NATIONAL ASSEMBLY

FIRST SESSION FORTY-FIRST LEGISLATURE

Bill 106
(2016, chapter 35)

An Act to implement the 2030 Energy Policy and to amend various legislative provisions

Introduced 7 June 2016
Passed in principle 6 October 2016
Passed 10 December 2016
Assented to 10 December 2016

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EXPLANATORY NOTES

The main purpose of this Act is to implement the measures announced in the 2030 Energy Policy.

The Act first enacts the Act respecting Transition énergétique Québec. That Act establishes Transition énergétique Québec (TÉQ), a legal person whose mission is to support, stimulate and promote energy transition, innovation and efficiency and to coordinate the implementation of all of the programs and measures necessary to achieve the energy targets defined by the Government. For the purposes of its mission, TÉQ is to develop a master plan that will include summaries of all of the programs and measures to be implemented by TÉQ and the departments, agencies and energy distributors to achieve those energy targets. In developing this plan, TÉQ will be advised by a Stakeholders Panel to be composed of persons having special expertise in the fields of energy transition, innovation and efficiency. The master plan is to be submitted to the Government so that the latter may determine whether the plan is consistent with the targets, policy directions and general objectives it set for TÉQ. If considered to be consistent, the master plan will then be submitted to the Régie de l'énergie. TÉQ will finance its activities out of the contribution it will receive from the energy distributors and the sums from the Energy Transition Fund put at its disposal, among other sources. That Act also contains consequential and transitional provisions, in particular with respect to the transfer of employees from the Ministère de l'Énergie et des Ressources naturelles to TÉQ.

The Act also amends the Act respecting the Régie de l'énergie to introduce new measures concerning the distribution of renewable natural gas by a distribution system as well as the inclusion of excess transmission capacity in a natural gas distributor's supply plan. It also amends that Act to promote the use of mediation as part of the consumer complaint examination procedure and allow the Régie to hold public information and consultation sessions.

The Act proposes measures concerning the financing of the fixed equipment necessary for the electrification of shared transportation services. For that purpose, it amends the Hydro-Québec Act to give Hydro-Québec the power to grant financial assistance to a public

transit authority, to the Caisse de dépôt et placement du Québec or to one of its wholly-owned subsidiaries.

Lastly, the Act also enacts the Petroleum Resources Act, whose purpose is to govern the development of petroleum resources while ensuring the safety of persons and property, environmental protection, and optimal recovery of the resource, in compliance with the greenhouse gas emission reduction targets set by the Government. To that end, the Petroleum Resources Act establishes a licence and authorization system applicable to exploration for and the production and storage of petroleum. Under that Act, the holder of a drilling authorization must produce a permanent well or reservoir closure and site restoration plan and furnish a guarantee covering the anticipated cost of completing the work required under the plan. That Act also requires that petroleum production and storage projects and pipeline construction or use projects receive a favourable decision from the Régie de l'énergie before being authorized by the Minister. The Energy Transition Fund is created, into which petroleum royalties, among other sums, are to be paid. Lastly, consequential amendments are made, to the Mining Act in particular, to withdraw all sections concerning brine and petroleum, and transitional provisions are included.

LEGISLATION AMENDED BY THIS ACT:

– Civil Code of Québec;

– Act respecting the acquisition of farm land by non-residents (chapter A-4.1);

– Financial Administration Act (chapter A-6.001);

– Sustainable Forest Development Act (chapter A-18.1);

– Act respecting land use planning and development (chapter A-19.1);

– Act respecting duties on transfers of immovables (chapter D-15.1);

– Act respecting energy efficiency and innovation (chapter E-1.3);

– Act respecting the governance of state-owned enterprises (chapter G-1.02);

– Hydro-Québec Act (chapter H-5);

– Mining Tax Act (chapter I-0.4);

– Act respecting Investissement Québec (chapter I-16.0.1);

– Act respecting administrative justice (chapter J-3);

– Mining Act (chapter M-13.1);

– Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2);

– Act respecting the Ministère du Développement durable, de l'Environnement et des Parcs (chapter M-30.001);

– Petroleum Products Act (chapter P-30.01);

– Act respecting the preservation of agricultural land and agricultural activities (chapter P-41.1);

– Environment Quality Act (chapter Q-2);

– Act respecting the Régie de l'énergie (chapter R-6.01);

– Act respecting the land regime in the James Bay and New Québec territories (chapter R-13.1);

– Act respecting the lands in the domain of the State (chapter T-8.1).

LEGISLATION ENACTED BY THIS ACT:

– Act respecting Transition énergétique Québec (2016, chapter 35, section 1);

– Petroleum Resources Act (2016, chapter 35, section 23).

REGULATIONS AMENDED BY THIS ACT:

– Regulation respecting forest royalties (chapter A-18.1, r. 11);

– Regulation respecting the application of the Environment Quality Act (chapter Q-2, r. 3);

– Regulation respecting the declaration of water withdrawals (chapter Q-2, r. 14);

– Regulation respecting environmental impact assessment and review (chapter Q-2, r. 23);

– Water Withdrawal and Protection Regulation (chapter Q-2, r. 35.2).

Bill 106

AN ACT TO IMPLEMENT THE 2030 ENERGY POLICY AND TO AMEND VARIOUS LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CHAPTER I

ENACTMENT OF THE ACT RESPECTING TRANSITION ÉNERGÉTIQUE QUÉBEC

1. The Act respecting Transition énergétique Québec, the text of which appears in this chapter, is enacted.

"ACT RESPECTING TRANSITION ÉNERGÉTIQUE QUÉBEC

"**CHAPTER I**

"CONSTITUTION

"**1.** Transition énergétique Québec (Energy Transition Québec) is constituted.

"**2.** Energy Transition Québec is a legal person and a mandatary of the State.

Its property forms part of the domain of the State, but the performance of its obligations may be levied against its property.

Energy Transition Québec binds none but itself when it acts in its own name.

"**3.** Energy Transition Québec's head office is at the place determined by the Government.

Notice of the location or of any change in the location of the head office is published in the *Gazette officielle du Québec*.

"**CHAPTER II**

"ROLE OF ENERGY TRANSITION QUÉBEC

"**DIVISION I**

"MISSION AND ACTIVITIES

"**4.** Energy Transition Québec's mission is to support, stimulate and promote energy transition, innovation and efficiency and ensure their integrated governance. Energy Transition Québec coordinates and monitors the implementation of all programs and measures necessary to achieve the energy targets defined by the Government.

Within the scope of its mission, it is to prepare the energy transition, innovation and efficiency master plan in keeping with the principle of responsible and sustainable economic development.

"**5.** Within the scope of its mission, Energy Transition Québec may, in particular,

(1) develop and coordinate the implementation of the programs and measures set out in the master plan taking into account such factors as greenhouse gas emissions;

(2) contribute, by providing financial support, to implementing those programs and measures, and educating and informing consumers;

(3) advise and support consumers wishing to take advantage of energy transition, innovation and efficiency programs or measures, and facilitate their access to such programs and measures;

(4) collaborate with Investissement Québec, other investors or financial institutions to offer financial services to enterprises for the implementation of energy transition, innovation and efficiency measures;

(5) administer certification programs in accordance with the standards defined by the Government;

(6) prepare reports on energy in Québec and benchmarking studies on best practices with respect to energy consumption and production;

(7) support research and development in the energy sector;

(8) in collaboration with the main stakeholders in research and industry, establish a list of research subjects to prioritize;

(9) advise the Government on standards and other elements that may influence energy consumption, and propose appropriate changes;

(10) propose new targets to the Government in addition to those defined by the Government;

(11) advise the Government on any question the latter submits to it; and

(12) carry out any other mandate given to it by the Government.

For the purposes of subparagraph 1 of the first paragraph, Energy Transition Québec may, by means of a call for proposals, award a contract for the development and implementation of a program. The Government determines by regulation the terms applicable to calls for proposals.

"**6.** The Minister may request that a department, agency or energy distributor provide, within the time the Minister specifies, any information or document necessary for the exercise of Energy Transition Québec's functions. The Minister then sends the information or document obtained to Energy Transition Québec.

For the purposes of this Act, "agency" means a government agency within the meaning of the Auditor General Act (chapter V-5.01).

"**DIVISION II**

"ENERGY TRANSITION, INNOVATION AND EFFICIENCY MASTER PLAN

"**7.** In this Act, "energy distributor" means

(1) Hydro-Québec when carrying on electric power distribution activities;

(2) a natural gas distributor as defined in section 2 of the Act respecting the Régie de l'énergie (chapter R-6.01);

(3) a fuel distributor, namely,

(*a*) a person who refines, manufactures, mixes, prepares or distils fuel in Québec;

(*b*) a person who brings or causes to be brought into Québec fuel contained in one or more receptacles with a total capacity of over 200 litres, except fuel contained in a fuel tank installed as standard equipment to supply the engine of a vehicle;

(*c*) a person who, in Québec, exchanges fuel with a person described in subparagraph *a*; or

(*d*) a legal person or partnership that brings fuel into Québec for a purpose other than resale; or

(4) a municipal electric power system governed by the Act respecting municipal and private electric power systems (chapter S-41) or the Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville governed by the Act respecting the Coopérative régionale d'électricité de Saint-Jean-Baptiste de Rouville and repealing the Act to promote rural electrification by means of electricity cooperatives (1986, chapter 21).

For the purposes of subparagraph 3 of the first paragraph,

"diesel fuel" means a liquid mixture of hydrocarbons obtained from the refining of petroleum and intended to supply diesel engines;

"fuel" means gasoline, diesel fuel, heating oil or propane, but not aviation fuel, marine bunker fuel, hydrocarbons used as raw material by industries that transform hydrocarbon molecules through chemical or petrochemical processes, or renewable fuel content;

"gasoline" means a liquid mixture of hydrocarbons obtained from the refining of petroleum mainly for use as spark ignition engine fuel;

"heating oil" means a liquid mixture of hydrocarbons obtained from the refining of petroleum and used for domestic, commercial, institutional or industrial heating;

"propane" means a liquid mixture of hydrocarbons obtained from the refining of petroleum or the processing of natural gas and used either as spark ignition engine fuel or for such purposes as cooking and domestic, commercial, institutional and industrial heating.

"**8.** Every five years, Energy Transition Québec prepares an energy transition, innovation and efficiency master plan outlining the programs and measures to be established by itself and the departments, agencies and energy distributors to achieve the energy targets set by the Government in accordance with section 9.

The master plan must address all forms of energy and cover a five-year period.

"**9.** For the purpose of carrying out the master plan, the Government sets the policy directions and general objectives Energy Transition Québec must pursue in relation to energy matters and the targets it must achieve.

The Government may also, at any time, request that Energy Transition Québec modify its master plan, in particular to include additional targets.

The policy directions and general objectives are tabled in the National Assembly within 15 days of their adoption or, if the Assembly is not sitting, within 15 days of resumption.

"**10.** The master plan must include, in particular,

(1) the energy targets defined and the policy directions and general objectives set by the Government in relation to energy matters;

(2) a report on the state of energy in Québec and on the progress of Québec's transition as concerns achieving the targets;

(3) the general policy directions and priorities set by Energy Transition Québec for the life of the master plan in relation to energy transition, innovation and efficiency;

(4) a summary of all the programs and measures, including the objectives pursued by them, the clientele targeted, the level and type of contribution by Energy Transition Québec and the impact on greenhouse gas emissions;

(5) the designation of the person responsible for implementing each program and measure;

(6) the departments', agencies' and energy distributors' budgetary estimates and time frames for carrying out the programs and measures;

(7) the energy distributors' financial investment toward carrying out the master plan, by form of energy;

(8) a list of priority research subjects; and

(9) the projects for which Energy Transition Québec intends to issue calls for proposals under the second paragraph of section 5.

The budgetary estimates referred to in subparagraph 6 of the first paragraph must be consistent with the expenditure and investment estimates approved in accordance with section 48 of the Financial Administration Act (chapter A-6.001).

"**11.** For the development of the master plan, the departments, agencies and energy distributors must submit to Energy Transition Québec, within the time it specifies, the programs and measures they intend to put at their clientele's disposal during the life of the master plan to achieve the targets.

The programs and measures submitted must contain a description of the actions to be carried out, the budgetary estimates for carrying out those actions, the method of financing and a time frame for their achievement.

"**12.** In developing the master plan, Energy Transition Québec must consult the Stakeholders Panel established under section 41. To that end, it sends the programs and measures submitted to it by the departments, agencies and energy distributors to the Panel to obtain its opinion.

Once the master plan has been completed, Energy Transition Québec submits it to the Panel so that the latter may produce its report in accordance with sections 45 and 46.

"**13.** On the date set by the Minister, Energy Transition Québec submits to the Minister the master plan and the Stakeholders Panel's report.

The Minister then submits the master plan and the report to the Government so that the latter may determine whether the plan is consistent with the targets, policy directions and general objectives set by it under section 9.

If the plan is considered by the Government to be consistent, Energy Transition Québec submits it, together with the Panel's report, to the Régie de l'énergie for the purposes of section 85.41 of the Act respecting the Régie de l'énergie. The plan comes into force after the Régie de l'énergie has given its approval and advice under that section.

"**14.** Energy Transition Québec must revise the master plan if the Government requests that it modify it, in particular to take additional targets into account.

Energy Transition Québec may also modify the plan if it considers that changes are necessary for it to achieve the targets.

The revised plan is subject to sections 12 and 13, with the necessary modifications.

"**15.** The departments, agencies and energy distributors must carry out the programs and measures for which they are responsible under the master plan.

If an energy distributor is unable to carry out such a program or measure within the time and in the manner specified in the master plan, it must notify Energy Transition Québec. Energy Transition Québec may, at the distributor's expense, implement the program or measure the distributor has failed to carry out after giving the distributor 30 days' written notice to that effect.

"**16.** In order to monitor the programs and measures that must be carried out by a department, agency or energy distributor, Energy Transition Québec may request that the department, agency or distributor submit to it a status report on such matters as the actions undertaken under the master plan and the results obtained.

"**17.** Energy Transition Québec determines the performance indicators to be used to measure achievement of results under the master plan and makes them public.

"**DIVISION III**

"CONTRIBUTION BY ENERGY TRANSITION QUÉBEC

"**18.** A financial contribution by Energy Transition Québec within the scope of a program or measure is made in the form of a subsidy or a loan. In the latter case, Energy Transition Québec gives Investissement Québec the mandate of granting the loan and pays it the necessary sums.

"**19.** A program providing for a contribution by Energy Transition Québec must set out eligibility requirements, the nature of the contribution and the scales, limits and conditions for awarding it.

"**DIVISION IV**

"LIMITATIONS ON ENERGY TRANSITION QUÉBEC'S POWERS

"**20.** Energy Transition Québec may not, without the Government's authorization,

(1) contract a loan that causes the total of its current outstanding loans to exceed the amount determined by the Government;

(2) make a financial commitment in excess of the limits or in contravention of the terms determined by the Government;

(3) acquire, hold or dispose of assets in excess of the limits or in contravention of the terms determined by the Government; or

(4) accept a gift or legacy to which a charge or condition is attached.

This section does not apply to the contracts or other commitments entered into by Energy Transition Québec in carrying out a mandate given to it by the Government.

"**21.** Energy Transition Québec may not, without the Government's authorization, make any financial commitment in excess of the budgetary estimates approved by the Government under section 51.

"**CHAPTER III**

"ORGANIZATION AND OPERATION

"**DIVISION I**

"BOARD OF DIRECTORS

"**22.** Energy Transition Québec is administered by a board of directors composed of 9 to 15 members, including the chair of the board and the president and chief executive officer.

"**23.** The Government appoints the members of the board of directors, other than the chair and the president and chief executive officer, based on the expertise and experience profile approved by the board.

Those members are appointed for a term of up to four years.

"**24.** The Government appoints the chair of the board of directors for a term of not more than five years.

"**25.** At the expiry of their term, the members of the board of directors remain in office until they are replaced or reappointed.

"**26.** A vacancy among the members of the board of directors is filled in accordance with the rules of appointment to those positions.

A member's absence from the number of board meetings determined in Energy Transition Québec's by-laws, in the cases and circumstances specified, constitutes a vacancy.

