



The Performance Credit Standard

Summary of Revisions

Version	Date of Revision	Summary of Revisions
1.0	May 2023	This is the first version of this standard.
1.1	May 2024	Definitions: Added definition of 'original seller'. Terms and Conditions: Section 6 has been updated to reflect that the original seller is held liable should a performance credit be deemed invalid.

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1. Introduction

1(1) This standard is adopted under *The Management and Reduction of Greenhouse Gases (Standards and Compliance) Regulations, 2023*.

1(2) Any terms defined in the *Management and Reduction of Greenhouse Gases Act* and *The Management and Reduction of Greenhouse Gases (Standards and Compliance) Regulations, 2023*, hold the same definition in this standard.

1(3) Any conflict or inconsistency in the provisions of this standard will be resolved by giving precedence in the following order: (1) the Act, (2) the regulations, (3) this standard, (4) any other document incorporated as part of this standard.

1(4) For greater certainty, any conflict or inconsistency in the provisions of this standard and the ISO 14064-3 or ISO 14065 standards will be resolved by giving precedence to this standard.

2. Definitions

2(1) In this standard:

“Act” means *The Management and Reduction of Greenhouse Gases Act*.

“Authorized signing officer” means a person who has authority to accept legal responsibility on behalf of the regulated facility.

“Credit registry” refers to the Ministry of Environment registry of performance credits.

“Invalid” means a performance credit that was earned in error by a regulated emitter.

“Original seller” means the regulated facility who originally generated the credit.

“Performance credit” means a credit expressed in tonnes of CO₂e that is approved by the Minister under the regulations that a regulated emitter of a regulated facility may earn if the total regulated emissions are below the permitted emissions for the regulated facility in a compliance year.

“Regulations” means *The Management and Reduction of Greenhouse Gases (Standards and Compliance) Regulations, 2023*.

“Retire” means the act of remitting a performance credit for the purposes of fulfilling a compliance obligation.

“Revoke” means the act of cancelling or removing an invalid performance credit from the credit registry such that the performance credit is no longer owned by a regulated emitter and cannot be retired, purchased or sold for any purpose.

“**Serial number**” refers to the individual identification number assigned to a performance credit when it is earned by a regulated emitter.

“**Transaction**” means the act of selling and buying a performance credit between two regulated emitters.

“**Transaction record**” refers to the documentation submitted by a regulated emitter to the minister to record the transaction of a performance credit.

3. Earning a Performance Credit

3(1) If the total regulated emissions are fewer than the permitted emissions for a regulated facility in a compliance year, the regulated emitter that owns or operates the regulated facility is entitled to earn the quantity of performance credits equal to the positive number PC_i determined in accordance with the following formula:

$$PC_i = PE_i - TE_i$$

where:

PC_i is the number of performance credits earned by a regulated emitter in compliance year i , measured in tonnes of CO₂e;

PE_i is the permitted emissions for the regulated facility in compliance year i , measured in tonnes of CO₂e;

TE_i is the total regulated emissions for the regulated facility in compliance year i , measured in tonnes of CO₂e; and

i is the compliance year.

3(2) The quantity of performance credits earned by a regulated emitter shall be rounded to the nearest tonne of CO₂e.

4. Retiring a Performance Credit

4(1) A performance credit earned pursuant to Section 3 of this standard may be retired for the purposes of fulfilling a compliance obligation incurred pursuant to Section 19 of the regulations.

4(2) A performance credit is retired at a rate of one performance credit for each tonne of CO₂e.

4(3) A performance credit that is retired for the purposes of satisfying a compliance obligation must be identified by its individual serial number in the compliance return for the compliance year in which the compliance obligation was incurred.

4(4) A performance credit must be held by the regulated emitter in the credit registry on the date that the regulated emitter retires the performance credit for the purposes of fulfilling a compliance obligation.

4(5) A performance credit is non-divisible and the entirety of the performance credit must be retired when fulfilling a compliance obligation.

4(6) A performance credit that is retired for a compliance obligation may not be earned, retired, bought or sold again for any purpose.

5. Buying and Selling a Performance Credit

5(1) A performance credit can only be bought from or sold to another regulated emitter who is subject to the regulations.

5(2) The buyer of a performance credit shall submit a transaction record to the Minister in the manner specified by the Minister within 30 days from the date the transaction occurred to finalize the transaction of a performance credit between two regulated emitters.

5(3) When preparing a transaction record, the buyer of the performance credit shall:

- (a) complete any required forms;
- (b) provide the individual serial number or the range of serial numbers of the performance credits involved in the transaction;
- (c) provide the date of the transaction;
- (d) identify the regulated emitter who is the buyer of the performance credit;
- (e) identify the regulated emitter who is the seller of the performance credit; and
- (f) provide a signed declaration from the authorized signing officers from both the buying and selling parties of the performance credit attesting to the accuracy and completeness of the transaction record.

5(4) More than one performance credit may be sold within a single transaction.

5(5) A performance credit is non-divisible and the entirety of the performance credit must be transferred between regulated emitters through a transaction.

6. Terms and Conditions

6(1) If a performance credit is sold to another regulated emitter and is later found to be invalid, the original seller of the performance credit assumes the risk that the performance credit may be revoked.

6(2) If a performance credit retired by a regulated emitter to fulfil a compliance obligation is found to be invalid, the Minister shall notify the regulated emitter that the portion of the compliance obligation that was fulfilled by retiring the performance credit is no longer fulfilled.

6(3) A regulated emitter shall fulfil the portion of the unfulfilled compliance obligation identified in Subsection 6(2) by doing one or a combination of the following:

- (a) make a payment to the Government of Saskatchewan for deposit in accordance with the act at the price per tonne CO₂e that applied for the compliance year in which the original compliance obligation was incurred;
- (b) retire performance credits that the regulated emitter owns at the time the compliance obligation was determined to be unfulfilled; and/or
- (c) retire CCUS credits that the regulated emitter owns at the time the compliance obligation was determined to be unfulfilled.

6(4) A regulated emitter shall fulfil the portion of the unfulfilled compliance obligation mentioned in Subsection 6(2) by the deadline established by the Minister in the communication notifying the regulated emitter that the retired performance credit is invalid under Subsection 6(2).

6(5) If a regulated facility changes ownership during a compliance year, any performance credits determined in accordance with Subsection 3 shall be considered earned by the regulated emitter who owns or operates the regulated facility on December 31 of the compliance year.

6(6) If there is a dispute regarding the ownership of a performance credit, the Minister will determine ownership.

6(7) At the discretion of the Minister, if a regulated emitter is in arrears on a compliance obligation for a period of more than six (6) months from the compliance obligation deadline, the Minister may retire on the credit registry one or more performance credits owned by the regulated emitter to cover any outstanding compliance obligations.

6(8) The Minister does not guarantee the availability of performance credits for purchase from another regulated emitter to fulfill a regulated emitter's compliance obligation.

6(9) A performance credit does not have an expiration date.

6(10) In the event that the regulations are repealed, the Government of Saskatchewan will not assume liability for the value of any performance credits that a regulated emitter may have in their account at the time that the regulations are repealed.