

Draft Regulations

Draft Regulation

Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions (chapter A-33.02)

Application of the Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions — 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 the application of the Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The draft Regulation progressively increases the number of credits that must be accumulated by a motor vehicle manufacturer to meet its requirements in order to reach 100% of zero-emission motor vehicle sales in 2035. To that end, the draft Regulation amends the calculation used to determine the number of credits that the motor vehicles concerned provide. It also progressively reduces the ceiling for the use of credits from reconditioned motor vehicles to 0% in 2035. In addition, to reflect the amendment to the calculation of credits, the Regulation amends the calculation of the charge owed where the credits accumulated by a motor vehicle manufacturer are insufficient to meet its credit requirements. Lastly, the draft Regulation makes other amendments, such as adjustments to the classification of motor vehicles eligible for credits and of motor vehicle manufacturers, time limits for processing reports and methods for calculating certain environmental and electric range requirements.

Study of the matter shows that the draft Regulation, complemented by the draft Regulation to amend the Regulation respecting the limit on the number of credits that may be used by a motor vehicle manufacturer and the confidentiality of some information that was published in the *Gazette officielle du Québec* of the same date as this draft Regulation, results in additional costs for all the actors in the transportation sector. It also reduces the Government's revenues from taxes on fuel and sales

of goods and services associated with vehicles with an internal combustion engine. The draft Regulation has a positive impact on enterprises marketing charging stations and on sales of electricity. The main advantage of the draft Regulation is for consumers who will benefit from energy savings and for whom the cost of acquiring vehicles would diminish. The draft Regulation also results in major environmental gains in greenhouse gas and other pollutant emissions.

Further information on the draft Regulation may be obtained by contacting Lucie Bouchard, Director General, Direction générale de la transition climatique, Ministère de l'Environnement et de la Lutte contre les changements climatiques, 675 boulevard René-Lévesque Est, 6^e étage, boîte 31, Québec (Québec) G1R 5V7; email: norme.vze@environnement.gouv.qc.ca.

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to Jean-François Gibeault, Assistant Deputy Minister, Bureau d'électrification et de changements climatiques, 675 boulevard René-Lévesque Est, 30^e étage, Québec (Québec) G1R 5V7; email: norme.vze@environnement.gouv.qc.ca.

BENOIT CHARETTE
*Minister of the Environment and
the Fight Against Climate Change*

Regulation to amend the Regulation respecting the application of the Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions

Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions (chapter A-33.02, ss. 3, 4, 6, 7, 2nd par., s. 8, 3rd and 4th pars., and s. 10)

1. The Regulation respecting the application of the Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions (chapter A-33.02, r. 1) is

amended in section 1 by replacing “40,000” in subparagraph *b* of paragraph 3 of the definition of “reconditioned motor vehicle” by “100,000”.

2. Section 2 is amended in paragraph 1

(1) by inserting “, if the motor vehicle corresponds to a type of vehicle listed in the first category of the table in section 1961.2(a)(1) of Title 13 of the California Code of Regulations and” after “must not exceed”;

(2) by replacing “SULEV20 or SULEV30 category, provided for in section 1961.2(a)(1) of Title 13 of the California Code of Regulations” by “SULEV30 category or a category with a stricter standard”.

3. Section 4 is amended

(1) in the first paragraph

(a) by striking out “category A” in paragraph 1;

(b) by striking out “category B” in paragraph 2;

(c) by striking out “category C” in paragraph 3;

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

“As of the 2025 model year, intermediate volume manufacturers are considered to be large volume manufacturers and no reclassification between the two categories is possible.”

4. Section 5 is amended

(1) by striking out the first paragraph;

(2) by replacing “that is not required to submit such report” in the second paragraph by “that is not yet classified”.

5. Section 6 is amended by replacing “30” wherever it appears by “90”.

6. Section 10 is amended by striking out “in accordance with section 47 of the Act” in the second paragraph.

7. Section 12 is amended by replacing “30” by “90”.

8. Section 13 is amended by replacing the last line of the table in the third paragraph by the following:

2025	22.00%
2026	26.00%
2027	34.00%
2028	43.00%
2029	53.00%
2030	65.00%
2031	77.50%
2032	87.50%
2033	94.00%
2034	98.50%
2035 and subsequent	100.00%

”.

9. Section 14 is amended

(1) by replacing “As of model year 2020, among the credits that a large volume automobile manufacturer must accumulate for a particular model year” at the beginning of the first paragraph by “Among the credits that a large volume motor vehicle manufacturer must accumulate for each of the 2020 to 2024 model years”;

(2) by striking out the last line of the table in the fourth paragraph.

