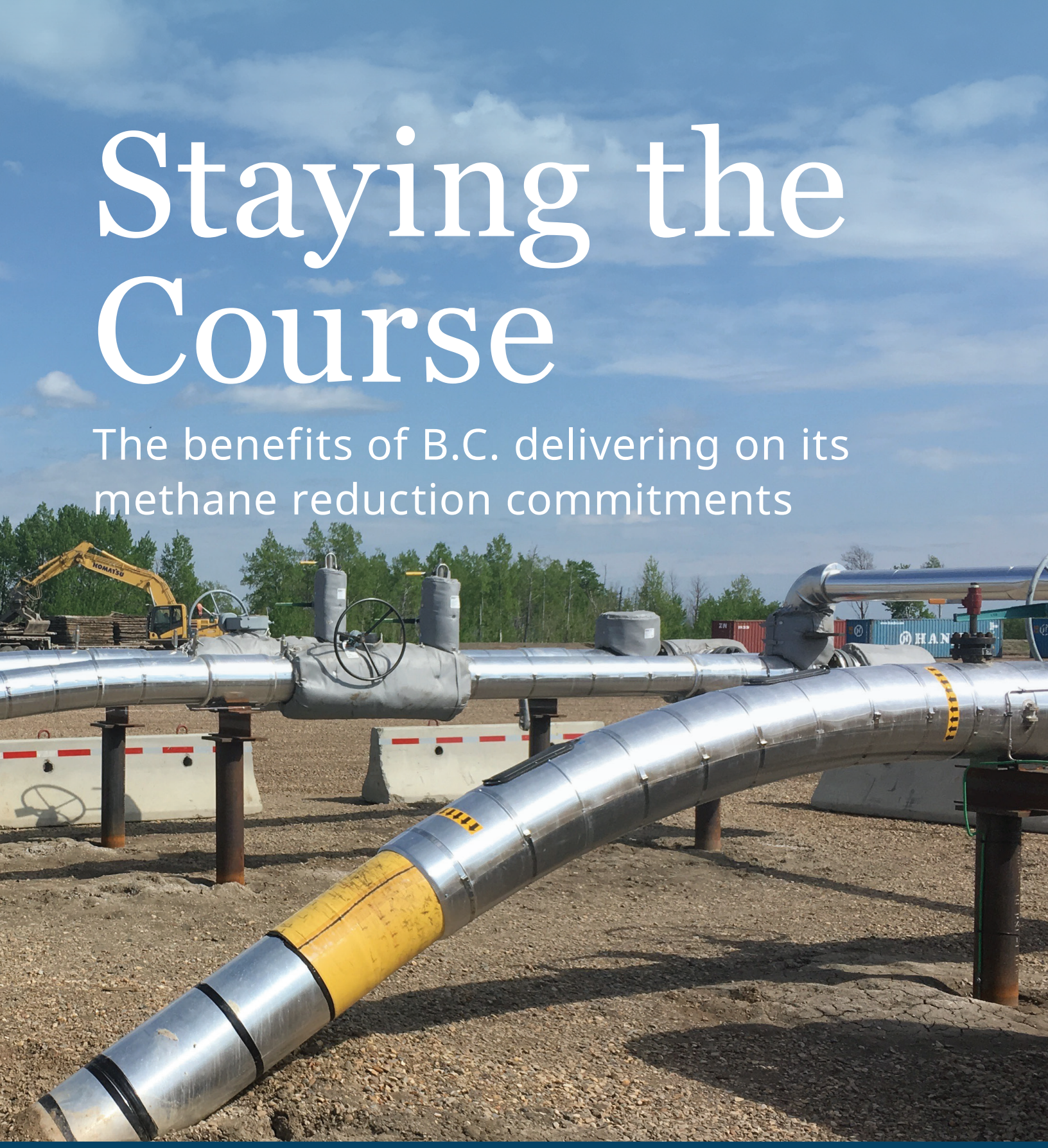
Staying the Course

The benefits of B.C. delivering on its methane reduction commitments



November 2026

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The Pembina Institute recognizes and affirms the unceded ancestral territories of the xʷməθkʷəy̓əm (Musqueam), Sḵwx̱wú7mesh (Squamish), and səlilwətaɬ (Tsleil-Waututh) Nations. We respectfully acknowledge the presence of many diverse First Nations, Inuit, and Métis Peoples on these lands.

These acknowledgements are part of the start of a journey of several generations. We share them in the spirit of truth, justice and reconciliation, and to contribute to a more equitable and inclusive future for all.

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Executive summary

British Columbia's CleanBC plan includes targets to reduce oil and gas methane emissions 75% below 2014 levels by 2030 and to achieve near-elimination of industrial methane emissions by 2035. This report finds that delivering on these 2030 and 2035 targets will bring real, quantifiable benefits to the province, including increased natural gas revenues for producers and royalties for government, net social benefits, well-paying jobs, and globally exportable methane technology and expertise.

Opportunities remain to strengthen the province's approach by clearly defining what constitutes "near-zero" methane emissions by 2035, developing regulations for all affected sectors, and continuing to expand monitoring, measurement, verification and enforcement activities. Nevertheless, the Pembina Institute urges the B.C. government to stay the course with its approach to regulating and reducing oil and gas methane emissions.

B.C. has established itself as a leader in reducing methane emissions from the oil and gas sector. According to Environment and Climate Change Canada's 2023 National Inventory Report, oil and gas methane emissions in the province were 52% below 2014 levels by 2023, allowing B.C. to meet and surpass its 2025 methane reduction target two years early. Over the same period, marketable natural gas production increased substantially, demonstrating that methane emissions can be reduced while maintaining production growth.