"**27.** Board members other than the president and chief executive officer receive no remuneration, except in the cases, on the conditions and to the extent the Government may determine. They are, however, entitled to the reimbursement of expenses incurred in the exercise of their functions, on the conditions and to the extent determined by the Government.

"**28.** On the recommendation of the board of directors, the Government appoints the president and chief executive officer based on the expertise and experience profile approved by the board.

The president and chief executive officer is appointed for a term of up to five years.

The office of president and chief executive officer is a full-time position.

"**29.** The Government determines the remuneration, employee benefits and other conditions of employment of the president and chief executive officer.

"**30.** If the board of directors does not recommend a candidate for the position of president and chief executive officer in accordance with section 28 within a reasonable time, the Government may appoint the president and chief executive officer after notifying the board members.

"**31.** If the president and chief executive officer is absent or unable to act, the board of directors may designate a member of Energy Transition Québec's personnel to exercise the functions of that position.

"**32.** The quorum at meetings of the board of directors is the majority of its members, including the president and chief executive officer or the chair of the board.

Decisions of the board are made by a majority vote of the members present. In the case of a tie vote, the chair of the meeting has a casting vote.

"**33.** Energy Transition Québec's board of directors may sit anywhere in Québec.

"**34.** The board members may waive notice of a board meeting. Their attendance constitutes a waiver of notice, unless they are present to contest the legality of the calling of the meeting.

"**35.** Unless otherwise provided in the by-laws, the board members may, if all consent, participate in a meeting of the board by means of equipment enabling all participants to communicate directly with one another. In such a case, they are deemed to be present at the meeting.

"**36.** A written resolution signed by all the board members entitled to vote on that resolution has the same value as if adopted during a meeting of the board of directors.

A copy of the resolution must be kept with the minutes of the proceedings or any other equivalent record book.

"**37.** The minutes of board meetings, approved by the board and certified true by the chair of the board, the president and chief executive officer or any other person so authorized by the by-laws, are authentic, as are the documents and copies emanating from Energy Transition Québec or forming part of its records if signed or certified true by one of those persons.

"**38.** No document binds Energy Transition Québec or may be attributed to it unless it is signed by the chair of the board of directors, the president and chief executive officer or, to the extent determined in Energy Transition Québec's by-laws, another member of Energy Transition Québec's personnel.

The by-laws may provide for subdelegation of the power to sign acts and documents, and determine particulars as to how it is to be exercised.

Unless otherwise provided in the by-laws, a signature may be affixed on a document by any means.

A by-law made under this section is published in the *Gazette officielle du Québec*.

"**39.** Energy Transition Québec may, in its by-laws, determine a framework of operation for the board of directors, establish an executive committee or any other committee, and delegate the exercise of its powers to such a committee.

The by-laws may also provide for the delegation of the powers of the board of directors to a member of its personnel.

"**40.** The members of Energy Transition Québec's personnel are appointed in accordance with the Public Service Act (chapter F-3.1.1).

"**DIVISION II**

"STAKEHOLDERS PANEL

"**41.** The Stakeholders Panel is established.

The role of the Panel is to advise and assist Energy Transition Québec in developing and revising the master plan and give its opinion on any matter the Minister or Energy Transition Québec submits to it in relation to the latter's mission or activities.

The advisory opinions of the Stakeholders Panel are not binding on Energy Transition Québec's board of directors.

"**42.** The Panel is composed of up to 15 persons appointed by Energy Transition Québec's board of directors. Those persons must have special expertise in the fields of energy transition, innovation and efficiency.

The members of the Panel designate a chair from among their number.

A person may not be appointed to the Panel if he or she is employed by an energy distributor, the Government or an agency, except, in the latter case, if the agency is unlikely to be responsible for a program or measure under the master plan.

"**43.** Any vacancy during the term of office of a member of the Panel is filled in the manner prescribed for the appointment of the member to be replaced.

At the expiry of their term, the members of the Panel remain in office until they are replaced or reappointed.

"**44.** The chair of the board of directors and the president and chief executive officer of Energy Transition Québec participate in the meetings of the Panel as observers.

"**45.** The Panel must give its opinion on the master plan submitted by Energy Transition Québec under the second paragraph of section 12 and on any revision of the master plan under section 14.

In analyzing the master plan, the Panel invites the energy distributors to present their comments.

The Panel may call on independent evaluators and experts.

"**46.** Once the analysis of the master plan has been completed, the Panel submits its report to Energy Transition Québec's president and chief executive

officer. The report must set out the work done, the evaluations or expert analyses conducted and the Panel's recommendations. It may also address any other matter the Panel wishes to bring to the attention of Energy Transition Québec, the Government or the Régie de l'énergie.

"**47.** Energy Transition Québec establishes by by-law the other rules governing the appointment and term of office of Panel members and the Panel's operation.

"**CHAPTER IV**

"FINANCIAL PROVISIONS

"**DIVISION I**

"FINANCING OF ENERGY TRANSITION QUÉBEC

"**48.** Energy Transition Québec finances its activities out of

(1) the annual contribution it receives from the energy distributors;

(2) the sums from the Green Fund put at its disposal under an agreement concluded in accordance with section 15.4.3 of the Act respecting the Ministère du Développement durable, de l'Environnement et des Parcs (chapter M-30.001);

(3) the sums from the Energy Transition Fund put at its disposal; and

(4) the other sums it receives.

"**49.** An energy distributor must pay its annual contribution to Energy Transition Québec in accordance with the due dates, rate and calculation method determined by the Régie de l'énergie in accordance with the third paragraph of section 85.41 of the Act respecting the Régie de l'énergie.

The first paragraph applies to Hydro-Québec despite section 16 of the Hydro-Québec Act (chapter H-5).

"**50.** The Government may, on the conditions and in the manner it determines,

(1) guarantee the payment of the principal of and interest on any loan contracted by Energy Transition Québec and the performance of its obligations; and

(2) authorize the Minister of Finance to advance to Energy Transition Québec any amount considered necessary for the pursuit of its mission.

The sums required for the purposes of this section are taken out of the Consolidated Revenue Fund.

"**51.** Each year, Energy Transition Québec submits its budgetary estimates for the following fiscal year to the Minister, according to the form, content and intervals determined by the Minister.

The estimates are submitted for approval to the Government, which makes them public.

"**DIVISION II**

"ACCOUNTS AND REPORTS

"**52.** Energy Transition Québec's fiscal year ends on 31 March each year.

"**53.** Not later than 30 June each year, Energy Transition Québec must file its financial statements and an activity report for the preceding fiscal year with the Minister.

The financial statements and activity report must contain all the information required by the Minister.

The activity report must include

(1) an update on the master plan as concerns, in particular, the status of progress in implementing the plan, the achievement of the targets defined by the Government, the number of programs and measures implemented and the budgets used;

(2) Energy Transition Québec's annual results based on the performance indicators determined in accordance with section 17; and

(3) an update on requests made by the Régie de l'énergie under section 85.43 of the Act respecting the Régie de l'énergie for the evaluation of additional measures.

"**54.** The Minister may request that the Régie de l'énergie provide an advisory opinion on the status of progress in implementing the master plan and the achievement by Energy Transition Québec of the targets set by the Government.

"**55.** The Minister tables Energy Transition Québec's financial statements and activity report in the National Assembly within 15 days of receiving them or, if the Assembly is not sitting, within 15 days of resumption.

"**56.** Energy Transition Québec's books and accounts are audited each year by the Auditor General and whenever ordered by the Government.

The Auditor General's report must be submitted with Energy Transition Québec's financial statements and activity report.

"**57.** Energy Transition Québec must give the Minister any information the Minister requires concerning Energy Transition Québec.

"**58.** Energy Transition Québec is not required to establish the strategic plan prescribed in the Act respecting the governance of state-owned enterprises (chapter G-1.02).

"**CHAPTER V**

"AMENDING PROVISIONS

"FINANCIAL ADMINISTRATION ACT

"**59.** Schedule 2 to the Financial Administration Act (chapter A-6.001) is amended by inserting "Transition énergétique Québec" in alphabetical order.

"ACT RESPECTING ENERGY EFFICIENCY AND INNOVATION

"**60.** The title of the Act respecting energy efficiency and innovation (chapter E-1.3) is replaced by the following title:

"An Act respecting energy efficiency and energy conservation standards for certain electrical or hydrocarbon-fuelled appliances".

"**61.** The heading of Chapter I of the Act is replaced by the following heading:

"ENERGY EFFICIENCY AND ENERGY CONSERVATION STANDARDS FOR CERTAIN APPLIANCES".

"**62.** Divisions I and II of Chapter I of the Act, comprising sections 1 to 19, are repealed.

"**63.** The Act is amended by striking out the following before section 20:

"**DIVISION III**

"ENERGY EFFICIENCY AND ENERGY CONSERVATION STANDARDS FOR CERTAIN APPLIANCES".

"**64.** Section 33 of the Act is amended by striking out "3,".

"**65.** Sections 34, 35, 42 and 57 to 70 of the Act are repealed.

"ACT RESPECTING THE GOVERNANCE OF STATE-OWNED ENTERPRISES

"**66.** Schedule I to the Act respecting the governance of state-owned enterprises (chapter G-1.02) is amended by inserting "Transition énergétique Québec" in alphabetical order.

"HYDRO-QUÉBEC ACT

"**67.** Section 22.1 of the Hydro-Québec Act (chapter H-5) is amended by replacing the second paragraph by the following paragraph:

"The Company must implement the programs and measures for which it is responsible under the energy transition, innovation and efficiency master plan prepared under the Act respecting Transition énergétique Québec (2016, chapter 35, section 1)."

"ACT RESPECTING INVESTISSEMENT QUÉBEC

"**68.** Section 21 of the Act respecting Investissement Québec (chapter I-16.0.1) is amended by adding the following paragraph at the end:

"Any mandate given to the Company by Energy Transition Québec to grant and administer a loan under section 18 of the Act respecting Transition énergétique Québec (2016, chapter 35, section 1) is also considered to be a mandate given to the Company by the Government. Energy Transition Québec pays annually, to the Company, remuneration the Government considers reasonable for the performance of the mandate and the administration of such a loan."

"ACT RESPECTING THE MINISTÈRE DES RESSOURCES NATURELLES ET DE LA FAUNE

"**69.** Section 12 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2) is amended by striking out paragraphs 14 and 14.1.

"**70.** Section 17.12.12 of the Act is amended by striking out subparagraph 3 of the first paragraph.

"**71.** Section 17.12.16 of the Act is repealed.

"ACT RESPECTING THE MINISTÈRE DU DÉVELOPPEMENT DURABLE, DE L'ENVIRONNEMENT ET DES PARCS

"**72.** Section 15.4.2 of the Act respecting the Ministère du Développement durable, de l'Environnement et des Parcs (chapter M-30.001) is amended

(1) by replacing "A minister who is party to an agreement with the Minister of Sustainable Development, Environment and Parks under section 15.4.3" in the first paragraph by "If a minister or Energy Transition Québec is party to an agreement with the Minister of Sustainable Development, Environment and Parks under section 15.4.3, the minister or Energy Transition Québec";

(2) by inserting "or Energy Transition Québec" after "minister" in the second paragraph.

"**73.** Section 15.4.3 of the Act is amended

(1) by adding the following sentence at the end of the first paragraph: "The Minister of Sustainable Development, Environment and Parks may also, for the same purposes, conclude such an agreement with Energy Transition Québec as regards the programs and measures for which it is responsible under the energy transition, innovation and efficiency master plan prepared under the Act respecting Transition énergétique Québec (2016, chapter 35, section 1).";

(2) by inserting "or Energy Transition Québec" after "concerned" in the last paragraph.

"ACT RESPECTING THE RÉGIE DE L'ÉNERGIE

"**74.** Section 25 of the Act respecting the Régie de l'énergie (chapter R-6.01) is amended by inserting ", if it considers it necessary, call a public hearing when examining the energy transition, innovation and efficiency master plan in accordance with section 85.41. The Régie may also" after "The Régie may" in the second paragraph.

"**75.** Section 32.1 of the Act is amended by striking out the second paragraph.

"**76.** Section 49 of the Act is amended by replacing "energy efficiency and innovation" at the end of the second paragraph by "carrying out the programs and measures for which the distributor is responsible under the energy transition, innovation and efficiency master plan".

"**77.** The Act is amended by inserting the following chapter before Chapter VII:

"**CHAPTER VI.4**

"ENERGY TRANSITION, INNOVATION AND EFFICIENCY MASTER PLAN

"**85.40.** The terms and expressions defined in section 7 of the Act respecting Transition énergétique Québec (2016, chapter 35, section 1) apply to this chapter.

"**85.41.** The master plan prepared under the Act respecting Transition énergétique Québec (2016, chapter 35, section 1) shall be submitted to the Régie so that it may approve the programs and measures under the responsibility of the energy distributors as well as the financial investment necessary, by form of energy, for carrying out the programs and measures. The Régie may approve those elements with or without amendment. The same holds for any revision of the plan.

Furthermore, the master plan shall be submitted to the Régie so it may give its advice on the plan's capacity to achieve the energy targets set by the Government.

The Régie shall determine the annual contribution payable to Energy Transition Québec by an energy distributor in accordance with the regulation made under subparagraph 11 of the first paragraph of section 114.

"**85.42.** In analyzing the master plan, the Régie shall consider the report of the Stakeholders Panel submitted under section 45 of the Act respecting Transition énergétique Québec (2016, chapter 35, section 1).

"**85.43.** The Régie may request that Energy Transition Québec evaluate additional measures.

"**85.44.** Not later than 31 March each year, every energy distributor must file a statement with the Régie specifying, if applicable, for the period covered by its preceding fiscal year

(1) the volume of natural gas or electric power it distributed;

(2) the volume of fuel it brought into Québec for a purpose other than resale; and

(3) the volume of fuel intended for consumption in Québec it sold and refined in Québec or brought into Québec and, where applicable, the volume it exchanged with a person described in subparagraph *a* of subparagraph 3 of the first paragraph of section 7 of the Act respecting Transition énergétique Québec (2016, chapter 35, section 1)."

"**78.** Section 114 of the Act is amended

(1) by adding the following subparagraph at the end of the first paragraph:

"(11) the due dates and rate of and the method for calculating the annual contribution payable to Energy Transition Québec by an energy distributor under section 49 of the Act respecting Transition énergétique Québec (2016, chapter 35, section 1) as well as the terms and conditions of payment, the rate of interest on sums due and the penalties exacted for failure to pay.";

(2) by replacing the third paragraph by the following paragraph:

"The rate, calculation method and terms and conditions referred to in subparagraph 11 of the first paragraph may vary from one distributor or class of distributors to another. The regulation may also exempt a distributor or class of distributors. A penalty set by the Régie may not exceed 15% of the amount that should have been paid."

"**CHAPTER VI**

"TRANSITIONAL AND FINAL PROVISIONS

"**79.** The Government appoints the members of Energy Transition Québec's first board of directors and the first president and chief executive officer without taking into consideration the requirements of the first paragraphs of sections 23 and 28.

Despite the second paragraph of section 23, the majority of the members of the first board of directors, other than the chair and the president and chief executive officer, are appointed for a term of up to two years. The other members are appointed for a term of up to four years.

"**80.** The employees of the Bureau de l'efficacité et de l'innovation énergétiques of the Ministère des Ressources naturelles et de la Faune and certain other employees of that department identified before 1 April 2018 become, without further formality, employees of Energy Transition Québec.

"**81.** The assets and liabilities of the energy efficiency and innovation component of the Natural Resources Fund established under section 17.12.12 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2) are transferred to Energy Transition Québec.

"**82.** The assets and liabilities of the Bureau de l'efficacité et de l'innovation énergétiques are transferred to Energy Transition Québec.

"**83.** Civil proceedings to which the Attorney General of Québec is a party are continued by the Attorney General of Québec as regards the records transferred to Energy Transition Québec.

"**84.** The financial assistance programs of the Bureau de l'efficacité et de l'innovation énergétiques in force on 1 April 2017 continue to apply until they are replaced or abolished by Energy Transition Québec.

