

Draft Regulations

Draft Regulation

Environment Quality Act
(chapter Q-2)

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

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1) and sections 2.2 and 46.2 of the Environment Quality Act (chapter Q-2), that the Regulation to amend the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere, appearing below, may be made by the Minister of Sustainable Development, the Environment and the Fight Against Climate Change on the expiry of 45 days following this publication.

The draft Regulation provides a number of adjustments related to the Regulation to amend the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (chapter Q-2, r. 46.1) published in the *Gazette officielle du Québec* of 31 August 2017, in particular as regards emitters who register for the cap-and-trade system without being required to do so.

The draft Regulation also amends certain requirements applicable to fuel distributors, particularly concerning their obligation to submit a report on the verification of their annual report where the quantity of fuel distributed falls below the threshold set out in the Regulation.

The draft Regulation specifies the category of emitters required to report their emissions resulting from activities involving electricity produced outside Québec, that is, the acquisition, sale or trade in Québec for consumption, trade or sale. A number of changes are made to the terminology in Schedule A.2 following the amendment.

The draft Regulation also provides clarifications regarding new facilities, in particular elements that will have to be reported for those facilities.

Lastly, the draft Regulation provides for various technical adjustments, corrections to the methods of calculation of greenhouse gas emissions and an updating of the table concerning the default greenhouse gas emission factors related to electricity for Canadian provinces and for certain North American markets.

Study of the matter has shown no major cost associated to the amendments proposed by the draft Regulation.

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

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

ISABELLE MELANÇON,
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the Environment and the
Fight Against Climate Change*

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

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

1. The Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere (chapter Q-2, r. 15) is amended in section 6.1

(1) by replacing “operating an enterprise that purchases electricity produced outside Québec for its own consumption or for sale in Québec” in the second paragraph by “operating an enterprise that acquires, sells or trades in Québec, for consumption, trade or sale in Québec, electricity produced outside Québec”;

(2) by replacing “if the enterprise ceases its activities” in the third paragraph by “if it ceases to distribute such fuels”;

(3) by replacing “the second and third paragraphs” in the fourth paragraph by “the second paragraph”.

2. Section 6.2 is amended

(1) in the first paragraph,

(a) by replacing “establishment in subparagraph 2.1 by “enterprise”;

(b) by replacing “operating an enterprise that purchases electricity produced outside Québec for its own consumption or for sale in Québec” in subparagraph 2.2 by “operating an enterprise that acquires, sells or trades in Québec, for consumption, trade or sale in Québec, electricity produced outside Québec”;

(c) in subparagraph 8

i. by inserting “if applicable,” at the beginning of subparagraph *a*;

ii. by replacing subparagraph *b* by the following:

“(b) the total greenhouse gas emissions for each type of emission, and, if applicable, for each benchmark unit, excluding the emissions referred to in the second paragraph of section 6.6 and the emissions calculated in accordance with protocols QC.17 and QC.30 of Schedule A.2, namely:

i. the annual fixed process CO₂ emissions, in metric tons;

ii. the annual greenhouse gas combustion emissions, in metric tons CO₂ equivalent;

iii. the annual other category greenhouse gas emissions, in metric tons CO₂ equivalent;

iii. by inserting the following after subparagraph *b*:

“(c) for a new facility in accordance with paragraph 11 of section 3 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (chapter Q-2, r. 46.1), the total greenhouse gas emissions for each type of emission, and, if applicable, for each benchmark unit, excluding the emissions referred to in the second paragraph of section 6.6 and the emissions calculated in accordance with protocols QC.17 and QC.30 of Schedule A.2, namely:

i. the annual fixed process CO₂ emissions, in metric tons;

ii. the annual greenhouse gas combustion emissions, in metric tons CO₂ equivalent;

iii. the annual other category greenhouse gas emissions, in metric tons CO₂ equivalent.”.

