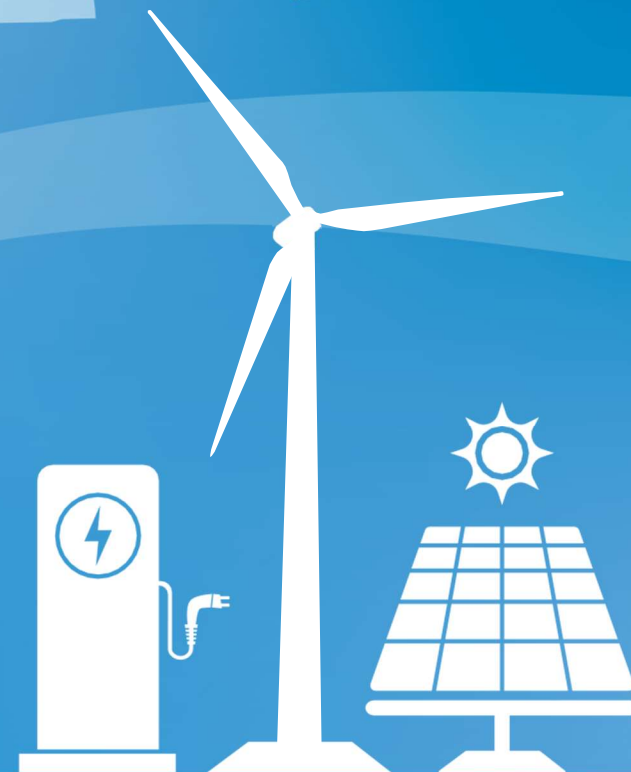




Government of Northwest Territories
Gouvernement des Territoires du Nord-Ouest

NWT CARBON TAX REPORT

RAPPORT ANNUEL SUR LA TAXE SUR LE CARBONE

2024-2025

Le présent document contient la traduction française du message de la ministre et de l'introduction.

K'áhshó got'jné xadā k'é hederí ʔedjhtl'é yeriniwə ní dé dúle.
Dene Kádá

ʔerihʔí's Dēne Sų́líné yatı́ t'a huts'elkēr xa beyáyatı́ theʔą ʔat'e, nuwe ts'ēn yóttı́.
Dēne Sų́líné

Edi gondi dehgháh got'je zhaté k'éé edat'éh enahddhë nide naxets'é edahíí.
Dene Zhaté

Jii gwandak izhii ginjik vat'atr'ijahch'uu zhit yinohthan ji', diits'at ginokkhii.
Dinjii Zhu' Ginjik

Uvanittuaq ilitchurisukupku Inuvialuktun, ququaq'luta.
Inuvialuktun

Inuktitut

Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarlutit.
Inuinnaqtun

kispin ki nitawihitīn ē nīhiyawihk ōma ācimōwin, tipwāsīnān.
nēhiyawēwin

Tɔ̃tɔ̃tɔ̃ yati k'èè. Di wegodi newo dè, gots'o gone de.
Tɔ̃tɔ̃tɔ̃

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Message from the Minister of Finance

I am pleased to present the annual carbon tax report documenting the Northwest Territories carbon pricing results for the fiscal year ended March 31st, 2025.

The Northwest Territories carbon tax is a major part of the Government of the Northwest Territories' (GNWT) continued commitment to the *Pan-Canadian Framework on Clean Growth and Climate Change*. We have met the federal national carbon pricing requirements with a system that is more flexible in meeting energy needs in the Northwest Territories.

The GNWT continues to ensure compliance with federal carbon pricing requirements despite misgivings about the effectiveness of carbon pricing in the Northwest Territories where the high cost of living encourages lower carbon-based fuel consumption and adoption of viable alternatives. We have already demonstrated the flexibility of our carbon tax system to meet the revised 2023 federal requirements and the 2024-25 carbon tax report marks another important revision where the GNWT chose to follow the federal action and provide a carbon tax exemption on diesel heating fuel. Starting April 1, 2025, in response to the relaxation of federal carbon pricing coverage, we eliminated the carbon tax through regulations for all Northwest Territories residents and businesses except the diamond mines.

As the GNWT moves forward with its own climate change strategy, reducing territorial greenhouse gas emissions will remain a priority and we will continue to work with all Canadian governments to meet this challenge.

Caroline Wawzonek
Minister of Finance



Message de la ministre des Finances

J'ai le plaisir de présenter le rapport annuel sur la taxe sur le carbone, qui documente les résultats de la tarification du carbone aux Territoires du Nord-Ouest (TNO) pour l'exercice qui s'est terminé le 31 mars 2025.

La taxe sur le carbone des TNO fait partie intégrante de l'engagement continu du gouvernement des Territoires du Nord-Ouest (GTNO) à appliquer le Cadre pancanadien sur la croissance propre et les changements climatiques. Le GTNO s'est donc conformé aux exigences du gouvernement fédéral en matière de tarification du carbone, tout en mettant en place un régime plus souple, adapté aux besoins énergétiques du territoire.

Le GTNO maintient ses efforts pour respecter ces exigences, et ce, en dépit des réserves émises quant à l'efficacité de la tarification du carbone aux TNO, où le coût de la vie élevé incite à réduire la consommation d'énergies fossiles produisant du carbone et à adopter des solutions de rechange viables. Nous avons déjà démontré la flexibilité de notre régime de taxation du carbone lorsqu'il a fallu satisfaire aux nouvelles exigences établies par le gouvernement fédéral pour 2023, et le rapport 2024-2025 sur la taxe sur le carbone fait état d'une autre révision importante, le GTNO ayant choisi de suivre l'action fédérale et d'accorder une exemption de la taxe sur le carbone pour le mazout domestique. Par ailleurs, le 1^{er} avril 2025, après l'assouplissement des critères d'application de la tarification du carbone par le gouvernement fédéral, nous avons revu notre réglementation afin d'éliminer la taxe sur le carbone pour l'ensemble des résidents et des entreprises des TNO, à l'exception des mines de diamants.

À mesure que le GTNO avance en suivant sa propre stratégie sur le changement climatique, la réduction des émissions de gaz à effet de serre à l'échelle territoriale restera une priorité et nous continuerons de travailler avec tous les ordres de gouvernement au Canada pour relever ce défi.

Caroline Wawzonek
Ministre des Finances

1. Introduction

The territorial carbon tax was introduced September 1, 2019 to meet the Government of the Northwest Territories' (GNWT) commitment for carbon pricing under the *Pan-Canadian Framework on Clean Growth and Climate Change* and fulfil the Department of Finance's assignment of Action Item 1.1 B (Implement NWT carbon pricing) under the *2019-2023 Climate Change Strategic Framework Action Plan*.

The original Northwest Territories carbon pricing system, designed through discussions with the 18th Legislative Assembly, stakeholders, and the federal government, resulted in a carbon pricing design that met federal benchmark price and coverage requirements while recognising the barriers to reducing territorial carbon-based fuel use.

Since the carbon tax implementation in 2019, the federal government has revised its national carbon pricing criteria several times and the GNWT has amended its carbon tax to remain compliant. The Northwest Territories Legislative Assembly passed carbon tax amendments in 2023 to ensure territorial compliance with revised federal benchmarks for the period April 1st, 2023, to April 1st, 2030, and additional changes were enacted on April 1st, 2024, to address subsequent federal benchmark adjustments.

The GNWT's carbon pricing approach attempts to reduce greenhouse gas emissions while minimising the effect on the cost of living and avoiding the creation of additional barriers to economic development. The GNWT has made investments in alternative energy options for territorial residents while working with the federal government, other Northwest Territories governments, residents, and businesses to provide communities with reliable, affordable alternatives to carbon-intensive fuels.

Description of Carbon Tax and Rebates

Northwest Territories carbon tax rates increase annually from \$20/tonne of greenhouse gas emissions starting September 1st, 2019 and were increased to \$80/tonne on April 1st, 2024, as required by federal minimum national stringency standards (Table 1). Carbon tax is added to the retail fuel price at the point of purchase.

Carbon tax does not apply to the following:

- Indians and Indian Bands as defined in the *Indian Act (Canada)* when making purchases or taking delivery of fuels on NWT reserves,
- Fuel purchased by visiting military forces under the *Visiting Forces Act (Canada)*,
- Fuel use for aviation, and
- Fuel in sealed, pre-packaged containers of ten litres or less.