"**85.** The Regulation respecting the annual share payable to the Minister of Natural Resources and Wildlife (chapter R-6.01, r. 5) continues to apply until a regulation is made under subparagraph 11 of the first paragraph of section 114 of the Act respecting the Régie de l'énergie (chapter R-6.01), enacted by paragraph 1 of section 78 of this Act, with the following modifications:

(1) a reference to the annual share payable to the Minister of Natural Resources and Wildlife is a reference to the annual contribution payable to Energy Transition Québec under section 49 of the Act respecting Transition énergétique Québec (2016, chapter 35, section 1);

(2) a reference to the overall financial investment allocated to each form of energy determined by the Government is a reference to the financial investment necessary, by form of energy, on the energy distributors' part, for carrying out the master plan;

(3) a reference to the Minister of Natural Resources and Wildlife is a reference to the Régie de l'énergie; and

(4) a reference to the fiscal year of the Natural Resources Fund of the Ministère des Ressources naturelles et de la Faune is a reference to Energy Transition Québec's fiscal year.

"**86.** The amount of the annual contribution payable by an energy distributor determined for the fiscal year 2016–2017 remains the same until it is replaced by the Régie de l'énergie.

"**87.** The files, records and other documents of the Bureau de l'efficacité et de l'innovation énergétiques become those of Energy Transition Québec.

"**88.** Unless the context indicates otherwise, in any order, order in council, contract or program, a reference to the Minister of Natural Resources and Wildlife or the Ministère des Ressources naturelles et de la Faune as well as to the Minister of Energy and Natural Resources or the Ministère de l'Énergie et des Ressources naturelles in relation to the activities of the Bureau de l'efficacité et de l'innovation énergétiques is a reference to Energy Transition Québec.

"**89.** Despite section 69, Order in Council 839-2013 (2013, G.O. 2, 3523, French only) continues to apply until it is revoked by the Government.

Any agreement between the Minister of Natural Resources and Wildlife and a municipality on the assumption of responsibility for providing a public battery re-charging service for electric vehicles remains valid and may be renewed. Furthermore, the Minister retains the power to enter into new agreements consistent with that order in council until the latter is revoked.

"**90.** The Government may, by a regulation made before 1 October 2018, enact any other transitional measure required for the carrying out of this Act.

Such a regulation may, if it so provides, apply from a date not prior to 1 April 2017.

"**91.** The Minister of Natural Resources and Wildlife is responsible for the administration of this Act."

CHAPTER II

GOVERNANCE OF THE RÉGIE DE L'ÉNERGIE AND RENEWAL OF ENERGY SUPPLY TO CONSUMERS

ACT RESPECTING THE RÉGIE DE L'ÉNERGIE

2. Section 2 of the Act respecting the Régie de l'énergie (chapter R-6.01) is amended, in the first paragraph,

(1) by replacing ", except biogas and syngas" in the definition of "natural gas" by ", except syngas and biogas other than renewable natural gas";

(2) by inserting the following definition in alphabetical order:

""renewable natural gas" means methane from renewable sources with interchangeability characteristics that allow it to be delivered by a natural gas distribution system;".

3. Section 5 of the Act is amended by replacing the second sentence by the following sentence: "It shall promote the satisfaction of energy needs in a manner consistent with the Government's energy policy objectives and in keeping with the principles of sustainable development and individual and collective equity."

4. Section 7 of the Act is amended by replacing "seven" in the first paragraph by "12".

5. Section 25 of the Act is amended by adding the following paragraph at the end:

"It may also, before a public hearing is held, provide for public information and consultation sessions to be held."

6. Section 26 of the Act is amended

(1) by adding the following sentence at the end of the first paragraph: "At that time, the Régie shall also make known information relating to any public information and consultation sessions to be held.";

(2) by replacing "publish" in the third paragraph by "publicize".

7. Section 49 of the Act is amended by adding the following subparagraph at the end of the first paragraph:

"(12) consider, as concerns the rates for the transmission of natural gas, the excess transmission capacity referred to in subparagraph *a* of subparagraph 3 of the first paragraph of section 72."

8. The Act is amended by inserting the following section after section 58:

"**58.1.** The Régie may indicate the minimum price at the loading ramp of gasoline and diesel in a periodical it shall issue in any medium it determines."

9. Section 72 of the Act is amended by replacing the first paragraph by the following paragraph:

"With the exception of private electric power systems, a holder of exclusive electric power or natural gas distribution rights shall prepare and submit to the Régie for approval, according to the form, tenor and intervals fixed by regulation of the Régie, a supply plan describing the characteristics of the contracts the holder intends to enter into in order to meet the needs of Québec markets following the implementation of the energy efficiency measures. The supply plan shall be prepared having regard to

(1) the risks inherent in the sources of supply chosen by the holder;

(2) as concerns any particular source of electric power, the energy block established by regulation of the Government under subparagraph 2.1 of the first paragraph of section 112; and

(3) as concerns natural gas supply,

(*a*) the excess transmission capacity the holder considers necessary to facilitate the development of industrial activities, which shall not be greater than 10% of the quantity of natural gas that the holder expects to deliver annually; and

(*b*) the quantity of renewable natural gas determined by regulation of the Government under subparagraph 4 of the first paragraph of section 112."

10. Section 73 of the Act is amended by inserting the following paragraph after the second paragraph:

"The Régie may authorize the project on the conditions it determines."

11. The Act is amended by inserting the following section after section 100:

"**100.0.1.** Subject to section 99, within 15 days after receiving the in-house examination file for the complaint referred to in section 97, the Régie shall call the complainant and the electric power carrier or the distributor to a conference.

The purpose of the conference is to

(1) plan the conduct of the examination of the complaint;

(2) examine any matter that may simplify or accelerate the examination of the complaint; and

(3) formally invite the parties to enter into mediation to resolve the complaint.

Within 15 days after the conference, the complainant and the electric power carrier or the distributor shall inform the Régie in writing of their willingness or unwillingness to enter into mediation and, in the latter case, give the reasons.

The reasons given by the electric power carrier or the distributor to justify its unwillingness to enter into mediation shall be made public by the Régie."

12. Section 100.1 of the Act is replaced by the following section:

"**100.1.** If the complainant and the electric power carrier or the distributor agree to enter into mediation, the Régie shall suspend the examination of the complaint for a period not exceeding 30 days to allow the mediation to be held. The Régie may extend that period, or allow mediation to resume after the expiry of that period, with the parties' consent.

The Régie shall designate a mediator from among its commissioners or the members of its personnel. It may also select any other person as mediator, with the parties' consent. The mediator helps the parties to engage in dialogue, clarify their views, define the complaint, identify their needs and interests, explore solutions and reach, if possible, a mutually satisfactory agreement.

Any agreement shall be evidenced in writing and signed by the mediator, the complainant and the electric power carrier or the distributor. The agreement is binding on the parties."

13. Section 100.2 of the Act is amended by replacing "conciliation" and "the commissioner who suspended the examination of the complaint" by "mediation" and "the Régie", respectively.

14. Section 100.3 of the Act is amended

(1) by replacing "conciliator" and "conciliation" in the first paragraph by "mediator" and "mediation", respectively;

(2) by replacing "conciliation" in the second paragraph by "mediation".

15. Section 112 of the Act is amended by adding the following subparagraph at the end of the first paragraph:

"(4) the quantity of renewable natural gas to be delivered by a natural gas distributor and the terms and conditions according to which it is to be delivered."

16. Section 113 of the Act is amended

(1) by replacing "or to public hearings" by ", mediation, public information and consultation sessions or public hearings";

(2) by adding the following paragraph at the end:

"The Régie may also adopt rules of procedure applicable to claims for costs by persons whose participation in Régie proceedings is considered useful by the Régie in accordance with section 36, in particular as regards

(1) the equitable distribution of available funding among those persons;

(2) the setting of an annual funding limit for all the cases and of a per-case annual funding limit;

(3) the criteria for the examination of claims for costs; and

(4) admissible costs."

HYDRO-QUÉBEC ACT

17. The Hydro-Québec Act (chapter H-5) is amended by inserting the following section after section 48.1:

"**48.2.** Any provision of an Act or regulation prescribing an obligation to file an assessment or certificate of compliance with the municipal by-laws in support of an application for authorization under the Act respecting the preservation of agricultural land and agricultural activities (chapter P-41.1) or the Environment Quality Act (chapter Q-2) does not apply to the Company, provided each municipality concerned is notified within 45 days of the application so that it may submit its comments to the Company."

PETROLEUM PRODUCTS ACT

18. Section 5 of the Petroleum Products Act (chapter P-30.01) is amended

(1) by replacing the first paragraph by the following paragraph:

"The Government may, by regulation, determine standards and specifications relating to any petroleum product. Such standards and specifications may, in particular, include quality standards and prohibit or require the presence of certain elements in a petroleum product; they may also prescribe the acceptable quantity or proportion of such elements.";

(2) by replacing "regulatory standards" in the second paragraph by "regulatory standards or specifications, except in the cases provided for by regulation";

(3) by adding the following paragraph at the end:

"A regulation setting standards for the integration of renewable fuels into gasoline and diesel may be made by the Government only following a joint recommendation by the minister responsible for the administration of this Act and the minister responsible for the administration of the Environment Quality Act (chapter Q-2)."

ENVIRONMENT QUALITY ACT

19. Section 53 of the Environment Quality Act (chapter Q-2) is amended by striking out "motor-fuel and" in paragraph *f*.

CHAPTER III

FINANCING OF THE ELECTRIC INFRASTRUCTURE FOR A SHARED TRANSPORTATION PROJECT

HYDRO-QUÉBEC ACT

20. The Hydro-Québec Act (chapter H-5) is amended by inserting the following section after section 39:

"**39.0.1.** The Company may grant financial assistance to defray the cost of the fixed equipment necessary for the electrification of shared transportation services to a public transit authority or a public body providing public transport referred to in section 88.1 or 88.7 of the Transport Act (chapter T-12), to the Caisse de dépôt et placement du Québec or to one of its wholly-owned subsidiaries within the meaning of section 88.15 of that Act.

The financial assistance must be authorized by the Government on the conditions and in the manner it determines, on the joint recommendation of the minister responsible for the administration of this Act and the minister responsible for the administration of the Transport Act."

ACT RESPECTING THE RÉGIE DE L'ÉNERGIE

21. Section 52.1 of the Act respecting the Régie de l'énergie (chapter R-6.01) is amended by inserting ", the amount of financial assistance granted and paid under section 39.0.1 of the Hydro-Québec Act (chapter H-5) to the extent that the distributor was not reimbursed for that amount," after "electric power distribution system" in the first paragraph.

22. The Act is amended by inserting the following section after section 52.3:

"**52.4.** The amount of financial assistance referred to in section 52.1 is established on the basis of depreciation determined by the Régie and having

regard to the undepreciated portion of the financial assistance and, as the case may be, the applicable return."

CHAPTER IV

ENACTMENT OF THE PETROLEUM RESOURCES ACT

23. The Petroleum Resources Act, the text of which appears in this chapter, is enacted.

"PETROLEUM RESOURCES ACT

"**CHAPTER I**

"GENERAL PROVISIONS AND DEFINITIONS

"**DIVISION I**

"GENERAL PROVISIONS

"**1.** The purpose of this Act is to govern the development of petroleum resources on land and in bodies of water while ensuring the safety of persons and property, environmental protection and optimal recovery of the resource, in compliance with the law as to ownership of immovables and in compliance with the greenhouse gas emission reduction targets set by the Government.

For the purposes of this Act, land includes wetlands.

"**2.** Petroleum, underground reservoirs and brine form part of the domain of the State.

"**3.** All work performed under this Act must be performed in accordance with generally recognized best practices for ensuring the safety of persons and property, environmental protection and optimal recovery of the resource.

"**4.** This Act is binding on the Government, on government departments and on bodies that are mandataries of the State.

"**5.** This Act must be construed in a manner consistent with the obligation to consult Native communities. The Government consults Native communities separately if the circumstances so warrant.

"**DIVISION II**

"DEFINITIONS

"**6.** In this Act,

"body of water" means a lake, a constant or intermittent watercourse, including a bed created or altered by human intervention, except a ditch as

defined in subparagraph 4 of the first paragraph of section 103 of the Municipal Powers Act (chapter C-47.1), or a marine environment;

"brine" means any natural aqueous solution containing more than 4% by weight of dissolved solids;

"commercial discovery" means a discovery of petroleum that has been demonstrated to contain petroleum reserves that justify the investment of capital and effort to bring the discovery to production;

"fracturing" means any operation that consists in creating fractures in a geological formation by injecting a fluid under pressure through a well;

"gas" means natural gas and includes all substances, other than oil, that are produced in association with natural gas;

"geochemical surveying" means any method of exploration for petroleum or underground reservoirs by indirect measurement to determine and quantify the distribution and migration of chemical elements in rocks, soils, sediments and water;

"geophysical surveying" means any method of exploration for petroleum or underground reservoirs by indirect measurement of the physical properties of the subsoil effected on the surface of the ground or in the air, particularly seismic reflection, seismic refraction, gravimetric, magnetic or resistivity surveying and any other geophysical method used to indirectly determine any characteristic of the subsoil;

"oil" means crude oil, regardless of gravity, produced at a well head in liquid form and any other hydrocarbons, except coal and gas, and, in particular, hydrocarbons that may be extracted or recovered from deposits of oil sand, bitumen, bituminous sand, oil shale or from any other types of deposits on the subsoil;

"petroleum" means oil or gas;

"pipeline" means any pipe or system of pipes, including associated facilities such as pumps, compressors, pumping stations and surface reservoirs, designed or used to gather or transport gas or petroleum, except

(1) lines used to transport and distribute gas, and petroleum equipment installations governed by the Building Act (chapter B-1.1); and

(2) pipes, including associated facilities, situated on the premises of an industrial enterprise and used for refining operation;

"pool" means a natural underground reservoir containing or appearing to contain an accumulation of petroleum that is or appears to be separated from any other such accumulation;

"significant discovery" means a discovery indicated by the first well on a geological feature that demonstrates by testing the existence of petroleum in that feature and, having regard to geological and engineering factors, suggests the existence of an accumulation of petroleum that has potential for sustained production;

"stratigraphic survey" means any opening in the ground, other than a seismic shotpoint, that is made to collect data on a geological formation, using samples and their analysis and technical surveys, conducted as part of preliminary investigations to eventually locate, design and construct a drilling site for exploration for or the production of petroleum or brine, or for exploration for or the operation of an underground reservoir and the well or wells which will be present on the site; and

"underground reservoir" means a subsurface geological environment that contains or may contain petroleum in a natural porosity system or in a source rock;

"well" means any opening in the ground on a drilling site, other than a seismic shotpoint, that is made, is to be made or is in the process of being made for the production of petroleum, for the purpose of exploring for or obtaining petroleum, for the purpose of withdrawing water to inject into an underground formation, for the purpose of injecting gas, air, water or any other substance into an underground formation, or for any other purpose.

"**CHAPTER II**

"DISCOVERY OF EXISTING NATURAL GAS OR WELLS

"**7.** A person who discovers an uninterrupted flow of gas on their land must notify the Minister and the local municipality in which the land is situated in writing and with dispatch.

"**8.** A person who discovers a well on their land must notify the Minister in writing with dispatch.

The Minister enters in the land register a declaration of the well's location. The declaration is registered in the register of real rights of State resource development and, as applicable, in the file relating to the immovable affected by the well, either in the index of immovables or in the register of public service networks and immovables situated in territory without a cadastral survey.

"**CHAPTER III**

"EXPLORATION, PRODUCTION AND STORAGE

"**DIVISION I**

"GENERAL PRINCIPLES

"**9.** No one may explore for petroleum or underground reservoirs, produce or store petroleum or produce brine without holding an exploration licence, a production licence, a storage licence or an authorization to produce brine, as applicable.

"**10.** A licence or an authorization to produce brine is transferable only in the cases and on the conditions the Government determines by regulation.

"**11.** The territory subject to an exploration, production or storage licence or to an authorization to produce brine is limited on the surface by its perimeter, and in depth by the vertical projection of its perimeter.

For a storage licence, the territory is determined by the vertical projection, on the surface, of the perimeter of the underground reservoir and the perimeter of the protected area. The Government determines the size of the protected area by regulation.

The size of an underground reservoir is determined on the basis of the assumption that a reservoir is limited at the top and base by stratigraphic geological units.

"**12.** Any part of a watercourse with a natural force equal to or greater than 225 kilowatts at its ordinary flow during six months together with a strip of land 20 metres in width on each side of such a watercourse is excluded from the territory subject to a licence.

