

Canada's Clean Energy Investment Tax Credits: Insights as of October 2024

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The Canadian government has enacted four new refundable investment tax credits (ITCs) designed to grow Canada's clean economy and allow Canada to remain competitive in attracting investment in clean energy projects:

1. **The Clean Technology ITC**: A refundable tax credit of up to 30% of investments in eligible property acquired and available for use on or after March 28, 2023 and before 2034. For property that becomes available for use in 2034, this tax credit would be up to 15%. No tax credit would be available after 2034.
2. **The Clean Technology Manufacturing ITC**: A refundable tax credit of 30% of investments in eligible property to be used in clean technology manufacturing and critical mineral extraction and processing that is acquired and available for use in 2024 to 2031. This tax credit would reduce to 20% for 2032, 10% for 2033 and 5% for 2034. No tax credit would be available after 2034.
3. **The Clean Hydrogen ITC**: A refundable tax credit of up to 40% of investments in projects that produce hydrogen and become available for use on or after March 28, 2023 and before 2034. For investments that become available for use in 2034, this tax credit would generally be reduced by one-half. No tax credit would be available after 2034.
4. **The Carbon Capture, Utilization and Storage ("CCUS") ITC**: A refundable tax credit for expenditures incurred between January 1, 2022 and December 31, 2030 of:
 - up to 60% of Qualified Carbon Capture Expenditures incurred to capture carbon from ambient air;
 - up to 50% of Qualified Carbon Capture Expenditures incurred to capture carbon other than directly from ambient air; and
 - up to 37.5% of Qualified Carbon Transportation Expenditures, Qualified Carbon Storage Expenditures and Qualified Carbon Use Expenditures.

For the period January 1, 2031 to December 31, 2040, the tax credit would be reduced by one-half. No tax credit would be available after 2040.

These ITCs became law in June 2024. They are refundable tax credits. That is, they would be treated as amounts that have been paid by the taxpayer on account of tax, and if no more tax is payable for the year, the taxpayer would receive a refund.

Taxpayers would generally be able to claim only one of these tax credits in respect of the acquisition of an eligible property, even if the particular property would be eligible for more than one of these tax credits.

In addition to the above ITCs, the Canadian government has proposed two additional refundable ITCs:

5. **The Clean Electricity ITC**: A refundable tax credit of up to 15% of investments in projects that generate clean electricity, store electricity without the use of fossil fuels, or transmit electricity between provinces and territories. This tax credit would be available as of April 16, 2024 for projects that did not begin construction before March 28, 2023. No tax credit would be available after 2034.
6. **The Electric Vehicle Supply Chain ITC**: A tax credit of 10% of the cost of buildings used in the following supply chain segments: (i) electric vehicle assembly; (ii) electric vehicle battery production; and (iii) cathode active material production. The EV Supply Chain ITC would apply to property that is acquired and becomes available for use on or after January 1, 2024. The credit would be reduced to 5% for 2033 and 2034, and would no longer be in effect after 2034.

This bulletin provides a description of each of these tax credits. Following these descriptions, certain tax considerations that are relevant to the design of these tax credits are discussed.

The Tax Credits

1. *The Clean Technology ITC*

The purpose of the Clean Technology ITC is “to encourage the investment of capital in the adoption and operation of clean technology property in Canada.”

The Clean Technology ITC is only available to (i) taxable Canadian corporations and (ii) mutual fund trusts that are real estate investment trusts, including (iii) taxable Canadian corporations and mutual fund trusts that are real estate investment trusts that are members of a partnership that makes an investment in eligible property.

The Clean Technology ITC provides a 30% refundable tax credit for investments in eligible property that is both acquired and available for use on or after March 28, 2023 until December 31, 2033. Property that is acquired and available for use in 2034 is eligible for a 15% refundable tax credit. No tax credit is available for property that is acquired and available for use after 2034.