Table 1: Carbon tax rates and effective dates

Fuel Type	September 1, 2019 (\$20/tonne)	July 1, 2020 (\$30/tonne)	July 1, 2021 (\$40/tonne)	July 1, 2022 (\$50/tonne)	April 1, 2023 (\$65/tonne)	April 1, 2024 (\$80/tonne)
Gasoline (¢/litre)	4.7	7.0	9.4	11.7	14.31	17.61
Diesel (¢/litre)	5.5	8.2	10.9	13.7	17.38	21.39
Propane (¢/litre)	3.1	4.6	6.2	7.7	10.06	12.38
Naphtha (¢/litre)	5.1	7.7	10.2	12.8	14.65	18.03
Butane (¢/m³)	3.5	5.3	7.1	8.9	11.57	14.24
Marketable natural gas (¢/m³)	3.8	5.8	7.7	9.6	12.39	15.25
Aviation gasoline (¢/litre)	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt
Aviation jet fuel (¢/litre)	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt

Offsetting expenditures have been put in place to help reduce the carbon tax burden on taxpayers. Except for the Cost of Living Offset for individuals established under the *Income Tax Act*, other carbon tax offset expenditures are set out in the *Petroleum Products and Carbon Tax Regulations*. The following sections describe the changes to the territorial carbon tax system since its implementation.

Northwest Territories Carbon Tax Offset System from September 1st, 2019 to March 31st, 2023

The GNWT provided the following carbon tax offsets between September 1st, 2019 to March 31st, 2023 as approved through the annual budget process:

- **Heating Fuel Rebate** – a 100 per cent point-of-sale rebate of carbon tax on heating fuel for residents, governments, and business entities other than prescribed large emitters.
- **Electrical Power Producers Rebate** – a 100 per cent point-of-sale rebate of carbon tax on fuel used by public utilities in electricity production for distribution to their customers.

- **Cost of Living Offset (COLO)** – a tax-free, non-income tested benefit for NWT residents that increased annually in step with carbon tax rate increases. The COLO was administered by the Canada Revenue Agency on behalf of the GNWT and was paid quarterly to households and individuals for a June to July benefit year.

The Cost of Living Offset (COLO) is an estimate of the average household carbon tax burden paid directly on fuel or indirectly when businesses pass the tax to consumers through increased prices. Although the COLO is not directly tied to the amount of carbon tax collected it is an expenditure related to the carbon tax. Annual COLO benefits were paid to individuals and families as follows:

- 2019-20 - \$104 for an adult and \$120 a child;
 - 2020-21 - \$156 for an adult and \$180 a child;
 - 2021-22 - \$208 for an adult and \$240 a child;
 - 2022-23 - \$260 for an adult and \$300 a child.
- **Large Emitters Offset** - large emitters are prescribed in the *Petroleum Products and Carbon Tax Regulations*, as determined by the Minister of Finance. During the period from September 1st, 2019 to March 31st, 2023, three designated large emitters (Ekati diamond mine, Diavik diamond mine, and Gahcho Kué diamond mine) received large emitter carbon tax offsets comprised of two elements:
 - Large emitter rebates: Monthly rebates of 72 per cent of the total carbon tax paid by the large emitter during the month, and
 - Large Emitter Greenhouse Gas Reducing Investment Grants: 12 per cent of annual total carbon tax paid by each large emitter was set aside by the GNWT in a special individual account, from which a prescribed large emitter could apply for grants to fund its greenhouse gas emission reducing investment projects. Grant guidelines require approved projects to reduce greenhouse gas emissions by at least 5 per cent relative to a baseline.

Northwest Territories Carbon Tax Offset System Changes Starting April 1st, 2023

Effective April 1st, 2023, Northwest Territories carbon tax mitigation measures required changes to meet tightened federal carbon pricing benchmarks for the April 2023 to March 2031 period. Only two measures were unchanged after April 1st, 2023: the 100 per cent rebate for carbon tax paid on fuel used for electrical generation for community distribution and the carbon tax exemption for aviation fuel. The following describes mitigation measures that were revised or eliminated.

- The point-of-sale carbon tax rebate on heating fuels was removed. As a direct consequence of the addition of the carbon tax on heating fuel, regional COLO amounts were added to the existing base COLO. Regional COLO amounts address the higher carbon tax burden faced by residents living in areas with higher home heating fuel use.

Communities are grouped into three geographic zones based on average annual carbon tax paid for household heating fuel. Table 2 shows total COLO amounts for each zone.

Table 2: Cost of Living Offset by zone for \$65 a tonne of carbon dioxide equivalent (CO2e)

Zone 1 – Low Fuel Use	Zone 2 – Moderate Fuel Use	Zone 3 – High Fuel Use
COLO Benefit Adult: \$441 Under 18 years: \$493	COLO Benefit Adult: \$483 Under 18 years: \$535	COLO Benefit Adult: \$558 Under 18 years: \$610
Communities		
Colville Lake Dettah Enterprise Fort Good Hope Fort Resolution Fort Smith Hay River Kakisa Kátł'odeeche Ndilq Wrigley Yellowknife	Aklavik Behchokq Délıne Fort Liard Fort McPherson Fort Providence Fort Simpson Gamètı Inuvik Jean Marie River Łutselk'e Nahanni Butte Sambaa K'e Tsiigehtchic Tuktoyaktuk Wekweètı Whatı	Norman Wells Paulatuk Sachs Harbour Tulita Ulukhaktok

- The Large Emitter Offset was replaced with a large emitter facility specific program that set a baseline fuel consumption level at each facility as a proxy for emissions and provides a 72 per cent rebate of carbon tax paid on diesel fuel to the baseline. Facility baselines were set as the average fuel consumption for the previous three years. The Large Emitter Greenhouse Gas Emissions Reduction Grant Program that was part of the original large emitter offset was discontinued; however, unused funds in each large emitter’s account remain available to the emitter until March 31st, 2028, under the existing policy guidelines.
- A new program of community government sharing grants established under the *Petroleum Products and Carbon Tax Act* allocates 10 per cent of net GNWT carbon tax revenues to be shared among community governments. The allocation formula includes a base amount of 0.5 per cent of the net carbon tax revenue and the remaining funds allocated per capita. Annual community grants are paid after the fiscal year public accounts are audited.

Northwest Territories Carbon Tax Offset System Changes April 1st, 2024 to March 31st, 2025

The GNWT suspended the carbon tax on diesel heating fuel effective from April 1, 2024, to March 31, 2027 when the opportunity arose because the federal government suspended the carbon tax on diesel heating fuel under its system. Household consumers, small businesses and community organisations received a point of purchase rebate on all diesel heating fuel purchased in the Northwest Territories but continued to pay carbon tax on other heating fuels such as propane and natural gas. Large emitters continue to pay the carbon tax under a separate rebate policy that returns 72 per cent of carbon tax paid on diesel fuel usage up to facility specific consumption baselines.

The COLO was adjusted to reflect the lower average carbon price paid by households. Under the previous system a family of two adults and two children received between \$2,300 and \$2,872 depending on the heating zone of residence. Revised COLO payments starting in July 2024, which excluded the additional COLO previously provided for diesel heating fuel carbon tax, gave the same family between \$1,892 and \$2,008.

COLO amounts April 1, 2024 - March 31, 2025					
Zone 1		Zone 2		Zone 3	
Adult	Child	Adult	Child	Adult	Child
\$441	\$505	\$451	\$515	\$470	\$534

Carbon Tax Administration

Carbon tax was levied on the final consumer and is administered through the fuel tax system by the Department of Finance's Taxation, Corporate Credit and Collections Division.

Administration costs used to determine community government sharing grants are the salary, benefits and northern allowance of a Tax Officer (Pay Range 11, Step 8) with an annual cost of \$112,700.

Businesses that sell fuel in the territory can apply to become GNWT fuel tax collectors. Fuel tax collectors also collect carbon tax from purchasers at the time of sale or importation and remit both taxes to the GNWT with their monthly fuel and carbon tax return. No fines or charges have been levied against fuel tax collectors under the *Petroleum Products and Carbon Tax Act or Regulations* since the carbon tax was introduced.

COLO Administration

The Canada Revenue Agency issues quarterly COLO payments on behalf of the GNWT in July, October, January, and April to territorial residents who filed an income tax return for the previous year. Family COLO payments are aggregated and issued as single household payments.

An average of 22,341 quarterly COLO payments were made during the 2024-25 benefit year, comprised of 13,655 single recipients with no children, 5,284 couples with no children, 2,001 single parent families and 1,401 two parent families. Total GNWT cost of 2024-25 COLO payments was \$19.3 million.