The Minister may add to the excluded portion any area the Minister considers necessary for the development and utilization of the waterpower. If such an addition is made after the awarding of a licence on the land, the Minister pays compensation to the licence holder.

However, the Minister may, subject to certain conditions, authorize a licence holder to explore for, produce or store petroleum or to produce brine on the land so reserved.

"**13.** An outstanding geological site classified under section 305.1 of the Mining Act (chapter M-13.1) may not be subject to a licence, nor may a parcel of land used as a cemetery governed by the Funeral Operations Act (2016, chapter 1) or a Native cemetery.

"**14.** No licence may be awarded for the part of the St. Lawrence River west of longitude 64°31'27" in the NAD83 geodetic reference system or for the islands situated in that part of the river.

"**DIVISION II**

"IMMOVABLE REAL RIGHTS

"**15.** The exploration, production and storage rights conferred by a licence and the right to produce brine conferred by an authorization are immovable real rights.

Ownership of such immovable real rights is separate from ownership of the land to which they pertain.

Use of the land, before or after such a right is awarded, by a third person does not in any case confer a right to compensation on its holder. The same holds for the transfer or awarding of rights in lands in the domain of the State.

"**DIVISION III**

"EXPLORATION LICENCE

"§1. — *Auction process*

"**16.** An exploration licence is awarded by auction.

"**17.** The process for awarding an exploration licence by auction is determined by government regulation.

"**18.** In selecting the territory to be up for auction, the Minister must consider the requests made to the Minister in that regard.

No licence may be awarded in a territory that is subject to an exploration, production or storage licence.

"**19.** The Minister must notify the local municipalities whose territories are to be involved in an auction and the regional county municipality in writing and at least 45 days before the beginning of the auction process.

"**20.** The Minister awards an exploration licence at the time and subject to the conditions the Minister determines, in particular to take the territory's characteristics into account.

The successful bidder must meet the conditions and pay the fee the Government determines by regulation.

"**21.** The Minister is not required to award a licence under the terms of an auction process.

"**22.** If no licence has been awarded on a territory that is up for auction within six months after the auction closing date, the Minister must not award a licence for that territory without holding a new auction.

"**23.** No licence may be awarded to a person if, during the five years prior to the auction publication date, a licence they held under this Act was revoked.

The first paragraph does not apply to a revocation under subparagraph 4 of the fourth paragraph of section 145.

"**24.** Failure to comply with any of the requirements which the Government determines by regulation respecting the form and content of, and time and manner of publishing, an auction does not vitiate any licence awarded by the Minister.

"§2. — *Licence holder's rights and obligations*

"**25.** An exploration licence gives its holder the right to explore for petroleum or an underground reservoir in the territory covered by the licence.

The licence must contain conditions, which are not inconsistent with this Act and the regulations, that are agreed on by the Minister and the holder.

The Minister may subject the licence to conditions designed to avoid conflicts with other uses of the territory.

The Government determines, by regulation, any other conditions for exercising the licence.

"**26.** The exploration licence also gives its holder the right to extract petroleum and dispose of it or use an underground reservoir for a trial period. The Government determines, by regulation, the duration of this trial period and the conditions applicable.

"**27.** The term of an exploration licence is five years.

The Minister renews the licence for the terms and subject to the conditions the Government determines by regulation.

"**28.** An exploration licence holder must establish a monitoring committee to foster the local community's involvement in the exploration project as a whole.

The committee must be established within 30 days after the licence is awarded and must be maintained, as the case may be, throughout the term of the licence or, in the case provided for in the second paragraph of section 97, until all the work required under the permanent well or reservoir closure and site restoration plan has been completed.

The committee members are chosen in accordance with the process determined by the licence holder and approved by the Minister. The licence holder also determines the number of members who are to sit on the committee. However, the committee must include at least one member representing the municipal sector, one member representing the economic sector, one member representing the agriculture sector, one member of the public and, if applicable, one member representing a Native community consulted by the Government with respect to the project. A majority of the committee members must be independent from the licence holder. All must be from the region in which the territory subject to the licence is situated.

The Government determines, by regulation, the particulars relating to the committee with respect to such matters as the independence of committee members, the information and documents a licence holder must provide to the committee, the nature of the costs that are reimbursed to committee members by the licence holder, the minimum number of meetings the committee must hold each year and the production of an annual report by the committee. The Government determines, in the same manner, the cases in which and the conditions on which a licence holder to whom another exploration licence is awarded is not required to establish a new monitoring committee.

The Government may determine, by regulation, other particulars relating to consultations that are applicable to an exploration licence holder.

"**29.** If an exploration licence is awarded on private land or land leased by the State, the exploration licence holder must, within 30 days after registering the licence in the public register of real and immovable petroleum rights established under section 149 and in the manner the Government determines by regulation, notify the owner or lessee, the local municipality and the regional county municipality, in writing, of the licence obtained.

"**30.** The holder of an exploration licence has a right of access to the territory subject to the licence.

If the licence is awarded on private land or land leased by the State, the holder must obtain written authorization from the owner or lessee at least 30 days in advance in order to access the site or may acquire, by agreement, any real right or property necessary to access the territory and perform exploration work. Failing that, the holder may not access the territory.

If the licence is in the territory of a local municipality, the holder must inform the local municipality and the regional county municipality, in writing and at least 45 days before the work begins, of the work to be performed.

"**31.** Subject to sections 32 to 34, the holder of an exploration licence must, each year, perform the minimum work determined by regulation in the territory subject to the licence.

The exploration licence holder must, within six months after the anniversary date of the awarding of the licence, report to the Minister on all the work performed in the year.

In addition to the minimum work, the Government determines, by regulation, the nature of the eligible work, the related expenses, the form and content of any report to be sent to the Minister and the documents that must accompany it. The nature of the work and the minimum amount of work may vary according to the area of the territory and the region it is situated in.

"**32.** The Minister may exempt an exploration licence holder from performing the minimum work prescribed, provided

(1) the holder informs the Minister in writing, before the end of the year for which the work was required, of the reasons why the holder will not perform the work; and

(2) the holder pays to the Minister an amount equal to twice the minimum amount to be spent on the work that should have been performed or, if applicable, an amount equal to twice the difference between that minimum amount and the amount spent on the work performed and reported.

"**33.** Amounts spent in a year in excess of the minimum amount to be spent on the work required to be performed by the holder may be applied to subsequent years.

"**34.** The holder of several exploration licences may, in a report, apply to one or more of them all or part of the amounts spent in a territory subject to a licence that are in excess of the minimum amount to be spent on the work required to be performed there, provided

(1) the holder so informs the Minister in writing; and

(2) the territory in which the work was performed and the territory or territories to which the excess amounts are applied are located at least in part within a radius of 10 kilometres as measured from the perimeter of the territory subject to the licence in which the work was performed.

"**35.** The Minister may refuse all or part of the work reported if the report or the documents accompanying it

(1) are incomplete or not consistent with the regulations;

(2) do not corroborate the stated amounts or the actual amount of the work;

(3) fail to show that the stated amounts were disbursed solely for the performance of work;

(4) have been falsified or contain false information; or

(5) pertain to work previously reported by the exploration licence holder and accepted as part of another report.

"**36.** The holder of an exploration licence must, on each anniversary date of the awarding of the licence, pay to the Minister the annual fee the Government determines by regulation.

"**37.** An exploration licence holder must prepare an annual report in accordance with the form and content the Government determines by regulation, and send it, at their option,

(1) to the Minister not later than the 150th day after the end of their fiscal year or, in the case of a natural person, of the calendar year; or

(2) to the Autorité des marchés financiers at the same time as the statement required under section 6 of the Act respecting transparency measures in the mining, oil and gas industries (chapter M-11.5).

The Autorité des marchés financiers sends the report received under subparagraph 2 of the first paragraph to the Minister without delay.

"**38.** An exploration licence holder who makes a significant discovery of petroleum must so notify the Minister, the local municipalities whose territories are covered by the licence and the regional county municipality in the manner the Government determines by regulation.

"**39.** The holder of an exploration licence who makes a commercial discovery of petroleum must so notify the Minister, the local municipalities whose territories are covered by the licence and the regional county municipality in the manner the Government determines by regulation.

The exploration licence holder must, within eight years after the discovery, submit a petroleum production project to the Régie de l'énergie (the Board) in accordance with section 41 and apply to the Minister for a production licence. Failing that, the Minister may partially or completely revoke the exploration licence, without compensation, and award a production licence for the territory affected by the revocation in accordance with section 49.

In the case of a partial revocation, the minimum amount of the exploration work to be performed in a year on that territory is proportionately reduced.

"**40.** The holder of a licence may, with the Minister's authorization, surrender their exploration right in all or part of the territory subject to the licence. The Government determines, by regulation, the conditions for obtaining an

authorization and the liability to be assumed by the holder following the surrender.

In the case of partial surrender, the residual area must be included within a single perimeter that must not be less than 2 km^2.

Partial surrender reduces the minimum work required to be performed by the holder for the current year of the surrender proportionately to the surrendered area.

"**DIVISION IV**

"PRODUCTION LICENCES AND STORAGE LICENCES

"§1. — *Board's examination of projects*

"**41.** An exploration licence holder who wishes to obtain a production or storage licence must submit their project to and obtain a favourable decision from the Board. The same holds for a production licence holder who wishes to obtain a storage licence.

"**42.** The Board may, at any time, require a licence holder to provide additional information, to study certain matters more thoroughly or to undertake certain research which it considers necessary to complete its analysis of the project.

"**43.** A production or storage project that involves the construction or use of a pipeline is also subject to Chapter V.

"**44.** The Government determines, by regulation, the documents required for the application's examination by the Board as well as the elements the Board must take into account and those it must rule on.

"**45.** The Board sends its decision to the Minister who submits it to the Government so the Government may decide the application for authorization provided for in section 31.5 of the Environment Quality Act (chapter Q-2).

"**46.** Any amendment to the petroleum production or petroleum storage project must be submitted to the Board, which examines the project if it considers that the amendment is substantial. This subdivision applies, with the necessary modifications, to the new examination.

"**47.** In order to perform the functions provided for in this subdivision, the Board may exercise the powers assigned to it under the Act respecting the Régie de l'énergie (chapter R-6.01), to the extent that they are not inconsistent with this Act.

"§2. — *Awarding of production and storage licences*

"**48.** The Minister awards a production licence to an exploration licence holder who has obtained a favourable decision from the Board on their project, the Government's authorization under section 31.5 of the Environment Quality Act as well as, if applicable, the authorization of the Commission de protection du territoire agricole du Québec, and who meets the conditions and pays the fee the Government determines by regulation.

The Minister awards a storage licence to an exploration or production licence holder on the same conditions.

In such a case, the territory subject to the exploration or production licence is reduced by the area of the territory subject to the production or storage licence, as applicable.

"**49.** The Minister may award, by auction, a production or storage licence in a territory that is no longer subject to an exploration, production or storage licence if the Minister considers that the territory presents an economically workable deposit or an economically usable underground reservoir, as applicable.

Sections 17 to 24 apply, with the necessary modifications, to the auction.

"**50.** Only one production or storage licence may be awarded for any one territory.

"§3. — *Licence holder's rights and obligations*

"**51.** A production licence gives its holder the right to produce petroleum.

A storage licence gives its holder the right to use an underground reservoir to store materials the Government determines by regulation.

The production or storage licence must include any conditions, which are not inconsistent with this Act and the regulations, that are agreed on by the Minister and the holder. It may also include conditions proposed by the Board.

The Minister may subject a licence to conditions designed to avoid conflicts with other uses of the territory.

The Government determines, by regulation, any other conditions for exercising the licences.

"**52.** The Minister may modify the conditions on a production or storage licence once the Board, after examining a project amended in accordance with section 46, proposes new production or storage conditions.

"**53.** The territory subject to a production or storage licence must be included within a single perimeter and its area must not be less than 2 km^2.

"**54.** The term of a production or storage licence is 20 years.

The Minister renews the licence for the terms and subject to the conditions the Government determines by regulation.

"**55.** If a monitoring committee has not already been established, the production or storage licence holder must establish one to foster the local community's involvement in the production project as a whole.

Section 28 applies, with the necessary modifications.

"**56.** When awarding or renewing a production or storage licence, the Government may, on reasonable grounds, require that the benefits within Québec of producing or storing petroleum be maximized.

"**57.** If a production or storage licence is awarded on private land or land leased by the State, the licence holder must, within 30 days after registering the licence in the public register of real and immovable petroleum rights and in the manner the Government determines by regulation, notify the owner or lessee, the local municipality and the regional county municipality, in writing, of the licence obtained.

"**58.** The holder of a production or storage licence has a right of access to the territory subject to the licence.

If the licence is awarded on private land or land leased by the State, the holder must obtain written authorization from the owner or lessee at least 30 days in advance in order to access the site or may acquire, by agreement, any real right or property necessary to access the territory and perform their work. If no agreement is reached, the Government may, subject to the conditions it determines, authorize the holder to acquire the real rights or property by expropriation in accordance with the Expropriation Act (chapter E-24) so the holder may access the territory and perform their work.

If the licence is in the territory of a local municipality, the holder must inform the local municipality and the regional county municipality, in writing and at least 45 days before the work begins, of the work to be performed.

"**59.** A production or storage licence holder who intends to acquire a residential immovable, or an immovable used for agricultural purposes that is situated on farm land, must pay to the landowner the costs of the professional services required to negotiate the agreement, up to a maximum amount representing 10% of the value of the immovable as entered on the property assessment roll.

"**60.** If a person is in illegal possession of any land in the domain of the State the territory of which is subject to a production or storage licence and the person refuses to relinquish possession of it, the licence holder may apply to a Superior Court judge for an eviction order.

In such a case, sections 60 to 62 of the Act respecting the lands in the domain of the State (chapter T-8.1) apply, with the necessary modifications.

"**61.** The holder of a licence may, with the Minister's authorization, surrender their production or storage right in all or part of the territory subject to the licence. The Government determines, by regulation, the conditions for obtaining an authorization and the liability to be assumed by the licence holder following the surrender.

In the case of partial surrender of a right conferred by a production licence, the residual area must be included within a single perimeter that, unless otherwise authorized by the Minister, must not be less than 2 km^2.

"§4. — *Special provisions applicable to production licences*

"**62.** A production licence holder must send a monthly report to the Minister detailing the amount of petroleum extracted during the previous month, and pay the royalties payable to the Minister at the same time.

The Government determines, by regulation, the form and content of the report, the documents that must accompany it and the royalties payable. The royalty may vary according to whether or not the petroleum is extracted in an area delimited by order in a body of water.

"**63.** The holder of a production licence must, on each anniversary date of the awarding of the licence, pay the annual fee the Government determines by regulation.

"**64.** A production licence holder must prepare an annual report in accordance with the form and content the Government determines by regulation, and send it, at their option,

(1) to the Minister not later than the 150th day after the end of their fiscal year or, in the case of a natural person, of the calendar year; or

(2) to the Autorité des marchés financiers at the same time as the statement required under the Act respecting transparency measures in the mining, oil and gas industries.

The Autorité des marchés financiers sends a report received under subparagraph 2 of the first paragraph to the Minister without delay.

"§5. — *Special provisions applicable to storage licences*

"**65.** A storage licence holder must send a monthly report to the Minister detailing the nature and quantity of substances injected or withdrawn during the previous month, and at the same time pay duties to the Minister on the substances withdrawn.

The Government determines, by regulation, the form and content of the report, the documents that must accompany it and the duties payable on the substances withdrawn.

"**66.** The holder of a storage licence must, on each anniversary date of the awarding of the licence, pay the annual fee set by the Minister in accordance with the criteria the Government determines by regulation.

"**67.** The holder of a storage licence must send an annual report to the Minister within 30 days after each anniversary date of the awarding of the licence. The Government determines, by regulation, the form and content of the report and the documents that must accompany it.

"**DIVISION V**

"AUTHORIZATION TO PRODUCE BRINE

"**68.** The Minister may authorize a licence holder to produce brine if the holder meets the conditions and pays the fee the Government determines by regulation.

The Government also determines, by regulation, the conditions for exercising the authorization.

"**69.** The term of an authorization to produce brine is five years.

The Minister renews the authorization for the terms and subject to the conditions the Government determines by regulation.

"**70.** The holder of an authorization to produce brine must, on each anniversary date of the authorization, pay the annual fee the Government determines by regulation.

