

What To Expect From The Government's 2026 Carbon Pricing Program Review



A review of the federal carbon pricing program will soon be underway after the Liberal government was re-elected in Canada's 2025 election. In a webinar hosted by ClearBlue Markets—which was later reported on by [Carbon Pulse](#)—partner and head of Torys' Climate Chance practice [Tyson Dyck](#) said “equivalency” of provincial programs could be a focus of the Government's formal review in 2026.

“I think in the coming months, we're going to start to see those meetings happen behind the scenes between provincial, territorial, and federal governments, thinking about the core aspects of equivalency between those different programs,” he said.

Equivalency, however, “means a number of things,” Tyson explained. While pricing is a very important factor, it's not the only consideration.

“Is there an equivalent and effective industrial carbon price in the province relative to the federal backstop price? Does the principal program also have a common scope of coverage? Does it cut for the same percentage of emission sources? Does it send a clear price signal? Does it provide protections to emissions intensive and trade exposed industries?”

There have also been discussions about linking some provincial

programs together, Tyson said—though this could result in challenges.

“If that’s the route that we’re heading, we might see some pushback from certain provinces like Alberta that would very much like to have control over what they’re doing and not be subject to different market dynamics—that might make Alberta a net buyer or net seller of compliance credits to other jurisdictions,” he said.

As these conversations progress, Tyson says he “doesn’t expect public-facing policy movement on this matter” until the end of 2025 and into 2026.

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The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

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