

1 Q. Reference: Regulated Activities: Evidence, p. 16 (lines 27-29), where it states "*it*
2 *is expected the cost of compliance [in relation to Greenhouse Gases] could be*
3 *in the range of \$1 to \$10 million annually during the first compliance period*
4 *2008-2012.* " What compliance measures are assumed in the context of the \$1
5 to \$10 million annual range?

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8 A. The compliance measure assumed in the context of the \$1 million to \$10 million
9 annual range is the estimated cost for the purchase of emissions reduction credits
10 to offset greenhouse gas emissions at the Holyrood Thermal Generating Station
11 (HTGS). In the context of the Kyoto Accord, the HTGS is considered a Large
12 Final Emitter. Before the last federal election, the Federal Department of Natural
13 Resources was investigating a number of different methods to allocate emissions
14 reductions among the Large Final Emitters in Canada. The \$1 million to \$10
15 million range was based on three of the allocation methods being considered.