

From: Chrystia Freeland <Chrystia.Freeland@fin.gc.ca>
Sent: Monday, June 10, 2024 5:37 PM
To: info@barringtonmunicipality.com
Subject: FIN File 019273 - Reply to your correspondence of August 25, 2023

Dear Eddie Nickerson:

Thank you for your correspondence of August 25, 2023, written on behalf of the Municipality of Barrington, which was referred by the Office of the Minister of Environment and Climate Change, the Honourable Steven Guilbeault, to the Deputy Prime Minister and Minister of Finance, the Honourable Chrystia Freeland. We have noted your request that volunteer emergency service providers be granted an exemption from the federal fuel charge. Please excuse the delay in replying.

Climate change is an existential challenge, and climate action is critical to Canada's long-term health and economic prosperity. Carbon pricing applies broadly throughout Canada. It is widely recognized as the most efficient means of reducing our greenhouse gas emissions, which is why the Government of Canada continues to make sure that it is not free to pollute in Canada. Given the importance of applying a price on carbon pollution to a broad set of emission sources, the federal pollution pricing system does not provide any exemptions for fuel used by volunteer emergency service providers.

In October 2023, the Prime Minister, the Right Honourable Justin Trudeau, announced that the fuel charge would be temporarily paused on deliveries of heating oil, effective November 9, 2023. The Government has indicated that there would be no further exemptions from the federal price on pollution. The proposed removal of the fuel charge for light fuel oil used as heating is temporary. This announcement was part of a suite of new measures aimed at lowering energy bills for Canadians, and to provide additional time and support to help Canadians transition to cleaner energy technologies, such as heat pumps.

That said, the federal price on pollution is revenue neutral for the federal government; the direct proceeds from the federal carbon pricing system remain in the province or territory where they are collected. Put simply, every dollar collected from the carbon price is returned.

In provinces where the federal fuel charge applies, the Government is returning over 90 percent of proceeds from the federal fuel charge directly to families through pollution price rebates. The remainder of the proceeds from the federal fuel charge are returned to support small- and medium-sized businesses, farmers and Indigenous governments.

Thank you for writing on behalf of the Municipality of Barrington.

Sincerely,

C. da Silva
Manager
Consultations and Communications Branch