10. Section 15 is amended

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

“A motor vehicle manufacturer may, for each period referred to in the table below, accumulate, by selling or leasing reconditioned motor vehicles, or by acquiring, from another motor vehicle manufacturer, RZEV, RLEV, RVRE or RLSV credits, a maximum of the percentage of the total of the credits it must accumulate for each period presented in the table below:

Period of 3 consecutive calendar years	Maximum percentage
2022-2024	30%
2025-2027	20%
2028-2030	15%
2031-2033	10%
Subsequent periods	0%

”;

(2) by replacing “A” in the portion before subparagraph 1 of the second paragraph by “Up to the 2024 model year, a”.

11. Section 19 is amended

(1) by adding “For the model years 2034, 2035 and 2036, the motor vehicle manufacturer may replace that requirement by demonstrating, to the Minister’s satisfaction, that the number of new motor vehicles of the model year covered by the request, that it sold or leased, makes it impossible to achieve the number of credits that the motor vehicle manufacturer must accumulate.” at the end of the second paragraph;

(2) by adding “, except where it depends on the demonstration that it is impossible to achieve the number of credits that the motor vehicle manufacturer must accumulate” at the end of the fourth paragraph.

12. The following is inserted before section 20:

“**§§i.** Provisions applicable up to the 2024 model year

19.1. This subdivision applies to zero-emission motor vehicles whose model year is 2024 or earlier.”.

13. Section 20 is amended by adding the following paragraph at the end:

“If the vehicle is registered after 1 September 2025, the number of credits to which it gives entitlement is divided by 4.”.

14. Section 21 is replaced by the following:

“**21.** The number of credits to which the sale or lease of a reconditioned zero-emission motor vehicle gives entitlement is determined by means of a percentage of the number of credits to which the sale or lease of a new zero-emission motor vehicle of the same model and the same model year gives entitlement. That percentage varies depending on the difference between the number representing the calendar year during which the vehicle was registered for the first time in Québec and the number representing its model year, according to the following table:

Difference between the number representing the calendar year during which the vehicle was registered for the first time in Québec and the number representing its model year	Percentage of the number of credits to which the sale or lease of a new zero-emission motor vehicle of the same model and the same model year gives entitlement
0	100%
1	80%
2	70%
3	60%
4	50%

”.

15. Section 24 is amended by inserting “in accordance with this subdivision,” after “gives entitlement,”.

16. The following is inserted after section 25:

“**§§ii.** Provisions applicable as of the 2025 model year

25.1. This subdivision applies to zero-emission motor vehicles whose model year is 2025 or later.

25.2. The sale or lease of a new zero-emission motor vehicle gives entitlement to one credit.

25.3. The number of credits to which the sale or lease of a reconditioned zero-emission motor vehicle gives entitlement is determined by means of a percentage of the number of credits to which the sale or lease of a new zero-emission motor vehicle of the same model and the same model year gives entitlement. That percentage varies depending on the difference between the number representing the calendar year during which the vehicle was registered for the first time in Québec and the number representing its model year, according to the following table:

Difference between the number representing the calendar year during which the vehicle was registered for the first time in Québec and the number representing its model year	Percentage of the number of credits to which the sale or lease of a new zero-emission motor vehicle of the same model and the same model year gives entitlement
0	100%
1	80%
2	70%
3	60%
4	50%

”.

17. The following is inserted before section 26:

“§§i. Provisions applicable up to the 2024 model year

25.4. This subdivision applies to low-emission motor vehicles whose model year is 2024 or earlier.”

18. Section 26 is amended by replacing “between 16 and 129 km” in the table of the first paragraph by “from 16 to 129 km”.

19. The following is added after section 27:

“**27.1.** If a new low-emission motor vehicle is registered after 1 September 2025, the number of credits to which it gives entitlement, including, if applicable, the additional credit, is divided by 2.2.”

20. The following is inserted after section 29:

“§§ii. Provisions applicable as of the 2025 model year

29.1. This subdivision applies to low-emission motor vehicles whose model year is 2025 or later.

29.2. The sale or lease of a new low-emission motor vehicle gives entitlement to 0.5 credits if the electric range of the vehicle in charge-depleting mode is equal to or greater than 80 km.

For the model years 2025, 2026 and 2027, the sale or lease of a new low-emission motor vehicle whose electric range in charge-depleting mode is equal to or greater than 50 km but less than 80 km gives entitlement to the number of credits determined using the following equation:

$$Nc\ LEV = (R / 200) + 0.05$$

where

Nc LEV = the number of credits to which the sale or lease of a new low-emission motor vehicle whose electric range in charge-depleting mode is equal to or greater than 50 km but less than 80 km for model years 2025, 2026 and 2027 gives entitlement;

R = the electric range of the new low-emission motor vehicle in charge-depleting mode, in kilometres.