1. Introduction

La taxe territoriale sur le carbone est entrée en vigueur le 1^{er} septembre 2019. Le gouvernement des Territoires du Nord-Ouest (GTNO) honore ainsi son engagement relatif à la tarification du carbone, conformément au Cadre pancanadien sur la croissance propre et les changements climatiques, et répond à la mesure de suivi 1.1B du ministère des Finances en vertu du Plan d'action du Cadre stratégique sur le changement climatique 2018-2023.

Conçue au terme de discussions avec les députés de la 18^e Assemblée législative, les parties prenantes et le gouvernement fédéral, la première version du régime de tarification du carbone aux TNO répondait aux exigences fédérales en matière de prix de référence et de couverture, tout en tenant compte des obstacles à la réduction de la consommation de combustibles carbonés sur le territoire.

Depuis la mise en œuvre de cette taxe sur le carbone en 2019, le gouvernement fédéral a revu à plusieurs reprises ses critères nationaux de tarification, et le GTNO a modifié sa taxe en conséquence : l'Assemblée législative des TNO a apporté des modifications au régime territorial de taxe sur le carbone en 2023 afin de s'assurer de sa conformité au régime fédéral révisé pour la période du 1^{er} avril 2023 au 1^{er} avril 2030. D'autres changements ont été apportés le 1^{er} avril 2024 pour suivre les ajustements supplémentaires du gouvernement fédéral concernant son modèle de tarification de la pollution par le carbone.

L'approche de tarification du carbone du GTNO vise à réduire les émissions de gaz à effet de serre, tout en limitant le plus possible la hausse du coût de la vie et la création d'obstacles supplémentaires au développement économique. Le GTNO a réalisé des investissements dans des options d'énergie de remplacement pour les résidents, tout en travaillant avec le gouvernement fédéral, les autres ordres de gouvernement ténois ainsi que les résidents et les entreprises des TNO afin d'offrir aux collectivités des solutions de rechange fiables et abordables aux combustibles à forte intensité carbonique.

Description de la taxe sur le carbone et des remises

Les taux de taxation du carbone aux TNO ont augmenté chaque année, passant de 20 \$ la tonne le 1^{er} septembre 2019 à 80 \$ la tonne le 1^{er} avril 2024, conformément aux exigences minimales prévues par les normes nationales de rigueur du gouvernement fédéral (Tableau 1). La taxe sur le carbone est directement ajoutée au prix du combustible au détail dans les lieux de vente de combustible.

La taxe sur le carbone ne s'applique pas aux catégories suivantes :

- Carburant acheté par les Premières Nations et leurs bandes selon la définition de la *Loi sur les Indiens* du Canada ou livré à celles-ci dans une réserve des TNO;
- Carburant acheté par les forces militaires en visite en vertu de la *Loi sur les forces étrangères présentes au Canada*;

- Carburant d'aviation;
- Carburant dans des conteneurs scellés et préemballés de dix litres ou moins.

Tableau 1 : Taux de la taxe sur le carbone

Type de combustible	Entrée en vigueur					
	1 ^{er} septembre 2019 (20 \$/tonne)	1 ^{er} juillet 2020 (30 \$/tonne)	1 ^{er} juillet 2021 (40 \$/tonne)	1 ^{er} juillet 2022 (50 \$/tonne)	1 ^{er} avril 2023 (65 \$/tonne)	1 ^{er} avril 2024 (80 \$/tonne)
Essence (¢/litre)	4,7	7,0	9,4	11,7	14,31	17,61
Diesel (¢/litre)	5,5	8,2	10,9	13,7	17,38	21,39
Propane (¢/litre)	3,1	4,6	6,2	7,7	10,06	12,38
Naphtha (¢/litre)	5,1	7,7	10,2	12,8	14,65	18,03
Butane (¢/m³)	3,5	5,3	7,1	8,9	11,57	14,24
Gaz naturel commercialisable (¢/m³)	3,8	5,8	7,7	9,6	12,39	15,25
Essence d'avion (¢/litre)	Exemption	Exemption	Exemption	Exemption	Exemption	Exemption
Carburacteur (¢/litre)	Exemption	Exemption	Exemption	Exemption	Exemption	Exemption

Des dépenses compensatoires ont été mises en place pour aider à réduire le fardeau de la taxe sur le carbone pour les contribuables. À l'exception de la compensation du coût de la vie établie en vertu de la *Loi de l'impôt sur le revenu*, les dépenses de compensation de la taxe sur le carbone sont énoncées dans le *Règlement sur les taxes sur les produits pétroliers et sur le carbone*. Les sections suivantes décrivent les modifications apportées au régime territorial de taxation du carbone depuis son entrée en vigueur.

Système de compensation de la taxe sur le carbone aux TNO, du 1^{er} septembre 2019 au 31 mars 2023

Entre 1^{er} septembre 2019 et le 31 mars 2023, le GTNO a appliqué les dispositifs suivants de compensation de la taxe sur le carbone, tels qu'approuvés lors des processus annuels d'établissement du budget :

- **Remboursement sur le mazout de chauffage** – remboursement à 100 % de la taxe sur le carbone sur le mazout de chauffage au point de vente pour les résidents, administrations publiques et autres sociétés, à l'exception des grands émetteurs.
- **Remboursement pour les producteurs d'électricité** – remboursement à 100 % au point de vente de la taxe sur le carbone sur le combustible utilisé par les services publics pour produire l'électricité distribué à leurs clients.
- **Compensation du coût de la vie (CCV)** – compensation non imposable pour les résidents ténois, qui a augmenté chaque année en phase avec la hausse de la taxe sur le carbone. La CCV était administrée par l'Agence du revenu du Canada au nom du GTNO et versée tous les trimestres aux ménages et aux particuliers, pour une année de prestation allant de juin à juillet.

La CCV repose sur une estimation du fardeau moyen que représente la taxe sur le carbone pour chaque ménage, de façon directe lors de l'achat de combustible, ou de façon indirecte lorsque les entreprises reportent le coût de cette taxe sur les clients par l'intermédiaire d'une hausse des prix. Même si la CCV n'est pas directement indexée sur le montant de la taxe sur le carbone prélevée, il s'agit d'une dépense associée à cette taxe. Les prestations au titre de la CCV étaient versées aux personnes seules et aux familles selon le barème suivant :

- 2019-2020 – 104 \$ par adulte et 120 \$ par enfant;
 - 2020-2021 – 156 \$ par adulte et 180 \$ par enfant;
 - 2021-2022 – 208 \$ par adulte et 240 \$ par enfant;
 - 2022-2023 – 260 \$ par adulte et 300 \$ par enfant.
- **Compensation pour les grands émetteurs** : cette compensation est prescrite dans le *Règlement sur les taxes sur les produits pétroliers et sur le carbone*, tel que déterminé par le ministre des Finances. Pendant la période du 1^{er} septembre 2019 au 31 mars 2023, trois grands émetteurs désignés (les mines de diamants Ekati, Diavik et Gahcho Kué) ont reçu une compensation composée de deux éléments :
 - Remboursement pour les grands émetteurs : remboursement mensuel de 72 % de la taxe sur le carbone payée durant le mois;
 - Subventions de réduction des émissions de gaz à effet de serre pour les grands émetteurs : 12 % du total de la taxe carbone payée au cours de l'exercice par chaque grand émetteur étaient mis de côté par le GTNO dans des comptes individuels spéciaux. Un émetteur

désigné pouvait ensuite demander à accéder à ce montant sous forme de subvention pour des projets de réduction des gaz à effet de serre. Selon les lignes directrices, les projets approuvés devaient réduire les émissions de gaz à effet de serre d'au moins 5 % par rapport au niveau de base.

Changements apportés au système de compensation de la taxe sur le carbone aux TNO le 1^{er} avril 2023

Le 1^{er} avril 2023, les mesures de compensation de la taxe sur le carbone des TNO ont dû être revues afin de respecter les normes fédérales plus strictes en matière de tarification du carbone pour la période de 2023 à 2030. Ainsi, seules deux mesures sont restées inchangées après le 1^{er} avril 2023 : le remboursement à 100 % de la taxe sur le carbone payée pour produire l'électricité à destination des collectivités, et l'exemption pour le carburant d'aviation. La section suivante décrit les mesures de compensation qui ont été modifiées ou annulées :

- Le remboursement sur le mazout de chauffage au point de vente a été supprimé. Pour contrer l'application de la taxe sur le carbone sur le mazout de chauffage, nous avons ajouté au montant de base de la CCV une prestation supplémentaire, avec un montant variable selon la région. Les montants régionaux de la CCV visaient à alléger le fardeau accru que faisait peser la taxe sur le carbone sur les résidents des régions nécessitant une consommation plus élevée de mazout.

