# **Draft Regulations**

## **Draft Regulation**

Environment Quality Act (chapter Q-2)

#### Mandatory reporting of certain emissions of contaminants into the atmosphere — Amendment

Notice is hereby given, in accordance with sections 10, 12 and 13 of the Regulations Act (chapter R-18.1) and sections 2.2 and 46.2 of the Environment Quality Act (chapter Q-2), that the Regulation to amend the Regulation respecting the mandatory reporting of certain emissions of contaminants into the atmosphere, appearing below, may be made by the Minister of Sustainable Development, Environment and the Fight against Climate Change on the expiry of 45 days following this publication.

The draft Regulation amends the current Regulation to lower the reporting threshold for fuel distributors to 2,000 metric tons  $CO_2$  equivalent for propane and 10,000 metric tons  $CO_2$  equivalent for other fuels, and to specify which distributors are required to make a report.

The draft Regulation also introduces a requirement to include an estimate of absolute uncertainty and relative uncertainty relating to errors committed by the emitter in an emissions report, in the verification report on that emissions report.

The draft Regulation makes various minor corrections to the information to be provided in the emissions declaration and to the methods for calculating greenhouse gas emissions.

In accordance with sections 12 and 13 of the Regulations Act, the draft Regulation may be made at the expiry of a period shorter than the 60-day period provided for in sections 2.2 and 46.2 of the Environment Quality Act because of the urgency of the following circumstances:

—fuel distributors must report their greenhouse gas emissions in accordance with the amendments made by the draft Regulation from 1 January 2015, since the information is required for the purposes of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (chapter Q-2, r. 46.1), which will apply to fuel distributors from that date. Study of the matter shows that the proposed amendments will have a minimal supplementary financial impact on emitters.

Further information may be obtained by contacting Vicky Leblond, Direction des politiques de la qualité de l'atmosphère, Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques, telephone: 418 521-3813, extension 4386; email: vicky.leblond@mddelcc.gouv.qc.ca; fax: 418 646-0001.

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to France Delisle, Director, Direction des politiques de la qualité de l'atmosphère, Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques, édifice Marie-Guyart, 675, boulevard René-Lévesque Est, 5° étage, boîte 30, Québec (Québec) G1R 5V7; email: france.delisle@mddelcc.gouv.qc.ca

DAVID HEURTEL, Minister of Sustainable Development, the Environment and the Fight Against Climate Change

## Regulation to amend the Regulation respecting the mandatory reporting of certain emissions of contaminants into the atmosphere

Environment Quality Act (chapter Q-2, ss. 2.2, 46.2, 115.27 and 115.34)

**1.** The Regulation respecting the mandatory reporting of certain emissions of contaminants into the atmosphere (chapter Q-2, r. 15) is amended by striking out the fourth paragraph of section 4.

**2.** Section 6.1 is amended by replacing "25,000 metric tons  $CO_2$  equivalent" in the third paragraph by "2,000 metric tons  $CO_2$  equivalent in the case of propane and 10,000 metric tons  $CO_2$  equivalent in the case of other fuels".

**3.** Section 6.2 is amended by inserting the following after subparagraph 2.2 of the first paragraph:

"(2.2.1) in the case of a person or municipality operating an enterprise that exports electricity produced in Québec, the quantity of greenhouse gas emissions attributable to the production of that electricity, in metric tons CO<sub>2</sub> equivalent;".

**4.** Section 6.8 is amended by inserting "carries on gas or oil exploration or production or distributes fuel," after "natural gas" in the second paragraph.