To be eligible for the Clean Technology ITC at the rates described above, a taxpayer must satisfy certain labour requirements. The labour requirements are generally met by:

- paying “covered workers” (generally, workers who are engaged in the preparation or installation of property eligible for the ITC) in accordance with a collective agreement (or by paying amounts that similar workers are paid under a collective agreement) (the “**prevailing wage requirements**”); and
- making reasonable efforts to ensure that at least 10% of the labour performed by workers in Red Seal trades is performed by registered apprentices (the “**apprenticeship requirements**”).

Taxpayers that do not elect to meet the labour requirements can claim the Clean Technology ITC at the above-noted rates reduced by 10 percentage points.

The types of property that may be eligible for the Clean Technology ITC include:

- equipment used to generate electricity from solar, wind and water energy;
- stationary electricity storage equipment that does not use any fossil fuel in operation;
- active solar heating equipment, air-sourced heat pumps and ground-source heat pumps;
- non-road zero-emission vehicles, and related charging and refueling equipment;

- equipment used exclusively for the purpose of generating electrical and/or heat energy solely from geothermal energy, but excluding any equipment that is part of a system that will extract fossil fuel for sale;
- concentrated solar energy equipment; and
- small modular nuclear reactors.

However, to be eligible for the Clean Technology ITC:

- the property must generally be situated in Canada and intended for use exclusively in Canada;
- the property must be new when acquired by the taxpayer; and
- if the property is to be leased by the taxpayer to another person,
 - the lessee must be (i) a taxable Canadian corporation, (ii) a mutual fund trust that is a real estate investment trust, or (iii) a partnership all the members of which are taxable Canadian corporations; and
 - the equipment must be leased in the ordinary course of carrying on a business in Canada by the taxpayer whose principal business is selling or servicing property of that type, or whose principal business is leasing property, lending money, purchasing conditional sales contracts, accounts receivable, bills of sale, chattel mortgages or hypothecary claims on movables, bills of exchange or other obligations representing all or part of the sale price of merchandise or services, or any combination thereof.

The Clean Technology ITC is potentially subject to “recapture” if, within 10 calendar years of the acquisition of the eligible property the property is converted to a non-clean technology use, is exported from Canada or is disposed of by the taxpayer.

Proposed amendments introduced in August 2024 will, among other changes, expand the eligibility for the Clean Technology ITC to include systems that produce electricity and/or heat from waste biomass. The expansion of the Clean Technology ITC to include waste biomass systems would be available for eligible property that is acquired and becomes available for use on or after November 21, 2023.

2. *The Clean Technology Manufacturing ITC*

The purpose of the Clean Technology Manufacturing ITC is “to encourage the investment of capital in Canada for a CTM use” (the meaning of “CTM use” is discussed below).

The Clean Technology Manufacturing ITC is only available to taxable Canadian corporations, including taxable Canadian corporations that are members of a partnership that makes an investment in eligible property.

The Clean Technology Manufacturing ITC applies to eligible property acquired and available for use in 2024 to 2034:

- 30% for property that is acquired and becomes available for use in 2024 to 2031,
- 20% for property that is acquired and becomes available for use in 2032,
- 10% for property that is acquired and becomes available for use in 2033, and
- 5% for property that is acquired and becomes available for use in 2034.

The labour requirements (see description of the labour requirements in the description of the Clean Technology ITC above) do not apply to the Clean Technology Manufacturing ITC.

The Clean Technology Manufacturing ITC is generally available in respect of “CTM property” that is acquired by a taxpayer for a “CTM use”.

CTM property includes:

- certain machinery and equipment used for manufacturing or processing, such as industrial robots used to manufacture electric vehicles or vats used to process cathode active materials;
- certain tangible property attached to buildings and other structures used for manufacturing or processing or that is required for machinery or equipment, such as ventilation systems used to remove chemical fumes or specialized electrical wiring used to provide power to solar panel manufacturing equipment;
- certain property used for mineral extraction and processing, such as equipment used to crush rock containing copper ore or kilns used to calcinate nickel ore;
- certain specialized tooling, such as moulds used to cast copper ingots at smelters or cutting parts of a machine used to cut solar cells; and
- certain non-road vehicles and automotive equipment, such as electric vehicles designed for use in factories or hydrogen-powered vehicles designed for extracting rock from mine sites.