3. Section 6.6 is amended

(1) by inserting “or in section 2.1” after “section 2” in the first paragraph;

(2) by replacing subparagraph 3 of the second paragraph by the following:

“(3) CO₂, CH₄ and N₂O emissions, referred to in protocol QC.27 of Schedule A.2, attributable to mobile equipment on the site of an establishment.”;

(3) by replacing “establishment” in subparagraph 3 of the third paragraph by “emitter”;

(4) by replacing “must have the emitter’s annual report verified until such time as the emitter’s greenhouse gas emissions fall below the threshold determined in the first or” in the fourth paragraph by “referred to in the first or second paragraph of section 6.1 must have the emitter’s annual report verified until such time as the emitter’s greenhouse gas emissions fall below the threshold determined in the first paragraph or subparagraph 1 of the”;

(5) by inserting the following after the fourth paragraph:

“An emitter referred to in the third paragraph of section 6.1 must have the emitter’s annual report verified until such time as the fuel distributed falls below the threshold determined in subparagraph 2 of the second paragraph of section 2 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances for 1 year, even if there is cessation of the distribution activities referred to in QC.30.1 of protocol QC.30 in Schedule A.2.

An emitter referred to in section 2.1 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances must have the emitter’s annual report verified until such time as the emitter is bound to cover emissions under section 19.0.1 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances.”.

4. The following is added after section 6.6:

“**6.6.1.** In addition to the verification requirement provided for in the first paragraph of section 6.6, a person or municipality referred to in section 2.1 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (chapter Q-2, r. 46.1) that registers for the system in accordance with sections 7.1 and 7.2 of

that Regulation must, at the time of registration, send to the Minister, in accordance with section 6.6, a verification report on the emissions report for the year preceding the year in which the person or municipality intends to register.”

5. Section 6.7 is amended by inserting “referred to in the first paragraph of section 6.1 or the enterprise referred to in the second or third paragraph of section 6.1” after “establishment” in subparagraph 1 of the first paragraph.

6. Section 6.8 is amended by inserting “referred to in the first paragraph of section 6.1 or the enterprise referred to in the second or third paragraph of section 6.1” after “establishment” in subparagraph 2 of the first paragraph.

7. Section 6.9 is amended by replacing “by the emitter of electricity produced outside Québec for its own consumption or for sale in Québec” in paragraph 7.4 by “, sale or trade by the emitter, for consumption, trade or sale in Québec, of electricity produced outside Québec”.

8. Section 6.10 is amended by replacing “from the establishment,” in subparagraph *a* of subparagraph 3 of the first paragraph by “from an enterprise, establishment”.

9. The following is inserted after section 6.10:

6.11. The Minister may determine the quantity of greenhouse gas emissions of an emitter referred to in section 2 or 2.1 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (chapter Q-2, r. 46.1) who has not reported them within the period prescribed or whose report cannot be satisfactorily verified. The Minister must, where applicable, take into account

(1) the methods provided for in Division D of Part II of Schedule C of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances;

(2) the number of hours during which the establishment or facility emits greenhouse gas;

(3) the previous reports of the emitter concerned and the verification reports related to them; and

(4) the quantity of matter, as a mass or volume, that the equipment of the establishment or facility is able to process or produce in a given time.

The verifier of the enterprise, establishment or facility and the emitter concerned must provide to the Minister, at the Minister’s request, any information allowing the Minister to determine the quantity of greenhouse gas emissions of that emitter.”

10. Schedule A.2 is amended

(1) by inserting the following paragraph after subparagraph 3 of the second paragraph of QC.3.6.1 in protocol QC.3:

“The slope or the overvoltage coefficient calculated following the performance tests conducted in the cases provided for in subparagraph 1 of the second paragraph must be used beginning on

(1) the date of the measurements; or

(2) 1 January immediately following the measurements.”;

(2) in protocol QC.4,

(a) in QC.4.3.2, by replacing “entering” in factors CaO_{NCC} and MgO_{NCC} in equation 4-2 and in factors CaO_{NCD} and MgO_{NCD} of equation 4-3 by “before entering”;

(b) in QC.4.4, by replacing “entering” in subparagraphs 4 and 7 of the first paragraph by “before entering”;

(3) in protocol QC.6, by replacing subparagraph 2 of the first paragraph in QC.6.4 by the following:

“(2) determine the carbon content using either of the following methods:

(a) by collecting and analyzing samples of each type of feedstock consumed to measure the average carbon content using the methods specified in paragraph 5,

i. daily, for all feedstocks except natural gas, by collecting the sample from a location that provided samples representative of the feedstock consumed in the hydrogen production process;

ii. monthly, when natural gas is used as feedstock and not mixed with another feedstock prior to consumption;

(b) by using the carbon content indicated by the fuel supplier.”;

(4) in protocol QC.17,

(a) in QC.17.1, by replacing “, a facility or an establishment that purchases electricity produced outside Québec for their own consumption or for sale in Québec” in the first paragraph by “that acquires, sells or trades in Québec, for consumption, trade or sale in Québec, electricity produced outside Québec”;