À cet effet, les collectivités ont été divisées en trois zones géographiques, en fonction de la taxe sur le carbone moyenne payée chaque année pour le mazout, par ménage. Le tableau 2 détaille les montants totaux versés au titre de la CCV pour chaque zone.

Tableau 2 : Compensation du coût de la vie par zone, pour une tarification du carbone établie à 65 \$ par tonne d'équivalent en dioxyde de carbone (éq. CO₂)

Zone 1 – Faible consommation de mazout	Zone 2 – Consommation moyenne de mazout	Zone 3 – Consommation élevée de mazout
Prestation au titre de la CCV Adulte : 441 \$ Moins de 18 ans : 493 \$	Prestation au titre de la CCV Adulte : 483 \$ Moins de 18 ans : 535 \$	Prestation au titre de la CCV Adulte : 558 \$ Moins de 18 ans : 610 \$
<i>Collectivités</i>		
Colville Lake Dettah Enterprise Fort Good Hope Fort Resolution Fort Smith Hay River Kakisa Kát'odeeche Ndilq Wrigley Yellowknife	Aklavik Behchokq Délıne Fort Liard Fort McPherson Fort Providence Fort Simpson Gamètı Inuvik Jean Marie River Łutselk'e Nahanni Butte Sambaa K'e Tsiigehtchic Tuktoyaktuk Wekweètı Whatı	Norman Wells Paulatuk Sachs Harbour Tulita Ulukhaktok

- Le mécanisme de compensation pour les grands émetteurs a été remplacé par un programme propre aux installations des grands émetteurs, qui établissait une base de référence pour la consommation de carburant (et non pour les émissions) au sein de chaque installation et qui prévoyait un remboursement équivalent à 72 % de la taxe sur le carbone payée sur le carburant diesel jusqu'à atteindre la base de référence. La base de référence propre à chaque installation était calculée en fonction de la consommation moyenne de carburant de chacun des grands émetteurs pour les trois années précédentes.

- Nous avons mis fin à la subvention de réduction des émissions de gaz à effet de serre pour les grands émetteurs, qui faisait partie du mécanisme initial de compensation pour les grands émetteurs. Toutefois, les fonds inutilisés conservés dans les différents comptes restent à la disposition des grands émetteurs concernés jusqu'au 31 mars 2028, qui peuvent les utiliser conformément à la politique existante du programme.
- Un nouveau système de partage des recettes de la taxe sur le carbone payables aux administrations communautaires a été établi en vertu de la *Loi de la taxe sur les produits pétroliers et la taxe sur le carbone*. Ce système prévoit la répartition de 10 % des recettes nettes de la taxe sur le carbone perçues par le GTNO entre les administrations communautaires. La formule de répartition prévoit un montant de base de l'ordre de 0,5 % des recettes nettes de la taxe sur le carbone, tandis que le reste des fonds doit être alloué par résident. Les subventions communautaires annuelles sont versées après l'audit des comptes publics pour chaque exercice financier.

Changements apportés au système de compensation de la taxe sur le carbone aux TNO entre le 1^{er} avril 2024 et le 31 mars 2025

Le GTNO a suspendu l'application de la taxe sur le carbone sur le mazout de chauffage du 1^{er} avril 2024 au 31 mars 2027, afin de mieux soutenir les résidents confrontés à des coûts de chauffage élevés, et ce, car le gouvernement fédéral a lui-même procédé à cette suspension dans le cadre de son propre régime. Les ménages, les petites entreprises et les organismes communautaires ont reçu un rabais au point de vente sur le mazout domestique acheté aux TNO, mais ont continué de payer la taxe sur le carbone sur les autres combustibles de chauffage comme le propane ou le gaz naturel. Les grands émetteurs ont continué de payer la taxe sur le carbone, mais ont bénéficié d'une politique spéciale de rabais prévoyant un remboursement équivalent à 72 % de la taxe sur le carbone payée sur le carburant diesel, jusqu'à atteindre la consommation de référence pour chaque installation.

La CCV a été ajustée afin de refléter le prix moyen moindre du carbone payé par les ménages. Dans le cadre du régime précédent, une famille de quatre personnes (deux adultes et deux enfants) recevait entre 2 300 et 2 872 \$ par année, en fonction de la zone dans laquelle elle vivait. Le nouveau mécanisme de CCV entré en vigueur en juillet 2024 ne comprenait plus le montant supplémentaire pour compenser le prix de la taxe sur le carbone payée sur le mazout de chauffage. La même famille percevait donc entre 1 892 \$ et 2 008 \$.

Prestations au titre de la CCV du 1 ^{er} avril 2024 au 31 mars 2025					
Zone 1		Zone 2		Zone 3	
Adulte	Enfant	Adulte	Enfant	Adulte	Enfant
441 \$	505 \$	451 \$	515 \$	470 \$	534 \$

Administration de la taxe sur le carbone

La taxe sur le carbone est prélevée auprès du consommateur final et administrée dans le cadre du régime de taxe sur les carburants, par la Division de la taxation, du crédit et du recouvrement du ministère des Finances.

Les frais d'administration liés à la répartition de la subvention aux administrations communautaires sont constitués du salaire, des avantages sociaux et de l'allocation annuelle de vie dans le Nord d'un agent des impôts (échelon 11, palier 8), pour un coût annuel de 112 700 \$.

Les entreprises qui vendent du carburant sur le territoire peuvent présenter une demande pour devenir des percepteurs de la taxe sur le carburant du GTNO. Ces derniers perçoivent la taxe sur le carbone auprès des acheteurs au moment de la vente ou de l'importation et reversent les deux taxes au GTNO avec leur déclaration mensuelle de taxe sur le carburant et le carbone. Aucune amende ni aucuns frais n'ont été imposés aux percepteurs de la taxe sur le carburant en vertu de la *Loi sur la taxe sur les produits pétroliers et la taxe sur le carbone* ou de son règlement depuis l'instauration de la taxe sur le carbone.

Administration de la CCV

Au nom du GTNO, l'Agence du revenu du Canada envoie des versements trimestriels au titre de la CCV en juillet, en octobre, en janvier et en avril aux résidents du territoire qui ont produit une déclaration de revenus pour l'année précédente. Les paiements aux familles sont regroupés en un seul versement par foyer.

En moyenne, 22 341 versements trimestriels ont été effectués au titre de la CCV pendant l'année de prestations 2024-2025. Ce chiffre comprenait 13 655 bénéficiaires seuls sans enfants, 5 284 couples sans enfants, 2 001 familles monoparentales et 1 401 familles avec deux parents. Le coût total des versements au titre de la CCV du GTNO pour l'année de prestations 2024-2025 s'élevait à 19,3 millions \$.

2. Fiscal Year Results

The following tables provide 2024-25 carbon tax results for the fiscal year April 1st, 2024 to March 31st, 2025, along with historical carbon tax data for comparison.

Table 3 shows fuel volumes since the first full fiscal year (2020-21) of carbon tax implementation. Given the small size of the Northwest Territories economy and only five full years of data, conclusions about fuel consumption trends cannot be made using year-over-year comparisons of volume changes since the carbon tax was introduced. The size of the mines can distort overall year-over-year changes; as an example, total diesel motive and non-motive diesel consumption increased 1.1 per cent from 2021-22 to 2024-25; however, after removing the 7.8 per cent decline in mine consumption, the increase for the rest of the economy was 23.5 per cent.