However, to be CTM property:

- the property must be situated in Canada and intended for use exclusively in Canada;
- the property must be new when acquired by the taxpayer; and
- if the property is to be leased by the taxpayer to another person,
 - the lessee must be a taxable Canadian corporation or a partnership all the members of which are taxable Canadian corporations; and
 - the equipment must be leased in the ordinary course of carrying on a business in Canada by the taxpayer whose principal business is selling or servicing property of that type, or whose principal business is leasing property, lending money, purchasing conditional sales contracts, accounts receivable, bills of sale, chattel mortgages or hypothecary claims on movables, bills of exchange or other obligations representing all or part of the sale price of merchandise or services, or any combination thereof.

A CTM use means all or substantially all of the use of the property is for activities performed in connection with the manufacturing or processing of specified types of property, including manufacturing or processing in connection with:

- certain renewable energy equipment (solar, wind, water or geothermal);
- electrical energy storage equipment used to provide grid-scale storage or other ancillary services;
- equipment for air-source and ground-source heat pump systems;
- zero-emission vehicles, including conversions of on-road vehicles and equipment used to charge, or dispense hydrogen to such vehicles;
- equipment used to produce hydrogen by electrolysis of water;
- equipment that is a component of the above-noted properties;

- nuclear energy equipment;
- nuclear fuels and heavy water; and
- nuclear fuel rods.

A CTM use also includes the use of the property in a “qualifying mineral activity” producing all or substantially all “qualifying materials” (being: lithium, cobalt, nickel, copper, rare earth elements and graphite).

The Clean Technology Manufacturing ITC is potentially subject to recapture if, within 10 calendar years of the acquisition of the property, the property is converted to a non-CTM use, is exported from Canada or is disposed of by the taxpayer.

Proposed amendments introduced in August, 2024 will, among other changes, broaden the definition of “qualifying mineral activity” from producing *all or substantially all* qualifying minerals to producing *primarily* qualifying minerals.

3. The Clean Hydrogen ITC

The purpose of the Clean Hydrogen ITC is “to encourage the investment of capital in the production of clean hydrogen and clean ammonia in Canada.”

The Clean Hydrogen ITC is only available to taxable Canadian corporations, including taxable Canadian corporations that are members of a partnership that makes an investment in eligible property.

The Clean Hydrogen ITC applies to eligible property acquired and available for use on or after March 28, 2023 to 2034:

- For “eligible clean hydrogen property”, other than “clean ammonia equipment”, that is acquired and becomes available for use on or after March 28, 2023 and before 2034, the tax credit rate is, depending on the carbon intensity of the hydrogen that is produced, 40%, 25% or 15%.
- For clean ammonia equipment acquired and available for use in a clean hydrogen project before 2034, the tax credit rate is 15%.
- For property that is acquired and becomes available for use in 2034, these tax credit rates are reduced by one-half.
- No tax credit is available for property that becomes available for use after 2034.

Taxpayers that do not elect to meet the labour requirements (see description of the labour requirements in the description of the Clean Technology ITC above) may claim the Clean Hydrogen ITC at the above-noted rates reduced by 10 percentage points.

To be “eligible clean hydrogen property”, a property must become available for use in connection with a “qualified clean hydrogen project” of the taxpayer. A “qualified clean hydrogen project” is a project for which the Minister of Natural Resources has confirmed in writing that:

- hydrogen will be produced from “eligible pathway” (either electrolysis or from natural gas reforming (with carbon dioxide captured using a CCUS process));
- the expected carbon intensity has been determined in accordance with specific rules and can reasonably be expected to be achieved based on the project’s design; and

- if the project is intended to produce clean ammonia, the taxpayer has demonstrated (i) that the project can reasonably be expected to have sufficient hydrogen production capacity to satisfy the ammonia production facility; and (ii) if the hydrogen production facility and the ammonia production facility are not co-located, the feasibility of transporting hydrogen between the facilities.