The electric range of a new low-emission motor vehicle in charge-depleting mode corresponds to the distance travelled by the vehicle before its battery is completely drained where it is propelled by the association set out in paragraph 1 or 3 of the definition of “low-emission motor vehicle” in section 1 and is determined using the 5-cycle test procedure provided for in paragraph (j) (4) of the method Determination of values for fuel economy labels in U.S. 40 CFR, Part 600, Subpart D.

Despite the foregoing, the sale or lease of a new low-emission motor vehicle that is not covered under Part 600 – Fuel economy and greenhouse gas exhaust emissions of motor vehicles in U.S. 40 CFR gives entitlement to 0.5 credits irrespective of its electric range in charge-depleting mode.

29.3. The number of credits to which the sale or lease of a reconditioned low-emission motor vehicle gives entitlement is determined by means of a percentage of the number of credits to which the sale or lease of a new low-emission motor vehicle of the same model and the same model year gives entitlement. That percentage varies depending on the difference between the number representing the calendar year during which the vehicle was registered for the first time in Québec and the number representing its model year, according to the following table:

Difference between the number representing the calendar year during which the vehicle was registered for the first time in Québec and the number representing its model year	Percentage of the number of credits to which the sale or lease of a new low-emission motor vehicle of the same model and the same model year gives entitlement
0	100%
1	80%
2	70%
3	60%
4	50%

”.

21. Section 30 is amended by inserting “whose model year is 2024 or earlier” after “vehicle” in the first paragraph.

22. Section 31 is amended

(1) by replacing “For” at the beginning of the second paragraph by “Up to the period of 3 consecutive calendar years concerning the 2022 to 2024 model years, for”;

(2) by inserting the following after the second paragraph:

“As of the period of 3 consecutive calendar years concerning the 2025 to 2027 model years, for calculating the charge, the value of a credit is set at \$20,000. The value is adjusted on 1 January of each year using the rate calculated in the manner set out in section 83.3 of the Financial Administration Act (chapter A-6.001). The Minister publishes the result of the adjustment by means of a notice in the *Gazette officielle du Québec* or by any other means deemed appropriate by the Minister.”.

23. Section 35 is amended by inserting the following after the first paragraph:

“For motor vehicles whose gross vehicle weight rating is greater than 3,856 kg, the values of the carbon dioxide emissions, in grams per kilometre, are determined according to the applicable methods and calculations provided for in the Heavy-duty Vehicle and Engine Greenhouse Gas Emission Regulations (SOR/2013-24).”.

24. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

105758

Draft Regulation

Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions
(chapter A-33.02)

Limit on the number of credits that may be used by a motor vehicle manufacturer and the confidentiality of some information — 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 the limit on the number of credits that may be used by a motor vehicle manufacturer and the confidentiality of some information, appearing below, may be made by the Minister of the Environment and the Fight Against Climate Change on the expiry of 45 days following this publication.

The draft Regulation progressively reduces the ceiling for the use of credits, accumulated by a motor vehicle manufacturer during a preceding compliance period, during a subsequent period to 0% in 2035. It also amends the time when motor vehicle manufacturers must indicate to the Minister the number of credits they wish to use in order to be able to make a decision based on an update of their accumulated credits. The draft Regulation also makes minor adjustments to the information entered in the name of a motor vehicle manufacturer in the register referred to in section 11 of the Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions (chapter A-33.02) that is not public. Lastly, transitional measures to bridge the two methods of calculating credits are also provided for.

Study of the matter shows that the draft Regulation governs the manner in which motor vehicle manufacturers will be able to meet the requirements of the zero-emission vehicle standard after the 2025 model year, particularly with the credits accumulated during the various compliance periods, which will affect the marketing of electric vehicles in Québec. The changes are complementary to the amendments provided for in the draft Regulation to amend the Regulation respecting the application of the Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions, published in the *Gazette officielle du Québec* on the same date as this draft Regulation, and tightens the zero-emission motor vehicle standard, a commitment made under the 2030 Plan for a Green Economy.

Further information on the draft Regulation may be obtained by contacting Lucie Bouchard, Director General, Direction générale de la transition climatique, Ministère de l'Environnement et de la Lutte contre les changements climatiques, 675 boulevard René-Lévesque Est, 6^e étage, boîte 31, Québec (Québec) G1R 5V7; email: norme.vze@environnement.gouv.qc.ca.

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BENOIT CHARETTE
*Minister of the Environment and
the Fight Against Climate Change*

Regulation to amend the Regulation respecting the limit on the number of credits that may be used by a motor vehicle manufacturer and the confidentiality of some information

Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions
(chapter A-33.02, s. 9, 2nd par., and s. 15, 2nd par.)

1. The Regulation respecting the limit on the number of credits that may be used by a motor vehicle manufacturer and the confidentiality of some information (chapter A-33.02, r. 2) is amended in section 1