

**Climate Regulation and Carbon  
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## Memorandum

**Date:** April 1, 2025

**From:** Roger Armstrong, Director Emission Offsets  
Climate Regulation and Carbon Markets  
Environment and Protected Areas

**To:** Alberta Emissions Offset Stakeholders:

**Subject:** Alberta Emission Offset System and the Federal Consumer Carbon Price

The purpose of this memorandum is to provide clarification and further guidance on the following requirements of the [Alberta Emission Offset System](#).

The Government of Canada has [made regulations that cease the application of the federal fuel charge](#), effective April 1, 2025, and is also [removing requirements](#) for provinces and territories to have a consumer-facing carbon price as of that date. Under the *Greenhouse Gas Pollution Pricing Act*, the fuel charge generally applies to 21 fossil fuels and combustible wastes upon delivery, importation or use in listed provinces. The federal government removed the fuel charge, effective April 1, 2025, via regulations. It will also be considering broader amendments to the *Greenhouse Gas Pollution Pricing Act*, including proposed amendments to complete the orderly wind-down of the fuel charge. The regulations do not affect obligations for reporting periods prior to April 1, 2025.

Alberta Environment and Protected Areas revised a number of Alberta offset quantification protocols in 2017 and 2018 that were most affected to align Alberta emission offset projects with a carbon levy or tax. Protocols were revised to highlight offset-ineligible emissions sources that were levied to ensure no double counting or double pricing of emissions occurred based on the project activity. All protocol quantification methodologies were updated to separate those “included” sources/sinks that included fuels subject to the levy. All emission offset project developers have been required to use revised quantification protocols as of 2019. As of April 1, 2025 these emission sources are now required to be included in all quantification of emission offsets.

Note: this does not preclude or change any other Alberta offset system rule or requirement as outlined in the [Standard for Greenhouse Gas Emission Offset Project Developers](#). Section 1.14 Priced Emissions Reductions applies until April 1, 2025.

Emissions from fossil fuels that are subject to a carbon levy were included in the quantification and reporting of protocols, but were not included in the calculation of emission offsets. Fossil fuels that are subject to a carbon levy were tracked and reported to ensure project eligibility and transparency.

Therefore, the outcome from these updates does not have an adverse impact on the Alberta emission offset system and its approved quantification protocols. Beginning April 1, 2025 there is no levy or fuel charges on fuels (as noted above inclusive under federal tax – 21 fossil fuels and combustible wastes upon delivery, importation or use). Since these emissions are no longer levied, offset project developers are now required to quantify these “included” sources/sinks as “non-levied” as outlined in the applicable protocol and demonstrate this as of April 1, 2025 in their offset project claims. This means that any reporting period for emission offsets that includes April 1, 2025 onwards, must quantify included emissions sources in their offset-eligible calculations. This could mean more emission offsets for a project (baselines emissions increase) or less emission offsets for a project (project emissions increase), per examples below.

Quantification Protocol Included SS's	Prior to April 1, 2025	As of April 1, 2025	Likely Effect
Wind-Powered Electricity Generation	Excluded levied-fuel emissions from P1 Facility Operation	Include fuel emissions from P1 Facility Operation	Increased project emissions = less emission offsets
Energy Efficiency Projects	Excluded P3 / B3 Facility/Process Fuel Consumption unless exemption certificate	Include P3 / B3 Facility/Process Fuel Consumption (combustion emissions from fuels subject to levy)	Increase of baseline emissions = more emission offsets

The department further clarifies that projects will continue to use the version 3.1 of Offset Project Form Report Template (January 2023), but will omit **Section 3.2: Summary Table of Levied/Fuel Charge Emissions**. Table 1.1 will still be completed for Biogenic CO<sub>2</sub> as applicable to their offset projects. The department will work on updating the offset project report form in 2025.

**Effective Date**

This system update is applicable for any active projects that are claiming any emission offsets as of April 1, 2025, and for all new projects going forward as of April 1, 2025. There is no historic application of this update.

Please direct any questions to [EPA.GHG@gov.ab.ca](mailto:EPA.GHG@gov.ab.ca).

Yours truly,

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