

Cost Containment Program

Fact Sheet

Overview

The Compliance Cost Containment Program (CCP) provides transitional support to regulated facilities experiencing economic challenges as a result of compliance costs under the Carbon Competitiveness Incentive Regulation (CCIR).

The CCP may provide compliance cost relief to emissions-intensive, trade-exposed facilities in three ways (in order of priority):

- **Additional compliance flexibility**
 - Facility owners may be permitted to use a greater number of offsets and emission performance credits to satisfy CCIR compliance obligations.
- **Priority for Industrial Energy Efficiency (IEE) grant funding**
 - By demonstrating that compliance flexibility alone is not adequate relief, facility owners may also be eligible to receive IEE grant funding for on-site projects that result in emissions reduction and compliance cost savings.
- **Additional free allocations**
 - If a facility requires further support after receiving flexibility and IEE grant funding, the facility owner may be eligible to receive additional emissions allocations under the CCIR.

Evaluation

Each facility receiving support from the program will undergo an annual review process to determine if it remains exposed to economic hardship. Cost relief will be proportional to the level of economic risk and level of carbon pricing faced by the facility.

Economic hardship is defined as meeting at least one of two thresholds defined in the [Standard for Establishing and Assigning Benchmarks](#):

- Net CCIR compliance costs greater than 3 per cent of facility sales, compared to its estimated net compliance costs if the former Specified Gas Emitters Regulation (SGER) 2015 policy was applied in that same given year, or
- Net CCIR compliance costs greater than 10 per cent of facility profit, compared to its estimated net compliance costs if the former SGER 2015 policy was applied in that same given year.

CCP status and future relief will be revoked in cases where it is determined that a facility is no longer experiencing economic hardship.

Application

Facilities are required to apply for cost containment status in order to be eligible to receive support.

Application requirements and procedures are identified in the [Standard for Establishing and Assigning Benchmarks](#) and the [Cost Containment Application Package](#).

- Applications for the 2018 and 2019 compliance year will be accepted until December 31, 2018.
- Applications for subsequent compliance years will be accepted until November 30 of the previous calendar year.