"**71.** The holder of an authorization to produce brine must send a monthly report to the Minister detailing the quantity and value of brine extracted during the previous month, and pay the royalties payable to the Minister at the same time.

The Government determines, by regulation, the form and content of the report, the documents that must accompany it and the royalties payable.

"**DIVISION VI**

"AUTHORIZATION OF CERTAIN WORK OR ACTIVITIES

"§1. — *Geophysical surveying or geochemical surveying*

"**72.** A licence holder who conducts geophysical surveying or geochemical surveying must, for each survey, hold a geophysical surveying or geochemical surveying authorization.

"**73.** The Minister grants a geophysical surveying or geochemical surveying authorization to a licence holder who meets the conditions and pays the fee the Government determines by regulation.

The Government also determines, by regulation, the conditions for exercising the authorization.

The Minister may subject the authorization to conditions designed to avoid conflicts with other uses of the territory.

"**74.** If a certificate of authorization is required under section 22 of the Environment Quality Act, no geophysical surveying authorization may be granted until the certificate has been issued.

"§2. — *Stratigraphic surveying*

"**75.** A licence holder who conducts stratigraphic surveying must, for each survey, hold a stratigraphic surveying authorization.

"**76.** The Minister grants a stratigraphic surveying authorization to a licence holder who meets the conditions and pays the fee the Government determines by regulation.

The Government also determines, by regulation, the conditions for exercising the authorization.

The Minister may subject the authorization to conditions designed to avoid conflicts with other uses of the territory.

"§3. — *Drilling*

"**77.** A licence holder who drills or re-enters a well, including carrying out any work or activities necessary to install the conductor casing, must, for each well, hold a drilling authorization.

"**78.** The Minister grants a drilling authorization to a licence holder who meets the conditions and pays the fee the Government determines by regulation.

The Government also determines, by regulation, the conditions for exercising the authorization.

The Minister may subject the authorization to conditions designed to avoid conflicts with other uses of the territory.

"**79.** If a certificate of authorization is required under section 22, 31.5, 164 or 201 of the Environment Quality Act, no authorization may be granted until the certificate has been issued and the Minister has approved the permanent well or reservoir closure and site restoration plan and the guarantee required under Chapter IV.

"**80.** When granting an authorization, the Minister informs the licence holder of the time within which they must undertake their work. The licence holder must notify the Minister of the date their work begins within the time and in the manner the Government determines by regulation.

"**81.** Within 30 days after work begins, the holder of a drilling authorization must enter in the land register a declaration of the well's location. The declaration is registered in the register of real rights of State resource development and, as applicable, in the file relating to the immovable affected by the well, either in the index of immovables or in the register of public service networks and immovables situated in territory without a cadastral survey.

"**82.** A drilling authorization ends on or before the end date of the licence.

However, an authorization that is set to expire during the drilling of a well continues to be in force while the drilling of that well is being pursued diligently.

"**83.** If drilling work is temporarily or permanently discontinued, the holder of a drilling authorization must close the well in accordance with sections 92 to 99, or complete it.

"§4. — *Completion*

"**84.** A licence holder who completes a well by physical, chemical or other stimulation must hold a completion authorization unless the licence holder does so by fracturing.

The Government determines, by regulation, the conditions for exercising the authorization.

"**85.** The Minister grants a completion authorization to a licence holder who meets the conditions and pays the fee the Government determines by regulation.

"**86.** If a certificate of authorization is required under section 22 of the Environment Quality Act, no completion authorization may be granted until the certificate has been issued.

"§5. — *Fracturing*

"**87.** A licence holder who conducts fracturing operations must hold a fracturing authorization.

"**88.** The Minister grants a fracturing authorization to a licence holder who meets the conditions and pays the fee the Government determines by regulation.

The Government also determines, by regulation, the conditions for exercising the authorization.

"**89.** If a certificate of authorization is required under section 22 of the Environment Quality Act, no fracturing authorization may be granted until the certificate has been issued.

"§6. — *Reconditioning*

"**90.** A licence holder who performs major maintenance work or conducts remedial actions on a well must hold a reconditioning authorization.

The Government determines, by regulation, the conditions for exercising the authorization.

"**91.** The Minister grants a reconditioning authorization to a licence holder who meets the conditions and pays the fee the Government determines by regulation.

"§7. — *Temporary or permanent closure*

"**92.** A licence holder who ceases their work or activity at a well must close it temporarily or permanently.

The licence holder must obtain the Minister's authorization prior to the closure.

The Government determines, by regulation, in what circumstances a temporary closure is to be considered permanent.

"**93.** An authorization is granted to a licence holder who meets the conditions and pays the fee the Government determines by regulation.

The Government also determines, by regulation, the conditions for exercising the authorization.

"**94.** If the circumstances warrant it, the Minister may authorize a person other than a licence holder to close a well.

"**95.** The holder of a permanent closure authorization must perform the work required under the permanent well or reservoir closure and site restoration plan, as well as the work the Government determines by regulation.

"**96.** If a temporary closure is considered permanent under the third paragraph of section 92, the holder of a temporary closure authorization must perform the work required under the permanent well or reservoir closure and site restoration plan, as well as the work the Government determines by regulation.

"**97.** A licence holder must close a well before the expiry date of their licence.

However, site restoration work may continue beyond that date, in accordance with this Act and the regulations.

"**98.** Within 30 days after a permanent well closure, an authorization holder must enter in the land register a declaration of the closure. The declaration is registered in the register of real rights of State resource development and, as applicable, in the file relating to the immovable affected by the well, either in the index of immovables or in the register of public service networks and immovables situated in territory without a cadastral survey.

"**99.** No one may move, disturb or damage a facility erected under this subdivision unless they have written authorization from the Minister and the holder of the permanent well closure authorization or, in the case provided for in section 96, from the holder of a temporary closure authorization.

"§8. — *Report to the Minister*

"**100.** The holder of an authorization governed by this division must send a report to the Minister within 90 days after the end of the work or activities.

The Government determines, by regulation, the form and content of the report and the documents that must accompany it.

"**CHAPTER IV**

"PERMANENT WELL OR RESERVOIR CLOSURE AND SITE RESTORATION PLAN

"**101.** An exploration, production or storage licence holder applying for a drilling authorization must submit a permanent well or reservoir closure and site restoration plan to the Minister for approval.

The plan sets out the work required to be performed on closure of the well or reservoir.

"**102.** The plan must include the information the Government determines by regulation. The Government may also determine, by regulation, the form of the plan and the documents that must accompany it.

"**103.** A guarantee covering the anticipated cost of completing the work required must be furnished to the Minister with the plan.

The Government determines, by regulation, such matters as the duration, form and terms of the guarantee.

"**104.** The Minister may require a licence holder to provide, within the time the Minister specifies, any additional information, research findings or study the Minister considers necessary to approve the plan.

"**105.** The Minister approves the plan after obtaining a favourable opinion from the Minister of Sustainable Development, Environment and Parks.

The Minister may subject the approval of the plan to any condition or obligation the Minister determines, in particular advance payment of all or part of the guarantee required under section 103. In such a case, the plan is amended accordingly.

"**106.** The Minister registers every plan the Minister has approved in the public register of real and immovable petroleum rights.

"**107.** If property or a sum of money serves as guarantee, the property or sum is exempt from seizure.

"**108.** The holder of a drilling authorization must submit a revised plan to the Minister for approval whenever warranted by changes in their work or activities or whenever the Minister so requires.

Sections 103 to 106 apply, with the necessary modifications, to a revised plan.

"**109.** The Minister may require that a licence holder furnish any additional guarantee, within the time the Minister specifies, if the Minister considers that it is no longer sufficient in view of the foreseeable costs of performing the work required under the plan.

The Minister may also require the payment of the total guarantee if, in the Minister's opinion, the licence holder's financial situation or a reduction in the anticipated duration of the licence holder's work or activities may prevent the payment of all or part of the guarantee.

"**110.** The work required under the plan must begin within six months after the permanent cessation of work or activities.

The Minister may require that the work begin within a shorter period, or grant one or more extensions for performance of the work. The first extension may not exceed six months and additional extensions may not exceed one year.

"**111.** If a licence holder fails to perform any obligation relating to the plan, the Minister may order them to perform the obligation within the time the Minister specifies.

If the licence holder fails to comply, the Minister may, in addition to imposing any other civil, administrative or penal sanction, cause the work required under the plan to be performed at the licence holder's expense. The Minister may recover the cost of the work out of the guarantee furnished, among other means.

"**112.** The Minister may also release an exploration, production or storage licence holder from their obligations under sections 101 to 105 and 108 to 110 if the Minister agrees to let a third person assume the obligations. In such a case, the Minister issues a certificate to that effect to the licence holder.

"**113.** As soon as the work required under the plan has been completed, the holder of a drilling authorization must send to the Minister a certificate of an expert whose name appears on the list drawn up under section 31.65 of the Environment Quality Act stating that the work referred to in Division IV.2.1 of Chapter I of that Act was performed in accordance with the plan.

"**114.** The Minister declares the Minister's satisfaction with the permanent well or reservoir closure and site restoration work and returns the guarantee if

(1) in the Minister's opinion, the permanent well or reservoir closure and site restoration work has been completed in accordance with the plan approved by the Minister and if no sum is owing to the Minister with respect to the performance of the work;

(2) in the Minister's opinion, the condition of the territory affected by the work or activities no longer poses a risk for the environment or for human health and safety;

(3) the Minister has obtained a favourable opinion from the Minister of Sustainable Development, Environment and Parks; and

(4) the Minister has received the certificate required under section 113.

"**115.** Nothing in sections 101 to 112 affects or restricts the application of the Environment Quality Act.

"**CHAPTER V**

"PIPELINE CONSTRUCTION OR USE AUTHORIZATION

"**DIVISION I**

"GENERAL PRINCIPLES

"**116.** No one may build or use a pipeline without holding a pipeline construction or use authorization.

"**117.** A pipeline construction or use authorization is transferable only in the cases and on the conditions the Government determines by regulation.

"**DIVISION II**

"BOARD'S DECISION

"**118.** A person who wishes to build or use a pipeline must submit their project to and obtain a favourable decision from the Board.

The application must be accompanied by the information and documents the Government determines by regulation.

"**119.** The Board renders a favourable decision if it considers that the project complies with generally recognized best practices for ensuring the safety of persons and property, environmental protection and optimal recovery of the resource and that it meets the standards the Government determines by regulation.

In its decision, the Board mentions the conditions it considers necessary for the carrying out of the project.

The Board sends its decision to the Minister.

"**120.** Sections 42 and 44 to 47 apply, with the necessary modifications, to this chapter.

"**DIVISION III**

"GRANTING OF PIPELINE CONSTRUCTION OR USE AUTHORIZATION

"**121.** The Minister grants a pipeline construction or use authorization to an applicant who has obtained a favourable decision from the Board on the applicant's pipeline project and who meets the conditions and pays the fee the Government determines by regulation.

No pipeline construction or use authorization may be granted until the certificate of authorization required under the Environment Quality Act has been issued.

"**122.** A pipeline construction or use authorization gives its holder the right to build or use a pipeline.

The authorization must include any conditions, which are not inconsistent with this Act and the regulations, that are agreed on by the Minister and the holder. It may also include conditions proposed by the Board.

The Minister may subject the authorization to conditions designed to avoid conflicts with other uses of the territory.

The Government determines, by regulation, any other conditions for exercising the authorization.

"**123.** The Government determines, by regulation, the term of a pipeline construction or use authorization.

The Minister renews the authorization for the terms and subject to the conditions prescribed by government regulation.

"**124.** If a pipeline construction or use authorization is awarded on private land or land leased by the State, the authorization holder must, within 30 days after registering the authorization in the public register of real and immovable petroleum rights and in the manner the Government determines by regulation, notify the owner or lessee, the local municipality and the regional county municipality, in writing, of the authorization obtained.

"**125.** The Minister may modify the conditions on a pipeline construction or use authorization once the Board, after examining a project amended in accordance with section 46, proposes new conditions for building or using a pipeline.

"**126.** A pipeline construction or use authorization holder must, as soon as their construction work has been completed, restore the land affected by the work to its former condition.

The Government determines, by regulation, the other conditions for carrying out such restoration work.

"**127.** A pipeline construction or use authorization holder must make sure they prevent and monitor any risk of leakage from the pipeline.

"**CHAPTER VI**

"LIABILITY AND PROTECTIVE MEASURES

"**128.** An exploration, production or storage licence holder or a pipeline construction or use authorization holder is required, irrespective of any fault alleged against anyone and up to, for each event, an amount the Government determines by regulation, to make reparation for any injury caused through or in the course of their work or activities, including a loss of non-use value relating to a public resource, in particular due to emanations or migrations of gas or spills of oil or other liquids. Beyond that amount, the holder may be required to make reparation for injury caused through their fault or the fault of any of their employees or subcontractors in the performance of their functions. The holder nevertheless has a right to bring any legal remedy, for the entire injury, against the person who committed the fault.

The holder may not be relieved of liability by proving that the injury resulted from superior force. The cases of apportionment of liability set out in the Civil Code apply to any action brought against the holder for sums in excess of the amount determined under the first paragraph and to any recursory action brought by the holder.

The holder must provide proof, in the form and manner the Government determines by regulation, that they are solvent to an amount determined by the Government.

Only the Government may bring a legal action to recover a loss of non-use value relating to a public resource.

"**129.** Nothing in section 128 suspends or limits any legal action, of any kind, that may be brought against an exploration, production or storage licence holder or a pipeline construction or use authorization holder for a fault they or their employees or subcontractors are alleged to have committed.

"**130.** The Minister may, if a spill of liquid or an emanation or migration of gas from a well or a pipeline poses a risk for human health or safety or the safety of property, order the person in charge of the well or pipeline to do what is necessary to remedy the situation or, if there is no other solution, to seal off the source of the spill, emanation or migration.

If the person in charge fails to comply with the Minister's orders within the prescribed time, the Minister may cause the work required to be done or the source of the spill, emanation or migration to be sealed off at that person's expense.

"**131.** The Government determines, by regulation, the protective and safety measures that must be implemented by a licence holder, a pipeline construction or use authorization holder or any other person in charge of a well or pipeline.

The Minister may order such a holder or person to take any other protective or safety measure the Minister considers necessary.

If the holder or person fails to comply with a protective or safety measure, the Minister may cause the work required to be done at the holder's or person's expense.

"**CHAPTER VII**

"OPTIMAL PETROLEUM RECOVERY AND BRINE

"**132.** An exploration, production or storage licence holder must recover petroleum and brine optimally using generally recognized best practices for ensuring the safety of persons and property, environmental protection and optimal recovery of the resource.

In order to ensure that the licence holder complies with this obligation, the Minister may

(1) require the licence holder to send a report to the Minister justifying the method used;

(2) conduct a study to evaluate the method used; and

(3) order the licence holder to take, within the time the Minister specifies, any measures necessary to remedy any situation that would compromise the optimal recovery of petroleum or brine.

The Minister may, subject to the conditions the Minister determines, give a mandate to a committee composed of three persons, including two specialists in the field who are not part of the public service, to conduct a study under subparagraph 2 of the second paragraph.

The committee must submit a report recommending, if applicable, measures to remedy any situation that compromises the optimal recovery of petroleum and brine.

If the licence holder fails to comply with the Minister's requirements, the Minister may order the suspension of the holder's work or activities for the period the Minister determines.

"**CHAPTER VIII**

"MISCELLANEOUS PROVISIONS

"**133.** A person authorized by the Minister to carry out work related to protective, closure or site restoration measures may enter, at any reasonable time, for the purposes of their work, any place where a work or activity governed by this Act or the regulations is carried on.

"**134.** Within 30 days after the surrender, revocation or expiry of their right, an exploration licence holder must remove all of their property from the territory

that was subject to the right. The same holds for a production or storage licence holder, in the year following the surrender, revocation or expiry of their right.

On written application, the Minister may grant an extension subject to the conditions the Minister determines. The Minister may also grant an extension if site restoration work continues beyond the term of the licence.

Once the time has expired, the property remaining on lands in the domain of the State forms part of that domain of right and may be removed by the Minister at the licence holder's expense.

"**135.** Any sum owed to the State under section 111, 130, 131 or 134 gives rise to a legal hypothec of the State on all of the debtor's property.

