

---

## Draft Regulations

---

### Draft Regulation

Environment Quality Act  
(chapter Q-2)

#### **Halocarbon destruction projects eligible for the issuance of offset credits — Amendment**

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Regulation respecting halocarbon destruction projects eligible for the issuance of offset credits, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The draft Regulation amends the scope of the Regulation respecting halocarbon destruction projects eligible for the issuance of offset credits such that only projects for the destruction of halocarbons contained in insulating foam from refrigeration, freezer or air-conditioning appliances are eligible for the issuance of offset credits.

The proposed amendments remove from the definition of halocarbon the halocarbons used or intended to be used as refrigerants for refrigeration, freezing or air conditioning in equipment, systems or appliances from industrial, commercial, institutional or residential sources. The amendments also remove all conditions and methods applicable to projects for the destruction of this type of halocarbon.

The draft Regulation removes certain pieces of the information that promoters are required to send to the Minister as part of the summary description of the project and the information about its location, including the identification of all project sites.

Lastly, the proposed amendments allow, in certain circumstances, that the visit of halocarbon destruction facilities be conducted only once every 3 years.

The draft Regulation could have a financial impact on enterprises engaging in the responsible end-of-life management of refrigeration appliances. Enterprises could compensate for the loss of offset credit revenues by raising the price charged for processing the appliances.

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to Nicolas Garceau, Associate director, Direction adjointe des opérations du marché du carbone, Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs, édifice Marie-Guyart, 5<sup>e</sup> étage, 675, boulevard René-Lévesque Est, Québec (Québec) G1R 5V7; telephone: 418-521-3868, extension 4663; email: nicolas.garceau@environnement.gouv.qc.ca.

Further information on the draft Regulation may be obtained by contacting Mourad Ziani, coordinator, Direction adjointe des opérations du marché du carbone, Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs, édifice Marie-Guyart, 5<sup>e</sup> étage, 675, boulevard René-Lévesque Est, Québec (Québec) G1R 5V7; telephone: 418-521-3868, extension 7237; email: mourad.ziani@environnement.gouv.qc.ca.

BENOIT CHARETTE

*Minister of the Environment, the Fight Against Climate Change, Wildlife and Parks*

---

**Regulation to amend the Regulation respecting halocarbon destruction projects eligible for the issuance of offset credits**

**Environment Quality Act**

(chapter Q-2, s. 46.8.2)

1. The Regulation respecting halocarbon destruction projects eligible for the issuance of offset credits (chapter Q-2, r. 35.4) is amended in section 2 by striking out “or when used or intended to be used as refrigerants for refrigeration, freezing or air conditioning in equipment, systems or appliances from industrial, commercial, institutional or residential sources” in the definition of “halocarbon”.
2. Section 3 is amended
  - (1) by replacing “where the halocarbons destroyed during the project are removed from a refrigeration, freezer or air-conditioning appliance or system, the removal of foam and refrigerants from the appliance or system” at the beginning of subparagraph 4 of the first paragraph by “the removal of foam”;
  - (2) by striking out the second and third paragraphs.
3. Section 10 is amended by striking out “contained in foam” in paragraph 2.
4. Section 12 is amended by striking out subparagraphs *a* and *d* in paragraph 3.
5. Section 17 is amended by striking out the phrase “contained in foam” wherever it appears.
6. Sections 18 and 21 are revoked.
7. Section 22 is amended by replacing the table by the following:

Type of halocarbon	Global warming potential factor (GWP) (metric tonnes CO <sub>2</sub> equivalent per metric tonne of halocarbon)
CFC-11	4,750
CFC-12	10,900
HCFC-22	1,810
HCFC-141b	725
HFC-134a	1,430
HFC-245fa	1,030

8. The heading of subdivision 3 of Division II of Chapter V is revoked.
9. Section 23 is amended

(1) by replacing “the destruction of halocarbons contained in foam” in the introductory paragraph by “the project during the reporting period”;

(2) by replacing Equation 2 by the following:

**“Equation 2**

$$ER = BE - PE$$

Where:

ER = GHG emission reductions attributable to the destruction of halocarbons, in metric tonnes CO<sub>2</sub> equivalent;

BE = GHG emissions in the baseline scenario attributable to the destruction of halocarbons, calculated using Equation 3 in section 24, in metric tonnes CO<sub>2</sub> equivalent;

PE = GHG emissions in the project scenario attributable to the destruction of halocarbons, calculated using Equation 5 in section 25, in metric tonnes CO<sub>2</sub> equivalent.”

10. Section 24 is amended

(1) by striking out “contained in foam” in the introductory paragraph;

(2) by replacing Equations 3 and 4 by the following equations:

**“Equation 3**

$$\dot{E}R = \sum_{i=1}^n [Q_{init,i} \times FE_i \times PRP_i]$$

Where:

BE = GHG emissions in the baseline scenario attributable to the destruction of halocarbons in metric tonnes CO<sub>2</sub> equivalent;

i = Type of halocarbon;

n = Number of types of halocarbons;

Q<sub>init,i</sub> = Initial quantity of halocarbon of type i contained in foam prior to removal from appliances, calculated using Equation 4, in metric tonnes of halocarbon of type i;

EF<sub>i</sub> = GHG emission factor for halocarbon of type i, as indicated in section 26;

$GWP_i$  = Global warming potential factor for halocarbon of type  $i$  as indicated in section 22, in metric tonnes  $CO_2$  equivalent per metric tonne of halocarbon of type  $i$ ;

**Equation 4**

$$Q_{init,i} = Q_{final,i} + \left( Q_{final,i} \times \left( \frac{1 - EE}{EE} \right) \right)$$

Where:

$Q_{init,i}$  = Initial quantity of halocarbon of type  $i$  contained in foam prior to removal from appliances, in metric tonnes of halocarbon of type  $i$ ;

$Q_{final,i}$  = Final quantity of halocarbon of type  $i$  extracted and sent for destruction, determined in accordance with the method in Appendix D, in metric tonnes of halocarbon of type  $i$ ;

EE = Extraction efficiency of the extraction process for halocarbons, determined in accordance with the method in Appendix E;

$i$  = Type of halocarbon.”