(b) by replacing QC.17.2 by the following:

“QC.17.2. Specific information to be reported concerning greenhouse gas emissions

In accordance with subparagraph 3 of the first paragraph of section 6.2, the greenhouse gas emissions report must, in particular, include the following information:

(1) in the case of an enterprise that acquires, sells or trades in Québec, for consumption, trade or sale in Québec, electricity produced outside Québec,

(a) the annual quantity of electricity produced outside Québec that was acquired, sold or traded in Québec, in megawatt-hours;

(b) the annual greenhouse gas emissions attributable to the production of electricity referred to in subparagraph a, calculated in accordance with QC.17.3.1, in metric tons CO₂ equivalent;

(c) for each identifiable facility covered by a greenhouse gas emissions report made to Environment Canada under section 71 of the Canadian Environmental Protection Act (S.C. 1999, c. 33), to the U.S. Environmental Protection Agency (USEPA) under Part 75 of Title 40 of the Code of Federal Regulations, or to the organization The Climate Registry:

i. the name and address of the facility, the identification number assigned to it by the National Pollutant Release Inventory of Environment Canada, the U.S. Environmental Protection Agency (USEPA) or the organization The Climate Registry;

ii. the quantity of electricity acquired, sold or traded in Québec, in megawatt-hours;

iii. the transmission losses, in megawatt-hours;

iv. the facility’s net annual electricity production, in megawatt-hours;

v. the annual greenhouse gas emissions attributable to the production by the facility of the electricity acquired, sold or traded in Québec, in metric tons CO₂ equivalent;

vi. the annual greenhouse gas emissions of the facility, in metric tons CO₂ equivalent;

(d) for each identifiable facility not covered by a greenhouse gas emissions report made to one of the organizations referred to in subparagraph c:

i. the information specified in subparagraphs *i* to *v* of subparagraph *c*, the identification number being required only if assigned;

ii. each fuel type used for electricity production and its heat value, that is:

— in gigajoules per metric ton, when the quantity of fuel is expressed as a mass;

— in gigajoules per kilolitre, when the quantity of fuel is expressed as a volume of liquid;

— in gigajoules per cubic metre, when the quantity of fuel is expressed as a volume of gas;

(e) for each identifiable facility for which the information needed to calculate greenhouse gas emissions using equation 17-1 or 17-2 provided for in QC.17.3.1 is not available, and for each unidentifiable facility:

i. the province or state from which the electricity is acquired, sold or traded;

ii. the quantity of electricity acquired, sold or traded, in megawatt-hours, for each province or state;

iii. the annual greenhouse gas emissions attributable to the electricity acquired, sold or traded, in metric tons CO₂ equivalent, by province or state;

(2) for the exportation of electricity:

(a) the quantity of electricity exported annually by the enterprise, facility or establishment, in megawatt-hours;

(b) the annual greenhouse gas emissions caused or avoided by the exportation of electricity, calculated in accordance with QC.17.3.2, in metric tons CO₂ equivalent;

(c) for each identifiable facility covered by a greenhouse gas emissions report in accordance with this Regulation, for each destination province or state:

i. the annual greenhouse gas emissions caused or avoided by the exportation of the electricity produced by the facility, in metric tons CO₂ equivalent;

ii. the quantity of electricity produced by the facility and exported annually, in megawatt-hours;

(d) for each identifiable facility not covered by a greenhouse gas emissions report in accordance with this Regulation, and for each unidentifiable facility, by destination province or state:

i. the annual greenhouse gas emissions caused or avoided by the exportation of the electricity produced by the facility, in metric tons CO₂ equivalent;

ii. the quantity of electricity produced by the facility and exported annually, in megawatt-hours.”;

(c) in QC.17.3, by replacing “to the production of electricity acquired outside Québec and acquired by an enterprise, a facility or an establishment for its own consumption or for sale within Québec” by “to an enterprise that acquires, sells or trades in Québec, for consumption, trade or sale in Québec, electricity produced outside Québec”;