“Eligible clean hydrogen property” must also (i) not have been used, or acquired for use or lease, by any person or partnership for any purpose whatsoever before it was acquired by the taxpayer and (ii) be situated in Canada.

The types of property that may be “eligible clean hydrogen property” include:

- equipment all or substantially all of the use of which is to produce hydrogen through electrolysis of water or from “eligible hydrocarbons”;
- property that is “clean ammonia equipment”, “dual-use electricity and heat equipment” or “dual-use hydrogen and ammonia equipment”;
- certain property that is physically and functionally integrated with the equipment described above; and
- equipment used for safety and integrity, or as part of a control or monitoring system, solely to support the equipment described above.

A taxpayer may be required to pay a “recovery tax” if the actual carbon intensity of a project is higher than the expected carbon intensity that was used to determine the Clean Hydrogen ITC.

The Clean Hydrogen ITC is potentially subject to recapture if, within 20 calendar years of the acquisition of the eligible clean hydrogen property, the property is converted to a non-hydrogen or ammonia use, is exported from Canada or is disposed of by the taxpayer.

Proposed amendments introduced in August, 2024 will make several technical changes to the Clean Hydrogen ITC, including the replacement of the concept of “dual-use hydrogen and ammonia equipment” with a broader concept of “oxygen and nitrogen production equipment”.

4. The Carbon Capture, Utilization and Storage ITC

The purpose of the CCUS ITC is “to encourage the investment of capital in the development and operation of carbon capture, transportation, utilization and storage capacity in Canada.”

The CCUS ITC is available only to taxable Canadian corporations, including a taxable Canadian corporation that is a member of a partnership that makes an investment in eligible property.

The CCUS ITC provides a refundable tax credit for expenditures incurred between January 1, 2022 and December 31, 2030 as follows:

- 60% for Qualified Carbon Capture Expenditures incurred to capture carbon from ambient air;
- 50% for Qualified Carbon Capture Expenditures incurred to capture carbon other than directly from ambient air; and
- 37.5% for Qualified Carbon Transportation Expenditures, Qualified Carbon Storage Expenditures and Qualified Carbon Use Expenditures.

For 2031 to 2040, the tax credit is reduced to one-half of the rates described above, and no tax credit would be available after 2040.

Taxpayers that do not elect to meet the labour requirements (see the description of the labour requirements in the description of the Clean Technology ITC above) may claim the CCUS ITC at the above-noted rates reduced by 10 percentage points.

Qualified Carbon Capture Expenditures, Qualified Carbon Transportation Expenditures, Qualified Carbon Storage Expenditures and Qualified Carbon Use Expenditures are required to be incurred in respect of a “Qualified CCUS Project” of a taxpayer.

A “Qualified CCUS Project” must be a “CCUS Project” that is intended to support a “CCUS Process”.

- A “CCUS Project” is a project that is intended to support a CCUS Process by (i) capturing carbon dioxide that would otherwise be released into the atmosphere or directly from the ambient air (ii) transporting captured carbon, or (iii) storing or using captured carbon.
- A “CCUS Process” is the process of carbon capture, utilization and storage that includes (i) the capture of carbon dioxide that would otherwise be released into the atmosphere or directly from the ambient air, and (ii) the storage or use of the captured carbon.

