; and
- (2) Output Based Pricing System (OBPS) which applies to industries including electricity generation (if they come from fuel-based sources).

The GGPPA was imposed on provinces, either fully or partially, who did not meet the benchmark emissions coverage or pricing stringency. The GGPPA prices CO₂e emissions as follows:

- \$20 per tonne CO₂e (2019)
- \$30 per tonne CO₂e (2020)
- \$40 per tonne CO₂e (2021)
- \$50 per tonne CO₂e (2022)
- \$65 per tonne CO₂e (2023)
- \$80 per tonne CO₂e (2024)
- \$95 per tonne CO₂e (2025)
- \$110 per tonne CO₂e (2026)
- \$125 per tonne CO₂e (2027)
- \$140 per tonne CO₂e (2028)
- \$155 per tonne CO₂e (2029)
- \$170 per tonne CO₂e (2030)

In 2019, Part 1 of the GGPPA was fully imposed on Saskatchewan, while Part 2 was partially imposed, applying to only electricity generation and energy pipeline transmission. As a result, from 2019 to 2022 electricity generation by SaskPower was subject to the Federal OBPS. If SaskPower's electricity generation emissions exceeded the OBPS thresholds, it would need to make compliance payments to the Federal Government.

Effective January 1, 2023, Part 2 of the GGPPA no longer applied in Saskatchewan. This means that electricity generation in Saskatchewan is regulated under Saskatchewan's OBPS. This means compliance payments by SaskPower are now made to the Provincial Government.

On March 15, 2025, amendments were made to Part 1 of the GGPPA to effectively remove the fuel charge effective April 1st.

On March 27, 2025, the Government of Saskatchewan announced a pause on the collection of carbon tax under the OBPS Program, thereby removing the collection of carbon charges associated with electricity.

2. Carbon Charge Rate Determination by SaskPower

SaskPower annually calculates the CO₂e emissions resulting from its generating stations and determines the amount that it will need to pay for compliance in accordance with Part 2 of the GGPPA. SaskPower then sets a rate rider (listed as a carbon tax charge) that it recovers from its customers to make compliance payments. The rider rate is applied on a kilowatt per hour (kWh) basis.

Effective April 1st, SaskPower has paused the collection of carbon tax in alignment with provincial mandates.

3. Past City Council Resolutions

At its meeting on December 18, 2024, when considering the Carbon Charge and Electric Heat Relief Program, City Council resolved, in part:

- “1. That the proposed January 1, 2025, changes to Saskatoon Light & Power’s electricity rates be approved, as outlined in this report; and
2. That a one-time payment to eligible customers under the Saskatchewan Electric Heat Relief program for 2025 be approved, as outlined in this report.”