Methane reduction is a high-impact and relatively low-cost means of slowing the effects of climate change. In the first instance, effective methane policies lower emissions of a highly potent greenhouse gas. They also have the co-benefits of conserving natural gas that would otherwise be lost to the atmosphere, generating economic value for producers and government, and supporting employment and innovation in methane mitigation and measurement. Delivering on B.C.'s methane commitments also strengthens the province's reputation as a producer of relatively low-methane-intensity natural gas and helps position it to respond to growing international interest in lower-emissions energy imports.

This report finds that the implementing the regulations and meeting the reduction targets would have measurable co-benefits, including:

- An estimated **1,543 kt of cumulative methane emissions reductions** between 2018 and 2035 as methane emissions continue to decline under existing targets and regulations
- Approximately **$1.1 billion in net benefits** in this same time period, after accounting for compliance costs, the value of conserved gas and avoided climate damages estimated using the social cost of methane, which factors in

    - **$186 million in cumulative gross revenue** that producers would earn from conserved natural gas under a moderate price scenario, with estimated revenues ranging from **$110 million to $270 million** under low- and high-price scenarios
    - **Potential cumulative government royalties of approximately $26 million**, with estimated royalties ranging from **$16 million to $36 million** depending on natural gas prices and royalty rates
- A **globally competitive methane intensity** that strengthens B.C.'s position as a supplier of lower-methane-intensity natural gas and supports access to markets such as South Korea, Japan, and the European Union that are increasingly focused on emissions performance
- Support for **high-quality employment in methane mitigation and measurement**, including the development and export of B.C.-based technology, services and expertise

B.C.'s experience demonstrates that strong methane regulations can deliver measurable environmental and economic benefits. By staying the course on existing commitments and continuing to improve regulatory certainty and implementation, the province can build on its record of success, generate additional value from conserved natural gas, support well-paying jobs, and continue reducing oil and gas sector emissions.

However, while B.C.'s natural gas production may have a relatively low emissions profile, this should not be viewed as a rationale for further LNG expansion. Significant lifecycle emissions uncertainties, environmental impacts, high project costs, and growing competition from lower-cost suppliers make further LNG expansion inadvisable for B.C, despite the importance of ensuring production for existing exports remains comparatively low-emissions.

1. Introduction

The Government of British Columbia met and surpassed its 2025 oil and gas methane emissions reduction target two years ahead of schedule.[1] Environment and Climate Change Canada's (ECCC's) *National Inventory Report 1990-2024* (NIR) suggests that oil and gas methane emissions in B.C. were 50% lower in 2024 than in 2014 (Figure 1). Notably, aerial methane data was integrated into the last three inventory reports, mostly addressing the longstanding mismatch between estimates in previous NIRs and academic studies.[2] While methane emissions have declined, marketable natural gas production has increased by 67% over the same time period (Figure 1). This is a significant achievement in the context of broader Canadian climate policy, as Canada has a poor track record of meeting climate targets.[3]

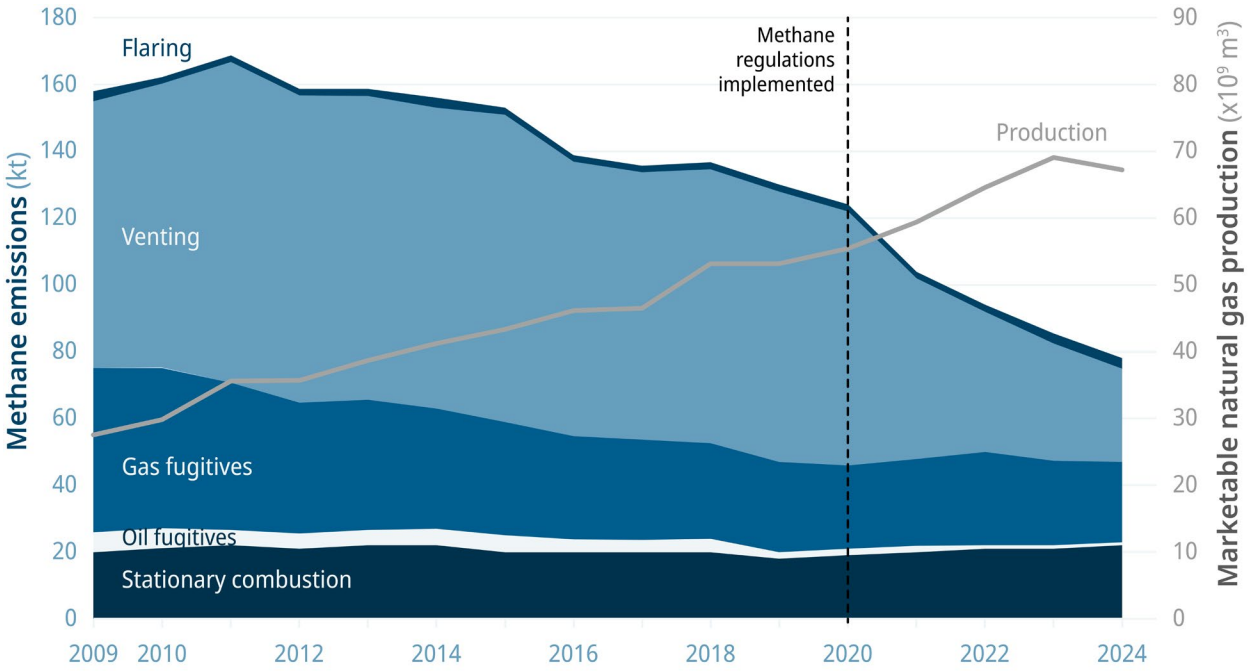


Figure 1. B.C.'s oil and gas methane emissions by source and marketable natural gas production

Data source: Environment and Climate Change Canada, Government of British Columbia[4]