"**136.** A licence holder may, in order to construct buildings or perform any other operation required for their work or activities, cut timber forming part of the domain of the State on the parcel of land that is subject to their right, in accordance with the rules prescribed by the Sustainable Forest Development Act (chapter A-18.1) and the regulations.

However, those rules do not apply to a licence holder who carries out line cutting not exceeding one metre in width.

Similarly, except in the case of a strip of woodland established for the protection of lakes, watercourses, riparian areas and wetlands by government regulation under section 38 of the Sustainable Forest Development Act, the rules apply neither to a licence holder cutting trenches or performing other excavations nor to a licence holder conducting geophysical surveying, geochemical surveying or stratigraphic surveying or carrying out drilling work, provided they have obtained prior authorization from the minister responsible for the administration of that Act and comply with the following conditions:

(1) the total area of the trenches or other excavations, added, if applicable, to the total area of excavations already carried out by another licence holder, must not exceed 2% of the wooded area of the parcel of land concerned; and

(2) the area affected by the cutting of timber that is required for geophysical surveying, geochemical surveying or stratigraphic surveying or for drilling work, added, if applicable, to the area affected by cutting already carried out by another licence holder on the same conditions, must not exceed 2% of the wooded area of the parcel of land concerned.

The minister responsible for the administration of the Sustainable Forest Development Act may make the minister's authorization subject to such other conditions and obligations as that minister determines jointly with the minister responsible for the administration of this Act.

Despite the preceding paragraphs, in any area classified as an exceptional forest ecosystem under the Sustainable Forest Development Act, a licence holder must follow the rules prescribed by that Act.

"**137.** A licence holder who obtains an authorization under section 136 must scale the harvested timber in accordance with section 70 of the Sustainable Forest Development Act and pay the same duties as those applicable to the holder of a forestry permit issued under subparagraph 4.1 of the first paragraph of section 73 of that Act.

"**138.** The Minister of Transport, with the Government's authorization, may construct, improve or maintain any road to facilitate the carrying on of any work or activity relating to petroleum exploration, production and storage. The provisions of the Mining Act (chapter M-13.1) relating to mining roads apply, with the necessary modifications, to such a road.

In any Act or regulation, a reference to a mining road is also a reference to a road for which authorization has been obtained under this section.

"**139.** The Minister must, not later than 1 April 2018 and every three years after that, report to the Government on the state of the wells identified that belong to no one or that have been abandoned in the territory of Québec.

The report is tabled within the next 30 days in the National Assembly or, if the Assembly is not sitting, within 30 days of resumption.

"**CHAPTER IX**

"DISCLOSURE OF INFORMATION

"**140.** Subject to the information or documents that are public information or documents under subparagraph 4 of paragraph *s* of section 46 of the Environment Quality Act, the information sent to the Minister by an exploration, production or storage licence holder following geophysical, geochemical or stratigraphic surveys becomes public information five years after completion of the work; the information sent to the Minister by an exploration, production or storage licence holder following the drilling of a well becomes public information two years after the date of permanent closure of the well.

"**CHAPTER X**

"INCOMPATIBLE TERRITORY

"**141.** Any petroleum situated in a territory incompatible with petroleum exploration, production and storage which is delimited in a land use and development plan in accordance with the Act respecting land use planning and development (chapter A-19.1) is withdrawn from any petroleum exploration-, production- or storage-related work or activity from the time the territory is shown on the maps kept at the office of the registrar.

A territory incompatible with petroleum exploration, production and storage is one in which the viability of the work or activities would be compromised by the impacts created by such exploration, production or storage.

The first paragraph does not apply to petroleum in respect of which exploration, production or storage is already authorized by a licence at the time the incompatible territories are shown on the maps kept at the office of the registrar.

"**CHAPTER XI**

"MINISTER'S POWERS

"**DIVISION I**

"SPECIAL POWERS

"**142.** The Minister may, by order, reserve to the State or withdraw from any petroleum exploration-, production- or storage-related work or activity any land containing a pool, brine or an underground reservoir if necessary for any purpose that the Minister considers to be in the public interest, in particular, for the purposes of

(1) mining, industrial, port, airport or communications facilities;

(2) underground conduits;

(3) the development and utilization of waterpower, power transmission lines, storage tanks or underground reservoirs;

(4) the creation of parks or protected areas;

(5) plant-life and wildlife conservation;

(6) the protection of eskers that may be a source of drinking water; and

(7) classification as an exceptional forest ecosystem under the Sustainable Forest Development Act or designation of biological refuges under that Act.

The order comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the order.

"**143.** The Minister may delegate to any person the exercise of the powers conferred on the Minister under this Act. The delegation comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the delegation.

"**DIVISION II**

"SUSPENSION OF THE TERM OF A LICENCE

"**144.** The Minister may, on the Minister's own initiative or at any interested person's request, subject to the conditions determined by the Minister, suspend the term of a licence

(1) during such time as the validity of the licence is contested;

(2) for the period the Minister determines, if the licence holder is prevented from performing the work authorized by their exploration licence;

(3) until the Minister has rendered a decision on the renewal or surrender of the licence; or

(4) to permit the use of the territory for public utility purposes.

"**DIVISION III**

"SUSPENSION OR REVOCATION OF A LICENCE OR AUTHORIZATION

"**145.** The Minister may suspend or revoke any licence or authorization required under this Act if its holder does not comply with the conditions, obligations or restrictions applicable to the exercise of the licence or authorization.

The Minister may, by order, prohibit any holder from commencing or continuing any work or activity in the territory covered by the holder's licence if there exists

(1) an environmental or social problem of a serious nature; or

(2) dangerous or extreme weather conditions affecting the health or safety of persons or the safety of equipment.

Any requirement in relation to a licence that cannot be complied with while such an order is in force is suspended until the order is revoked by the Minister.

The Minister may also revoke a licence or authorization if

(1) it was obtained or renewed by mistake;

(2) it was obtained or renewed through fraud or misrepresentation, unless it has been registered for not less than one year in the public register of real and immovable petroleum rights in the name of a subsequent purchaser in good faith;

(3) the licence holder has, in the preceding five years, been found guilty of an offence under any of sections 200 to 203; or

(4) after six months, the Minister considers that the suspension ordered to use the territory for public utility purposes under paragraph 4 of section 144 must be maintained. In such a case, the Minister pays to the licence holder compensation equal to the amounts spent for all the work performed, on the filing of the reports on that work.

An exploration licence for work refused under any of paragraphs 1 to 3 and 5 of section 35 must be revoked within seven months after the end of the year in which the work was performed.

"**146.** A licence or authorization holder whose licence or authorization has been revoked must send to the Minister all the documents the holder was required to submit to the Minister.

"**147.** Before suspending or revoking a licence or authorization awarded or granted under this Act, the Minister must notify the prior notice prescribed by section 5 of the Act respecting administrative justice (chapter J-3) to the licence holder in writing and allow the latter at least 15 days to submit observations.

"**148.** The suspension or revocation of a licence or authorization takes effect on the date the decision becomes enforceable.

"**CHAPTER XII**

"PUBLIC REGISTER

"**149.** A public register of real and immovable petroleum rights is established at the Ministère des Ressources naturelles et de la Faune.

"**150.** The Minister appoints a registrar to keep the public register and make in the register an entry of

(1) the immovable real rights referred to in section 15, their renewal, transfer, surrender, suspension, revocation or expiry and any other act relating to those rights;

(2) the authorizations granted and notices sent under sections 38, 39, 73, 76, 78, 80, 85, 88, 91, 92 and 121;

(3) any permanent well or reservoir closure and site restoration plan; and

(4) the Minister's declaration of satisfaction under section 114.

The Government may determine, by regulation, any other act or document that may be registered in the public register.

The registrar keeps in the public register the titles evidencing the rights referred to in subparagraph 1 of the first paragraph, and issues to any interested person a certificate of any entry in the public register.

"**151.** Every transfer of real and immovable rights, and every other act relating to such rights and referred to in subparagraph 1 of the first paragraph of section 150, is registered in the public register on presentation of a copy of the instrument evidencing the transfer or act.

No such transfer or act is enforceable against the State unless it has been registered in the public register.

"**152.** The Government determines, by regulation, the fee payable for searching the public register and the fee payable for consulting the register, registering an act, obtaining copies or extracts from the public register and being issued a certificate of registration.

"**CHAPTER XIII**

"INSPECTION AND INQUIRY

"**DIVISION I**

"INSPECTION

"**153.** Every person authorized by the Minister to act as an inspector may

(1) enter, at any reasonable time, any place where work or an activity governed by this Act or the regulations is carried on and inspect it;

(2) take any images of the premises and the property located there;

(3) examine and make copies of any document relating to that work or activity; and

(4) require any information or document relating to the work or activities governed by this Act and the regulations.

A person having custody, possession or control of the documents referred to in subparagraphs 3 and 4 of the first paragraph must, on request, make them available to the inspector and facilitate their examination.

"**154.** An inspector may, by a request sent by registered mail or personal service, require a person to communicate by registered mail or personal service, within a reasonable time specified by the inspector, any information or document relating to the application of this Act or the regulations.

"**155.** The inspector may order the suspension of any work or activity at a well if there are reasonable grounds to believe that this Act or the regulations have been contravened.

The inspector authorizes resumption of the work or activity when they consider that the situation has been remedied.

"**DIVISION II**

"INQUIRY

"**156.** The Minister or any person the Minister designates as investigator may inquire into any matter relating to the application of this Act or the regulations.

"**157.** When an investigation is conducted to enable the Minister to make a decision affecting a licence or authorization holder's rights, the investigator sends the report containing the inspection findings to the Minister and must, at the same time, send a copy of it to the holder.

"**DIVISION III**

"IDENTIFICATION AND IMMUNITY

"**158.** The inspector or investigator must, on request, produce identification and show the certificate of authority signed by the Minister.

"**159.** In no case may judicial proceedings be taken against an inspector or investigator for acts performed in good faith in the exercise of their functions.

"**CHAPTER XIV**

"REFERRAL, REVIEW AND APPEAL

"**160.** Every decision rendered under the second paragraph of section 27, section 35, 40 or 48, the second paragraph of section 54, section 61 or 68, the second paragraph of section 69, section 73, 76, 78, 85, 88, 91, 93, 105, 108 or 121 or the second paragraph of section 123 must be in writing and include reasons. It must be sent to the interested person.

"**161.** Before rendering a decision under section 160, the Minister must send a copy of the record relating to the case to every interested person who applies for it.

"**162.** The Minister must also send a 30-day notice of the Minister's intention not to renew a right referred to in section 15 or of the Minister's intention to revoke it to creditors who have registered an act referred to in subparagraph 1 of the first paragraph of section 150.

If the right expires during the 30-day period, the notice postpones the expiry of the right by suspending its term for the time that remains to run by virtue of the notice.

"**163.** A decision to refuse to renew or to suspend or revoke a right referred to in section 15 suspends the term of that right until the decision becomes enforceable.

"**164.** Any interested person may, within 30 days after receiving a decision referred to in section 160, make a request in writing to the Minister for a review of the decision.

The request must include reasons and all the relevant facts.

"**165.** The Minister may allow an interested person to act after the expiry of the time specified in section 164 if the interested person was unable, for serious and valid reasons, to act sooner.

"**166.** A review decision must be communicated in writing to the interested person and include reasons. In communicating the review decision, the Minister must inform the interested person that they may contest it before the Court of Québec.

"**167.** Any party to a decision under section 166 may appeal from it to the Court of Québec.

"**168.** An appeal suspends the execution of the decision unless the court decides otherwise.

"**169.** The appeal is brought by an application served on the Minister.

"**170.** The appellant must file the application, within 30 days after receiving the decision, in the office of the Court of Québec of the judicial district of their domicile or principal establishment or of the district where the facts which gave rise to the decision occurred.

"**171.** On service of the application, the Minister sends the record of the decision appealed from to the Court of Québec.

"**172.** The appeal is heard and decided by preference.

The court bases its decision on the record sent to it and on any other evidence submitted by the parties.

"**173.** The Court of Québec may, in the manner prescribed in articles 63 to 65 of the Code of Civil Procedure (chapter C-25.01), adopt the regulations which, in its judgment, are necessary for the application of this chapter.

"**174.** Only the judges of the Court of Québec designated by the chief judge have jurisdiction under this chapter.

"**175.** A decision of the Court of Québec may be appealed from to the Court of Appeal with leave of a judge of the Court of Appeal.

"**176.** The Minister refers to the Court of Québec any dispute concerning a right referred to in section 15 held by the State.

Sections 170 to 175 apply, with the necessary modifications, to any case so referred.

"**CHAPTER XV**

"MONETARY ADMINISTRATIVE PENALTIES

"**177.** Persons designated by the Minister may impose monetary administrative penalties on any person who fails to comply with this Act or the regulations in the cases and on the conditions set out in them.

For the purposes of the first paragraph, the Minister develops and makes public a general framework for applying such administrative penalties in connection with penal proceedings, specifying the following elements:

(1) the purpose of the penalties, such as urging the person to take rapid measures to remedy the failure and deter its repetition;

(2) the categories of functions held by the persons designated to impose penalties;

(3) the criteria that must guide designated persons when a failure to comply has occurred, such as the type of failure, its repetitive nature, the seriousness of the effects or potential effects, and the measures taken by the person to remedy the failure;

(4) the circumstances in which priority will be given to penal proceedings; and

(5) the other procedures connected with such a penalty, such as the fact that it must be preceded by notification of a notice of non-compliance.

The general framework must give the categories of administrative or penal sanctions as defined by the Act or the regulations.

"**178.** No decision to impose a monetary administrative penalty may be notified to a person for a failure to comply with this Act or the regulations if a statement of offence has already been served for a failure to comply with the same provision on the same day, based on the same facts.

"**179.** In the event of a failure to comply with this Act or the regulations, a notice of non-compliance may be notified to the person concerned urging that the necessary measures be taken immediately to remedy the failure. Such a notice must mention that the failure may give rise to a monetary administrative penalty and penal proceedings.

"**180.** When a person designated by the Minister imposes a monetary administrative penalty on a person, the designated person must notify the decision by a notice of claim that complies with section 192.

No accumulation of monetary administrative penalties may be imposed on the same person for failure to comply with the same provision if the failure occurs on the same day and is based on the same facts. In cases where more than one penalty would be applicable, the person imposing the penalty decides which one is most appropriate in light of the circumstances and the purpose of the penalties.

"**181.** The person may apply in writing for a review of the decision within 30 days after notification of the notice of claim.

"**182.** The Minister designates persons to be responsible for reviewing decisions on monetary administrative penalties. Those persons must not come under the same administrative authority as the persons who impose such penalties.

"**183.** After giving the applicant an opportunity to submit observations and produce any documents to complete the record, the person responsible for reviewing the decision renders a decision on the basis of the record, unless they deem it necessary to proceed in some other manner. The person may confirm, quash or vary the decision under review.

"**184.** The application for review must be dealt with promptly. The review decision must be written in clear, concise terms, must include reasons, must be notified to the applicant and must state the applicant's right to contest the decision before the Administrative Tribunal of Québec and the time limit for bringing such a proceeding.

If the review decision is not rendered within 30 days after receipt of the application or, as applicable, after the expiry of the time required by the applicant to submit observations or produce documents, the interest provided for in the fourth paragraph of section 192 on the amount owing ceases to accrue until the decision is rendered.

"**185.** The imposition of a monetary administrative penalty for failure to comply with the Act or the regulations is prescribed two years after the date of the failure to comply.

However, if false representations have been made to the Minister, the monetary administrative penalty may be imposed within two years after the date on which the inspection or inquiry that led to the discovery of the failure to comply was begun.

In the absence of evidence to the contrary, the certificate of the Minister, inspector or investigator constitutes conclusive proof of the date on which the inspection or inquiry was begun.

"**186.** If a failure to comply for which a monetary administrative penalty may be imposed continues for more than one day, it constitutes a new failure for each day it continues.

"**187.** A monetary administrative penalty of $250 in the case of a natural person and $1,000 in any other case may be imposed on any person who

(1) refuses or neglects, in contravention of this Act, to provide any information or documents or fails to file them in the prescribed time, in cases where no other monetary administrative penalties are provided for by this Act or the regulations; or

(2) contravenes section 7 or 29, the third paragraph of section 30, the second paragraph of section 31, section 57, the third paragraph of section 58 or section 80, 81, 98, 100 or 146.

