

April 4, 2023

Via Email: ENV.minister@gov.bc.ca
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Honourable George Heyman
Minister of Environment and Climate Change Strategy
PO Box 9063 Stn Prov Govt
Victoria BC V8W 9E2

Honourable Katrine Conroy
Minister of Finance
PO Box 9048 Stn Prov Govt
Victoria BC V8W 9E2

RE: New B.C. Output Based Greenhouse Gas Pricing System

Dear Minister,

We are pleased with the Budget 2023 announcement of a new greenhouse gas pricing framework for B.C. modelled on the federal output-based pricing system (OBPS). The announcement follows significant work and advocacy by B.C.'s energy-intensive trade-exposed (EITE) industrial sectors. However, transparency on the details of the new carbon tax, including performance benchmarks and whether they are facility specific or sectoral, and how BC OBPS pricing structure compares to domestic and international jurisdictions are paramount concerns for B.C.'s EITE natural resource industries. Adopting a new provincial OBPS must leave these critical sectors and their workers/employees materially better off than the existing carbon pricing regime.

The recent decision to adopt a B.C.-specific OBPS is supported by research completed by industry in [partnership](#) with your government, [demonstrating](#) that British Columbia products are 18 million tonnes less GHG intensive compared to jurisdictions with whom we compete globally. The analysis does not include improvements made by various companies and sectors over the past four years. Capturing all these fundamentals in the analytical work shaping the new B.C. OBPS is critically important. We must have a carbon tax structure that ensures both competitiveness and the long-term health of B.C.'s economic base since more than half of our [revenues from trade](#) are generated by EITE natural resource sectors.

Importantly, there is no market mechanism that captures the relative GHG intensity of globally traded products. Price is the only differentiator. The more B.C. (and Canada) add to the cost of production, the less attractive our province becomes for capital investment in key prosperity-generating export industries. And while our overall competitiveness includes several factors, as the carbon price rises to \$170/t CO₂e, it materially and negatively affects final investment decisions for opportunities in British Columbia relative to available alternatives in other jurisdictions.

Representatives of B.C.'s natural resource industries and your officials have limited time to work together to meet the April 1, 2024 implementation date for the new B.C. OBPS. Following recent conversations with GHG Regulator officials, we seek assurance from you that **full and transparent consultation on the new BC OBPS**, including matters such as benchmarks, tightening rates, thresholds for protection, offsets, and use of the regulated price as a floor price, **will occur before Ministerial decisions are taken.**

The Business Council of B.C. is willing to convene parties to ensure government and industry assess the same foundational data and resolve common technical issues and concerns. We look forward to a response at your earliest convenience. In the meantime, if you or your officials have any questions, please do not hesitate to contact any of the signatories below.

Yours sincerely,



Cheryl Muir
Interim CEO
Business Council of British Columbia



Michael Goehring
President and CEO
Mining Association of B.C.



Richard Wong
VP, Regulatory and Operations
Canadian Association of
Petroleum Producers



Bob Masterson
President and CEO
Chemistry Industry Association
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Andrew Wynn-Williams
Divisional Vice President
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Fiona Famulak
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Bridgitte Anderson
President and CEO
Greater Vancouver Board of Trade



Linda Coady
President and CEO
Council of Forest Industries



Linda Delli Santi
Executive Director
B.C. Greenhouse Growers Association



Katie Kachur
VP, Government Relations, West
Canadian Propane Association



David Earle
President and CEO
B.C. Trucking Association



David Schick
Vice President, Western Canada
Canadian Fuels Association

cc: Honourable Josie Osborne, Minister of Energy, Mines and Low Carbon Innovation (EMLI)
Honourable Brenda Bailey, Minister of Jobs, Economic Development, and Innovation (JEDI)
Honourable Bruce Ralston, Minister of Forests (FOR)
Ms. Shannon Salter, Deputy Minister to the Premier, Secretary to Cabinet, and Head of the Public Service
Mr. Kevin Jardine, Deputy Minister, Environment and Climate Change (ECCS)
Ms. Heather Wood, Deputy Minister, Ministry of Finance (FIN)
Mr. Richard Manwaring, Deputy Minister, FOR
Ms. Shannon Baskerville, Deputy Minister, EMLI
Mr. Fazil Mihar, Deputy Minister, JEDI
Mr. Doug Foster, Assistant Deputy Minister, Strategic Initiatives, FIN
Mr. Jeremy Hewitt, Assistant Deputy Minister, Climate Action Secretariat, ECCS