Table 3: Carbon tax volumes: 2020-21 to 2024-25¹

Total volumes (thousands)	2020-21	2021-22	2022-23	2023-24	2024-25
Gasoline (litres)	44,982	45,586	45,667	43,406	45,998
Aviation gasoline (litres)²	1,427	1,571	1,558	1,345	1,312
Aviation gasoline turbo jet (litres)²	34,987	43,159	50,786	55,577	59,976
Motive & non-motive diesel (litres)	191,150	233,764	240,488	265,547	236,337
Natural gas (m³)	596	409	463	280	3,932
Natural gas heating (m³)	592	1,010	2,769	6,394	7,248
Railway diesel (litres)	114	118,734	98,127	70	53
Diesel for heating (litres)	79,831	71,414	71,899	70,299	80,584
Propane (litres)	2,226	1,942	1,562	1,339	808
Propane for heating (litres)	26,207	23,249	21,537	27,038	28,792
Naphtha (litres)	11	8	10	8	5
Mine volumes (thousands) (included in total volumes above)					
Motive & non-motive diesel (litres)	129,985	167,141	167,466	164,064	154,067
Diesel for heating (litres)	26,919	25,749	23,331	19,762	23,303

Note: ¹ Fiscal year is April 1st to March 31st, 2019-20 volumes capture consumption only for September 1st, 2019 (the carbon tax effective date) to March 31st, 2020 and are not included in the report.

² Aviation fuel is included for information but is exempt from the territorial carbon tax.

Table 4 shows gross carbon tax revenues and offsets from 2020-21. Carbon tax revenue for 2024-25 was \$78.8 million, \$0.6 million above the 2024-25 Main Estimates projection. Carbon tax revenues may increase despite volume declines because of annual carbon tax rates increases.

The net carbon tax revenue of \$9.2 million remaining after deducting community government grants is considered general revenue to be allocated among GNWT priorities. Since one of the GNWT's priorities is to reduce greenhouse gas emissions, residual carbon tax revenue can notionally be attributed to program and capital expenditures used to reduce territorial emissions.

Table 4: Carbon tax revenue: 2020-21 to 2024-25 ^{1, 2}

	2020-21	2021-22	2022-23	2023-24	2024-25
Gross carbon tax revenues (thousands of dollars)					
Gasoline	2,890	4,012	5,086	6,211	7,982
Motive & non-motive diesel	14,495	23,902	31,827	46,598	48,379
Natural gas	32	30	42	35	600
Natural gas for heating	31	73	254	792	1,105
Rail	9	12	13	12	11
Diesel for heating	6,007	7,302	9,468	12,218	17,078
Propane	94	113	115	135	98
Propane for heating	1,107	1,348	1,617	2,720	3,564
Naphtha	0.9	0.8	1.2	1.2	1.0
A. Total gross carbon tax revenues	24,666	36,793	48,423	68,722	78,819
Carbon tax offsets (thousands of dollars)					
Carbon tax rebate for heating fuel (non-large emitters)	5,929	7,940	10,750	-	12,094
Large emitter rebate	8,577	14,248	17,914	25,370	27,653
Carbon tax rebate for fuel used in electrical generation for community distribution	1,379	1,808	3,461	9,757	9,424
B. Total carbon tax offsets	15,885	23,996	31,427	35,127	49,170
C. Net carbon tax revenue reported in Public Accounts (Lines A – B)	8,782	12,797	16,298	33,595	29,648

Table 4 continued: Carbon tax revenue: 2020-21 to 2024-25 ^{1,2}

	2020-21	2021-22	2022-23	2023-24	2024-25
Other carbon tax revenue recycling					
D. Cost of living offset (COLO)	6,511	8,668	10,889	17,989	19,343
E. Carbon tax recycling before community government grants (Lines B + D)	22,396	32,664	43,014	53,116	68,513
F. Net carbon tax revenue before sharing with community governments (Lines A – E)	2,270	4,129	5,409	15,606	10,305
G. Administration costs	-	-	-	113	113
H. Net carbon tax after administration costs	2,270	4,129	5,409	15,493	10,192
I. Community government sharing grants (10% x Line H)	-	-	-	1,549	1,019
Net carbon tax revenue after community government grants (Lines H – I)	2,270	4,129	5,409	13,944	9,173

Notes: ¹ Gross tax revenues are reduced for Public Account reporting by the carbon tax rebates as these are considered tax concessions rather than expenditures under public finance accounting standards. However, for budgeting purposes, all carbon tax mitigation measures are considered expenditures and are approved by the Legislative Assembly.

² Fiscal year April 1st, 2019 to March 31st, 2020 volumes capture consumption only from September 1st, 2019 (the carbon tax effective date) to March 31st, 2020 and are not included in the report.

Table 5 compares carbon tax revenues from different sources with revenue returned through carbon tax expenditures to mitigate the carbon tax burden (carbon tax offsets). Large emitter grant account deposits are included in the table as expenditures. Effective April 1, 2023 there were no more deposits into these accounts but withdrawals occurred in 2024-25 (see Table 6). The GNWT had a notional \$9.2 million above carbon tax recycling revenue to invest in 2024-25 greenhouse gas emission-reducing projects.

Table 5: 2020-21 to 2024-25 Carbon tax revenues and expenditures (millions of dollars)

NWT carbon tax revenues	2020-21	2021-22	2022-23	2023-24	2024-25
Residents, small business & governments					
Diesel non-motive & diesel, propane & natural gas for heating	5.8	8.0	10.1	22.6	26.1
Community government heating	0.14	0.3	0.7	0.3	0.2
Motive diesel	3.8	4.6	7.5	7.5	9.7
Gasoline	2.9	4.0	5.1	6.2	8.0
Large emitters – facility fuel use	11.9	19.7	24.9	31.9	34.1
Other - Railway diesel & non-heating propane & natural gas	0.1	0.2	0.2	0.2	0.7
Total revenues	24.7	36.8	48.4	68.7	78.8
Rebate & benefit expenditures					
Residents, small business & governments					
Carbon tax rebate on heating fuels	5.9	7.9	10.8	-	12.1
Annual rebate to electricity producers	1.4	1.8	3.5	9.8	9.4
COLO benefit	6.5	8.7	10.9	18.0	19.3
Large emitters					
Large emitter rebates	8.6	14.2	17.9	25.3	27.7
Large emitter grant accounts	1.7	2.1	3.4	-	-
Community government sharing grants	-	-	-	1.5	1.0
NWT carbon tax & benefit administration	0.3	0.4	0.4	0.1	0.1
Total expenditures	24.4	35.2	46.8	54.7	69.7
Remaining Carbon Tax Revenue	0.3	1.6	1.6	14.0	9.2

Note: Table 5 will not match Public Accounts reporting because administration expenses, large emitter grant accounts and carbon tax rebates are expenses in budget documents but are netted from revenues in Public Accounts. Administration expenses from 2019-20 to 2022-23 include Canada Revenue Agency COLO administration charges. The Canada Revenue Agency stopped charging for COLO administration after 2022-23.

Individual large emitter accounts hold 12 per cent of all carbon tax paid by large emitters before 2023-24. Large emitters can apply to use these funds for greenhouse gas emission reducing investments in accordance with the Large Emitter Grant Policy¹. Table 6 shows accumulated fiscal year-end grant balances. None of the large emitters had accessed their grant accounts as of March 31st, 2024, but the Ekati mine operator was granted \$484,234 in July 2024, after meeting the Policy's eligibility criteria with an Information Technology and Communications Methanol and Solar Project and the \$3,296,767 granted to the Diavik mine in November 2024 for a solar farm installation closed the Diavik account.

Table 6: Large emitter grant account balances as of March 31st 1,2

	2020	2021	2022	2023	2024	2025
Gahcho Kué Diamond Mine	\$201,168	\$595,511	\$1,144,626	\$2,088,576	\$2,088,576	\$2,088,576
Diavik Diamond Mine	\$336,862	\$1,006,075	\$1,879,931	\$3,296,767	\$3,296,767	-
Ekati Diamond Mine	\$129,728	\$446,644	\$1,146,260	\$2,182,597	\$2,182,597	\$1,698,362
Total	\$667,758	\$2,048,230	\$4,170,817	\$7,567,940	\$7,567,940	\$3,786,938

Note: ¹ Until April 1st, 2023, Imperial Oil Resources NWT Limited was also a prescribed large emitter but did not qualify for grant balances.

² Effective April 23st, 2025, the GNWT closed the large emitter grant accounts and distributed the remaining funds.

The April 1st, 2023 revisions to the Northwest Territories carbon tax system included a base plus per capita formula to share 10 per cent of net carbon tax revenue with community governments. Table 7 shows the 2024-25 community government sharing grant allocation of \$1.02 million among the 33 Northwest Territories communities.

