

Resolution 5-22: Exemption of Natural Gas and Propane for Agriculture Under the Greenhouse Gas Pollution Pricing Act

Response:

Alberta has been clear on our opposition to the Government of Canada's climate strategy that includes increases in the carbon pricing to a rate of a \$170 per tonne of carbon dioxide equivalent by 2030. The exemption for on-farm gasoline and diesel is a start and has provided some relief for agricultural producers, however additional exemptions for propane and natural gas are required. The carbon price places significant economic stress on individual Albertans who have no choice but to heat their homes each winter and dry their grain when conditions require.

As for an update on federal Bill C-206, it has not made it to 3rd reading and nothing has happened in regards to natural gas and propane ag exemption since. The Minister of Agriculture, Forestry and Rural Economic Development did meet in November with the Federal Agriculture Minister and continued to raise this concern. The minister indicated that a strong Canada needs a strong Alberta, and our governments must work together to reflect the priorities of Albertans in federal policies so that both Alberta and Canada thrive. Alberta will continue these discussions with the federal government in 2022.

There is some relief for farmers who use natural gas to operate grain dryers for instance. In these cases, the federal government has a refundable tax credit program. Though it does not provide a full exemption it does provide some relief. More information on this exemption can be found at: <https://budget.gc.ca/efu-meb/2021/report-rapport/EFU-MEB-2021-EN.pdf#page=91>.

Another program of interest is the Federal Agricultural Clean Technology Program. This program provides relief to farmers from the fuel surcharges for natural gas and propane. The program is currently accepting applications but only for funding activities starting as of April 1, 2022. More information can be found at <https://agriculture.canada.ca/en/agricultural-programs-and-services/agricultural-clean-technology-program-adoption-stream>.

Alberta Agriculture, Forestry and Rural Economic Development also offers two programs through the Canadian Agricultural Partnership. 1) The Farm Technology Program supports the adoption of innovative technology that minimizes agricultural waste, optimizes farm efficiency, and encourages the adoption of best management practices in farm security. You can find the details at https://cap.alberta.ca/CAP/program/PRGM_NAME_3. 2) The Efficient Grain Handling Program is an energy efficiency program to assist producers with reducing the overall energy use on their operations. The program will fund equipment that shows a significant energy efficiency improvement over standard practice. Those details can be found at <https://cap.alberta.ca/CAP/program/EGH>.