**5.** Section 6.9 is amended by inserting the following after paragraph 7.3:

"(7.4) the total quantity of greenhouse gas emissions attributable to the acquisition by the emitter of electricity produced outside Québec for its own consumption or for sale in Québec, and the total quantity of greenhouse gas emissions attributable to the exportation of electricity, in metric tonnes CO<sub>2</sub> equivalent, calculated in accordance with protocol QC.17 of Schedule A.2;

(7.5) in cases where the verifier observes that a portion of the reported quantity of greenhouse gas emissions or reference units was not determined in accordance with this Regulation and that the error relating to those emissions or units is equal to or greater than the relative importance threshold calculated in accordance with the first paragraph of section 6.7, an estimate of the absolute uncertainty and relative uncertainty relating to those emissions or units, established as follows:

Absolute uncertainty = | Quantity found non-compliant - Quantity documented |

Relative uncertainty = (Absolute uncertainty  $\div$  Total quantity reported) x 100%

Where:

Quantity found non-compliant = Portion of the reported quantity of greenhouse gas emissions or reference units determined as non-compliant by the verifier;

Quantity documented = Portion of the quantity found to be non-compliant that is re-evaluated by the verifier using invoices, operating registers, measuring instruments or process data; Total quantity reported = Total quantity of greenhouse gas emissions reported and referred to in paragraph 7, 7.3 or 7.4 or total quantity of reference units reported and referred to in paragraph 7.1;".

**6.** Section 8 is amended by striking out paragraph 1.

**7.** Section 9 is amended by replacing "section 6.1, the first or second paragraph of section 6.2 or section 6.4 or 6.5" by "or section 6.1, 6.2, 6.4 or 6.5".

**8.** Section 9.3 is amended by striking out "the third paragraph of section 6 or 6.2 or" in the part preceding subparagraph 1 of the first paragraph.

**9.** Section 9.4 is amended by replacing ", section 6.1, the first or second paragraph of section 6.2 or section 6.4 or 6.5" by "or section 6.1, 6.2, 6.4 or 6.5".

**10.** Schedule A.2 is amended

(1) in protocol QC.1,

(*a*) by inserting the following paragraph after the first paragraph of part QC.1.5.2:

"For the application of the formula provided for in subparagraph b of subparagraph 1 of the first paragraph, in the case of a solid fuel, the volumetric mass used to determine the variation in inventory must be measured in accordance with an analysis method published by an organization listed in QC.1.5.";

(*b*) by replacing "subparagraph 2 of the fifth paragraph of QC.1.3.4" in subparagraph 4 of the second paragraph of part QC.1.5.4 by "QC.1.3.5";

(c) in Table 1-1 in part QC.1.7,

i. by replacing "31.18" in the "Tires" line in the "Solid fuels" list by "32.80";

ii. by adding the following line after the "Biogas (methane portion)" line in the "Gaseous fuels" list:

54.8

"

Acetylene

(*d*) by adding the following line after the "Biogas (methane portion)" line in the "Gaseous fuels and biofuels" list in Table 1-3 in QC.1.7:

"

| Acetylene | 3.7193 | 67.87 | N/A | N/A | N/A | N/A |
|-----------|--------|-------|-----|-----|-----|-----|
|           |        |       |     |     |     | ,,, |

(2) in protocol QC.3,

(*a*) by striking out "again" in the part preceding subparagraph 1 of the second paragraph of QC.3.6.1;

(b) by adding "or a series of pots is started up" at the end of subparagraph 1 of the second paragraph of QC.3.6.1;

(*c*) by adding the following paragraph after the second paragraph of QC.3.6.1:

"The slope or the overvoltage coefficient calculated following the performance tests conducted in the cases provided for in subparagraphs 2 and 3 of the second paragraph must be used beginning on

(1) the date of the change; or

(2) the date of the annual report immediately following the measurements.";

(3) in protocol QC.7,

(a) by inserting "of  $CO_2$ " after "the emissions" in subparagraph 1 of the fourth paragraph of part QC.7.2.;

(b) by inserting "of  $CH_4$ " after "the emissions" in subparagraph 3 of the fourth paragraph of part QC.7.2.;

(4) in protocol QC.9,

(*a*) by inserting "5," after "2," in subparagraph 1 of the second paragraph of part QC.9.2;

(b) by replacing "3 to 5" in subparagraph 3 of the second paragraph of part QC.9.2 by "3, 4";

(c) by replacing equation 9-19 in the French text of paragraph 1 of part QC.9.3.7 by the following:

### "Équation 9-19

$$CH_4 = Q \times DCO_{max} \times B \times FCM \times 0,001$$

Où:

 $CH_4 =$ Émissions annuelles de  $CH_4$  attribuables au traitement des eaux usées, en tonnes métriques;

Q = Quantité d'eaux usées traitées annuellement, en mètres cubes;

DCOmoy = Moyenne trimestrielle de la demande chimique en oxygène des eaux usées, en kilogrammes par mètre cube;

 $B = Capacité de génération de CH_4$ , soit 0,25 kg de CH<sub>4</sub> par kilogramme de demande chimique en oxygène;

FCM = Facteur de conversion en  $CH_4$  indiqué au tableau 9-3, prévu à QC.9.6, selon le procédé;

0,001 = Facteur de conversion des kilogrammes en tonnes métriques;";

(d) by inserting the following line before the definition of the factor "N<sub>2</sub>O" in Equation 9-26 in paragraph 3 of QC.9.3.10 of the French text:

"Où:";

(5) in the second paragraph of QC.10.2 in protocol QC.10,

(*a*) by replacing "subparagraphs 1 and" in subparagraph 1 by "subparagraph";

(b) by inserting "2, " after "subparagraphs" in subparagraph 2;

(c) by replacing "subparagraphs 2 and" in subparagraph 3 by "subparagraph";

(6) by replacing Table 17-1 in part QC.17.4 of protocol QC.17 by the following:

# "Table 17-1. Default greenhouse gas emission factors for Canadian provinces and certain North American markets, in metric tons $\rm CO_2$ equivalent per megawatt-hour

(QC.17.3.1(3), QC.17.3.2(1) and (2))

| Canadian provinces and North American markets   | Default emission factor<br>(metric tons GHG per megawatt-hour) |
|---|--|
| Newfoundland and Labrador   | 0.020  |
| Nova Scotia   | 0.706  |
| New Brunswick   | 0.418  |
| Québec  | 0.003  |
| Ontario   | 0.096  |
| Manitoba  | 0.003  |
| Vermont   | 0.002  |
| New England Independent System Operator (NE-ISO), including all or part of the following states:  |  |
| <ul> <li>Connecticut</li> <li>Massachusetts</li> <li>Maine</li> <li>Rhode Island</li> <li>Vermont</li> <li>New Hampshire</li> </ul>   | 0.288  |
| New York Independent System Operator (NY-ISO)   | 0.263  |
| Pennsylvania Jersey Maryland Interconnection<br>Regional Transmission Organization (PJM-RTO),<br>including all or part of the following states:   |  |
| <ul> <li>North Carolina</li> <li>Delaware</li> <li>Indiana</li> <li>Illinois</li> <li>Kentucky</li> <li>Maryland</li> <li>Michigan</li> <li>New Jersey</li> <li>Ohio</li> <li>Pennsylvania</li> <li>Tennessee</li> <li>Virginia</li> <li>West Virginia</li> </ul> | 0.602  |
| —District of Columbia   |  |

| Canadian provinces and North American markets   | Default emission factor<br>(metric tons GHG per megawatt-hour) |
|---|--|
| Midwest Independent Transmission System<br>Operator (MISO-RTO), including all or part<br>of the following states:   |  |
| <ul> <li>Arkansas</li> <li>North Dakota</li> <li>South Dakota</li> <li>Minnesota</li> <li>Iowa</li> <li>Missouri</li> <li>Wisconsin</li> <li>Illinois</li> <li>Michigan</li> <li>Nebraska</li> <li>Indiana</li> <li>Montana</li> <li>Kentucky</li> <li>Texas</li> <li>Louisiana</li> <li>Mississippi</li> </ul> | 0.641  |
| Southwest Power Pool (SPP), including all or part of the following states:  |  |
| <ul> <li>Kansas</li> <li>Oklahoma</li> <li>Nebraska</li> <li>New Mexico</li> <li>Texas</li> <li>Louisiana</li> <li>Missouri</li> <li>Mississippi</li> <li>Arkansas</li> </ul>   | 1.599  |
|   | ,  |

