

Draft Regulation

Environment Quality Act
(chapter Q-2)

Cap-and-trade system for greenhouse gas emission allowances — Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Regulation to amend the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The draft Regulation amends some of the terms and conditions for sales of emission units by mutual agreement, starting on 1 January 2021. The three existing categories of reserve emission units are retained, their price is harmonized with the units of partner entities, changes are made to the way in which offers are submitted by purchasers, a maximum is set for the quantity of units that can be purchased by a single purchaser, and the method used to allocate lots is modified.

The draft Regulation allows issuers to continue to use emission units issued in Ontario for transactions or to cover emissions, despite the fact that Ontario is no longer a partner entity within the meaning of the Regulation.

Changes are made by the draft Regulation to specify the rules for the use of reserve emission units and unsold emission units, in order to adjust the allocation of units free of charge when the Minister's account does not contain enough emission units.

Other changes are made to the rules governing emitters who register voluntarily for the cap-and-trade system, in particular concerning the permanent cessation of their activities and the calculation of their free allocation beginning in 2021.

The draft Regulation changes some of the rules for the registration of new emitters, in particular by making it possible for new emitters in the industrial sector to register as early as 1 June in the year preceding the year in which their emissions will reach or exceed the threshold for registration under the Regulation, and by specifying the additional information they will have to provide in support of their application for registration.

The draft Regulation makes a number of amendments to ensure concordance with the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere (chapter Q-2, r.15).

It removes the requirement to cover emissions relating to the importation of electricity produced in the Canadian provinces and territories which are now subject to carbon pricing.

Changes are made to the calculations used to determine the quantity of emission units allocated to certain emitters free of charge.

Study of the regulatory impact shows only minor impact on enterprises, including small and medium-sized businesses. The amendments to the functioning of the carbon market could reduce the prices of the emission units that may be purchased by regulated emitters, to their benefit. Certain new registration conditions could result in additional costs for enterprises. Those costs should be offset by their capacity to be listed in the carbon market and take part in auction sales earlier.

Further information on the draft Regulation may be obtained by contacting Diane Gagnon, Coordinator, Direction du marché du carbone, Direction générale de la réglementation carbone et des données d'émission, Ministère de l'Environnement et de la Lutte contre les changements climatiques; telephone: 418 521-3868, extension 4605; email: diane.gagnon@environnement.gouv.qc.ca; fax: 418 646-4920.

Any person wishing to comment on the draft regulation is requested to submit written comments within the 45-day period to Jean-Yves Benoit, Director, Direction du marché du carbone, Direction générale de la réglementation carbone et des données d'émission, Ministère de l'Environnement et de la Lutte contre les changements climatiques, édifice Marie-Guyart, 675, boulevard René-Lévesque Est, 6^e étage, boîte 31, Québec (Québec) G1R 5V7; email: jean-yves.benoit@environnement.gouv.qc.ca.

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Regulation to amend the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances

Environment Quality Act

(chapter Q-2, ss. 46.1, 46.5, 46.6, 46.8 to 46.15, 95.1, 115.27 and 115.34)

1. The Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (chapter Q-2, r. 46.1) is amended in section 2

(1) in the second paragraph,

(a) by inserting “in a province or territory of Canada” after “partner entity” in subparagraph 1;

(b) by replacing subparagraph 2 by the following subparagraph:

“(2) distributes 200 litres or more of fuel within the meaning of protocol QC.30 of Schedule A.2 to the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere (chapter Q-2, r. 15), except

(a) fuel used in air or water navigation;

(b) hydrocarbons used as a raw material by industries that transform hydrocarbon molecules through chemical or petrochemical processes;

(c) the biomass and biomass fuel component of such fuel;

(d) fuel for which an emitter referred to in the first paragraph of section 2 or in section 2.1, including the emitter itself, if applicable, is required to cover its emissions pursuant to section 19 for the emitter referred to in section 2 and under section 19.0.1 for the emitter referred to in section 2.1.”;

(c) by adding the following subparagraph:

“(3) is in a sector of activity listed in Appendix A for which the person or municipality can demonstrate, in accordance with the conditions of section 7, that the emissions attributable to an establishment which will be verified in accordance with the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere will be equal to or exceed 25,000 metric tons CO₂ equivalent.”;

(2) by striking out the third paragraph.

2. Section 7 is amended

(1) in subparagraph 4 of the first paragraph,

(a) by replacing “in subparagraph 1” by “in subparagraphs 1 and 3”;

(b) by inserting “, if the data are available” after “Table A in Part I of Appendix C”;

(2) by inserting the following subparagraphs after subparagraph 4 of the first paragraph:

“(4.1) a description of the processes used, including a diagram describing, in particular, the processes that emit greenhouse gases, the product inputs, outputs and recycling, the energy used, the measurement of the greenhouse gases emitted and the reference units;

(4.2) in the case of an emitter referred to in subparagraph 3 of the second paragraph of section 2, a demonstration that the emissions from one of its establishments for the period for which it will be required to cover its emissions in accordance with subparagraph 3.0.1 of the third paragraph of section 19 will be equal to or exceed 25,000 metric tons CO₂ equivalent, the demonstration to be made using one of the following documents or items of information:

(a) an environmental impact assessment for the establishment prepared pursuant to section 31.3 of the Environment Quality Act (chapter Q-2);

(b) a mass balance calculation for greenhouse gas emissions, which must be based on the emissions attributable to the materials that contribute 0.5% or more of the total carbon introduced in the establishment’s process;

(c) a technical calculation using an emission factor used for the purposes of the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere (chapter Q-2, r. 15);

(d) an emissions report made pursuant to the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere accompanied by data explaining the anticipated production increase;”.

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

“(3.1) on or after 1 June preceding the year in which a demonstration that the verified emissions for an establishment will be equal to or exceed 25,000 metric tons CO₂ equivalent must be made, in the case of an emitter referred to in subparagraph 3 of the second paragraph of section 2;”.

3. Section 7.1 is amended by adding the following paragraph:

“An emitter to which section 2 ceases to apply and that wishes to remain registered for the system as an emitter referred to in section 2.1 must send written notice of its intention to the Minister not later than 1 September of the year in which the situation occurs.”.

4. Section 7.2 is amended by striking out “subparagraphs 1 to 3, subparagraphs *b* and *c* of subparagraph 4 and subparagraphs 6 to 9 of the first paragraph of” in the first paragraph.

5. Section 19 is amended by inserting the following subparagraph after subparagraph 3 of the third paragraph:

“(3.0.1) beginning on 1 January of the year for which the demonstration is made, in the case of an emitter referred to in subparagraph 3 of the second paragraph of section 2 that has demonstrated that the emissions of an establishment will be equal to or exceed 25,000 metric tons CO₂ equivalent;”

6. Section 19.0.1 is amended

(1) by adding the following subparagraph in the first paragraph:

“(4) until 31 December following the date of permanent closure of the establishment.”;

(2) by adding the following subparagraph in the second paragraph:

“(3) as of 1 January following the date on which the notice of intention referred to in the second paragraph of section 7.1 is sent.”

