

Newfoundland & Labrador's
Greenhouse Gas Reduction Fund Advisory Council

Annual Report Fiscal Year 2024 – 2025

Message From the Council

The Newfoundland and Labrador Greenhouse Gas Reduction Fund Advisory Council was established in February 2023 under the authority of the **Management of Greenhouse Gas Act** (Act) to review applications for funding from the province's Greenhouse Gas Reduction Fund and to provide recommendations to the Minister of Environment and Climate Change on disbursements. In accordance with the Act, these funds are directed toward projects that lower greenhouse gas emissions within Newfoundland and Labrador.

Designated as a Category 3 government entity under the **Transparency and Accountability Act**, the advisory council developed its activity plan in line with the legislative requirements for such entities. The council is fully responsible for the creation of this three-year plan, which guides its work and ensures that its objectives are both realistic and aligned with its mandate.

In preparing the plan, the council considered the Provincial Government's strategic directions, particularly those of the Department of Environment and Climate Change. The council actively supports government initiatives to reduce greenhouse gas emissions and its broader goal of achieving net-zero emissions by 2050. Over the past two years, the council has taken pride in fulfilling its responsibilities and looks forward to continuing this work in the year ahead.



Dr. Susan Squires, Chair

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Departmental Overview

The **Management of Greenhouse Gas Act** (Sections 6 to 9) establishes the Newfoundland and Labrador Greenhouse Gas Reduction Fund as an industry-funded, arms-length fund to receive monies from prescribed compliance activities under the Act. The fund is designed to allocate those monies to greenhouse gas emission reduction projects led by a facility in the electricity generation, mining, oil and gas, and manufacturing sectors based on submitted applications for project proposals.

Board Composition

The members of the Newfoundland and Labrador Greenhouse Gas Reduction Fund Advisory Council are appointed for a term of up to three years and are eligible for reappointment. The Provincial Government established the advisory council in February 2023. The Department of Environment and Climate Change supports the advisory council and provides secretariat support. The advisory council is required to meet at least once a year.

The current advisory council members are:

Member	Region
Dr. Susan Squires, Chair	East Coast NL
Ms. Michelle Lethbridge	East Coast NL
Ms. Natasha Kettle	Out of Province
Mr. Richard Severs	East Coast NL
Ms. Ashley Smith	East Coast NL

In conducting its work, the advisory council must consider:

- The impact that the proposed project may have on climate change and the reduction of greenhouse gas emissions in the province;
- The quality of the evidence provided by the operator to demonstrate that, should the project receive funding, the project will achieve a verifiable reduction in greenhouse gas emissions in a reasonable period of time;
- The scientific, technical, and operational evidence provided in support of the application;
- The cost effectiveness of the proposed project in relation to the proposed reduction in greenhouse gas emissions; and
- The incremental economic and social benefits that may accrue because of the proposed project.

Vision

The advisory council's vision is that the Greenhouse Gas Reduction Fund supports and enables cost effective greenhouse gas emission reduction projects in the electricity generation, mining, oil and gas, and manufacturing sectors throughout all regions of the province.

Mandate

The **Management of Greenhouse Gas Act**, (section 8) provides for an advisory council to assess applications for payments from the province's Greenhouse Gas Reduction Fund and provide recommendations to the Minister of Environment and Climate Change regarding disbursements from the fund. The advisory council conducts its work in accordance with the **Management of Greenhouse Gas Regulations** (section 14) and the **Advisory Council Regulations** established under the Act.

Revenues and Expenditures

The advisory council does not have a stand-alone budget and as a result, audited financial statements are not required.

Highlights and Partnerships

The Department of Environment and Climate Change issued a call for proposals to avail of the fund in June 2024.

The advisory council met on four occasions in 2024-25 to finalize an assessment framework for proposals and to evaluate and make recommendations on proposals received by the department. In September 2024, the council made a recommendation to fund a proposal submitted by Newfoundland and Labrador Hydro.

The council has been informed by the department that the minister accepted its recommendation and has entered into a funding contract with Newfoundland and Labrador Hydro. The funded project will provide funding, on a cost-shared basis with the proponent, to convert up to 80 homes in remote communities in Labrador to high efficiency biomass stoves for space heating. The contract value is \$442,609.92. The project is scheduled to be completed by 2026-27.

The advisory council, as per the legislative provisions that establishes it, does not have any external partners.

Report on Performance

Objective indicators for the 2024-25 year

In keeping with the advisory council's mandate, the following issues and objectives have been identified for the 2023-2026 planning period.

Assess and recommend

Objective 1: By March 31, 2025, the advisory council will have assessed applications for payments from the province's Greenhouse Gas Reduction Fund and provided recommendations to the minister regarding payments from the fund.

Indicators	Accomplishments
Number of advisory council meetings.	<ul style="list-style-type: none"> The advisory council met four times in 2024-25. All meetings were virtual.
Number of applications assessed.	<ul style="list-style-type: none"> The advisory council agreed upon a set of guidelines and criteria to assess Greenhouse Gas Reduction Fund applications. A call for proposals was issued by the Department of Environment and Climate Change in June 2024. The council evaluated two applications.
Number of recommendations made to the minister.	<ul style="list-style-type: none"> The council recommended that one proposal be funded.

Opportunities and Challenges

Contributions to the Greenhouse Gas Reduction Fund totaled \$599,170 in 2024-25 (unaudited). This funding was received after the Newfoundland and Labrador Hydro contract was awarded. This funding, plus subsequent bank interest less bank fees, is available for future greenhouse gas reduction projects. The council's work is to make recommendations pursuant to a call for proposals by the department and within the balance of the fund at the time.

Since the Council depends on submitted proposals and annual funding contributions, which cannot be predicted in advance, the resulting reductions in greenhouse gas emissions also cannot be predetermined. The legislation allows the council to pool available funds over a five-year period enabling support for projects that deliver the greatest greenhouse gas emission reductions.

Financial Information

The advisory council's operational and administrative costs are paid by the fund. There were no operational and administrative costs in 2024-25.

The fund is subject to an annual audit. The 2023-24 audit, which is the most recent available audit report, can be found at: <https://www.gov.nl.ca/ecc/files/Annual-Report-for-the-Greenhouse-Gas-Reduction-Fund-2023-24.pdf>.