(d) in QC.17.3.1,

i. by replacing “the production of electricity acquired outside Québec and sold or consumed within Québec” in the heading and in the portion before paragraph 1 by “the acquisition, sale or trade in Québec, for consumption, trade or sale in Québec, of electricity produced outside Québec”;

ii. by replacing “of electricity acquired outside Québec and produced by the identifiable facility” in factor GHG of equations 17-1 and 17-2 by “by the identifiable facility of electricity acquired, sold or traded in Québec”;

iii. by replacing “Total quantity of electricity acquired from the identifiable facility and consumed or sold annually in Québec” in factor MWhimp in equation 17-1 by “Annual quantity of electricity produced by the identifiable facility and acquired, sold or traded in Québec”;

iv. by replacing “Quantity of electricity acquired from the identifiable facility and consumed or sold annually in Québec” in factor MWhimp in equation 17-2 by “Annual quantity of electricity produced by the identifiable facility and acquired, sold or traded in Québec”;

v. by replacing “of electricity acquired outside Québec and produced by the identifiable or unidentifiable facility” in factor GHG in equation 17-3 by “by the identifiable or unidentifiable facility of electricity acquired, sold or traded in Québec”;

vi. by replacing “Quantity of electricity acquired from the identifiable or unidentifiable facility and consumed or sold annually in Québec” in factor MWhimp in equation 17-3 by “Annual quantity of electricity produced by the identifiable or unidentifiable facility and acquired, sold or traded in Québec”;

(e) in QC.17.3.2, in equation 17-4,

i. by striking out “total” in factor GHG;

ii. by striking out “total” in factor MWhexp;

(f) by replacing table 17-1 in QC.17.4 by the following:

“Table 17-1. Default greenhouse gas emission factors for Canadian provinces and certain North American markets, in metric tons CO₂ equivalent per megawatt-hour
(QC.17.3.1 (3), QC.17.3.2 (1) and (2))

Canadian provinces and North American markets	Default emission factor (metric ton GHG/MWh)
Newfoundland and Labrador	0.032
Nova Scotia	0.604
New Brunswick	0.282
Québec	0.001
Ontario	0
Manitoba	0.004
Vermont	0.006
New England Independent System Operator (NE-ISO), including all or part of the following states:	
–Connecticut	
–Massachusetts	0.290
–Maine	
–Rhode Island	
–Vermont	
–New Hampshire	
New York Independant System Operator (NY-ISO)	0.236
Pennsylvania Jersey Maryland Interconnection Regional Transmission Organization (PJM-RTO), including all or part of the following states:	
–North Carolina	
–Delaware	
–Indiana	
–Illinois	
–Kentucky	
–Maryland	0.554
–Michigan	
–New Jersey	
–Ohio	

Canadian provinces and North American markets	Default emission factor (metric ton GHG/MWh)
–Pennsylvania	
–Tennessee	
–Virginia	
–West Virginia	
–District of Columbia	
Midwest Independent Transmission System Operator (MISO-RTO), including all or part of the following states:	
–Arkansas	
–North Dakota	
–South Dakota	
–Minnesota	
–Iowa	
–Missouri	
–Wisconsin	0.596
–Illinois	
–Michigan	
–Nebraska	
–Indiana	
–Montana	
–Kentucky	
–Texas	
–Louisiana	
–Mississippi	
Southwest Power Pool (SPP), including all or part of the following states:	
–Kansas	
–Oklahoma	
–Nebraska	
–New Mexico	0.566
–Texas	
–Louisiana	
–Missouri	
–Mississippi	
–Arkansas	

(5) in protocol QC.29, in QC.29.2,

(a) by replacing “QC.29.3.10” in subparagraph *j* of subparagraph 3 of the first paragraph by “QC.29.3.11”;

(b) by inserting “or QC.29.3.8” after “QC.29.3.7” in subparagraph *a* of subparagraph 7 of the first paragraph;

(6) in protocol QC.30,

(a) in QC.30.1,

i. by replacing “aviation fuel or fuel oil for ships” by “fuel used in air or water navigation” in subparagraph 1 of the first paragraph;

ii. by adding “or to fuels in a sealed container of 1 litre or less” at the end of the third paragraph;

(b) in QC.30.2, by replacing “other than automotive gasolines or diesel” in subparagraph 1 of the first paragraph by “used”;

(c) in QC.30.3, by replacing “automotive gasolines or diesel” in factor QiG in equation 30-2 by “fuel”.

11. This Regulation comes into force on 1 January 2018.

12. The emitter referred to in the third paragraph of section 6.1 whose fuel distributed and reported for 2016 falls below the threshold determined in subparagraph 2 of the second paragraph of section 2 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances is not required to send a verification report on the emissions report for 2017.

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