



Conservation Council of New Brunswick
Conseil de conservation *du* Nouveau-Brunswick

Submission to Canada [Gazette, Part 1, Volume 158, Number 45](#): Oil and Gas Sector Greenhouse Gas Emissions Cap Regulations

Prepared by the Conservation Council of New Brunswick

The Conservation Council of New Brunswick (CCNB) appreciates the opportunity to provide feedback on the draft Oil and Gas Sector Greenhouse Gas (GHG) Emissions Cap Regulations. As an organization dedicated to environmental conservation, we recognize the importance of addressing climate change while supporting economic stability. The oil and gas sector's emissions, which comprise 31% of Canada's domestic GHG emissions, must be effectively regulated to meet Canada's 2030 and 2050 climate commitments.

We offer the following recommendations to enhance the effectiveness and fairness of the proposed regulations while ensuring alignment with Canada's environmental, economic, and social goals:

1. Strengthening Emissions Targets

The current target of reducing emissions by 27% from 2026 levels by 2032 falls significantly short of the 40–45% reduction below 2005 levels required by Canada's 2030 Nationally Determined Contribution (NDC) under the Paris Agreement. Moreover, using 2026 as the baseline year risks diluting accountability due to increasing emissions in recent years.

Recommendation:

- Revise the target to align with Canada's NDC, requiring a 40–45% reduction by 2030 based on 2005 levels.
- Use 2019 as the baseline year to avoid undermining progress if emissions rise between now and 2026.

2. Phased Implementation and Early Action

Delaying compliance until 2030 postpones critical steps needed to address the growing urgency of the climate crisis. Setting earlier and more ambitious deadlines is essential to ensure timely progress, drive meaningful emissions reductions, and align with Canada's climate commitments.

Recommendation:

- Require large emitters to begin compliance by 2026 and smaller emitters by 2028.
- Implement interim annual reduction targets to ensure steady progress toward 2030 goals.

3. Limiting Compliance Flexibilities

Allowing up to 20% of compliance obligations to be met through offsets and decarbonization contributions undermines the regulation's integrity. Offsets and pay-to-pollute mechanisms often fail to deliver permanent, additional emissions reductions and may delay direct action by operators.

Recommendation:

- Reduce compliance flexibility allowances to 10% of total emissions and phase them out by 2035.
- Eliminate the decarbonization fund, or, if retained, prioritize projects that deliver immediate, measurable, and permanent emissions reductions.

4. Addressing New Facilities

The proposed treatment of new facilities, allowing a five-year exemption from compliance, risks increasing overall emissions and undermines the cap's effectiveness.

Recommendation:

- Require new facilities exceeding the 10,000 CO₂e threshold to comply within three years of operation.
- Adjust the sector-wide cap annually to account for emissions from new facilities to prevent exceeding the overall limit.

5. Economic and Social Considerations

The cap must balance environmental goals with economic and social impacts, particularly for regions heavily reliant on the oil and gas sector. Investing in low-carbon technologies and providing transition support for workers and communities are critical for ensuring a just and equitable transition.

Recommendation:

- Allocate revenue from auctioning emissions allowances or other penalties to support climate-affected communities, clean energy development, and workforce retraining programs.

6. Alignment with Net-Zero Goals

To ensure long-term clarity and consistency, the regulations must establish a clear trajectory toward net-zero emissions by 2050, with declining cap levels for each compliance period.

Recommendation:

- Include mandatory reductions for each compliance period, ensuring a progressive decline in emissions consistent with Canada's Net-Zero Emissions Accountability Act.
-

Conclusion

The Conservation Council of New Brunswick commends the federal government for taking steps to address emissions in the oil and gas sector. Strengthening these regulations as outlined above will ensure the sector contributes its fair share toward Canada's climate commitments while fostering innovation and economic resilience. We look forward to seeing these critical adjustments reflected in the final version of the regulations.

Sincerely,

Beverly Gingras, M.Sc., Executive Director
Dr. Moe Qureshi, Ph.D., Director of Climate Research and Policy

For any follow-up questions, please feel free to contact us at info@conservationcouncil.ca.