Table 7: 2024-25 Community government sharing grants

	Community	Community Government	Allocation	Grant
1	Aklavik	Council of the Hamlet of Aklavik	1.8%	\$18,346
2	Behchokò	Community Government of Behchokö	4.3%	\$43,827
3	Colville Lake	Behdzi Ahda" First Nation	0.8%	\$8,154
4	Déłıne	Déline Got'ıne Government	1.7%	\$17,327
5	Dettah	Yellowknives Dene First Nation	0.9%	\$9,173
6	Enterprise	Council of the Hamlet of Enterprise	0.7%	\$7,135
7	Fort Liard	Council of the Hamlet of Fort Liard	1.5%	\$15,288

¹ https://www.fin.gov.nt.ca/sites/fin/files/resources/large_emitters_ghg_reducing_investment_grant_policy_jan_26_2020.pdf

	Community	Community Government	Allocation	Grant
8	Fort McPherson	Council of the Hamlet of Fort McPherson	1.9%	\$19,365
9	Fort Providence	Council of the Hamlet of Fort Providence	1.8%	\$18,346
10	Fort Resolution	Council of the Hamlet of Fort Resolution	1.5%	\$15,288
11	Fort Simpson	Council of the Village of Fort Simpson	2.8%	\$28,538
12	Fort Smith	Council of the Town of Fort Smith	5.3%	\$54,019
13	Gamètì	Community Government of Gamètì	1.0%	\$10,192
14	Hay River	Council of the Town of Hay River	7.5%	\$76,422
15	Inuvik	Council of the Town of Inuvik	6.4%	\$65,230
16	Jean Marie River	Tłtshets'éhk'édélì First Nation	0.7%	\$7,135
17	Kakisa	Ka'a'gee Tu First Nation	0.6%	\$6,115
18	K'asho Got'ine	K'ásho Got'iné Charter Community Council	1.7%	\$17,327
19	Kát'odeeche	Kát 'odeeche First Nation	1.1%	\$11,211
20	Łutselk'e	Łutselk'e Dene Band	1.2%	\$12,231
21	Nahanni Butte	Nahanni Butte Dene Band	0.7%	\$7,135
22	Norman Wells	Council of the Town of Norman Wells	1.8%	\$18,346
23	Paulatuk	Council of the Hamlet of Paulatuk	1.1%	\$11,211
24	Sachs Harbour	Council of the Hamlet of Sachs Harbour	0.7%	\$7,135
25	Sambaa K'e	Sambaa K'e Dene Band	0.7%	\$7,135
26	Tsiigehtchic	Tsiigehtchic Charter Community Council	0.9%	\$9,173
27	Tuktoyaktuk	Council of the Hamlet of Tuktoyaktuk	2.5%	\$25,481
28	Tulita	Council of the Hamlet of Tulita	1.5%	\$15,288
29	Ulukhaktok	Council of the Hamlet of Ulukhaktok	1.4%	\$14,269
30	Wekweètì	Community Government of Wekweètì	0.8%	\$8,154
31	Whatì	Community Government of Whatì	1.5%	\$15,288
32	Wrigley	Pehdzeh Ki First Nation	0.7%	\$7,135
33	Yellowknife	Council of the City of Yellowknife	40.6%	\$413,804
	Total ¹		100.1%	\$1,020,242

Note Total community government grants do not match Table 4 Line I due to rounding.

The GNWT does not have a revenue neutral carbon tax policy to ensure that carbon tax revenue is used only to mitigate the effect of the carbon tax on economy and for greenhouse gas emission reducing programs. After the Table 4 carbon tax offsets are deducted from carbon tax revenues the remaining \$9.2 million net carbon tax revenues are included in regular revenues and allocated based on GNWT spending priorities. However, the \$9.2 million net carbon tax revenue can be notionally attributed to the GNWT's \$7.8 million 2024-25 greenhouse gas emission reducing projects, including:

- \$2.8 million contribution to the Arctic Energy Alliance consisting of:
 - core funding to support operations,
 - rebate and incentive programming for residents and business to incorporate renewable energy systems,
 - funding to subsidize the cost of home energy audits,
 - programming to support low-income residents to address energy poverty,
 - programming to support community energy planning,
 - electric vehicle rebates,
 - biomass project implementation advisory services;
- \$0.66 million to Northwest Territories utilities to install electric vehicle fast charging stations;
- \$0.6M million for additional energy programming including:
 - an Northwest Territories hydropower study,
 - a techno-economic feasibility study on hydrogen use in the Northwest Territories,
 - a North Slave hydropower resiliency study,
 - energy, greenhouse gas and rate modelling;
- \$1.6 million towards the Taltson Expansion Project and planning for the Fort Providence-Kakisa Transmission project; and
- \$2.1 million for operational costs associated with advancing overall energy initiatives, including the GNWT Energy Strategy.

Expenditures for other climate change adaptation programs and investments in energy-related systems are reported in *Climate Change Action Plan* and *Energy Action Plan* annual reports.

3. Measuring Movement Towards a Less Carbon Intensive Economy

Measuring the ability of the Northwest Territories carbon tax to reduce carbon emissions is complicated by the many variables affecting carbon fuel consumption and the lack of time series data required to distinguish the effect of the carbon tax's introduction from other factors. Other factors, such as retail fuel price changes, weather and economic activity, can influence fuel consumption and make it difficult to isolate carbon tax effects without many years of data.

This report uses Statistics Canada data for greenhouse gas emission changes because this data includes emissions from all major fuel sources.

Table 8 estimates fiscal year (April to March) Northwest Territories carbon tax emissions since the introduction of the carbon tax on September 1st, 2019.

No conclusions can be derived from Table 8 about the effectiveness of the carbon tax in lowering greenhouse gas emissions because correlation is not the same as causation. Carbon tax rate increases were expected to provide an incentive to reduce carbon-based fuel consumption; however, short-term effects are difficult to discern from other factors. For example, during 2019-20 and 2020-21 the economic disruption caused by the COVID-19 pandemic and the temporary closing of one diamond mine caused fuel consumption to decrease, making 2021-22 and 2022-23 consumption increases appear more significant than they otherwise would be.

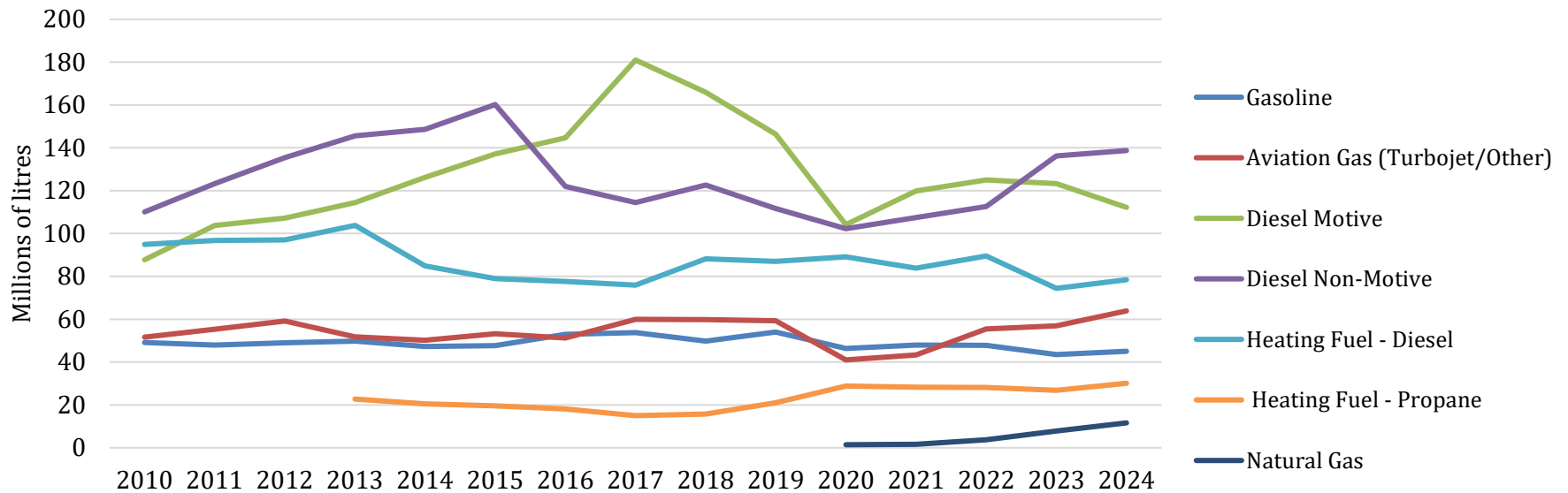
Table 8: Estimated Northwest Territories greenhouse gas emissions from carbon tax data