7. Section 20 is amended by inserting “, and emission allowances issued under the second and third paragraphs of section 42” after “in the first year following the year of expiry of the compliance period”.

8. Section 41 is amended by replacing “third” in the fourth paragraph by “fourth”.

9. Section 42 is amended by replacing the second and third paragraphs by the following:

“The units come from the allocation account of the Minister or, if that account does not contain enough units, from the Minister’s reserve account using, in order,

(1) the Category C, B and A emission units as determined in section 58;

(2) within a given category, emission units of the vintage of the year of the free allocation, emission units of the vintage of a previous year from the most recent to the least recent, and non-vintage units.

When all the emission units in the Minister’s reserve account have been allocated, the units that remain to be allocated come from the auction account or the issuance account using, in order, emission units of the vintage of a previous year whose sale was not announced in the notice of auction, emission units of the vintage of the current year whose sale was not announced in the notice of auction, and emission units of the vintage of the following year.

The reserve account is replenished using the emission units in excess of the total estimated quantity that may be allocated free of charge for a year that may be sold in accordance with Division III of this Chapter. The emission units paid into the reserve account in this way are identified as belonging to the category replenished.”

10. Section 56 is amended by striking out “, having a covered establishment in Québec”.

11. Section 58 is amended by replacing whatever follows the first paragraph by the following:

“As of 1 January 2021, the emission units in the reserve account are sold at the following prices, increased annually by 5% since 2021 and adjusted from that date in the manner provided for in section 83.3 of the Financial Administration Act (chapter A-6.001):

- (1) for reserve emission units in Category A, \$41.40 per emission unit;
- (2) for reserve emission units in Category B, \$53.20 per emission unit;
- (3) for reserve emission units in Category C, \$65 per emission unit.

Despite the second paragraph, if partner entities have set higher prices per emission unit for a corresponding category as defined in Appendix B.1, the emission units are sold at the highest of the prices fixed by those entities, according to the daily average exchange rate of the Bank of Canada published on its website, in force on the day preceding the sale by mutual agreement.”

12. Section 59 is amended

- (1) by striking out subparagraph 3 of the first paragraph;
- (2) by inserting the following paragraph after the first paragraph:

“In addition, at least 12 days before the date of the sale by mutual agreement, the issuer must submit a financial guarantee in Canadian dollars valid for a period of at least 26 days following the date of the sale, in one of the forms referred to in the second paragraph of section 48.”.

13. Section 60.1 is replaced by the following section:

“60.1. During a sale by mutual agreement, an issuer’s account representative may not submit more than 1 offer, in Canadian dollars and in the form and using the procedure set out in the notice published in accordance with the second paragraph of section 57, indicating the number of lots requested and the category corresponding to the maximum price per unit it is willing to pay for the units.

When the offer submitted by a purchaser exceeds the quantity of emission units needed by the purchaser to meet the purchaser’s coverage obligation under section 19, exceeds the purchaser’s holding limit determined in accordance with section 32 and 33, or exceeds the value of the financial guarantee submitted in accordance with the second paragraph of section 59, the Minister removes from the purchaser’s offer the quantity of excess lots.

For the purposes of the second paragraph, the quantity of emission units needed by the purchaser to meet the purchaser's coverage obligation under section 19 is determined by subtracting the quantity of emission units, early reduction credits and offset credits that may be used to cover the purchaser's emissions from the quantity of declared and verified emissions that have not yet been covered in accordance with section 19."

14. Section 61 is replaced by the following:

"61. At the close of the sale by mutual agreement, the Minister sells the reserve emission units by allocating the units from categories A, B and C, in that order and in accordance with the provisions of sections 61.1 to 61.5.

61.1. When the total number of offers to purchase Category A, B and C units is equal to or below the quantity of Category A reserve emission units available, the Minister allocates the Category A emission units among the purchasers based on the offers received.

However, when the total of the offers to purchase is in excess of the quantity of Category A reserve emission units available, the Minister allocates the emission units

(1) by establishing the share of each purchaser by dividing the quantity of emission units requested in their offer to purchase by the total of the offers to purchase;

(2) by determining the number of Category A emission units to be assigned to each purchaser by multiplying each purchaser's share by the quantity of emission units available in that category, rounding down to the nearest whole number; and

(3) when Category A emission units remain to be awarded, by assigning a random number to each purchaser and by awarding 1 emission unit per purchaser, in ascending order of the numbers assigned, until all the emission units have been awarded.

61.2. When all Category A reserve emission units have been awarded and the total of the remaining offers to purchase Category B and C units is equal to or below the quantity of Category B reserve emission units available, the Minister allocates the emission units in that category among the purchasers based on the remaining offers received.

61.3. When all Category A reserve emission units have been awarded and the total of the remaining offers to purchase Category B and C units is in excess of the quantity of Category B reserve emission units available, the Minister allocates the emission units

(1) by establishing the share of each purchaser by dividing the quantity of emission units requested in their offer to purchase that has not been met by Category A reserve emission units by the total of the offers to purchase that have not been met by units in that category;

(2) by determining the number of Category B emission units to be assigned to each purchaser by multiplying each purchaser's share by the quantity of emission units available in that category, rounding down to the nearest whole number; and

(3) when Category B emission units remain to be awarded, by assigning a random number to each purchaser and by awarding 1 emission unit per purchaser, in ascending order of the numbers assigned, until all the emission units have been awarded.

61.4. When all Category A and B reserve emission units have been awarded, and the total of the remaining offers to purchase Category C units is equal to or below the quantity of Category C reserve emission units available, the Minister allocates the emission units in that category among the purchasers based on the remaining offers received.

61.5. When all Category A and B reserve emission units have been awarded and the total of the remaining offers to purchase Category C units is in excess of the quantity of Category C reserve emission units available, the Minister allocates the emission units

(1) by establishing the share of each purchaser by dividing the quantity of emission units requested in their offer to purchase that has not been met by Category A and B reserve emission units by the total of the offers to purchase that have not been met by units in those categories;

(2) by determining the number of Category C emission units to be assigned to each purchaser by multiplying each purchaser's share by the quantity of emission units available in that category, rounding down to the nearest whole number; and

(3) when Category C emission units remain to be awarded, by assigning a random number to each purchaser and by awarding 1 emission unit per purchaser, in ascending order of the numbers assigned, until all the emission units have been awarded."

15. Section 62 is amended

(1) by replacing "section 61. If the financial guarantee submitted in accordance with subparagraph 3 of the first" in the first paragraph by "sections 61 to 61.5. If the financial guarantee submitted in accordance with the second";

(2) by replacing "subparagraph 3 of the first" in the second paragraph by "the second".