(7) by replacing the "Natural gas vehicle" line in Table 27-1 in part QC.27.7 of protocol QC.27 by the following:

| Liquefied natural gas vehicle  | 1.178                    | N/A | N/A |
|--------------------------------|--------------------------|-----|-----|
| Compressed natural gas vehicle | 1.907 x 10 <sup>-3</sup> | N/A | N/A |
|                                |                          |     | ••• |

(8) by replacing "metric tons per hour" in the definition of the factor "EF" in Equation 29-19 in QC.29.3.10 of protocol QC.29 by "cubic metres per hour at standard conditions";

(9) in protocol QC.30,

(*a*) by inserting the following after subparagraph 1 of the second paragraph of part QC.30.1:

"(1.1) the sale or trade in Québec, for consumption, trade or sale in Québec, of fuel from outside Québec, other than natural gas distributed by a natural gas distributor within the meaning of section 2 of the Act respecting the Régie de l'énergie (chapter R-6.01), except the fuel contained in the fuel tank installed as standard equipment to supply a vehicle's engine;";

(b) in part QC.30.1,

i. by replacing "the acquisition outside Québec" in subparagraph 2 of the second paragraph by "the importing into Québec";

ii. by striking out ", contained in one or more containers totalling over 200 litres" in subparagraph 2 of the second paragraph;

(c) by inserting "and documents" after "information" in the part of the first paragraph of QC.30.2 preceding subparagraph 1;

(*d*) by adding ", by type of fuel" at the end of subparagraph 3 of the first paragraph of QC.30.2;

(e) by inserting the following after subparagraph 3 of the first paragraph:

"(3.1) the name and contact information of the establishments of each person to whom the emitter distributed fuel outside Québec, and the total annual quantity distributed to each establishment, by type of fuel;

(3.2) in the cases referred to in subparagraphs 3 and 3.1 and in the case where an emitter is able to show that the quantity of fuel distributed by the emitter in Québec was ultimately redistributed to the establishment of an emitter referred to in the first paragraph of section 2 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances or to a person outside Québec, an attestation signed by the person who received the fuel from the emitter confirming the quantity received and the date of receipt, for each type of fuel;";

(f) in the second paragraph of QC.30.2,

i. by striking out "subparagraph 2 of"

ii. by replacing "kilolitres at standard conditions" by "kilolitres";

(g) by striking out, in equation 30-1, "at standard conditions" in the second line under the definition of the factor " $Q_i$ " and ", at standard conditions" in the second line under the definition of the factor " $EF_i$ ", and by replacing, in equation 30-2, "kilolitres at standard conditions" in the definitions of the factors " $Q_i$ ", " $Q_iT$ " and " $Q_iG$ " by "kilolitres";

(*h*) by replacing "Quantity" in the definition of the factor "Q<sub>i</sub>" in equation 30-1 of QC.30.3 by "Annual quantity";

(*i*) by replacing "Total annual" in the definition of the factor "Q<sub>i</sub>" in equation 30-2 of QC.30.3 by "Annual";

(j) by replacing the second paragraph of part QC.30.4 by the following:

"The emitter who operates an enterprise that distributes fuels must measure the quantity of the fuels at the following points:

(1) except in the case of the natural gas referred to in subparagraph 3, at the primary distribution point;

(2) for fuels imported into Québec, except in the case of the natural gas referred to in subparagraph 3, at the point of receipt of the fuels in Québec, or, if the emitter does not have the information, the emitter must obtain the information from the supplier;

(3) for natural gas distributed by a natural gas distributor within the meaning of section 2 of the Act respecting the Régie de l'énergie (chapter R-6.01), at the point of delivery.";

(*k*) in Table 30-1 in QC.30.6,

i. by replacing "2.790" in the "Diesels" line by "3.007";

ii by replacing "1.890" in the "Liquefied natural gas" line by "1.178";

(10) in protocol QC.34,

(*a*) by replacing "1 and 2" in subparagraph 1 of the third paragraph of part QC.34.2 by "1 to 4";

(b) by replacing "3" in subparagraph 2 of the third paragraph of part QC.34.2 by "5".

**11.** For the 2014 annual emissions report, an emitter may use the calculation methods as amended by this Regulation.

**12.** This Regulation comes into force on 1 January 2015.

3500