"**188.** A monetary administrative penalty of $500 in the case of a natural person and $2,500 in any other case may be imposed on any person who contravenes section 28, the first paragraph of section 37, section 46, 55 or 62, the first paragraph of section 64 or section 65, 67, 71, 72, 75, 77, 84, 87, 90 or 92.

The same holds for any person who does not comply with a requirement of the Minister imposed under subparagraph 1 of the second paragraph of section 132.

"**189.** A monetary administrative penalty of $1,000 in the case of a natural person and $5,000 in any other case may be imposed on any person who contravenes section 9, 99, 108, 116, 127 or 134.

"**190.** A monetary administrative penalty of $2,000 in the case of a natural person and $10,000 in any other case may be imposed on any person who

(1) contravenes any of sections 95 to 97, the first paragraph of section 110 and section 126;

(2) does not comply with a requirement of the Minister imposed under the second paragraph of section 110; or

(3) refuses or fails to comply with an order imposed under this Act.

"**191.** The Government may, in a regulation made under this Act, specify that a failure to comply with the regulation may give rise to a monetary administrative penalty. The regulation may define the conditions for applying the penalty and set forth the amounts or the methods for determining them. The amounts may vary according to the degree to which the standards have been infringed, without exceeding the amounts set out in section 190, according to the party in breach.

"**192.** The person designated by the Minister under section 180 may, by notification of a notice of claim, claim from a person the payment of the amount of any monetary administrative penalty imposed under this chapter.

In addition to stating the person's right to obtain a review of the decision under section 181 and the time limit specified in that section, the notice of claim must include

(1) the amount of the claim;

(2) the reasons for it;

(3) the time from which it bears interest; and

(4) the right to contest the review decision before the Administrative Tribunal of Québec and the time limit for doing so.

The notice of claim must also include information on the procedure for recovery of the amount claimed, in particular with regard to the issue of a recovery certificate under section 195 and its effects. The person concerned must also be advised that the facts on which the claim is founded may result in penal proceedings.

Unless otherwise provided, the amount owing bears interest at the rate determined under the first paragraph of section 28 of the Tax Administration Act (chapter A-6.002), from the 31st day after notification of the notice.

"**193.** A review decision that confirms the imposition of a monetary administrative penalty may be contested before the Administrative Tribunal of Québec by the person concerned, within 30 days after notification of the decision.

When rendering its decision, the Administrative Tribunal of Québec may make a ruling with respect to interest accrued on the penalty while the matter was pending.

"**194.** The directors and officers of a legal person that has defaulted on payment of an amount owed under this chapter are solidarily liable, with the legal person, for the payment of the amount, unless they establish that they exercised due care and diligence to prevent the failure which led to the claim.

"**195.** If the amount owing is not paid in its entirety, the Minister may issue a recovery certificate on the expiry of the time for applying for a review of the decision, on the expiry of the time for contesting the review decision before the Administrative Tribunal of Québec or on the expiry of 30 days after the final decision of the Tribunal confirming all or part of the Minister's decision or the review decision, as applicable.

However, a recovery certificate may be issued before the expiry of the time referred to in the first paragraph if the Minister is of the opinion that the debtor is attempting to evade payment.

A recovery certificate must state the debtor's name and address and the amount of the debt.

"**196.** Once a recovery certificate has been issued, the Minister of Revenue applies, in accordance with section 31 of the Tax Administration Act, a refund due to a person under a fiscal law to the payment of an amount owed by them under this Act.

That application interrupts the prescription provided for in the Civil Code with regard to the recovery of an amount owed.

"**197.** On the filing of the recovery certificate at the office of the competent court, together with a copy of the final decision establishing the amount of the debt, the decision becomes enforceable as if it were a final judgment of that court and has all the effects of such a judgment.

"**198.** The debtor is required to pay a recovery charge in the cases, under the conditions and in the amount that the Government determines by regulation.

"**CHAPTER XVI**

"PENAL PROVISIONS

"**199.** Anyone who

(1) contravenes section 7 or 29, the third paragraph of section 30, the second paragraph of section 31, section 57, the third paragraph of section 58 or section 80, 81, 98, 100 or 146, or

(2) contravenes a provision of a regulation whose violation constitutes an offence under paragraph 5 of section 207,

is guilty of an offence and is liable to a fine of $1,000 to $100,000 in the case of a natural person and $3,000 to $600,000 in any other case.

"**200.** Anyone who contravenes section 28, the first paragraph of section 37, section 38, 39, 46, 55 or 62, the first paragraph of section 64 or section 65, 67, 71, 72, 75, 77, 84, 87, 90 or 92 is guilty of an offence and is liable to a fine of

$2,500 to $250,000 in the case of a natural person and $7,500 to $1,500,000 in any other case.

The same holds for any person who does not comply with a requirement of the Minister imposed under subparagraph 1 of the second paragraph of section 132.

"**201.** Anyone who in any way hinders an inspector or investigator in the exercise of inspection or investigation functions, misleads an inspector or investigator through concealment or false declarations, refuses to provide any information or document the inspector is entitled to require or examine under sections 153 and 154, or conceals or destroys any document or property relevant to an inspection or investigation is guilty of an offence and is liable to a fine of $5,000 to $500,000 in the case of a natural person and $15,000 to $3,000,000 in any other case.

Anyone who in any way hinders the work of a person referred to in section 133 is guilty of an offence and is liable to the same fine.

"**202.** Anyone who contravenes section 3, 9, 99, 108, 116 or 127, the first paragraph of section 132 or section 134 is guilty of an offence and is liable to a fine of $5,000 to $500,000 in the case of a natural person and $15,000 to $3,000,000 in any other case.

"**203.** Anyone who

(1) contravenes any of sections 95 to 97, the first paragraph of section 110 and section 126,

(2) does not comply with a requirement of the Minister imposed under the second paragraph of section 110; or

(3) refuses or fails to comply with an order imposed under this Act,

is guilty of an offence and is liable to a fine of $10,000 to $1,000,000 in the case of a natural person and $30,000 to $6,000,000 in any other case.

"**204.** Anyone who does not comply with a requirement of the Minister imposed under section 109 or contravenes a standard prescribed by regulation for the guarantee required under this Act is guilty of an offence and is liable to a fine corresponding to 10% of the total amount of the guarantee.

"**205.** The minimum and maximum fines prescribed by this Act are doubled for a second offence and tripled for a subsequent offence.

"**206.** Penal proceedings for offences under this Act or the regulations are prescribed one year from the date on which the prosecutor became aware of the commission of the offence. However, no proceedings may be instituted if more than five years have elapsed from the date of the commission of the offence.

"**CHAPTER XVII**

"REGULATORY POWERS

"**207.** In addition to the other regulatory powers conferred on it by this Act, the Government may, by regulation,

(1) determine the form and manner in which all the documents required for the purposes of this Act and the regulations are to be sent;

(2) determine the fee payable for the assessment of a permanent well or reservoir closure and site restoration plan with a view to its approval or revision;

(3) determine the fee payable for the assessment and inspections conducted for the purpose of issuing a certificate of release under section 112;

(4) determine the fee payable by a person to whom an inspector has given a written notice of non-compliance with this Act or the regulations;

(5) determine the provisions of a regulation whose violation constitutes an offence; and

(6) prescribe, in relation to a petroleum right in a body of water, additional conditions or obligations or conditions or obligations that are different from those prescribed by this Act and the regulations; such conditions or obligations may vary according to the type of body of water concerned.

"**CHAPTER XVIII**

"AMENDING PROVISIONS

"CIVIL CODE OF QUÉBEC

"**208.** Article 951 of the Civil Code of Québec is amended by inserting "petroleum," after "mines," in the second paragraph.

"ACT RESPECTING THE ACQUISITION OF FARM LAND BY NON-RESIDENTS

"**209.** Section 1 of the Act respecting the acquisition of farm land by non-residents (chapter A-4.1) is amended by inserting "or section 15 of the Petroleum Resources Act (2016, chapter 35, section 23)" at the end of paragraph 3 of the definition of "acquisition".

"SUSTAINABLE FOREST DEVELOPMENT ACT

"**210.** Section 35 of the Sustainable Forest Development Act (chapter A-18.1) is replaced by the following section:

"**35.** If the Minister is of the opinion that the exercise of a right referred to in section 8 of the Mining Act (chapter M-13.1) or section 15 of the Petroleum Resources Act (2016, chapter 35, section 23) within the boundaries of an exceptional forest ecosystem may have an adverse effect on the conservation of biological diversity, the Minister may order that all work cease and either enter with the holder of the right into an agreement providing for the abandonment or surrender of the right according to the procedure set out in those Acts, or expropriate the right in accordance with the Expropriation Act (chapter E-24)."

"**211.** Section 73 of the Act is amended by inserting the following subparagraph after subparagraph 4 of the first paragraph:

"(4.1) work or activities carried out by the holder of a right referred to in section 15 of the Petroleum Resources Act (2016, chapter 35, section 23) in exercising that right;".

"ACT RESPECTING LAND USE PLANNING AND DEVELOPMENT

"**212.** Section 1 of the Act respecting land use planning and development (chapter A-19.1) is amended by inserting "or section 15 of the Petroleum Resources Act (2016, chapter 35, section 23)" after "(chapter M-13.1)" in the portion of paragraph 1 before subparagraph *a*.

"**213.** Section 6 of the Act is amended by inserting "or any territory incompatible with petroleum exploration, production and storage of petroleum within the meaning of section 141 of the Petroleum Resources Act (2016, chapter 35, section 23)" at the end of subparagraph 7 of the first paragraph.

"**214.** Section 53.7 of the Act is amended by inserting "or a territory incompatible with petroleum exploration, production and storage within the meaning of section 141 of the Petroleum Resources Act (2016, chapter 35, section 23)" after "(chapter M-13.1)" in the first paragraph.

"**215.** Section 246 of the Act is amended by replacing "or underground reservoirs, carried on in accordance with the Mining Act (chapter M-13.1)" at the end of the first paragraph by "carried on in accordance with the Mining Act (chapter M-13.1), or petroleum exploration, production and storage carried on in accordance with the Petroleum Resources Act (2016, chapter 35, section 23)".

"ACT RESPECTING DUTIES ON TRANSFERS OF IMMOVABLES

"**216.** Section 17 of the Act respecting duties on transfers of immovables (chapter D-15.1) is amended by inserting "or section 15 of the Petroleum Resources Act (2016, chapter 35, section 23)" after "(chapter M-13.1)" in paragraph *e*.

"MINING TAX ACT

"**217.** Section 1 of the Mining Tax Act (chapter I-0.4) is amended by replacing the definition of "mineral substance" in the first paragraph by the following definition:

""mineral substance" means any natural mineral substance in solid form, including mine tailings;".

"ACT RESPECTING INVESTISSEMENT QUÉBEC

"**218.** Section 12.1 of the Act respecting Investissement Québec (chapter I-16.0.1) is amended by inserting "or petroleum resources" after "mineral substances".

"**219.** Section 35.1 of the Act is amended, in the second paragraph,

(1) by replacing "forming part of the domain of the State or that process such substances" by "or produce petroleum forming part of the domain of the State or that process such substances or petroleum";

(2) by inserting "or the petroleum so processed was first produced" after "first mined".

"**220.** Section 35.2 of the Act is amended by replacing paragraph 2 by the following paragraph:

"(2) the mining of a mineral substance or the production of petroleum includes conducting work to prove the existence of economically workable mineral substances or petroleum with a view to beginning mining or production operations;".

"**221.** Section 35.5 of the Act is amended by replacing "found" by "or produce petroleum found".

"**222.** Section 35.13 of the Act is amended by inserting "or produces petroleum" after "mineral substances" in the first paragraph.

"ACT RESPECTING ADMINISTRATIVE JUSTICE

"**223.** Schedule III to the Act respecting administrative justice (chapter J-3) is amended by inserting the following paragraph after paragraph 1.4:

"(1.5) proceedings under section 193 of the Petroleum Resources Act (2016, chapter 35, section 23);".

"MINING ACT

"**224.** Section 1 of the Mining Act (chapter M-13.1) is amended

(1) by striking out the definitions of "brine", "natural gas", "petroleum" and "well head value";

(2) by striking out ", except in the case of a licence to explore for petroleum, natural gas and underground reservoirs, an authorization to produce brine or a lease to produce petroleum or natural gas or to operate an underground reservoir" in the definition of "to prospect";

(3) by replacing "natural mineral substances in solid, gaseous or liquid form, except water, and fossilized organic matter" in the definition of "mineral substances" by "natural mineral substances in solid form".

"**225.** The heading of Chapter II of the Act is amended by striking out "AND UNDERGROUND RESERVOIRS".

"**226.** Section 3 of the Act is amended by striking out the last sentence.

"**227.** Section 8 of the Act is amended by striking out "— licences to explore for petroleum, natural gas and underground reservoirs;", "— leases to produce petroleum and natural gas;", "— authorizations to produce brine;" and "— leases to operate an underground reservoir.".

"**228.** Section 13 of the Act is amended by striking out "— leases to produce petroleum and natural gas;", "— leases to operate an underground reservoir;" and "— authorizations to produce brine;" in paragraph 3.

"**229.** Section 18 of the Act is replaced by the following section:

"**18.** This chapter applies to mineral substances which are situated in lands in the domain of the State and in lands in the private domain where the mineral substances form part of the domain of the State."

"**230.** Section 64 of the Act is amended by striking out paragraph 1.

"**231.** Section 100 of the Act is amended by striking out "petroleum, natural gas and brine,".

"**232.** Divisions IX to XIII of Chapter III of the Act, comprising sections 157 to 206, are repealed.

"**233.** Section 217 of the Act is amended by striking out "and underground reservoirs".

"**234.** Section 218 of the Act is amended

(1) by striking out "or underground reservoir" in the definition of "operator";

(2) by striking out "or operating an underground reservoir, including a well used to maintain water pressure, to dispose of or inject water or to create a water supply source" in the definition of "mine".

"**235.** Sections 227, 230 and 254 of the Act are repealed.

"**236.** Section 267 of the Act is amended by striking out ", an exploration licence for petroleum, natural gas and underground reservoirs or a lease to produce petroleum and natural gas" in the first paragraph.

"**237.** Sections 273 to 277 and 279 of the Act are repealed.

"**238.** Section 281 of the Act is amended by striking out paragraph 2.

"**239.** Section 291 of the Act is amended by striking out ", 169, 169.2, 179, 188, 194, 199, 230", "254," and "279,".

"**240.** Section 304 of the Act is amended by striking out subparagraph 3 of the first paragraph.

"**241.** Section 306 of the Act is amended by striking out paragraphs 2.1 and 4, by striking out "or under the second paragraph of section 204" in paragraph 14 and by striking out paragraphs 15 to 21.

"**242.** Section 306.1 of the Act is amended by striking out "in the case of mining rights pertaining to mineral substances other than petroleum, natural gas and brine".

"**243.** Section 310 of the Act is replaced by the following section:

"**310.** The amount of the royalty referred to in paragraph 14 of section 306 may vary according to production volume."

"**244.** Sections 313 and 313.1 of the Act are repealed.

"**245.** Section 314 of the Act is amended by striking out "157, 165, 176," and ", 227" in paragraph 1.

"**246.** Section 316 of the Act is amended by striking out "185, 193,".

"**247.** Sections 366 to 371 and 376 of the Act are repealed.

"ACT RESPECTING THE MINISTÈRE DES RESSOURCES NATURELLES ET DE LA FAUNE

"**248.** Section 17.12.12 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2) is amended by replacing "hydrocarbon management component, whose purpose is to finance activities necessary for the purposes of Divisions IX to XIII of Chapter III of the Mining Act (chapter M-13.1)" in subparagraph 5 of the first paragraph by "fossil energy management component, whose purpose is to finance work and activities necessary for the purposes of the Petroleum Resources Act (2016, chapter 35, section 23)".