16. Section 63 is amended by replacing "subparagraph 3 of the first" by "the second".

17. Appendix B.1 is amended

(1) by replacing the table in the first section concerning the State of California by the following table:

“

| | Québec | California |
|---|------------------------|--|
| Type of emission allowance (each having a value corresponding to 1 metric ton CO ₂ equivalent) | Emission unit | California Greenhouse Gas Emissions Allowance (CA GHG Allowance) |
| | 1. Category A | 1. Sale of Allowances from the Allowance Price Containment Reserve – Allowances from the first tier |
| | 2. Category B | 2. Sale of Allowances from the Allowance Price Containment Reserve – Allowances from the second tier |
| | 3. Category C | 3. Price Ceiling Sales – Price ceiling units |
| | Early reduction credit | |
| | Offset credit | ARB Offset Credit Early Action Offset Credit |

”.

(2) by striking out the second section concerning the Province of Ontario.

18. Part I of Appendix C is amended

(1) in the first column of the third row of Table A,

(a) by inserting “Until 2020,” before “Acquisition” for the second activity;

(b) by adding the following at the end:

“Beginning in 2021: Acquisition, for the consumption of the enterprise or for sale in Québec, of power generated in a state in which the government has established, within its territory, a cap-and-trade system for greenhouse gas emission allowances targeting power generation, but has not signed an agreement referred to in section 46.14 of the Environment Quality Act (chapter Q-2)”;

(2) by replacing Table B by the following table:

“Table B Reference units¹

| Sector of activity of the establishment | Type of activity | Reference unit |
|--|--|---|
| Agrifood | Beer production | Hectolitre of beer |
| Agrifood | Alcohol production | Kilolitre of alcohol |
| Agrifood | Sugar production | Metric ton of sugar |
| Agrifood | Oilseed processing | Metric ton of processed oilseed |
| Agrifood | Milk processing | Kilolitre of whole unpasteurized milk Metric ton of milk powder with 5% or less moisture |
| Aluminum | Baked cathode production | Metric ton of baked cathodes removed from furnace |
| Aluminum | Aluminum production | Metric ton of liquid aluminum (leaving potroom) |
| Aluminum | Baked anode production | Metric ton of baked anodes removed from furnace |
| Aluminum | Aluminum hydroxide production and secondary activities | Metric ton of aluminum hydroxide hydrate expressed as Al ₂ O ₃ equivalent calculated at the precipitation stage |
| Aluminum | Calcinated coke production | Metric ton of calcinated coke |
| Aluminum | Production of aluminum billets | Metric ton of remelted aluminum |
| Other ² | Dismembering | Metric ton of treated matter |
| Other ² | Graphite electrode manufacturing | Metric ton of graphite electrodes |

| | | |
|--------------------|---|---|
| Other ² | Gypsum panel manufacturing | Cubic metre of gypsum panel |
| Other ² | Glass container manufacturing | Metric ton of glass |
| Other ² | Steam production (for sale to a third person) | Metric ton of steam |
| Other ² | Production of semi-conductors and other electronic components | Square metre of silicon substrate associate with deep reactive ion etching Square metre of silicon substrate associated with an etching process other than deep reactive ion etching Square metre of silicon substrate associated with plasma enhanced chemical vapour deposition |
| Other ² | Carbon dioxide production | Metric ton of carbon dioxide |
| Other ² | Manufacturing of aerospace products and parts | Number of aircraft delivered Number of aerospace parts delivered |
| Other ² | Laminate production | Number of laminate sheet equivalents leaving press (typical sheet: minimum surface of 4 feet by 8 feet, 0.67 mm thickness) |
| Other ² | Asphalt shingle production | Square metre of asphalt shingle (membrane base) |
| Lime | Lime production | Metric ton of calcic lime and metric ton of calcic lime kiln dust sold Metric ton of dolomitic lime and metric ton of dolomitic lime kiln dust sold |

| | | |
|-------------|---|--|
| Chemical | Ethanol production | Kilolitre of ethanol |
| Chemical | Tire production | Metric ton of tires |
| Chemical | Fabrication of rigid foamed insulation | Board foot of rigid insulation |
| Chemical | Production of titanium dioxide (Ti O ₂) | Metric ton of titanium (Ti O ₂) pigment equivalent (raw material) |
| Chemical | Production of linear alkylbenzene (LAB) | Metric ton of LAB |
| Chemical | Production of catalyzer | Metric ton of catalyzer (including additives) |
| Chemical | Production of hydrogen | Metric ton of hydrogen |
| Chemical | Production of purified terephthalic acid (PTA) | Metric ton of PTA |
| Chemical | Production of paraxylene | Metric ton of xylene and toluene Metric ton of steam sold to a third person |
| Chemical | Production of sodium silicate | Metric ton of sodium silicate |
| Chemical | Production of sulphur (refinery gas) | Metric ton of sulphur |
| Chemical | Polyethylene terephthalate (PET) production | Metric ton of polyethylene therephthalate (PET) |
| Cement | Cement production | Metric ton of clinker and metric ton of mineral additives (gypsum and limestone) added to the clinker produced |
| Electricity | Electricity production | Megawatt-hour (MWh) |

| | | |
|-------------|--|---|
| Electricity | Acquisition of electricity produced outside Québec for the consumption of the enterprise or for sale in Québec | Megawatt-hour (MWH) |
| Electricity | Steam production (except steam produced by cogeneration) | Metric ton of steam |
| Metallurgy | Steel production (steelworks) | Metric ton of steel (slabs, pellets or ingots) |
| Metallurgy | Wrought steel production | Metric ton of wrought steel |
| Metallurgy | Steel pellet or slab rolling | Metric ton of rolled steel |
| Metallurgy | Copper anode production | Metric ton of copper anodes Metric ton of recycled secondary materials |
| Metallurgy | Copper cathode production | Metric ton of recycled secondary materials |
| Metallurgy | Iron ore concentrate pellet reduction | Metric ton of reduced iron pellets |
| Metallurgy | Copper cathode production | Metric ton of copper cathodes |
| Metallurgy | Ferrosilicon production | Metric ton of ferrosilicon (50% and 75% concentration) |
| Metallurgy | Lead production | Metric ton of lead |
| Metallurgy | Metal powder manufacturing | Metric ton of saleable iron powder and steel powder |
| Metallurgy | Titanium dioxide (Ti O ₂) slag manufacturing | Metric ton of Ti O ₂ slag cast at the reduction furnaces |
| Metallurgy | Silicon metal production | Metric ton of silicon metal |