[1] Amanda Bryant, "B.C. meets its methane emissions target early," *Pembina Institute*, May 22, 2025. https://www.pembina.org/blog/bc-meets-its-methane-emissions-target-early

[2] Elton Chan et al., "Hybrid bottom-up and top-down framework resolves discrepancies in Canada's oil and gas methane inventories," *Communications Earth & Environment* 5, no. 1 (2024). https://doi.org/10.1038/s43247-024-01728-6

[3] Peter Zimonjic, "Canada's climate change efforts going from 'failure to failure,' says commissioner's report," *CBC News,* November 25, 2021. https://www.cbc.ca/news/politics/environment-commissioner-report-failure-to-failure-1.6262523

[4] Environment and Climate Change Canada [ECCC], *National Inventory Report 1990–2024: Greenhouse Gas Sources and Sinks in Canada* (2026). 1990–2024 GHG Emissions by IPCC Sector for British Columbia. Data

The provincial CleanBC plan sets carbon emissions reduction targets for various years leading up to 2050.[5] Key goals are to reduce methane emissions from B.C.'s oil and gas industry by 75% below 2014 levels by 2030 and to nearly eliminate industrial methane emissions by 2035. These targets and B.C.'s progress to meet them have earned the province a reputation as a leader in reducing oil and gas methane emissions. As such, B.C. is strategically positioned to supply measurement-confirmed, lower-methane natural gas to domestic and global markets.

This report outlines the benefits of the B.C. government continuing to deliver on its methane commitments by upholding current reduction targets and recently amended regulations for oil and gas methane emissions in the province. Reducing methane emissions is a pragmatic, cost-effective policy priority that increases revenues for industry and governments, avoids climate damages, creates jobs, and catalyzes the development of Canadian-made technology and expertise.[6]

available at ECCC Data Catalogue, "Canada's Official Greenhouse Gas Inventory," Canada's Greenhouse Gas Emission Tables by IPCC Sector. https://data-donnees.az.ec.gc.ca/data/substances/monitor/canada-s-official-greenhouse-gas-inventory/A-IPCC-Sector?lang=en

Government of British Columbia, "Production and distribution of Natural Gas in B.C." spreadsheet, September 4, 2026. https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/natural-gas-oil/production-statistics/gasnew.xls

[5] Government of British Columbia, *CleanBC: Roadmap to 2030*. https://www2.gov.bc.ca/assets/gov/environment/climate-change/action/cleanbc/cleanbc_roadmap_2030.pdf

[6] Amanda Bryant, "Action on methane makes sense now more than ever," *Pembina Institute*, February 12, 2025. https://www.pembina.org/blog/action-methane-makes-sense-now-more-ever

2. Benefits of regulating oil and gas methane

Environment and Climate Change Canada's *National Inventory Report 1990-2024* estimates that B.C.'s methane emissions from oil and gas were 79 kilotonnes (kt), 50% below 2014 levels of 158 kt.[7] While B.C.'s methane targets are based on a 2014 baseline, Figure 1 shows the effect of methane regulations, which were announced in 2018, leading to decreasing emissions after that year. Thus, for the purposes of this report, we use 2018 as the baseline year to quantify the reductions and benefits directly attributable to the regulations.

Further emissions reductions

Figure 2 shows that oil and gas methane emissions in the province will continue to trend downward if B.C. delivers on its current targets and fully implements its amended regulations, potentially reaching 18 kt/yr in 2035 if emissions are reduced 90% below 2014 levels (our way of operationalizing "near-zero" for the purposes of this report). The data underpinning Figure 2 are historic estimates of B.C.'s oil and gas methane emissions from the NIR, targets for 2030 and 2035, and estimates of emissions for years without data (see Appendix A for methodology). The majority of the reductions are estimated to come from limiting or eliminating venting from compressor seals, pneumatics, and other equipment such as hydrocarbon storage tanks, and strengthened leak detection and repair (LDAR) requirements for wells and facilities.[8] We estimate that cumulative methane reductions below 2018 levels by 2035 will total 1543 kt. Since mitigation options such as controlling tank vents with vapour recovery units (VRUs) can lead to leaks or other emissions further upstream in site processes,[9] monitoring and verification efforts are needed to ensure the regulations achieve stated outcomes.

[7] ECCC, "Canada's Official Greenhouse Gas Inventory."

[8] British Columbia Energy Regulator, "Reducing Methane Emissions from the Oil and Gas Sector: June 2023 Engagement Session," June 2023. https://www.bc-er.ca/files/articles/Methane-Regulatory-Development-Engagement-2030-Methane-Emmissions-target.pdf

[9] Matthew R. Johnson, David R Tyner, and Bradley M Conrad. "Origins of Oil and Gas Sector Methane Emissions: On-Site Investigations of Aerial Measured Sources." *Environmental Science & Technology* 57, no. 6 (2023). https://doi.org/10.1021/acs.est.2c07318