"**249.** Section 17.12.19 of the Act is amended

(1) by replacing subparagraph 1 of the first paragraph by the following subparagraphs:

"(1) the sums collected under the Petroleum Resources Act (2016, chapter 35, section 23) or the regulations, except fees collected for an exploration, production or storage licence or an authorization to produce brine, the royalties paid for petroleum and brine production, and the fees paid for petroleum storage;

"(1.1) the amounts from the imposition of monetary administrative penalties under Chapter XV of the Petroleum Resources Act;";

(2) by replacing "Mining Act or the regulations with respect to natural gas, petroleum, underground reservoirs and brine" in subparagraph 2 of the first paragraph by "Petroleum Resources Act or the regulations";

(3) by replacing all occurrences of "hydrocarbon" by "fossil energy".

"**250.** The Act is amended by inserting the following subdivision after section 17.12.20:

"§4. — *Energy Transition Fund*

"**17.12.21.** The Energy Transition Fund is established.

The Fund is dedicated to financing the administration and activities of Transition énergétique Québec.

"**17.12.22.** The following sums are credited to the Fund:

(1) the fees collected for an exploration, production or storage licence or an authorization to produce brine under the Petroleum Resources Act (2016, chapter 35, section 23);

(2) the royalties paid for petroleum and brine production that are determined by the Government and the fees paid for petroleum storage under the Petroleum Resources Act;

(3) the fines paid by offenders against the Act respecting energy efficiency and innovation (chapter E-1.3);

(4) the sums transferred to it by the Minister out of the appropriations allocated for that purpose by Parliament;

(5) the sums transferred to it by the Minister of Finance under sections 53 and 54 of the Financial Administration Act (chapter A-6.001);

(6) the gifts, legacies and other contributions paid into the Fund to further the achievement of its objects; and

(7) the revenue generated by the sums credited to the Fund.

"**17.12.23.** The Minister may debit from the Fund the sums the Minister pays to Transition énergétique Québec.

The Minister determines the intervals and other terms of payment. The Minister may also subject the payments to any conditions the Minister considers appropriate."

"ACT RESPECTING THE PRESERVATION OF AGRICULTURAL LAND AND AGRICULTURAL ACTIVITIES

"**251.** Section 1 of the Act respecting the preservation of agricultural land and agricultural activities (chapter P-41.1) is amended by inserting ", transfer of a right referred to in section 15 of the Petroleum Resources Act (2016, chapter 35, section 23)" after "(chapter M-13.1)" in the portion of subparagraph 3 of the first paragraph before subparagraph *a*.

"ENVIRONMENT QUALITY ACT

"**252.** Section 31.5 of the Environment Quality Act (chapter Q-2) is amended by inserting the following paragraph after the first paragraph:

"Where the environmental impact assessment statement concerns work related to petroleum production or storage, the Government, before rendering its decision, must take cognizance of the decision of the Régie de l'énergie

submitted by the Minister of Natural Resources and Wildlife under section 45 of the Petroleum Resources Act (2016, chapter 35, section 23).”

“**253.** Section 31.65 of the Act is amended by inserting “, section 113 of the Petroleum Resources Act (2016, chapter 35, section 23)” after “under this division” in the first paragraph.

“ACT RESPECTING THE LAND REGIME IN THE JAMES BAY AND NEW QUÉBEC TERRITORIES

“**254.** Section 64 of the Act respecting the land regime in the James Bay and New Québec territories (chapter R-13.1) is amended by inserting “or petroleum rights” after “mining rights” in paragraph *c*.

“**255.** Section 89 of the Act is replaced by the following section:

“**89.** The right to exploit soapstone, which the Cree beneficiaries may acquire, is subordinate to the rights relating to other mineral substances and to petroleum, so that it will not prevent possible mining development on Category II lands or possible exploration for and production of petroleum on such lands; consequently, any permit issued pursuant to section 83 on a lot of land may be cancelled by the Minister of Natural Resources and Wildlife after the registration of claims and other titles to mining rights or petroleum rights, other than for soapstone, granted pursuant to the Mining Act (chapter M-13.1) or, as the case may be, the Petroleum Resources Act (2016, chapter 35, section 23) on the said land, and after a 30-day notice to the holder of the permit.”

“**256.** Section 149 of the Act is amended by replacing “mineral” in paragraph *d* by “mining rights, petroleum rights”.

“**257.** Section 173 of the Act is replaced by the following section:

“**173.** The right to exploit soapstone, which the Inuit beneficiaries may acquire, is subordinate to the rights relating to other mineral substances and to petroleum, so that it will not prevent possible mining development on Category II lands or possible exploration for and production of petroleum on such lands; consequently, any permit issued pursuant to section 167 on a lot of land may be cancelled by the Minister of Natural Resources and Wildlife after the registration of claims and other titles to mining rights or petroleum rights, other than for soapstone, granted pursuant to the Mining Act (chapter M-13.1) or, as the case may be, the Petroleum Resources Act (2016, chapter 35, section 23) on the said land, and after a 30-day notice to the holder of the permit.”

“**258.** Section 191.46 of the Act is amended by inserting “or petroleum rights” after “mining rights” in paragraph *c*.

"**259.** Section 191.68 of the Act is replaced by the following section:

"**191.68.** The right to exploit soapstone, which the Naskapi beneficiaries may acquire, is subordinate to the rights relating to other mineral substances and to petroleum, so that it will not prevent possible mining development on Category II-N lands or possible exploration for and production of petroleum on such lands; consequently, any permit issued pursuant to section 191.62 on a lot of land may be cancelled by the Minister of Natural Resources and Wildlife after the registration of claims and other titles to mining rights or petroleum rights, other than for soapstone, granted pursuant to the Mining Act (chapter M-13.1) or, as the case may be, the Petroleum Resources Act (2016, chapter 35, section 23) on the said land, and after a 30-day notice to the holder of the permit."

"ACT RESPECTING THE LANDS IN THE DOMAIN OF THE STATE

"**260.** Section 52 of the Act respecting the lands in the domain of the State (chapter T-8.1) is amended by inserting "and petroleum rights" after "Mining rights" in the third paragraph.

"REGULATION RESPECTING FOREST ROYALTIES

"**261.** Section 10 of the Regulation respecting forest royalties (chapter A-18.1, r. 11) is amended by replacing "or the holder of a mining right who obtains an authorization under section 213 of the Mining Act (chapter M-13.1)" in the first paragraph by ", the holder of a mining right who obtains an authorization under section 213 of the Mining Act (chapter M-13.1) or the holder of a petroleum right who obtains an authorization under section 136 of the Petroleum Resources Act (2016, chapter 35, section 23)".

"REGULATION RESPECTING THE APPLICATION OF THE ENVIRONMENT QUALITY ACT

"**262.** Section 1 of the Regulation respecting the application of the Environment Quality Act (chapter Q-2, r. 3) is amended by inserting "and the geophysical surveys and geochemical surveys authorized under the Petroleum Resources Act (2016, chapter 35, section 23), except seismic surveys in a body of water" after "(chapter M-13.1)" in paragraph 2.

"**263.** Section 2 of the Regulation is amended by inserting "or the Petroleum Resources Act (2016, chapter 35, section 23)" after "Mining Act (chapter M-13.1)" in the portion of paragraph 6 before subparagraph *a*.

"**264.** Section 8 of the Regulation is amended by replacing the third paragraph by the following paragraph:

"The first paragraph does not apply to a person who, under the Mining Act (chapter M-13.1) or the Petroleum Resources Act (2016, chapter 35, section 23), is authorized to perform work to explore for, develop, mine, produce or operate

mineral substances, petroleum or underground reservoirs, except work to extract sand, gravel or building stone on private land for which, under section 5 of the Mining Act, rights in or over such mineral substances have been surrendered to the owner of the soil."

"REGULATION RESPECTING THE DECLARATION OF WATER WITHDRAWALS

"**265.** Section 3 of the Regulation respecting the declaration of water withdrawals (chapter Q-2, r. 14) is amended by striking out ", other than those made for petroleum or gas prospection" in subparagraph 11 of the second paragraph.

"REGULATION RESPECTING ENVIRONMENTAL IMPACT ASSESSMENT AND REVIEW

"**266.** Section 2 of the Regulation respecting environmental impact assessment and review (chapter Q-2, r. 23) is amended, in the first paragraph,

(1) by striking out "Excluded are works subject to the Regulation respecting petroleum, natural gas, brine and underground reservoirs (O.C. 1539-88, 88-10-12), and not otherwise referred to in this Regulation." in subparagraph *p*;

(2) by inserting the following subparagraphs after subparagraph *p*:

"(*p*.1) work to which the Petroleum Resources Act (2016, chapter 35, section 23) applies that is related to petroleum production and storage;

"(*p*.2) any oil or gas drilling in a body of water;".

"WATER WITHDRAWAL AND PROTECTION REGULATION

"**267.** Section 7 of the Water Withdrawal and Protection Regulation (chapter Q-2, r. 35.2) is amended by replacing the second paragraph by the following paragraph:

"Subparagraph 11 of the first paragraph does not apply to a person who, under the Mining Act (chapter M-13.1) or the Petroleum Resources Act (2016, chapter 35, section 23), is authorized to perform work to explore for, develop, mine, produce or operate mineral substances, petroleum or underground reservoirs, except work to extract sand, gravel or building stone on private land for which, under section 5 of the Mining Act, rights in or over such mineral substances have been surrendered to the owner of the soil."

"**268.** Section 43 of the Regulation is amended by replacing "the licences issued under the Mining Act (chapter M-13.1)" in subparagraph *b* of subparagraph 1 of the first paragraph by "the drilling authorization issued under the Petroleum Resources Act (2016, chapter 35, section 23)".

"**CHAPTER XIX**

"TRANSITIONAL AND FINAL PROVISIONS

"**DIVISION I**

"TRANSITIONAL PROVISIONS

"**269.** A licence to explore for petroleum, natural gas and underground reservoirs issued under the Mining Act (chapter M-13.1) and in force on (*insert the date of coming into force of this section*) is deemed to be, for the unexpired term of the licence, an exploration licence issued under this Act. The holder of such an exploration licence must inform the landowner, the local municipality and the regional county municipality whose land or territory is covered, in whole or in part, by the licence, in writing and within 60 days after (*insert the date of coming into force of this section*).

In the event of non-compliance with the first paragraph, sections 187 and 199 apply.

For the purposes of section 31, the work performed by the holder of a licence to explore for petroleum, natural gas and underground reservoirs under section 177 of the Mining Act for the current year as at (*insert the date of coming into force of this section*) is considered to have been performed in accordance with section 31.

For the purposes of section 33, excess amounts spent as at (*insert the date of coming into force of this section*) by the holder of a licence to explore for petroleum, natural gas and underground reservoirs may be applied to years subsequent to that in which the work was performed.

"**270.** A lease to produce petroleum and natural gas issued under the Mining Act and in force on (*insert the date of coming into force of this section*) is deemed to be, for the unexpired term of the lease, a production licence issued under this Act.

"**271.** A lease to operate an underground reservoir issued under the Mining Act and in force on (*insert the date of coming into force of this section*) is deemed to be, for the unexpired term of the lease, a storage licence issued under this Act.

"**272.** An authorization to produce brine issued under the Mining Act and in force on (*insert the date of coming into force of this section*) is deemed to be an authorization to produce brine issued under this Act. However, its holder is not required to hold a licence under this Act.

The holder of an authorization to produce brine who, on (*insert the date of coming into force of this section*), has not begun to produce brine must obtain the authorizations required under this Act.

For the purposes of section 69, the two-year period is calculated from (*insert the date of coming into force of this section*).

"**273.** A licence for geophysical surveying issued under the Mining Act and in force on (*insert the date of coming into force of this section*) is deemed to be a geophysical surveying or geochemical surveying authorization issued under this Act.

"**274.** A well drilling licence issued under the Mining Act and in force on (*insert the date of coming into force of this section*) is deemed to be a drilling authorization issued under this Act.

"**275.** The holder of a mining right granted under the Mining Act whose well or reservoir is not permanently closed by (*insert the date of coming into force of this section*) must, within 90 days after that date, submit a permanent well or reservoir closure and site restoration plan to the Minister as well as the guarantee required under Chapter IV.

"**276.** A well completion licence issued under the Mining Act is deemed to be a completion authorization issued under this Act.

"**277.** A well conversion licence issued under the Mining Act is deemed to be a reconditioning authorization issued under this Act.

"**278.** The lease to use natural gas bearing number 1997BU701 continues in force in accordance with the conditions of the lease until its expiry.

"**279.** The holder of an exploration, production or storage licence referred to in any of sections 269 to 271 must, within 90 days after (*insert the date of coming into force of this section*), establish the monitoring committee required under section 28.

The Government determines, by regulation, the conditions that apply to the establishment of the monitoring committee if the holder holds two or more licences.

In the event of non-compliance with the first paragraph, sections 188 and 200 apply.

"**280.** As of (*insert the date of coming into force of this section*), applications for licences to explore for petroleum, natural gas and underground reservoirs, leases to produce petroleum and natural gas, leases to operate an underground reservoir, authorizations to produce brine, licences for geophysical surveying, well drilling licences, well completion licences and well conversion licences as well as applications for authorization to temporarily or permanently close a well that are pending are continued and decided in accordance with this Act.

"**281.** Entries, in the public register of real and immovable mining rights, of petroleum rights granted under the Mining Act are deemed to have been registered in the public register of real and immovable petroleum rights established under section 149.

"**282.** The Regulation respecting the delegation of the exercise of powers relating to petroleum, natural gas, brine and underground reservoirs vested in the Minister of Natural Resources and Wildlife under the Mining Act (chapter M-13.1, r. 0.2) continues to apply until an order is made under section 143, with the following modifications:

(1) a reference to the Mining Act (chapter M-13.1) is a reference to the Petroleum Resources Act (2016, chapter 35, section 23); and

(2) a reference to petroleum or natural gas is a reference to petroleum.

"**283.** Unless the context indicates otherwise, a petroleum-related order made under section 304 of the Mining Act is deemed to also have been made under section 142 of this Act.

"**284.** Section 124 of chapter 32 of the statutes of 2013 continues to apply to petroleum resources for 18 months following the adoption of the government policy directions on land development that concern petroleum resources, with the necessary modifications.

"**285.** An exploration licence holder is exempted from performing the work required under section 31 until the date determined by the Government. In that case, the term of the licence is deemed to be suspended in accordance with section 145. At the end of the exemption period, the expiry date of the licence is deferred to the end of the period for performing the work that remains to run after the lifting of the suspension.

The time limit for filing the report that an exploration licence holder who performs work during the exemption period provided for in the first paragraph must submit under the second paragraph of section 31 is deferred to six months after the new expiry date of the licence determined under the first paragraph.

"**286.** Until the coming into force of section 43 of chapter 1 of the statutes of 2016, section 13 is to be read as follows:

"**13.** An outstanding geological site classified under section 305.1 of the Mining Act (chapter M-13.1), a parcel of land used as a cemetery within the meaning of the Act respecting Roman Catholic cemetery companies (chapter C-40.1), a parcel of land on which a cemetery is established in accordance with the Non-Catholic Cemeteries Act (chapter C-17) or a Native cemetery may not be subject to a licence."

"**287.** The Government may, by a regulation made before (*insert the date that is 18 months after the date of coming into force of section 1 of this Act*), enact any other transitional measure required for the carrying out of this Act.

Such a regulation may, if it so provides, apply from a date not prior to (*insert the date of coming into force of section 1 of this Act*).

"**DIVISION II**

"FINAL PROVISIONS

"**288.** This Act applies subject to the Act respecting the land regime in the James Bay and New Québec territories (chapter R-13.1), the Act approving the Agreement concerning James Bay and Northern Québec (chapter C-67) and the Act approving the Northeastern Québec Agreement (chapter C-67.1).

"**289.** The Minister of Natural Resources and Wildlife is responsible for the administration of this Act."

CHAPTER V

FINAL PROVISION

24. This Act comes into force on 10 December 2016, except

(1) Chapter I, which comes into force on 1 April 2017, except sections 1, 2, 6, 22 to 24, 27 to 29, 32 to 38, 40 to 42, 44, 47, 48 and 79 of the Act respecting Transition énergétique Québec (2016, chapter 35, section 1) enacted by it, which come into force on 9 January 2017;

(2) sections 11 to 14, which come into force on the date of coming into force of the rules of procedure applicable to mediation adopted by the Régie de l'énergie under section 113 of the Act respecting the Régie de l'énergie (chapter R-6.01), as amended by section 16; and

(3) the provisions of Chapter IV, which come into force on the date or dates to be set by the Government.