

Newfoundland & Labrador's
Greenhouse Gas Reduction Fund Advisory Council

Annual Report
Fiscal Year 2025–2026

Message From the Council

The Greenhouse Gas Reduction Fund Advisory Council was formed in 2023 under the authority of the **Management of Greenhouse Gas Act** (the **Act**) to assess applications and provide recommendations to the Minister of Environment, Conservation and Climate Change regarding payments from the Greenhouse Gas Reduction Fund. In accordance with the **Act**, payments from the Fund are allocated to projects that reduce greenhouse gas emissions in the province.

The annual report has been prepared in accordance with the requirements under the **Transparency and Accountability Act** for a Category 3 entity. The report provides an overview of Advisory Council's organization, staffing, and budget, and highlights key activities, opportunities, and challenges. It also details the Advisory Council's accomplishments during the 2025-26 fiscal year, during the final year of its three-year activity plan. The Advisory Council is fully accountable for the annual report.

The Advisory Council actively supports government priorities to reduce greenhouse gas emissions and advance the broader goal of achieving net-zero emissions by 2050. It takes pride in fulfilling its mandate and looks forward to continuing this important work in the year ahead.



Dr. Susan Squires, Chair

Table of Contents

Overview 4

 Organizational Structure 4

 Staff and Budget 4

 Vision 5

 Mandate 5

 Lines of Business 5

Highlights and Partnerships 5

 Highlights 5

 Partnerships 6

Report on Performance 6

 Objective Indicators for the 2025-26 year 6

Opportunities and Challenges 6

Financial Information 7

Overview

Organizational Structure

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 these 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.

Section 8 of the **Act** provides for an Advisory Council to assess applications for payments from the Fund and provide recommendations to the Minister of Environment, Conservation and Climate Change regarding payments from the Fund. The Minister may only disburse monies from the Fund after the Advisory Council makes a recommendation on an application or on unused monies that remain in the Fund after five years.

In conducting its work, the Advisory Council considers:

- 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 the 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 as a result of the proposed project.

Staff and Budget

The Fund's revenue accrues as regulated industrial facilities purchase credits and through revenues received through enforcement activities pursuant to the **Act** and its associated regulations.

The Advisory Council operates as a Board and has no standalone budget. Members are not compensated. The members of the Advisory Council are appointed for a term of up to three (3) years and are eligible for reappointment.

The Department of Environment, Conservation and Climate Change supports the Council and provides secretariat support. The Council is required to meet at least once a year.

The term of office for members expired prior to March 31, 2026; however, the **Act**, subsection 8(6), provides that members stay on the Advisory Council until replacements are named. The current Advisory Council members are:

- Dr. Susan Squires, Chair (member of the Government of Newfoundland and Labrador)
- Michelle Martin
- Natasha Kettle
- Richard Severs
- Ashley Smith

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, 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, Conservation 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**.

Lines of Business

The Advisory Council has no lines of business.

Highlights and Partnerships

Highlights

The Advisory Council met once during the 2025–26 fiscal year. At that meeting, the Council decided to defer the intake of project proposals and the provision of funding recommendations to the Minister until 2026–27. This decision was made to allow additional time for revenues to accumulate in the Fund before initiating a new application intake process.

Partnerships

The Advisory Council, as per the legislative provisions that establish it, does not have any external partners.

Report on Performance

Objective Indicators for the 2025–26 year

In keeping with the Advisory Council's mandate, the following issues and objectives have been identified for the 2023–2026 planning period.

Objective 1: By March 31, 2026, the Advisory Council will have assessed applications for payments from the Newfoundland and Labrador Greenhouse Gas Reduction Fund and provided recommendations to the Minister regarding payments from the Fund.

Indicators	Accomplishments
Number of advisory council meetings	- The Council met once in 2025–26. - The meeting was virtual.
Number of applications assessed	There was no call for proposals in 2025–26. The relatively low revenue in the Fund was viewed as a potential deterrent to potential applicants. Deferring a call for proposals to 2026–27 would provide an additional reporting period that may result in further revenues into the Fund.
Number of recommendations made to the Minister	The Council made no recommendations in 2025–26. Due to the low revenue in the Fund, the call for proposals was deferred to allow the potential for more revenue.

Opportunities and Challenges

Funds available for disbursement currently total approximately \$1.16 million. This funding – plus future revenues and bank interest, less bank fees – is available for future

greenhouse gas reduction projects. The Advisory Council's work is to make recommendations to the Minister pursuant to funding proposals received.

The primary challenge for the Advisory Council is that the Council can only focus its work on proposals received from proponents in four industrial sectors (i.e., electricity generation, mining, oil and gas, and manufacturing), within available unencumbered funding limits.

Financial Information

The Advisory Council's operational and administrative costs are paid by the Fund.

The Advisory Council does not have a standalone budget. As a result, there are no revenues or expenditures, therefore, no audited financial statements. The Fund itself, however, is subject to an annual audit. The 2024–25 audit, which is the most recent available audit report, can be found here: www.gov.nl.ca/eccc/files/Annual-Report-for-the-Greenhouse-Gas-Reduction-Fund-2024-25.pdf.