| | | |
|--------------------------|--|--|
| Metallurgy | Zinc production | Metric ton of iron load Metric ton of cathodic zinc |
| Metallurgy | Steel forging stock production | Metric ton of steel forging stock |
| Metallurgy | Production of copper drawing stock | Metric ton of copper drawing stock |
| Mining and pelletization | Pellet production | Metric ton of flux pellets Metric ton of standard pellets Metric ton of low silica flux pellets Metric ton of direct reduction pellets Metric ton of blast furnace pellets Metric ton of intermediate pellets |
| Mining and pelletization | Iron concentrate production | Metric ton of iron concentrate |
| Mining and pelletization | Nickel concentrate production | Metric ton of nickel produced |
| Mining and pelletization | Nickel concentrate and copper concentrate production | Metric ton of nickel and copper produced |
| Mining and pelletization | Diamond production | Metric ton of kimberlite processed |
| Mining and pelletization | Gold production | Metric ton of auriferous ore processed |
| Pulp and paper | Production of pulp and paper | Metric ton of various air-dried saleable products |

| | | |
|----------------|---|---|
| Pulp and paper | Production of wood-fibre based products | Metric ton of various air-dried saleable products |
| Pulp and paper | Steam production | Metric ton of various saleable air-dried products of each of the establishments common to a steam network |
| Pulp and paper | Sawmill | Thousand board feet (MFBM) (dry) |
| Refining | Oil refining | Kilolitre of total crude oil refinery load |

¹ An establishment pursuing a type of activity that is not listed in this table must use the reference unit declared in its emissions report under the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere (chapter Q-2, r. 15).

² These reference units must be used when the type of activity is not exercised in another sector of activity specifically referred to in this Table.”.

19. Part II of Appendix C is amended, in the (D) section concerning calculation methods,

- (1) by replacing “the result of an” in the first paragraph by “the result of a target”;
- (2) by replacing the heading of Equation 4-16 by the following:

“Equation 4-16

- Calculation of the intensity of fixed process emissions by type of activity at a covered establishment as of 2018 that is not considered on a sectoral basis and that does not possess all the GHG emissions data for years $d-2$ to d

- Calculation of the intensity of fixed process emissions by type of activity, for years 2021 to 2023, at a covered establishment as of 2013, that does not possess data for years 2007-2010 and does not possess data for at least 3 of years $d-2$ to $d+1$, or at a covered establishment after year 2013 that does not possess data for at least 3 of years $d-2$ to $d+1$ ”;

- (3) by replacing the heading of Equation 4-19 by the following:

“Equation 4-19

- Calculation of the intensity of combustion emissions by type of activity at a covered establishment as of 2018 that is not considered on a sectoral basis and that does not possess all the GHG emissions data for years $d-2$ to d

- Calculation of the intensity of combustion emissions by type of activity, for years 2021 to 2023, at a covered establishment as of 2013, that does not possess data for years 2007-2010 and does not possess data for at least 3 of years $d-2$ to

***d+1*, or at a covered establishment after year 2013 that does not possess data for at least 3 of years *d-2* to *d+1*”;**

(4) by replacing the heading of Equation 4-20 by the following:

“Equation 4-20

- Calculation of the intensity of other emissions by type of activity at a covered establishment as of 2018 that is not considered on a sectoral basis and that does not possess all the GHG emissions data for years *d-2* to *d*

- Calculation of the intensity of other emissions by type of activity, for years 2021 to 2023, at a covered establishment as of 2013, that does not possess data for years 2007-2010 and does not possess data for at least 3 of years *d-2* to *d+1*, or at a covered establishment after year 2013 that does not possess data for at least 3 of years *d-2* to *d+1*”;

(5) by replacing Equation 4-22 and its heading by the following:

“Equation 4-22 Calculation of energy consumption for year *i* at a covered establishment as of 2018 that is not considered on a sectoral basis and that does not possess all the GHG emissions data for years *d* to *d+2*

$$EC_{TOTAL\ i} = \sum_{k=1}^n \frac{GHG_{non\ bio\ k}}{GHG_{total\ k}} \times Fuel_k \times HHV_k$$

Where:

$EC_{TOTAL\ i}$ = Energy consumption in year *i*, in GJ;

i = Each year of the period 2018-2020 for which the emitter is required to cover GHG emissions;

n = Total number of types of fuel used;

k = Type of fuel;

$GHG_{non\ bio\ k}$ = Greenhouse gas emissions attributable to the use of fuel *k*, excluding CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

$GHG_{total\ k}$ = Greenhouse gas emissions attributable to the use of fuel *k*, including CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

$Fuel_k$ = Mass or volume of fuel burned:

(a) in dry metric tons, when the quantity is expressed as a mass;

(b) in thousands of cubic metres at standard conditions, where the quantity is expressed as a volume of gas;

(c) in kilolitres, where the quantity is expressed as a volume of liquid;

HHV_k = High heat value for measurement period *i*, expressed

(a) in GJ per dry metric ton, in the case of fuels whose quantity is expressed as a mass;

(b) in GJ per thousand cubic metres, in the case of fuels whose quantity is expressed as a volume of gas;

(c) in GJ per kilolitre, in the case of fuels whose quantity is expressed as a volume of liquid.”;

(6) by replacing Equation 4-24 and its heading by the following:

“Equation 4-24 Calculation of average energy consumption for years *d* to *d+2*, or *d+1* to *d+3* where *d* is the year in which the establishment became operational, at a covered establishment as of 2018 that possesses all the GHG emissions data for those years

$$EC_{TOTAL,av} = \sum_d^{d+2} \left(\sum_{k=1}^n \frac{GHG_{non\ bio\ k}}{GHG_{total\ k}} \times Fuel_k \times HHV_k \right) \div 3$$

$$EC_{TOTAL,av} = \sum_{d+1}^{d+3} \left(\sum_{k=1}^n \frac{GHG_{non\ bio\ k}}{GHG_{total\ k}} \times Fuel_k \times HHV_k \right) \div 3$$

Where:

EC_{TOTAL,av} = Average energy consumption for years *d* to *d+2*, or *d+1* to *d+3* where *d* is the year in which the establishment became operational, in GJ;

d = First year for which the GHG emissions of the establishment are equal to or exceed the emissions threshold;

n = Total number of types of fuel used;

k = Type of fuel;

GHG_{non bio k} = Greenhouse gas emissions attributable to the use of fuel *k*, excluding CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

GHG_{total k} = Greenhouse gas emissions attributable to the use of fuel *k*, including CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

Fuel_k = Mass or volume of fuel burned:

(a) in dry metric tons, when the quantity is expressed as a mass;

(b) in thousands of cubic metres at standard conditions, where the quantity is expressed as a volume of gas;

(c) in kilolitres, where the quantity is expressed as a volume of liquid;

HHV_k = High heat value for measurement period *i*, expressed

(a) in GJ per dry metric ton, in the case of fuels whose quantity is expressed as a mass;

(b) in GJ per thousand cubic metres, in the case of fuels whose quantity is expressed as a volume of gas;

(c) in GJ per kilolitre, in the case of fuels whose quantity is expressed as a volume of liquid.”;

(7) by replacing Equation 4-38 and its heading by the following:

“Equation 4-38 Calculation of average energy consumption for years e and e+1 of an establishment for the years 2018 to 2020 that is not considered on a sectoral basis and for which the GHG emissions data for years e-1 to e+1, or e to e+2 where e-1 is the year in which the establishment became operational, are not all available

$$EC_{TOTAL\ i} = \sum_{k=1}^n \frac{GHG_{non\ bio\ k}}{GHG_{total\ k}} \times Fuel_k \times HHV_k$$

Where:

EC_{TOTAL i} = Energy consumption for year *i*, in GJ;

i = Each year of the 2018-2020 period for which the emitter is required to cover GHG emissions;

n = Total number of types of fuel used;

k = Type of fuel;

GHG_{non bio k} = Greenhouse gas emissions attributable to the use of fuel *k*, excluding CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

GHG_{total k} = Greenhouse gas emissions attributable to the use of fuel *k*, including CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

Fuel_k = Mass or volume of fuel burned:

(a) in dry metric tons, when the quantity is expressed as a mass;

(b) in thousands of cubic metres at standard conditions, where the quantity is expressed as a volume of gas;

(c) in kilolitres, where the quantity is expressed as a volume of liquid;

HHV_k = High heat value for measurement period *i*, expressed

(a) in GJ per dry metric ton, in the case of fuels whose quantity is expressed as a mass;

(b) in GJ per thousand cubic metres, in the case of fuels whose quantity is expressed as a volume of gas;

(c) in GJ per kilolitre, in the case of fuels whose quantity is expressed as a volume of liquid.”;

(8) by replacing Equation 4-40 and its heading by the following:

“Equation 4-40 Calculation of average energy consumption for a covered establishment referred to in section 2.1 that is not considered on a sectoral basis, that does not possess a determined reference unit, and for which the GHG emissions data for years e-1 to e+1, or e to e+2 where e-1 is the year in which the establishment became operational, are all available

$$EC_{TOTAL,av} = \sum_{e-1}^{e+1} \left(\sum_{k=1}^n \frac{GHG_{non\ bio\ k}}{GHG_{total\ k}} \times Fuel_k \times HHV_k \right) \div 3$$

$$EC_{TOTAL,av} = \sum_e^{e+2} \left(\sum_{k=1}^n \frac{GHG_{non\ bio\ k}}{GHG_{total\ k}} \times Fuel_k \times HHV_k \right) \div 3$$

Where:

EC_{TOTAL,av} = Average energy consumption for years e-1 to e+1 or for years e to e+2 where e-1 is the year in which the establishment became operational, in GJ;

e = Year of application for registration for the system;

k = Type of fuel;

GHG_{non bio k} = Greenhouse gas emissions attributable to the use of fuel *k* excluding CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

GHG_{total k} = Greenhouse gas emissions attributable to the use of fuel *k* including CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

n = Total number of types of fuel used;

Fuel_k = Mass or volume of fuel burned:

(a) in dry metric tons, when the quantity is expressed as a mass;

(b) in thousands of cubic metres at standard conditions, where the quantity is expressed as a volume of gas;

(c) in kilolitres, where the quantity is expressed as a volume of liquid;

HHV_k = High heat value for measurement period *i*, expressed

(a) in GJ per dry metric ton, in the case of fuels whose quantity is expressed as a mass;

(b) in GJ per thousand cubic metres, in the case of fuels whose quantity is expressed as a volume of gas;

(c) in GJ per kilolitre, in the case of fuels whose quantity is expressed as a volume of liquid.”;

(9) by replacing “*d* to *d*+1” in the heading of subdivision 5.2.1 by “*d*+1 to *d*+3”;

(10) by replacing “*d* to *d*+1” in the heading of subdivision 5.2.2 by “*d*+1 to *d*+3”;

(11) by inserting the following after Equation 6-4:

“Equation 6-4.1 Average intensity of GHG fixed process emissions at an establishment producing rigid foamed insulation for years 2010 to 2012

$$I_{FP} = \frac{\sum_{i=2010}^{2012} GHG FP_i}{\sum_{i=2010}^{2012} P_{Ri}}$$

Where:

I_{FP} = Average intensity of GHG fixed process emissions at the establishment for years 2010 to 2012, in metric tons CO₂ equivalent per board foot of rigid foamed insulation;

i = Each year included in the period 2010-2012;

GHG FP_{*i*} = GHG fixed process emissions at the establishment for year *i*, in metric tons CO₂ equivalent;

P_{Ri} = Total quantity of rigid foamed insulation produced at the establishment in year *i*, in board feet of rigid foamed insulation.”;

(12) by inserting the following after Equation 6-5:

“Equation 6-5.1 Average intensity of GHG combustion emissions at an establishment producing rigid foamed insulation for years 2010 to 2012

$$I_C = \frac{\sum_{i=2010}^{2012} GHG C_i}{\sum_{i=2010}^{2012} P_{Ri}}$$

Where:

I_C = Average intensity of GHG combustion emissions at the establishment for years 2010 to 2012, in metric tons CO₂ equivalent per board foot of rigid foamed insulation;

i = Each year included in the period 2010-2012;

GHG C_{*i*} = GHG combustion emissions at the establishment in year *i*, in metric tons CO₂ equivalent;

P_{Ri} = Total quantity of rigid foamed insulation produced at the establishment in year i , in board feet of rigid foamed insulation.”;

(13) by inserting the following after Equation 6-6:

“Equation 6-6.1 Average intensity of other GHG emissions at an establishment producing rigid foamed insulation for years 2010 to 2012

$$I_O = \frac{\sum_{i=2010}^{2012} GHG O_i}{\sum_{i=2010}^{2012} P_{Ri}}$$

Where:

I_O = Average intensity of other GHG emissions at the establishment for years 2010 to 2012, in metric tons CO₂ equivalent per board foot of rigid foamed insulation;

i = Each year included in the period 2010-2012;

GHG O_i = Other GHG emissions at the establishment for year i , in metric tons CO₂ equivalent;

P_{Ri} = Total quantity of rigid foamed insulation produced at the establishment in year i , in board feet of rigid foamed insulation.”;

(14) by replacing the definition of factor “ I_{FP} ” in Equation 6-7.1 by the following:

“ I_{FP} = Average intensity of GHG fixed process emissions at the establishment for years 2010 to 2012, calculated using equation 6-4.1, in metric tons CO₂ equivalent per board foot of rigid foamed insulation.”;

(15) by replacing the definition of factor “ I_C ” in Equation 6-7.2 by the following:

“ I_C = Average intensity of GHG combustion emissions at the establishment for years 2010 to 2012, calculated using equation 6-5.1, in metric tons CO₂ equivalent per board foot of rigid foamed insulation.”;

(16) by replacing the definition of factor “ I_o ” in Equation 6-7.3 by the following:

“ I_o = Average intensity of GHG fixed process emissions at the establishment for years 2010 to 2012, calculated using equation 6-6.1 in metric tons CO₂ equivalent per board foot of rigid foamed insulation.”;

(17) by replacing Equation 6-10.4 and its heading by the following:

“Equation 6-10.4 Calculation of the energy consumption for year i of a new facility at a covered establishment for the period where the GHG emissions data for years d to $d+2$, or $d+1$ to $d+3$ where d is the year in which the new facility became operational, are not all available

$$EC_{NF\ TOTAL\ i} = \sum_{k=1}^n \frac{GHG_{non\ bio\ k}}{GHG_{total\ k}} \times Fuel_k \times HHV_k$$

Where:

$EC_{NF\ TOTAL\ i}$ = Energy consumption of the new facility in year i , in GJ;

i = Each year of the period for which the emitter is required to cover GHG emissions;

n = Total number of types of fuel used;

k = Type of fuel;

$GHG_{non\ bio\ k}$ = Greenhouse gas emissions attributable to the use of fuel k excluding CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

$GHG_{total\ k}$ = Greenhouse gas emissions attributable to the use of fuel k including CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

$Fuel_k$ = Mass or volume of fuel burned, expressed

(a) in dry metric tons, when the quantity is expressed as a mass;

(b) in thousands of cubic metres at standard conditions, where the quantity is expressed as a volume of gas;

(c) in kilolitres, where the quantity is expressed as a volume of liquid;

HHV_k = High heat value for measurement period i , expressed

(a) in GJ per dry metric ton, in the case of fuels whose quantity is expressed as a mass;

(b) in GJ per thousand cubic metres, in the case of fuels whose quantity is expressed as a volume of gas;

(c) in GJ per kilolitre, in the case of fuels whose quantity is expressed as a volume of liquid.”;

(18) by striking out “in another Canadian province or territory or” in subparagraph 2 of the first paragraph of section 6.7;

(19) by striking out “in another Canadian province or territory or” in the heading of Equation 6-11.1;

(20) in Equation 6-11.1:

(a) by striking out “other Canadian provinces or territories or by” in the definition of factor “ $P_i^{Non-WCI}$ ”;

(b) by striking out “another Canadian province or territory or from” in the definition of factor “ $E_i^{Non-WCI}$ ”;

(21) in Equation 6-14:

(a) by replacing “equation 8-2” in the definition of factor “ $I_{C\ stan\ cu}$ ” by “equation 8-4”;

(b) by replacing “equation 8-6” in the definition of factor “ $I_{FP\ stan\ cu}$ ” by “equation 8-2”;

(c) by replacing “equation 8-2” in the definition of factor “ $I_{C\ stan\ RSM}$ ” by “equation 8-4”;

(22) by replacing the definition of factor “ $I_{FP\ dep\ j}$ ” in Equation 8-8 by the following:

“ $I_{FP\ dep\ j}$ = average intensity of fixed process emissions attributable to type of activity j at the establishment for the reference years, calculated using equation 4-3 where the establishment possesses emissions data for at least 3 of years $d-2$ to $d+1$, or using equation 4-10, 4-16, 4-26 or 4-32, in metric tons CO₂ per reference unit, using the new GWP values.”;

(23) in Equation 8-9:

(a) by replacing the definition of factor “ n ” by the following:

“ $n = i - (d+2)$ or $n = i - (e+1)$, as the case may be”;

(b) by inserting the following definition after the definition of factor “ d ”:

“ e = Year of application for registration for the system;”;

(c) by replacing the definition of factor “ $I_{C\ dep\ j}$ ” by the following:

“ $I_{C\ dep\ j}$ = Average intensity of fixed process emissions attributable to type of activity j at the establishment for the reference years, calculated using equation 4-4 where the establishment possesses emissions data for at least 3 of years $d-2$ to $d+1$, or using equation 4-13, 4-19, 4-29 or 4-35, in metric tons CO₂ per reference unit, using the new GWP values.”;

(24) in Equation 8-10:

(a) by replacing the definition of factor “ n ” by the following:

“ $n = i - (d+2)$ or $n = i - (e+1)$, as the case may be”;

(b) by inserting the following definition after the definition of factor “ d ”:

“ e = Year of application for registration for the system;”;

(c) by replacing the definition of factor “ $I_{A\ dep\ j}$ ” by the following:

“ $I_{A\ dep\ j}$ = Average intensity of fixed process emissions attributable to type of activity j at the establishment for the reference years, calculated using equation 4-5 where the establishment possesses emissions data for at least 3 of years $d-2$ to $d+1$, or using equation 4-14, 4-20, 4-30 or 4-36, in metric tons CO₂ per reference unit, using the new GWP values.”;

(25) by replacing Equation 8-17 and its heading by the following:

“Equation 8-17 Calculation of the standard intensity of other emissions by type of activity at an establishment in the lime sector

$$I_{O\ stan\ j} = \min \left((0.95) I_{O\ stan\ min\ j}; (0.90) I_{O\ stan\ av\ j} \right)$$

Where:

$I_{o\ stan\ j}$ = Standard intensity of other emissions in the lime sector for the period 2021-2023 for type of activity j ;

j = Type of activity;

\min = Minimum value between the 2 calculated elements;

0.95 = Proportion corresponding to 95% of the minimum intensity of other emissions;

$I_{o\ stan\ \min\ j}$ = Minimum annual intensity of other emissions for type of activity j for years 2007-2010, calculated using equation 8-18, in metric tons CO₂ per reference unit;

0.90 = Proportion corresponding to 90 % of the average intensity of other emissions;

$I_{o\ stan\ av\ j}$ = Average intensity of other emissions for type of activity j for years 2007-2010, calculated using equation 8-19, in metric tons CO₂ per reference unit.”;

(26) by replacing “ $n=i-(d+2)$ ” in the definition of factors “ $a_{FP,i}$ ”, “ $a_{C,i}$ ” and “ $a_{O,i}$ ” in Equation 10-1 by “ $n=i-d$ ”;

(27) by replacing “ $n=i-(d+2)$ ” in the definition of factors “ $a_{FP,i}$ ”, “ $a_{C,i}$ ” and “ $a_{O,i}$ ” in Equation 11-1 by “ $n=i-d$ ”;

(28) by replacing “ $n=i-(d+2)$ ” in the definition of factors “ $a_{FP,i}$ ”, “ $a_{C,i}$ ” and “ $a_{O,i}$ ” in Equation 11-5 by “ $n=i-d$ ”;

(29) by replacing Equation 11-6 and its heading by the following:

“Equation 11-6 Calculation of energy consumption for a year at a covered establishment as of 2021 that is not considered on a sectoral basis and that does not possess all the GHG emissions data for years d to $d+2$, or $d+1$ to $d+3$ where d is the year in which the establishment became operational

$$EC_{TOTAL\ i} = \sum_{k=1}^n \frac{GHG_{non\ bio\ k}}{GHG_{total\ k}} \times Fuel_k \times HHV_k$$