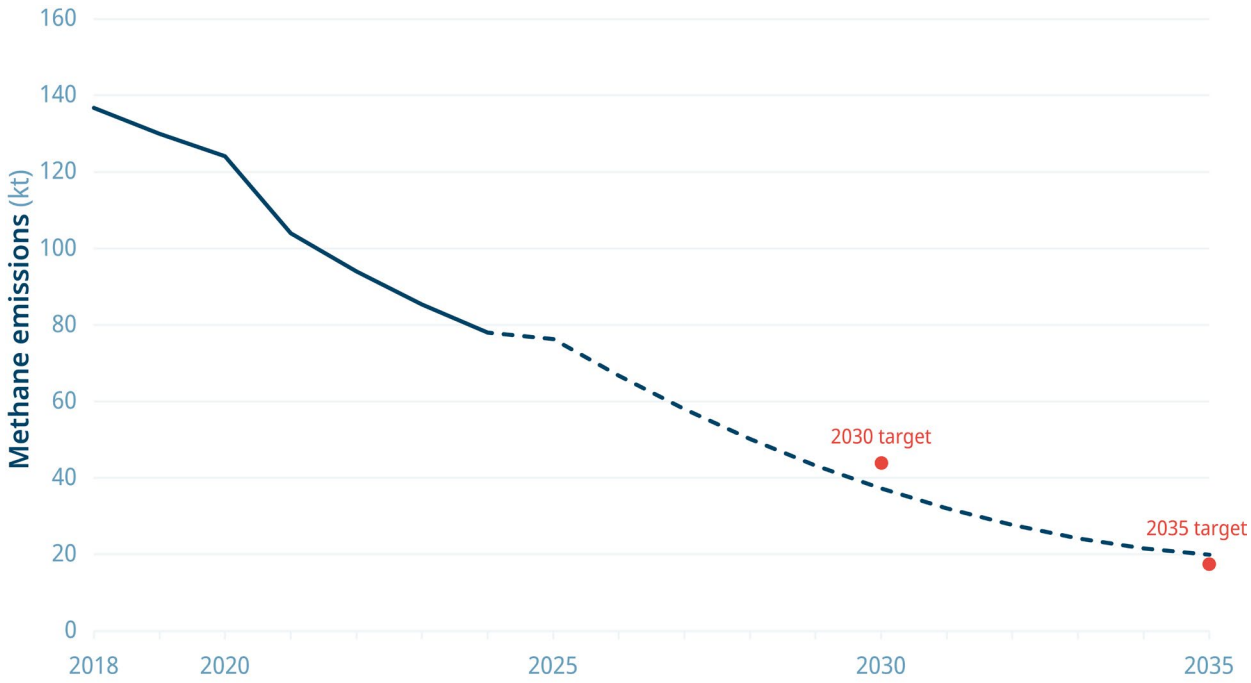


Figure 2. Historic and projected oil and gas methane emissions in B.C. and reduction targets

Data source: Environment and Climate Change Canada[10]

Revenues from conserved gas

Methane regulations are designed to reduce potent greenhouse gas emissions that contribute to global warming and harm human health, but they also have the added benefit of conserving gas that would otherwise be released into the atmosphere. This gas can be marketed and sold, partially offsetting mitigation costs for industry. The Pembina Institute modelled three scenarios to estimate the value of this conserved natural gas in low, moderate, and high price environments after 2025.

Estimated revenue

Figure 3 shows that even in a sustained, low natural gas price environment ($0.90/GJ), gross cumulative value of the conserved gas totals $110 million, whereas a moderate price environment ($1.90/GJ) generates $186 million, and a high price environment ($3.00/GJ) $270 million (all in Canadian dollars). If B.C.'s natural gas markets tighten due to increased liquefied natural gas (LNG) exports, then any additional gas captured and marketed via the methane regulations is unlikely to lower gas prices for British Columbians.[11] However, we

[10] ECCC, 1990–2024 GHG Emissions by IPCC Sector for British Columbia.

[11] Mark Ogge, "Canada, don't make the same mistake with LNG that Australia did," *CBC News*, July 22, 2025. https://www.theglobeandmail.com/business/commentary/article-canada-lng-exports-gas-prices-australia/

estimate that government royalties, which fund social programs, could total $16 million to $36 million annually between 2018 to 2035, depending on natural gas prices and royalty rates.

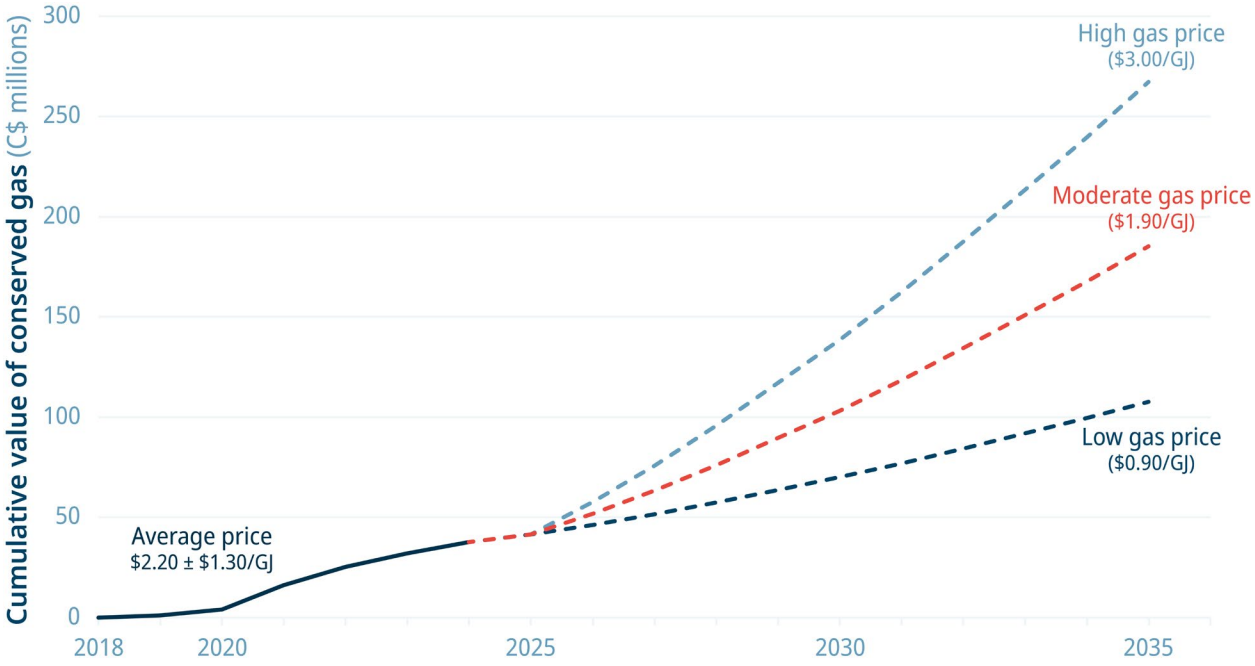


Figure 3. Cumulative value of methane conserved due to regulations under three natural gas pricing scenarios