A “Qualified CCUS Project” must meet several additional conditions. The definitional regime is extremely complex. Simplified, a CCUS Project would be a Qualified CCUS Project if:

- there is a “project plan” that (i) reflects a front-end engineering design study for the CCUS Project, (ii) describes the quantity of captured carbon that the project is expected to support for storage or use over the project’s “total CCUS project review period” (which is generally approximately 20 years) in “eligible use” and “ineligible use”, (iii) contains information as required in guidelines published by the Minister of Natural Resources, and (iv) is filed with the Minister of Natural Resources before the first day of commercial operations;
 - “eligible use” means (i) the storage of captured carbon in dedicated geological storage; and (ii) the use of captured carbon in producing concrete in Canada or the United States using a “qualified concrete storage process”.
 - “ineligible use” means (i) the emission of captured carbon into the atmosphere other than for system integrity or safety or incidental emission made in the ordinary course of operations, (ii) the storage or use of captured carbon for enhanced oil recovery, and (iii) any other storage or use that is not an eligible use.
- it is expected, based on the project’s most recent project plan, to support the capture of carbon dioxide in Canada for a period at least equal to the total CCUS project review period;
- an initial project evaluation has been issued by the Minister of Natural Resources; and
- its “projected eligible use percentage” is at least 10% for each year of the project’s total review period (the “projected eligible use percentage” is (i) the quantity of captured carbon that the CCUS project is expected to support for storage or use in “eligible use” during the period; divided by (ii) the total quantity of captured carbon that the CCUS project is expected to support for both “eligible use” and “ineligible use” during the period).

Qualified Carbon Capture Expenditures in respect of a Qualified CCUS Project is the portion of an expenditure incurred to acquire property that is used for the capture aspect of a CCUS Project (in contrast to property used in other parts of a CCUS project, such as for transportation, storage or use). The portion of the expenditure that qualifies is determined based on the proportion of the captured carbon that the CCUS project is expected to support for storage or use in “eligible uses” as compared to “ineligible uses”.

Qualified Carbon Transportation Expenditures in respect of a Qualified CCUS Project is the portion of an expenditure incurred to acquire equipment situated in Canada that is to be used solely for transportation of captured carbon, including equipment used for the transportation system safety and integrity. The portion of the expenditure that is eligible depends on the project's "projected eligible use percentage" and the remaining portion of the project's total review period.

Qualified Carbon Storage Expenditures in respect of a Qualified CCUS Project is the cost of equipment situated in Canada that is to be used solely for storage of captured carbon in a geological formation, including equipment used for the storage system safety and integrity. The storage of captured carbon must be in "dedicated geological storage", which means (i) it is located in a "designated jurisdiction" (currently included are British Columbia, Saskatchewan and Alberta); (ii) it is capable of permanently storing captured carbon, (iii) it is authorized and regulated for the storage of captured carbon under the laws of the designated jurisdiction; and (iv) it is a formation in which no captured carbon is used for enhanced oil recovery.

Qualified Carbon Use Expenditures in respect of a Qualified CCUS Project is the cost of equipment situated in Canada to be used solely for using captured carbon in industrial production (including for enhanced oil recovery) that is expected to support storage or use of captured carbon solely in producing concrete in Canada or the United States using a "qualified concrete storage process".

Qualified Carbon Capture Expenditures, Qualified Carbon Transportation Expenditures, Qualified Carbon Storage Expenditures, and Qualified Carbon Use Expenditures also include (i) certain ancillary equipment that is physically and functionally integrated with the equipment described above and is used solely to support the equipment described above; (ii) equipment used for safety and integrity or as part of a control or monitoring system to support the equipment described above; and (iii) a building or other structure all or substantially all of which is used, or to be used, for the installation or operation of the equipment described above.

The CCUS ITC regime contemplates a recovery tax that may apply where the "projected eligible use percentage" is no longer projected or is not achieved. Recovery tax may also be payable if the taxpayer disposes of the property or exports the property from Canada.

Proposed amendments introduced in August, 2024 will make several technical changes to the CCUS ITC.

5. The Clean Electricity ITC

The following description of the Clean Electricity ITC is based on draft legislation released in August, 2024. The Clean Electricity ITC is not law.

The purpose of the Clean Electricity ITC is to encourage the investment of capital in the deployment of clean electricity property in Canada.

