

Newfoundland & Labrador's
Greenhouse Gas Reduction Fund Advisory Council

Annual Report Fiscal Year 2023 – 2024

Message from the Council

The Council was formed in February 2023 under the authority of the **Management of Greenhouse Gas Act** 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 payments from the Fund. As per the **Act**, payments from the Greenhouse Gas Reduction Fund are allocated to projects that reduce greenhouse gas emissions in the province.

The Advisory Council is a Category 3 government entity under the **Transparency and Accountability Act**. The activity plan of the Council was prepared in accordance with the requirements under the **Act** for a Category 3 entity. The Advisory Council is fully accountable for the preparation of the plan, which directs the Council's work for a period of three years. The Council ensures that its objective is achievable and directly supports its mandate.

The strategic directions of the Provincial Government related to the Department of Environment and Climate Change have been considered in the development of the plan. Particularly, the Advisory Council supports government's efforts to reduce greenhouse gas emissions in the province and its commitment to achieving net-zero emissions by 2050. The Advisory Council enjoyed completing their duties over the past year and look forward to continuing to exercise its duties over the following two (2) years.



Dr. Susan Squires, Chair

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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.

a. Board Composition

The members of the Council are appointed for a term of up to three (3) years and are eligible for reappointment. OC2023-033 established the 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/ East Coast NL
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.

b. Mandate

The **Management of Greenhouse Gas Act**, under 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 payments 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**.

c. 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.

d. Revenues and Expenditures

The Advisory Council does not have a stand-alone budget and as a result, audited financial statements are not required. No expenditures or revenues were associated with the Advisory Council in the 2023/24 reporting year.

Highlights and Partnerships

The Advisory Council met on five occasions in 2023-24 as highlighted below. Its efforts were focused on developing the materials, forms, and guidelines necessary for the Advisory Council to complete its work.

The Advisory Council, as per the legislative provisions that establishes it, does not have any external partners. The Advisory Council did not engage with any external partners in 2023-24.

Report on Performance

Objective Indicators for the 2023-24 year

In keeping with the Advisory Council's mandate, the following issues and objectives have been identified for the 2023-2026 planning period. The Advisory Council will continue to implement and report on this objective in 2024, 2025, and 2026.

1. Assess and Recommend

Objective 1: By March 31, 2024, 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.	The Advisory Council met five (5) times in 2023/24. All meetings were virtual.
Number of applications assessed. Number of recommendations made to the Minister.	<ul style="list-style-type: none">• The Advisory Council has agreed upon a set of guidelines and criteria to assess Greenhouse Gas Reduction Fund applications.• There was no call for proposals in 2023-24 as was intended, resulting in no recommendations. The relatively low revenue was viewed as a potential deterrent to some potential applicants. Deferring the process for one year would provide an additional reporting period that may result in further revenues to the Fund.• The Advisory Council anticipates receiving and assessing applications and making recommendations to the Minister in 2024-25.

Opportunities and Challenges

The Advisory Council represents an opportunity to build on the work that has been completed to date on reducing greenhouse gas emissions. The Advisory Council consists of knowledgeable individuals that will continue to work with members of ECC for put forward its recommendations to the Minister for the dispersal of funds.

The Greenhouse Gas Reduction Fund Advisory Council remains committed to pursuing its mandate while acknowledging that uncertainties in revenue generation from year to year will be a challenge. For instance, for the 2023-24 reporting year, no call for proposals was issued as the low revenue was seen as a potential deterrent for potential applicants. As a result, the process was deferred to the following reporting year. By deferring for one year, it provides an additional reporting period that may result in further revenues to the fund.

Financial Information

The Advisory Council's administrative costs are paid by the Fund. There were no administrative costs incurred by the Advisory Council in 2023-24.

The Advisory Council does not have a stand-alone budget; as a result, there are no revenues nor expenditures, therefore, no audited financial statements. The Advisory Council's expenditures for operations are paid for by the Fund. There were no expenditures in 2023-24.