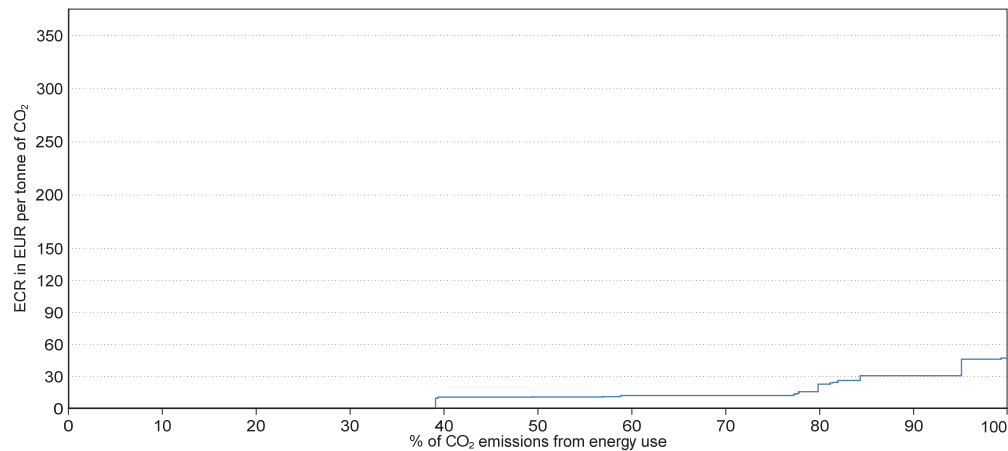
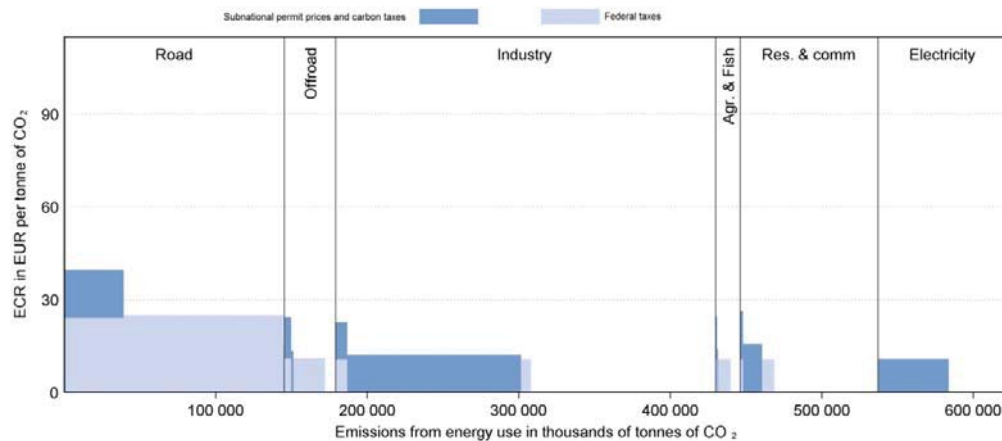


## Canada

**Figure 13. Proportion of CO<sub>2</sub> emissions from energy use subject to different levels of effective carbon rates in Canada in 2015**



**Figure 14. Average effective carbon rates in Canada by sector and component in 2015**



Notes: Federal taxes shown in light blue, subnational permit prices and carbon taxes in dark blue

In 2015, effective carbon rates in Canada consisted of specific federal taxes on energy use and subnational carbon taxes, an emission trading system and a tradeable performance standard. More specifically the subnational British Columbia carbon tax, Alberta's tradeable performance standard and the Quebec Cap-and-Trade Program are included in this note. Canada priced 61% of its energy-related emissions and 16% were priced above EUR 30 per tonne of CO<sub>2</sub> (see Figure 13). The majority of emissions priced at this level were from the road transport sector (see Figure 14). The industry sector was the largest emitter of carbon from energy use – and 49% of the industry sector's emissions were priced. The areas shaded in light blue in Figure 14 show the emissions priced through federal taxes, while the areas in dark blue show the emissions subject to a subnational carbon prices.

Since 2015 carbon pricing coverage has significantly broadened in Canada, which is not shown in Figure 13 and Figure 14. In 2017, Ontario started a Cap-and-Trade program and Alberta introduced a carbon levy that covers most emitters that are not large enough to be covered by the tradeable performance standard, which itself was replaced by the similar but more stringent Carbon Competitiveness Incentive Regulation in 2018. In the same year, the federal government also announced a minimum carbon price in those provinces and territories that do not introduce carbon pricing in line with a federal benchmark by 2018 (Environment and Climate Change Canada, 2018<sup>[5]</sup>). The federal backstop aims to ensure broad coverage and minimum prices that increase over time. Similar to the way carbon pricing is implemented in Alberta (see the Annex on ETS), large emitters will be covered through an output-based system, whereas small emitters and fuel supplies will be covered by a carbon charge. The federal backstop shall apply as of 2019.

For additional information to interpret the graphs, see: <https://oe.cd/ECR-graph-info>  
Main insights from the *Effective Carbon Rates* database: <http://oe.cd/ECR2018>