	2024-25 Fuel volume (thousands)	September 1st, 2019 to March 31st, 2020 emissions (kilotonnes)	April 1st, 2020 to March 31st, 2021 emissions (kilotonnes)	April 1st, 2021 to March 31st, 2022 emissions (kilotonnes)	April 1st, 2022 to March 31st, 2023 emissions (kilotonnes)	April 1st, 2023 to March 31st, 2024 emissions (kilotonnes)	April 1st, 2024 to March 31st, 2025 emissions (kilotonnes)
Gasoline (litres)	45,998	75	113	114	115	109	116
Aviation gas (litres)	1,312	2	4	4	4	3	3
Aviation gas turbo jet (litres)	59,381	46	87	107	126	138	148
Motive & non-motive diesel (litres)	197,848	361	518	633	651	719	536
Natural gas (m³)	114	1.0	1.0	0.8	0.9	1	0.2
Natural gas heating (m³)	7,248	1.0	1.0	1.9	5.3	12	14
Railway diesel (litres)	53	0	0	0.3	0.3	0	0.1
Diesel for heating (litres)	65,956	156	216	193	195	190	179
Propane (litres)	808	1	3	3	2	2	1
Propane for heating (litres)	28,792	32	41	36	33	42	45
Naphtha (litres)	5	0	0	0	0	0	0
		676	984	1,095	1,133	1,217	1,041

Source: NWT Finance

Figures 1 and 2 show Northwest Territories fuel tax data consumption trends and emission levels since 2010 on a calendar year basis. Figure 1 suggests that propane used for heating may be replacing diesel heating fuel use; however, there has been consistent fuel use across all categories despite the carbon tax. Wood pellets may also be replacing other carbon-taxed fuels for heating but since wood pellets are not taxed, this data is not collected through the carbon tax system even though its use contributes to greenhouse gas emissions.

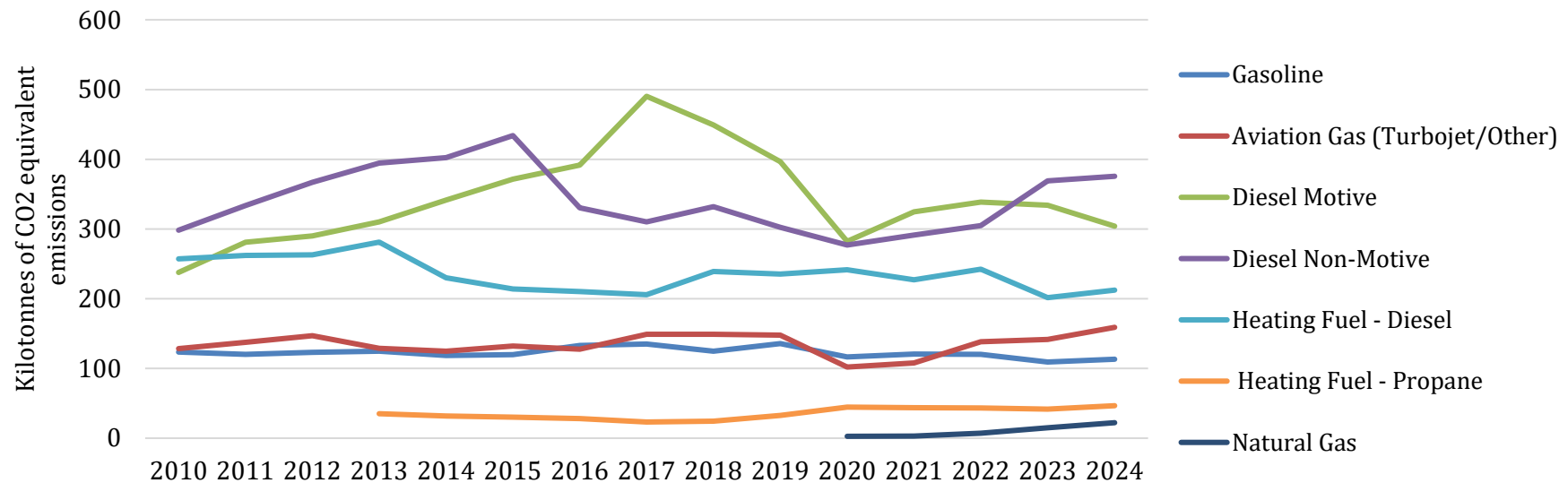
Figure 1: Northwest Territories fuel consumption - 2010 to 2024 calendar year



Note: Data for propane not available before 2013 and data for natural gas not available before 2020.

Source: NWT Finance

Figure 2: Northwest Territories emissions by fuel source - 2010 to 2024 calendar year



Note: Data for propane not available before 2013 and data for natural gas not available before 2020.
Source: NWT Finance

Measuring Changes in Carbon Intensity in Households

Household carbon intensity is measured in terms of household greenhouse gas emissions per person. Reductions in household carbon intensity following the implementation of the carbon tax are compared in a ratio to a baseline of the average carbon intensity between 2009 and 2019. A ratio less than one indicates improvement because the annual carbon intensity is below the medium-term average; a ratio greater than one indicates deterioration as the annual carbon intensity is above the medium-term average. Since Statistics Canada data for household carbon emissions is published with a two-year delay, it will be a few years before analysis of the carbon tax's effect on the Northwest Territories' carbon taxed fuel consumption is feasible. Analysing the effects of the carbon tax on greenhouse gas emissions will also be complicated by the change in household behaviour seen when public health restrictions were in place during the 2020-2021 COVID-19 pandemic.

Northwest Territories Household Carbon Emission History

Table 9 shows most recently available Statistics Canada annual household emissions data, annual July 1st Northwest Territories population, and derived household emissions per capita. Population has increased slightly while carbon emissions continue to decrease and, as a result, per capita carbon emissions declined from 2009 to 2021. While COVID-19 pandemic lockdowns could be a partial cause of the 2020 and 2021 reductions, it is still a continuation of a lower per capita emission trend.

Over the 2009 to 2021 period, the average Northwest Territories household greenhouse gas emissions of 3,671 kilograms per person was 69 kilograms per person lower than Canadian average. This gap has continued to widen; in 2022 the average Northwest Territories household greenhouse gas emissions were 172 kilograms below the Canadian average, despite a colder climate and more heating days, because shelters are smaller (less square footage to heat) and better insulated. In addition, the average Northwest Territories resident drives less than the Canadian average.

Table 9: Carbon intensity, Northwest Territories households

	Household CO2e emissions (kilotonnes)	Population (number of people)	Carbon intensity (tonnes per person)	Carbon intensity ratio (ratio between carbon intensity and 2009-2019 average)
2009	193	43,171	4.5	1.2
2010	164	43,292	3.8	1.0
2011	185	43,493	4.3	1.2
2012	157	43,624	3.6	1.0
2013	152	43,774	3.5	0.9
2014	177	43,851	4.0	1.1
2015	179	44,247	4.0	1.1
2016	156	44,624	3.5	0.9
2017	133	44,656	3.0	0.8
2018	140	44,536	3.1	0.8
2019	146	44,442	3.3	0.9
2020	128	44,504	2.9	0.8
2021	120	44,579	2.7	0.8
2022	127	44,634	2.8	0.8
Average	154	44,102	3.5	

Sources: Statistics Canada Tables 38-10-0097-01 and 17-10-0005-01

Measuring Carbon Intensity in Industry

This report defines industry as all economic agents except households. The carbon intensity of industry is measured as emissions per dollar of output. Emissions are measured in kilotonnes and industrial output is measured in chained (2017) million dollars to remove the effect of inflation.

Reductions in the carbon intensity of industry is measured as the ratio of carbon intensity each year to the carbon intensity of the 2009 to 2019 average. A ratio less than one indicates improvement because the annual carbon intensity is below the medium-term average; a ratio greater than one indicates deterioration because the annual carbon intensity is above the medium-term average.