The Clean Electricity ITC would be available to:

- taxable Canadian corporations;
- designated provincial / territorial Crown corporations (and their subsidiaries);
- certain municipally-owned corporations (and their subsidiaries);
- certain corporations owned by Indigenous governing bodies (and their subsidiaries);
- certain pension investment corporations; and

- certain trusts whose beneficiaries are pension investment corporations.

The Clean Electricity ITC would provide a refundable tax credit of 15% for property that is acquired and available for use after April 16, 2024 and before 2035. This 15% rate may be reduced to 5% if the claimant does not elect to meet the labour requirements (see description of the labour requirements in the description of the Clean Technology ITC above).

The types of property that may be eligible for the Clean Electricity ITC include:

- hydro-electric installations;
- equipment used to generate electricity from solar, wind or water energy;
- nuclear, geothermal, and waste biomass electricity generation equipment;
- fixed location energy storage property or pumped hydroelectric energy storage property, excluding any equipment that uses any fossil fuels in operation;
- “qualified natural gas energy equipment”;
- “qualified interprovincial transmission equipment”; and
- property that is incorporated into property described above as part of a refurbishment.

However, to be eligible for the Clean Electricity ITC,

- the property must not be part of a project for which construction commenced before March 28, 2023;
- the property must be situated in Canada and intended for use exclusively in Canada;
- if the claimant is a designated provincial Crown corporation, the property must be situated in an eligible province;
- the property must be new when acquired by the claimant;
- if the property is to be leased by the taxpayer to another person,
 - the lessee must be a qualifying entity or a partnership all the members of which are qualifying entities; and
 - the property must be leased in the ordinary course of carrying on a business in Canada by the claimant whose principal business is selling or servicing property of that type, or whose principal business is leasing property, lending money, purchasing conditional sales contracts, accounts receivable, bills of sale, chattel mortgages or hypothecary claims on movables, bills of exchange or other obligations representing all or part of the sale price of merchandise or services, or any combination thereof.

The Clean Electricity ITC would potentially be subject to “recapture” if, within 10 calendar years (or 20 calendar years in the case of qualified natural gas energy equipment), the property is converted to an ineligible use, is exported from Canada or is disposed of by the claimant. A claimant may also be required to pay a recovery amount if the actual emission intensity of a qualified natural gas energy system exceeds certain thresholds.

6. *The Electric Vehicle Supply Chain ITC*

The following description of the Electric Vehicle Supply Chain ITC is based on the materials released by the federal government in connection with its 2024 Budget.

The Electric Vehicle Supply Chain ITC would be a 10% ITC on the cost of buildings used in the following supply chain segments: (i) electric vehicle assembly; (ii) electric vehicle battery production; and (iii) cathode active material production. For a taxpayer's building costs to qualify for the Electric Vehicle Supply Chain ITC, the taxpayer (or, generally, a member of the taxpayer's related group) must claim the Clean Technology Manufacturing ITC in all three segments.

The EV Supply Chain ITC would apply to property that is acquired and becomes available for use on or after January 1, 2024. The credit would be reduced to 5% for 2033 and 2034, and would no longer be in effect after 2034.

It is anticipated that further design and implementation details will be provided in the federal government's 2024 Fall Economic Statement.

Certain Tax Considerations

Partnerships

As described above, the clean energy ITCs are available to investments made by an eligible claimant either directly or as a member of a partnership. Where the investments are made by a partnership, there are several additional considerations:

- Where a partnership makes an investment in property that is eligible for more than one type of clean energy ITCs, the partners are not required to choose the same type of ITC in respect of the property (this has been clarified in proposed amendments released in August, 2024). This may be advantageous where certain partners are ineligible to claim certain types of clean energy ITCs (for example, the partner may not be a taxable Canadian corporation and is limited in the types of clean energy ITCs that are available to it).
- The total amount of clean energy ITCs that can be allocated to a limited partner is restricted to the limited partner's "at-risk amount". A limited partner's "at-risk amount" reflects, in part, the amount invested in the limited partnership by the limited partner. As a consequence, financing obtained by the partnership (which does not increase a limited partner's at-risk amount) – as opposed to financing obtained by the limited partners directly and used to make contributions to the partnership (which may increase the limited partners' at risk amount) – may limit the amount of tax credits that are available to limited partners.
- The allocation of clean energy ITCs by a partnership to its members must be reasonable in the circumstances having regard to the capital invested in and the work performed for the partnership by the member "or such other factors as may be relevant".