Where:

$EC_{TOTAL\ i}$ = Energy consumption in year i , in GJ;

i = Each year of the 2021-2023 period for which the emitter is required to cover GHG emissions;

n = Total number of types of fuel used;

k = Type of fuel;

$GHG_{non\ bio\ k}$ = Greenhouse gas emissions attributable to the use of fuel k excluding CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

$GHG_{total\ k}$ = Greenhouse gas emissions attributable to the use of fuel k including CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

$Fuel_k$ = Mass or volume of fuel burned:

- (a) in dry metric tons, when the quantity is expressed as a mass;
- (b) in thousands of cubic metres at standard conditions, where the quantity is expressed as a volume of gas;
- (c) in kilolitres, where the quantity is expressed as a volume of liquid;

HHV_k = High heat value for measurement period i , expressed

- (a) in GJ per dry metric ton, in the case of fuels whose quantity is expressed as a mass;
- (b) in GJ per thousand cubic metres, in the case of fuels whose quantity is expressed as a volume of gas;
- (c) in GJ per kilolitre, in the case of fuels whose quantity is expressed as a volume of liquid.”;

(30) by replacing “ $n=i-(d+2)$ ” in the definition of factors “ $a_{FP,i}$ ”, “ $a_{C,i}$ ” and “ $a_{O,i}$ ” in Equation 12-1 by “ $n=i-d$ ”;

(31) by replacing Equation 12-2 and its heading by the following:

“Equation 12-2 Calculation of average energy consumption for years d to $d+2$, or $d+1$ to $d+3$ where d is the year in which the establishment became operational, at a covered establishment as of 2021 that is not considered on a sectoral basis and that possesses all the GHG emissions data for those years

$$EC_{TOTAL,av} = \sum_d^{d+2} \left(\sum_{k=1}^n \frac{GHG_{non\ bio\ k}}{GHG_{total\ k}} \times Fuel_k \times HHV_k \right) \div 3$$

$$EC_{TOTAL,av} = \sum_{d+1}^{d+3} \left(\sum_{k=1}^n \frac{GHG_{non\ bio\ k}}{GHG_{total\ k}} \times Fuel_k \times HHV_k \right) \div 3$$

Where:

$EC_{TOTAL,av}$ = Average energy consumption for years d to $d+2$, or $d+1$ to $d+3$ where d is the year in which the establishment became operational, in GJ;

d = First year for which the GHG emissions of the establishment are equal to or exceed the emissions threshold;

k = Type of fuel;

$GHG_{non\ bio\ k}$ = Greenhouse gas emissions attributable to the use of fuel k excluding CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

$GHG_{total\ k}$ = Greenhouse gas emissions attributable to the use of fuel k including CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

n = Total number of types of fuel used;

$Fuel_k$ = Mass or volume of fuel burned:

(a) in dry metric tons, when the quantity is expressed as a mass;

(b) in thousands of cubic metres at standard conditions, where the quantity is expressed as a volume of gas;

(c) in kilolitres, where the quantity is expressed as a volume of liquid;

HHV_k = High heat value for measurement period i , expressed

(a) in GJ per dry metric ton, in the case of fuels whose quantity is expressed as a mass;

(b) in GJ per thousand cubic metres, in the case of fuels whose quantity is expressed as a volume of gas;

(c) in GJ per kilolitre, in the case of fuels whose quantity is expressed as a volume of liquid.”;

(32) by replacing the definition of factor “e” in Equations 13-1, 13-2, 13-3, 13-4, 14-1, 14-2, 14-3, 14-4 and 14-5 by the following:

“e= Year preceding the year in which the coverage requirement begins.”;

(33) by replacing Equation 14-6 and its heading by the following:

“Equation 14-6 Calculation of the energy consumption for year i at a covered establishment referred to in section 2.1 that is not considered on a sectoral basis and for which the GHG emissions data for years $e-1$ to $e+1$, or e to $e+2$ where $e-1$ is the year in which the establishment became operational, are not all available

$$EC_{TOTAL\ i} = \sum_{k=1}^n \frac{GHG_{non\ bio\ k}}{GHG_{total\ k}} \times Fuel_k \times HHV_k$$

Where:

$EC_{TOTAL\ i}$ = Energy consumption in year i , in GJ;

i = Each year of the 2021-2023 period for which the emitter is required to cover GHG emissions;

n = Total number of types of fuel used;

k = Type of fuel;

$GHG_{non\ bio\ k}$ = Greenhouse gas emissions attributable to the use of fuel k excluding CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

$GHG_{total\ k}$ = Greenhouse gas emissions attributable to the use of fuel k including CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

$Fuel_k$ = Mass or volume of fuel burned:

(a) in dry metric tons, when the quantity is expressed as a mass;

(b) in thousands of cubic metres at standard conditions, where the quantity is expressed as a volume of gas;

(c) in kilolitres, where the quantity is expressed as a volume of liquid;

HHV_k = High heat value for measurement period i , expressed

(a) in GJ per dry metric ton, in the case of fuels whose quantity is expressed as a mass;

(b) in GJ per thousand cubic metres, in the case of fuels whose quantity is expressed as a volume of gas;

(c) in GJ per kilolitre, in the case of fuels whose quantity is expressed as a volume of liquid.”;

(34) by replacing, in Equation 15-1, the definition of factor “e” by the following:

“e= Year preceding the year in which the coverage requirement begins;”;

(35) by replacing Equation 15-2 and its heading by the following:

“Equation 15-2 Calculation of average energy consumption for a covered establishment referred to in section 2.1 that is not considered on a sectoral basis, that does not possess a determined reference unit, and for which the GHG emissions data for years e-1 to e+1, or e to e+2 where e-1 is the year in which the establishment became operational, are all available

$$EC_{TOTAL,av} = \sum_{e-1}^{e+1} \left(\sum_{k=1}^n \frac{GHG_{non\ bio\ k}}{GHG_{total\ k}} \times Fuel_k \times HHV_k \right) \div 3$$

$$EC_{TOTAL,av} = \sum_e^{e+2} \left(\sum_{k=1}^n \frac{GHG_{non\ bio\ k}}{GHG_{total\ k}} \times Fuel_k \times HHV_k \right) \div 3$$

Where:

$EC_{TOTAL,av}$ = Average energy consumption for years $e-1$ to $e+1$, or e to $e+2$ where $e-1$ is the year in which the establishment became operational, in GJ;

e = Year preceding the year in which the coverage requirement begins;

n = Total number of types of fuel used;

k = Type of fuel;

$GHG_{non\ bio\ k}$ = Greenhouse gas emissions attributable to the use of fuel k excluding CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

$GHG_{total\ k}$ = Greenhouse gas emissions attributable to the use of fuel k including CO₂ emissions attributable to the combustion of biomass or biofuels, in metric tons CO₂ equivalent;