Compliance cost

The methane regulations B.C. implemented in 2020 closely mirrored federal regulations. Estimated costs of the federal regulations were $31/tonne of carbon dioxide equivalent (CO_2e).[12] ECCC estimates that the costs of the draft amendments to the federal regulations to reduce oil and gas methane 75% below 2012 levels by 2030 are $71/tonne CO_2e.[13] Using these values, estimated reductions below 2018 for each year (Figure 2), and a global warming potential of 28 for methane, we estimate that the compliance costs of B.C.'s methane emission regulations from 2018 to 2035 at a total $2.9 billion.

Some of this cost would be offset by the value of the methane emissions avoided due to the regulations, noted above. In a future with sustained, moderate natural gas prices, we estimate about 7% of industry's compliance costs after royalty payments would be offset (low gas price =

[12] Government of Canada, *Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector): Regulatory Impact Analysis Statement (RIAS)*, 2017. https://gazette.gc.ca/rp-pr/p1/2017/2017-05-27/html/reg1-eng.html

[13] Government of Canada, *Regulations Amending the Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector): Regulatory Impact Analysis Statement,* 2023. https://gazette.gc.ca/rp-pr/p1/2023/2023-12-16/html/reg3-eng.html

3.8%, high gas price = 9.9%). This assumes a static royalty rate of 12%, implicit of deductions and allowances, from 2027 to 2035, which is in line with recent provincial budgets.

Net social benefits

Cumulatively, total societal benefits of B.C.'s methane regulations from 2018 to 2035 are $3.7 billion (Figure 4). We followed federal methodologies in using the social cost of methane (SCM) and annual reductions below 2018 levels from 2018 to 2035 to estimate the benefits of avoided global climate damages (see Appendix A). The SCM is an estimate of the potential economic damages caused by an additional tonne of methane entering and warming the atmosphere.[14] Figure 4 shows quantified benefits (discounted at a rate of 2%) along with the annual SCM values used (in 2021 dollars).

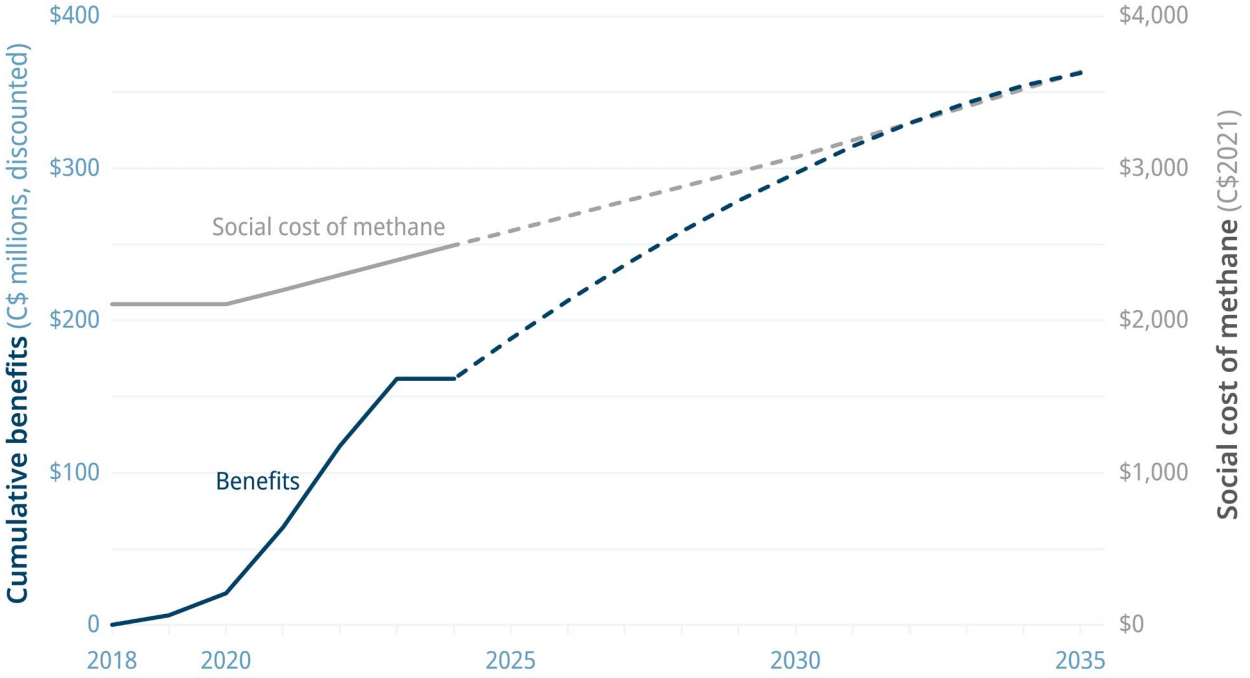


Figure 4. Cumulative estimated societal benefit of methane emissions avoided due to compliance with B.C. regulations, based on the social cost of methane

Overall, we estimate that methane regulations have a net benefit of about $1.1 billion over this time period after considering compliance costs, the value of conserved gas, and societal benefits.