Tax Shelters and Tax Shelter Investments

The Canadian *Income Tax Act* contains rules that apply to "tax shelter investments". The tax shelter investment rules can apply to reduce a taxpayer's cost in a tax shelter investment and may deny any expenditures incurred by the tax shelter investment itself. The clean energy ITCs are denied in respect of a property if the property (or, in the case of a CCUS project, any property used in the project) – or an interest in a person or partnership that

has, directly or indirectly, an interest in such property (or, in the case of a CCUS project, a property used in the project) – is a tax shelter investment.

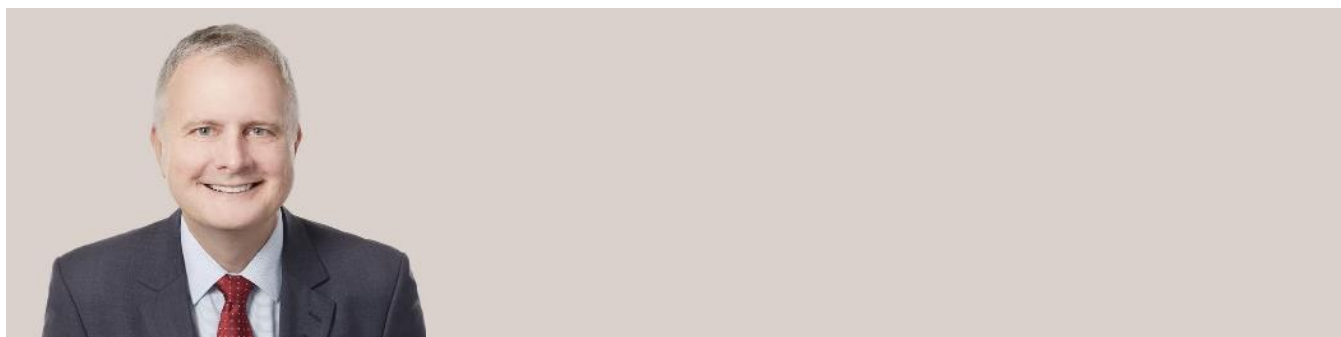
Government and Non-Government Assistance

As described above, the clean energy ITCs are calculated as a percentage of the cost of property that is eligible for the ITC. For the purposes of the Clean Technology ITC, the Clean Technology Manufacturing ITC, the Clean Hydrogen ITC and the proposed Clean Electricity ITC, the cost of property is reduced by “government assistance” and “non-government assistance” (i) received by the claimant in or before the taxation year in which the property was acquired, or (ii) that, in the taxation year, the claimant is entitled to or can reasonably be expected to receive. For these purposes,

- “government assistance” is assistance from a government, municipality or other public authority, whether as a grant, subsidy, forgivable loan, deduction from tax, investment allowance or any other form of assistance, other than “excluded loans” and ITCs. An “excluded loan” is, generally speaking, a non-forgivable loan from a government, municipality, or other public authority in Canada for which *bona fide* repayment arrangements for repayment of the loan within a reasonable time are made at the time the loan was made.
- “non-government assistance” is similar to “government assistance”, except that it does not include amounts received from a government, municipality or other public authority and does not carve out “excluded loans”.

Unlike the other clean energy ITCs, the cost of property eligible for the CCUS ITC is reduced by non-government assistance, but not by government assistance. Accordingly, unlike the other clean energy ITCs, the CCUS ITC may be “stacked” with other credits and funding support provided by a government, municipality or other public authority.

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