$Fuel_k$ = Mass or volume of fuel burned:

(a) in dry metric tons, when the quantity is expressed as a mass;

(b) in thousands of cubic metres at standard conditions, where the quantity is expressed as a volume of gas;

(c) in kilolitres, where the quantity is expressed as a volume of liquid;

HHV_k = High heat value for measurement period i , expressed

(a) in GJ per dry metric ton, in the case of fuels whose quantity is expressed as a mass;

(b) in GJ per thousand cubic metres, in the case of fuels whose quantity is expressed as a volume of gas;

(c) in GJ per kililitre, in the case of fuels whose quantity is expressed as a volume of liquid.”;

(36) by replacing Table 5 in subdivision 16.2 by the following:

“Table 5: Allocation cap adjustment factors for an establishment covered prior to 2021 for the period 2021-2023

| Year i | $a_{FP,i}$ | $a_{c,i}$ | $a_{o,i}^1$ |
|----------|------------|-----------|-------------|
| 2021 | 0.995 | 0.985 | 0.970 |
| 2022 | 0.990 | 0.970 | 0.940 |
| 2023 | 0.985 | 0.955 | 0.910 |

¹ For the activities “Ferrosilicon production” and “Silicon metal production”, the value of parameter “ $a_{o,i}$ ” is 1.000 for years 2021, 2022 and 2023.”;

(37) by replacing Table 7 in section 17 by the following:

“Table 7: Assistance factor defined for a reference unit by compliance period

| Sector | Reference unit | Assistance factor 2021-2023 |
|--|--|---|
| Agrifood | Hectolitre of beer | 0.90 |
| | Kilolitre of alcohol | 0.90 |
| | Metric ton of sugar | 1.00 |
| | Metric ton of processed oilseed | 1.00 |
| | Kilolitre of whole unpasteurized milk | 0.90 |
| | Metric ton of milk powder with 5% or less moisture | 0.90 |
| | Aluminum | Metric ton of baked cathodes removed from furnace |
| Metric ton of liquid aluminum (leaving potroom) | | 1.00 |
| Metric ton of baked anodes removed from furnace | | 1.00 |
| Metric ton of aluminum hydroxide hydrate expressed as Al_2O_3 equivalent calculated at the precipitation stage | | 1.00 |
| Metric ton of calcinated coke | | 1.00 |
| Metric ton of remelted aluminum | | 1.00 |

| | | |
|-------|--|------|
| Other | Metric ton of treated matter | 0.90 |
| | Cubic metre of gypsum panel | 1.00 |
| | Metric ton of glass | 1.00 |
| | Square metre of silicon substrate associate with deep reactive ion etching | 0.90 |
| | Square metre of silicon substrate associated with an etching process other than deep reactive ion etching | 0.90 |
| | Square metre of silicon substrate associated with plasma enhanced chemical vapour deposition | 0.90 |
| | Metric ton of carbon dioxide | 1.00 |
| | Number of aircraft delivered | 0.90 |
| | Number of aerospace parts delivered | 0.90 |
| | Number of laminate sheet equivalents leaving press (typical sheet: minimum surface of 4 feet by 8 feet, 0.67 mm thickness) | 0.95 |
| | Square metre of asphalt shingle (membrane base) | 1.00 |
| Lime | Metric ton of calcic lime and metric ton of calcic lime kiln dust sold | 1.00 |
| | Metric ton of dolomitic lime and metric ton of dolomitic lime kiln dust sold | 1.00 |

| | | |
|-------------|--|------|
| Chemical | Kilolitre of ethanol | 1.00 |
| | Metric ton of tires | 0.90 |
| | Board foot of rigid insulation | 0.95 |
| | Metric ton of titanium (Ti O ₂) pigment equivalent (raw material) | 1.00 |
| | Metric ton of LAB | 1.00 |
| | Metric ton of catalyzer (including additives) | 1.00 |
| | Metric ton of hydrogen | 1.00 |
| | Metric ton of PTA | 1.00 |
| | Metric ton of xylene and toluene | 1.00 |
| | Metric ton of steam sold to a third person | 1.00 |
| | Metric ton of sodium silicate | 1.00 |
| | Metric ton of sulphur | 1.00 |
| | Metric ton of polyethylene therephthalate (PET) | 0.95 |
| Cement | Metric ton of clinker and metric ton of mineral additives (gypsum and limestone) added to the clinker produced | 1.00 |
| Electricity | Megawatt-hour (MWh) | 0.60 |
| | Metric ton of steam | 0.60 |
| Metallurgy | Metric ton of steel (slabs, pellets or ingots) | 1.00 |

| | | |
|--------------------------|---|------|
| | Metric ton of wrought steel | 1.00 |
| | Metric ton of rolled steel | 1.00 |
| | Metric ton of copper anodes | 1.00 |
| | Metric ton of recycled secondary materials | 1.00 |
| | Metric ton of reduced iron pellets | 1.00 |
| | Metric ton of copper cathodes | 1.00 |
| | Metric ton of ferrosilicon (50% and 75% concentration) | 1.00 |
| | Metric ton of lead | 1.00 |
| | Metric ton of saleable iron powder and steel powder | 1.00 |
| | Metric ton of Ti O ₂ slag cast at the reduction furnaces | 1.00 |
| | Metric ton of silicon metal | 1.00 |
| | Metric ton of iron load | 0.95 |
| | Metric ton of cathodic zinc | 0.95 |
| | Metric ton of steel forging stock | 0.95 |
| | Metric ton of copper drawing stock | 0.95 |
| Mining and pelletization | Metric ton of flux pellets | 1.00 |
| | Metric ton of standard pellets | 1.00 |
| | Metric ton of low silica flux pellets | 1.00 |

| | | |
|----------------|---|------|
| | Metric ton of low silica pellets | 1.00 |
| | Metric ton of blast furnace pellets | 1.00 |
| | Metric ton of intermediate pellets | 1.00 |
| | Metric ton of iron concentrate | 1.00 |
| | Metric ton of nickel produced | 1.00 |
| | Metric ton of nickel and copper produced | 1.00 |
| | Metric ton of kimberlite processed | 0.90 |
| | Metric ton of auriferous ore processed | 0.90 |
| Pulp and paper | Metric ton of various air-dried saleable products | 1.00 |
| | Metric ton of various saleable air-dried products of each of the establishments common to a steam network | 1.00 |
| | Thousand board feet (MFBM) (dry) | 0.90 |
| Refining | Kilolitre of total crude oil refinery load | 1.00 |
| All sectors | Reference unit not determined elsewhere in the table | 0.90 |

20. Despite paragraph 2 of section 17 of this Regulation, the emission allowances issued by the province of Ontario that are in circulation on the date this Regulation comes into force may continue to be used in transactions under the system and may be used for compliance purposes.

21. This Regulation comes into force on 1 January 2021.

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