[14] Frank C. Errickson et al., "Equity is more important for the social cost of methane than climate uncertainty," *Nature* 592, no. 7855 (2021). https://doi.org/10.1038/s41586-021-03386-6

Globally competitive methane intensity

Figure 5 shows that the methane intensity of natural gas produced in B.C. in 2021 was 0.05 g of methane per megajoule (MJ), equivalent to a methane leakage or loss rate of ~0.4%. We estimated the methane intensity of B.C.'s natural gas following the Natural Gas Sustainability Initiative's Methane Emissions Intensity Protocol Version 2.[15] Estimates of methane emissions from B.C.'s oil and gas industry in Figure 2 and Canada's Energy Futures 2023 projections for natural gas, light crude oil, and condensate production under the "Current Measures" scenario[16] underpinned the estimates. These estimates are nearly identical to 2021 methane intensity and loss rate estimates for B.C.'s natural gas in peer-reviewed, measurement-informed inventory studies.[17] This is unsurprising given that the NIR now integrates the same aerial data into estimates.

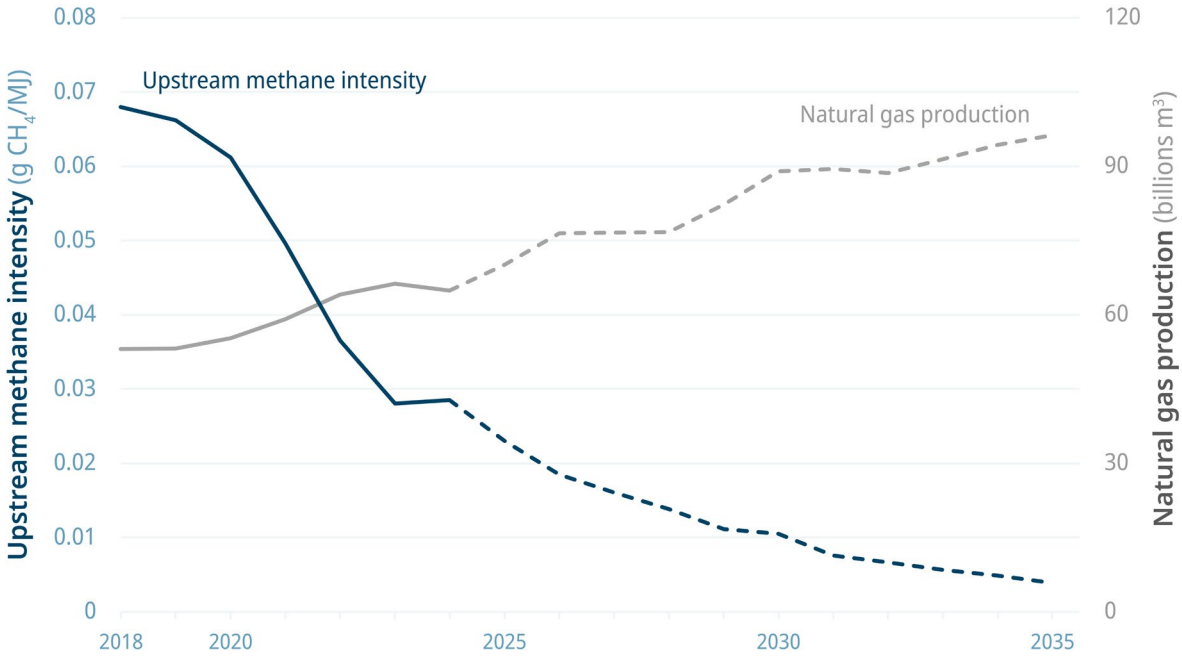


Figure 5. Historic and projected upstream methane intensity and natural gas production in B.C.

[15] Edison Electric Institute and American Gas Association, "Natural Gas Sustainability Initiative (NGSI) Version 2.0," 2024. https://www.eei.org/-/media/Project/EEI/Documents/Issues-and-Policy/NGSI_MethaneIntensityProtocol.pdf

[16] Canada Energy Regulator, "Natural Gas Production," October 25, 2017. https://apps.cer-rec.gc.ca/ftrppndc/dflt.aspx?GoCTemplateCulture=en-CA

[17] Bradley M. Conrad et al, "A measurement-based upstream oil and gas methane inventory for Alberta, Canada reveals higher emissions and different sources than official estimates." *Communications Earth & Environment* 4, no. 1 (2023). https://doi.org/10.1038/s43247-023-01081-0

Matthew R. Johnson, Bradley M. Conrad, and David R. Tyner, "Creating measurement-based oil and gas sector methane inventories using source-resolved aerial surveys." *Communications Earth & Environment* 4, no. 1 (2023). https://doi.org/10.1038/s43247-023-00769-7

Figure 5 shows that the regulations will continue to drive the methane intensity of B.C.'s natural gas production down, even as production grows. Provided that amended regulations are upheld, B.C.'s natural gas will continue to fall below the Oil and Gas Climate Initiative's production loss rate target of 0.2%.[18] B.C.'s low-methane natural gas is an attractive target for Asian economies such as Japan, South Korea, and possibly others increasingly seeking to procure low methane intensity LNG.[19] Thus, it is crucial that B.C. upholds its methane targets and regulations to maintain long-term market access and social license to produce and export natural gas.

Jobs in methane mitigation

Reduction targets cannot be fully realized without the development, testing, manufacturing, and implementation of existing and new technologies to abate and mitigate methane emissions. Moreover, methane measurement has become paramount to informing tailored and cost-effective mitigation, confirming reductions, demonstrating compliance, and maintaining social license to operate.