Northwest Territories Industrial Carbon Emission History

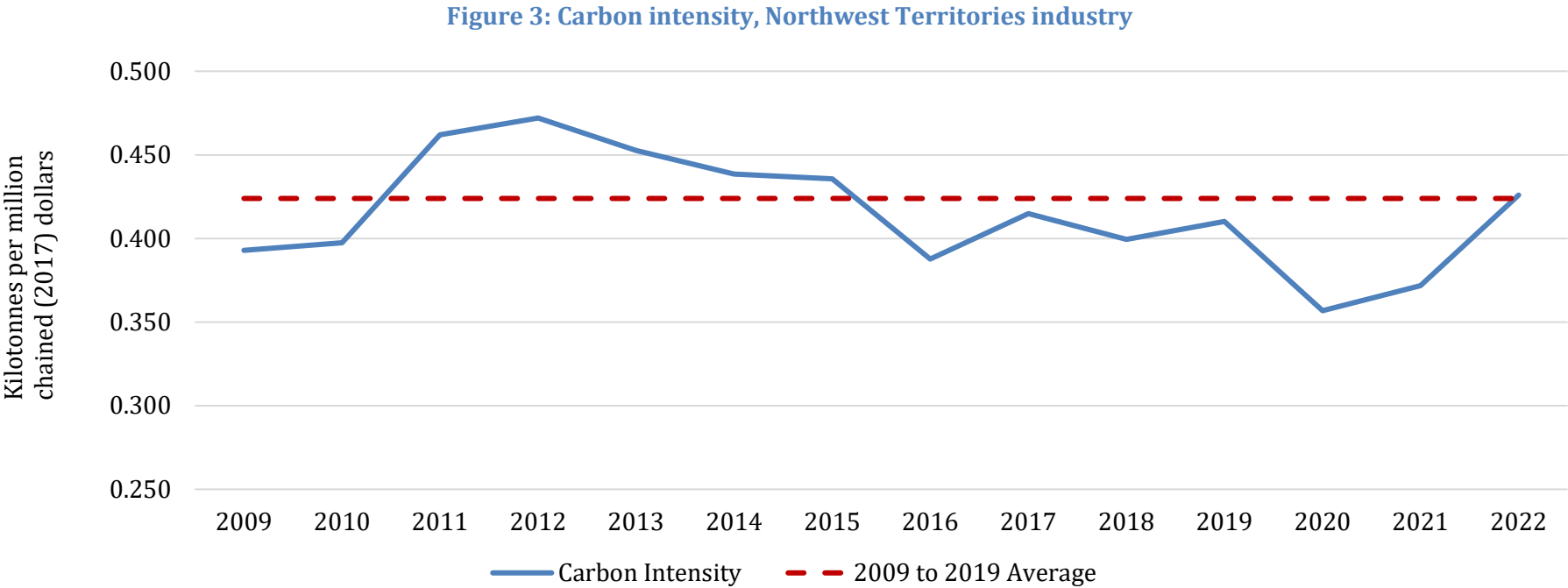
Table 10 shows the carbon intensity of Northwest Territories industry averaged 0.415 kilotonnes per million dollars GDP over the 2009 to 2022 period.

Table 10: Carbon intensity, Northwest Territories industry

	All industry emissions (kilotonnes)	GDP, basic prices (millions chained (2017) dollars)	Carbon intensity (kilotonnes per million chained (2017) dollars)	Carbon intensity ratio (Ratio between carbon intensity and 2009-2019 average)
2009	1,701	4,330	0.393	0.9
2010	1,768	4,449	0.397	0.9
2011	1,866	4,039	0.462	1.1
2012	1,896	4,017	0.472	1.1
2013	1,868	4,128	0.453	1.1
2014	1,897	4,324	0.439	1.0
2015	1,904	4,368	0.436	1.0
2016	1,638	4,319	0.379	0.9
2017	1,859	4,477	0.415	1.0
2018	1,830	4,541	0.403	1.0
2019	1,772	4,347	0.408	1.0
2020	1,416	3,968	0.357	0.8
2021	1,526	4,105	0.372	0.9
2022	1,795	4,214	0.426	1.0
Average	1,767	4,259	0.415	

Source: Statistics Canada Tables 38-10-0097-01 and 36-10-0402-01

Figure 3 shows that 2022 Northwest Territories industrial carbon intensity is about equal to the ten-year average.



Source: Statistics Canada Tables 38-10-0097-01 and 36-10-0402-01

Table 11 shows annual Northwest Territories carbon intensity by specific industries. Direct industry comparisons are difficult because the values of goods and services being produced or transported differ significantly. For example, many goods shipped by water transport, while of critical importance for remote communities, are of low dollar value, while air transport moves higher value goods, which can generate a much higher value added per kilotonne of emissions.

Table 11: Carbon intensities, Northwest Territories selected industries

	Carbon emissions kilotonnes per million dollars value added														
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	14-Year Average
Total, all industries	0.393	0.397	0.462	0.472	0.453	0.439	0.436	0.388	0.415	0.399	0.410	0.357	0.372	0.426	0.416
Non-metallic mineral mining & quarrying	0.807	0.808	1.044	1.313	1.291	1.057	1.073	0.778	0.518	0.594	0.723	0.713	0.662	0.722	0.865
Electric power generation, transmission & distribution	1.153	1.032	1.117	1.148	1.127	1.451	2.096	1.158	0.955	1.027	0.955	0.995	0.900	0.908	1.144
Air transportation	3.014	2.879	2.483	2.507	2.559	2.283	2.218	2.164	1.988	1.710	1.815	2.937	2.910	2.691	2.440
Water transportation	2.578	2.744	3.591	4.006	3.911	3.936	4.712	5.493	2.243	1.963	1.239	0.331	0.391	0.484	2.687
Other provincial & territorial government services	0.282	0.292	0.492	0.331	0.522	0.493	0.428	0.375	0.572	0.423	0.355	0.364	0.410	0.415	0.411

Source: Statistics Canada Tables 38-10-0097-01 and 36-10-0402-01

APPENDIX

The following table provides estimated Northwest Territories greenhouse gas emissions based on calendar year fuel tax data. Fuel volumes by calendar year are not available in this format before 2010.

Table A1: Northwest Territories Fuel Volumes by Type
Calendar Year 2010 to 2024
(thousands of litres)

Year	Gasoline	Aviation ¹	Motive Diesel	Railway Diesel	Non-Motive Diesel	Diesel Heating	Propane Heating ²
2010	49,178	51,591	87,749	115	110,122	94,966	..
2011	47,894	55,329	103,790	108	123,245	96,803	..
2012	49,019	59,128	107,143	600	135,476	97,090	..
2013	49,744	51,705	114,469	278	145,606	103,791	22,765
2014	47,251	50,180	126,130	189	148,568	84,895	20,506
2015	47,714	53,166	137,178	301	160,201	78,948	19,603
2016	52,888	51,245	144,628	154	121,925	77,591	18,045
2017	53,766	59,951	181,001	144	114,478	75,933	14,980
2018	49,734	59,812	165,864	115	122,598	88,191	15,670
2019	54,006	59,335	146,408	73	111,650	86,945	21,030
2020	46,365	41,000	104,138	120	102,261	89,144	28,769
2021	47,997	43,364	119,800	108	107,460	83,813	28,204
2022	47,785	55,508	124,947	105	112,539	89,494	28,099
2023	43,491	56,844	123,345	86	136,209	74,402	26,825
2024	45,041	63,881	112,198	53	138,682	78,357	30,090

Notes: ¹ Total of aviation gasoline and aviation turbo jet gasoline.

² ".." indicates that data are not available.

Source: NWT Finance

The following table estimates Northwest Territories greenhouse gas emissions by fuel type using the calendar year fuel tax data reported in Table A1.

**Table A2: Estimated Northwest Territories Greenhouse Gas Emissions by Fuel Type
Calendar Year 2010 to 2024
Greenhouse Gas Emissions (kilotonnes)**

Year	Gasoline	Aviation ¹	Motive Diesel	Railway Diesel	Non-Motive Diesel	Diesel Heating	Propane Heating ²	Total
2010	124	128	238	0.3	298	257	..	1,045
2011	120	138	281	0.3	334	262	..	1,136
2012	123	147	290	1.6	367	263	..	1,192
2013	125	129	310	0.8	394	281	35	1,275
2014	119	125	342	0.5	402	230	32	1,250
2015	120	132	372	0.8	434	214	30	1,303
2016	133	128	392	0.4	330	210	28	1,221
2017	135	149	490	0.4	310	206	23	1,314
2018	125	149	449	0.3	332	239	24	1,319
2019	136	148	397	0.2	302	236	33	1,251
2020	116	102	282	0.3	277	241	45	1,064
2021	121	108	325	0.3	291	227	44	1,115
2022	120	138	338	0.3	304	242	44	1,194
2023	109	141	334	0.3	369	202	42	1,211
2024	113	159	376	0.2	376	212	47	1,232

Notes: ¹ Total of aviation gasoline and aviation turbo jet gasoline.

² ".." indicates that data are not available.

Source: NWT Department of Finance