People underpin the efforts to identify, track, and reduce emissions. An estimated 29 methane mitigation firms are located in B.C., with job descriptions spanning technicians, engineers, developers, scientists, consultants, and other environmental professionals. Most of these jobs were estimated to pay at least $40/hr.[20] If all of these firms were small business employing 50 people on average, around 1,500 British Columbians could presently be employed by long-term methane-related work. For context, the LNG Canada Phase 1 terminal provides 300 full-time operations jobs. It should also be noted that the above estimates do not include employees at oil and gas companies located in B.C. who work directly or indirectly on methane.

Regulation has largely created impetus for jobs in methane mitigation and measurement, and their weakening or removal would have knock-on effects. The number of people in B.C. employed in methane is likely to grow as provincial regulations tighten and expand and as regulators, natural gas purchasers, the public, and shareholders increasingly demand that reduction claims are transparently backed by measurement data. The technology and expertise that B.C. is developing in these areas could be deployed across the globe.

[18] Oil and Gas Climate Initiative, "Methane emissions," 2025. https://www.ogci.com/methane-emissions/

[19] Ari Pottens, "Asian economies want low-emission natural gas – here's how Canada can deliver," *Environmental Defense Fund*, June 30, 2025. https://blogs.edf.org/energyexchange/2025/06/30/asian-economies-want-low-emission-natural-gas-heres-how-canada-can-deliver/

[20] Datu Research, C*anada's Methane Opportunity: Innovation, Exports, Jobs* (2025), commissioned by Pembina Institute and the Environmental Defense Fund. Available at https://www.pembina.org/pub/canadas-methane-opportunity-innovation-exports-jobs

An important caveat around LNG

For the reasons we have explored, B.C.'s natural gas shows promise as a comparatively low-carbon global energy resource. However, the relatively good environmental performance of B.C.'s natural gas production should not be understood as a rationale for further approvals of LNG projects or increases in the province's LNG exports. No matter how clean the production of natural gas, it is a fossil fuel that is burned at end use, thereby producing carbon emissions and exacerbating climate change. To mitigate the worst impacts of climate change, we must transition away from reliance on fossil fuels, toward clean energy.

Methane and carbon dioxide emissions from LNG terminals and transport are poorly quantified, and more work is needed to better characterize LNG lifecycle emissions in Canada. Optical gas imaging has shown concerning levels of methane emitting from liquefaction facilities, highlighting the need for more comprehensive emissions measurement and monitoring.[21] Some liquefaction facilities have had technical problems with flares, leading to considerable volumes of gas being flared and raising concerns regarding flare efficiency and potential uncombusted methane and co-pollutants.[22] Increasing natural gas supply to feed B.C.'s LNG terminals using onshore and offshore infrastructure also invites potential negative impacts to land and water.

Moreover, doubling down on LNG is a risky economic bet. The estimated costs of B.C. LNG are much higher than the low-cost competitors that will continue to saturate global LNG markets.[23] Recent global instability have demonstrated the sensitivity of global LNG markets to conflict and disruption of supply routes. Resulting price spikes and volatility — and the comparative appeal of low-cost, domestically produced electricity from renewable sources — can rapidly destroy LNG demand in price-sensitive markets.[24] This means that Canada's LNG infrastructure risks being stranded.

Finally LNG terminals consume enormous amounts of energy. If B.C.'s LNG terminals were powered by natural gas, it would dramatically increase the carbon emissions associated with LNG production. Powering them by electricity means cleaner production but lowers GDP and

[21] David Suzuki Foundation, "New evidence exposes LNG Canada's invisible air pollution," media release, June 24, 2026. https://davidsuzuki.org/press/new-evidence-exposes-lng-canadas-invisible-air-pollution/

[22] Matt Simmons, "Malfunctioning Canadian LNG terminal burned more gas than estimated 2024 global record," *The Narwhal*, April 16, 2026. https://thenarwhal.ca/lng-canada-burned-gas/

[23] Maeve O'Connor, *Turning Tides. The economic risks of B.C.'s LNG expansion in a changing energy market,* (Carbon Tracker, 2024). Available at https://www.pembina.org/pub/turning-tides

[24] Ian Sanderson, *The LNG Gamble* (Pembina Institute, 2026). https://www.pembina.org/pub/lng-gamble

job creation relative to a scenario in which the province allocates electricity to a more diverse set of industries.[25]

Given that B.C.'s LNG export market has already started up, it's important to recognize that having provably low-emissions upstream operations is increasingly likely to be what customers of B.C. LNG demand and so will remain important. However, having low methane intensity production will not negate other issues that B.C. LNG faces in the global marketplace. Most notably, future LNG terminals and exports would likely struggle to compete in a global market flooded with much-lower-cost LNG exports from other countries.

[25] Ian Sanderson, Will Noel, Janetta McKenzie, *Power Struggle: Exploring the economic and climate trade-offs of LNG electrification in British Columbia* (Pembina Institute, 2025). https://www.pembina.org/pub/power-struggle

3. Conclusion

B.C.'s strong regulatory approach to oil and gas methane emissions, backed by measurement studies, has allowed the province to decouple methane emissions from natural gas production. This is a significant achievement. B.C. can continue leading and building on its strong track record by delivering on its 2030 and 2035 targets, which will bring real, quantifiable benefits: increased natural gas revenues for producers and royalties for government, net social benefits, well-paying jobs, and globally exportable methane technology and expertise.

The Pembina Institute urges the B.C. government to stay the course with its approach to regulating and reducing oil and gas methane emissions. Opportunities for improvement include specifying a percent reduction or methane intensity target to represent "near-zero" methane by 2035 and developing regulations for affected sectors without delay. The B.C. government should also expand measurement, monitoring, verification, and enforcement activities to ensure regulatory effectiveness, track progress over time, and credibly demonstrate reductions.

Appendix A. Methodology

Projecting methane emissions

To estimate methane emissions in years without historic or target estimates in Figure 2, we fit a second-order polynomial function to the available data in Excel. We selected a second-order polynomial function based on its higher coefficient of determination (r^2) value relative to other functions. We then used the best-fit line to estimate methane emissions in non-data years. Note that we used 90% below 2014 emissions to represent B.C.'s 2035 "near-elimination" of industrial methane target; the actual target percentage for oil and gas may be higher or lower.

We did not use British Columbia Energy Regulator or Environment and Climate Change Canada models to estimate emissions.

Estimating the value of avoided methane and royalties

To calculate the value of the methane emissions avoided due to regulatory compliance, we subtracted historic, target, or estimated methane emissions for each year shown in Figure 2 below 2018 levels to derive the reductions for each year. We then converted the quantity of methane to gigajoules (GJ) of natural gas using the following constants: 0.678 kg/m^3 methane,[26] 0.71 as the methane content of B.C.'s natural gas,[27] and 26.853 m^3/GJ of natural gas.[28]

We used WebPlotDigitizer[29] to extract natural gas price data from U.S. Energy Information Administration[30] (2018 to 2023) and DOB Energy by geoLOGIC's[31] (2024 and 2025) figures for B.C.'s Westcoast Station 2 pricing hub. Prices from Westcoast Station 2 were used in estimating the value of avoided methane emissions given its proximity to natural gas production in northeastern B.C.

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[26] Clearstone Engineering, *2018 Alberta Upstream Oil & Gas Methane Emissions Inventory and Methodology* (2019), 108. https://static.aer.ca/prd/documents/ab-uog-emissions-inventory-methodology.pdf

[27] Government of Canada, *Regulations Amending the Regulations Respecting Reduction in the Release of Methane. Regulatory Impact Analysis Statement*. Table 11: Composition of gas by source and product type.

[28] Canada Energy Regulator, Energy Conversion Tables, May 2, 2016. https://apps.cer-rec.gc.ca/Conversion/conversion-tables.aspx?GoCTemplateCulture=en-CA

[29] Ankit Rohatgi, WebPlotDigitizer. https://apps.automeris.io/wpd4/

[30] U.S. Energy Information Administration, "Northwest U.S. and western Canadian natural gas prices trade at historic lows in 2024," November 19, 2024. https://www.eia.gov/todayinenergy/detail.php?id=63744#

[31] DOB Energy by geoLOGIC, "Commodity Prices Reports." https://www.dobenergy.com/data/markets/prices/

We modelled the value of the methane emissions avoided due to the regulations in low, moderate, and high natural gas price environments after 2025. We extrapolated the current year-to-date average price of C$0.90/GJ at Westcoast Station 2 from the DOB Energy by geoLOGIC data forward from 2025 to 2035 to simulate a long-term, low natural gas price environment. Deloitte Canada recently forecasted higher AECO benchmark prices of ~$3.50/million British Thermal Units (MMBtu) from 2026 to 2032.[32] This is 2.5 times higher than the 2024 AECO price used in their forecast. We applied this ratio to 2024 Westcoast Station 2 prices to estimate a high price environment of $3.00/GJ, assuming Station 2 prices would increase proportionally to AECO prices. This price was extrapolated forward from 2025 to 2035 to simulate a long-term, high price environment. The moderate price scenario ($1.90/GJ) used the average of the low and high prices.

Table 1 shows the estimated gross cumulative revenue of the conserved gas and potential government royalties, over three time periods: 2018-2023, 2024-2030, and 2031-2035. We selected these time periods for modelling and analysis given that B.C. surpassed its 40% to 45% reduction target below 2014 levels in 2023, regulatory amendments took effect in 2024 and 2025,[33] and new targets must be met by 2030 and 2035, respectively. Royalty rates were extracted from the provincial budget for calendar years 2018 to 2025.[34] The royalty rates in the budgets for years 2018 to 2024 reflect updated forecasts, whereas the rates for years 2025 to 2027 are forecasted. Furthermore, the royalty rates used are implicit of oil and gas company allowances and deductions from other government programs. We extrapolated the forecasted 12% royalty rate for 2027 forward until 2035 in the absence of another estimate.

[32] Jeff Lagerquist, “Canada's gas market 'about to turn the corner,' say analysts eyeing up to 7 years of excess demand,” *Yahoo Finance,* July 8, 2025. https://ca.finance.yahoo.com/news/canadas-gas-market-about-to-turn-the-corner-say-analysts-eyeing-up-to-7-years-of-excess-demand-110015536.html

[33] British Columbia Energy Regulator, “Methane Emissions,” 2025. https://www.bc-er.ca/how-we-regulate/safeguard-the-environment/methane-emissions/

[34] Government of British Columbia, *Budget 2025*. https://www.bcbudget.gov.bc.ca/2025/pdf/2025_Budget_and_Fiscal_Plan.pdf

Table 1. Gross cumulative revenue from natural gas conserved under B.C.'s methane regulations and potential government royalties from resulting marketable volumes

Time period	Gross gas revenue (millions C$)			Royalties (millions C$)		
	Low price	Moderate price	High price	Low price	Moderate price	High price
2018-2023	32.2	32.2	32.2	5.2	5.2	5.2
2024-2030	38.9	71.5	107.3	6.3	10.7	15.3
2031-2035	39.0	82.4	130.0	4.5	9.8	15.5
Total	**110.1**	**186.1**	**269.5**	**16.0**	**25.7**	**36.0**

Estimating social benefit

We used the Government of Canada's 2020 estimated social cost of methane for years 2018 and 2019 in our analysis. Year-specific estimates before 2020 were not available.[35]

[35] Government of Canada, "Social cost of greenhouse gas emissions," April 20, 2023. https://www.canada.ca/en/environment-climate-change/services/climate-change/science-research-data/social-cost-ghg.html



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