**11.** Section 25 is amended

(1) by striking out “contained in foam” in the introductory paragraph;

(2) by replacing Equations 5, 6 and 7 by the following equations:

**“Equation 5**

$$PE = EEXT + ETD$$

Where:

PE = GHG emissions in the project scenario attributable to the destruction of halocarbons, in metric tonnes  $CO_2$  equivalent;

EEXT = Total GHG emissions attributable to the extraction of halocarbons, calculated using Equation 6, in metric tonnes  $CO_2$  equivalent;

ETD = GHG emissions attributable to the transportation and destruction of halocarbons, calculated using Equation 7, in metric tonnes  $CO_2$  equivalent.

**Equation 6**

$$EEXT = \sum_{i=1}^n [Q_{init,i} \times (1 - EE) \times PRP_i]$$

Where:

EEXT = Total GHG emissions attributable to the extraction of halocarbons, in metric tonnes CO<sub>2</sub> equivalent;

i = Type of halocarbon;

n = Number of types of halocarbons;

Q<sub>int,i</sub> = Initial quantity of halocarbon of type i contained in foam prior to removal from appliances, calculated using Equation 4 in section 24, in metric tonnes of halocarbon of type i;

EE = Extraction efficiency of the extraction process for halocarbons, determined in accordance with the method in Appendix E;

GWP<sub>i</sub> = Global warming potential factor for halocarbon of type i as indicated in section 22, in metric tonnes CO<sub>2</sub> equivalent per metric tonne of halocarbon of type i;

### Equation 7

$$ED = Q_{\text{final}} \times 7.5$$

Where:

ETD = GHG emissions attributable to the transportation and destruction of halocarbons, in metric tonnes CO<sub>2</sub> equivalent;

Q<sub>final</sub> = Final quantity of halocarbon extracted and sent for destruction, calculated using Equation 17 in Appendix E, in metric tonnes of halocarbon;

7.5 = Default emission factor for the transportation and destruction of halocarbons, in metric tonnes CO<sub>2</sub> equivalent per metric tonne of halocarbon.”

### 12. Section 26 is amended

(1) by striking out “contained in foam” in the introductory paragraph;

(2) by replacing “Emission factor for halocarbons contained in foam removed from appliances (EF<sub>F,i</sub>)” in the table by “GHG emission factor for halocarbon (EF<sub>i</sub>)”.

13. Subdivision 4 of Division II of Chapter V including sections 27 to 31 is revoked.

### 14. Section 39 is amended

(1) in the first paragraph

(a) by striking out subparagraphs a and d of subparagraph 5;

(b) by replacing “recovered appliances or a quantity of halocarbons exceeding 225 kg are transferred” in subparagraph a of subparagraph 16 by “a quantity of halocarbons exceeding 225 kg is transferred”;

(c) by striking out subparagraph b of subparagraph 18;

(d) by striking out “or refrigerant” in subparagraph 20;

(e) by striking out “for projects to destroy halocarbons contained in foam,” in subparagraph 21;

(f) by replacing “has authorized the carrying out of the project by the promoter” in subparagraph 23 by “or their representative have authorized the carrying out of the project or a part of the project on the site”;

(2) by striking out the second paragraph.

**16.** Section 40 is amended by striking out the second paragraph.

**17.** Section 45 is amended by replacing “storage sites for the appliances and halocarbons recovered during the project, the facility sites where halocarbons are extracted, the facility sites where halocarbons are destroyed and, where applicable, the facility where appliances are recycled” by “the facility sites where halocarbons are extracted and the facility sites where halocarbons are destroyed”.

**18.** Section 46 is amended

(1) by replacing “a visit by the verifier to each facility where halocarbons are destroyed as part of the project, except if such visit is part of a verification during the 2 previous reporting periods included in a same eligibility period” in the first paragraph by “, over a period of 3 consecutive years, at least one visit by the verifier to each facility where halocarbons are destroyed as part of the project”;

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

“Despite the first paragraph, a visit to facilities where halocarbons are destroyed must be made during the verification of a project report in the following cases:

(1) for a verification of the destruction facility conducted for the first time by the verification organization;

(2) the verification organization has not conducted a verification of the destruction facility for at least 3 years;

(3) the destruction facility was found non-compliant during the last verification;

(4) there has been a change of operator of the destruction facility since the preceding verification;

(5) the verifier designated by the verification organization believes that a visit is necessary.”

**19.** Section 52 is amended by striking out “from foam” in subparagraph 5.

- 20.** Sections 59, 60 and 61 are revoked.
- 21.** Section 2 of Appendix A is revoked.
- 22.** Appendix B is amended
- (1) by striking out “**contained in foam**” in the titles of Figure 1 and Table 1;
  - (2) by striking out Figure 2 and Table 2.
- 23.** Appendix C is amended
- (1) in Table 1
    - (a) by striking out the phrase “contained in foam” wherever it appears;
    - (b) by striking out the letter “F” in the parameter “ $Q_{F\text{ final, }i}$ ”;
    - (c) by striking out “for projects to destroy halocarbons contained in foam” in the second “N/A” parameter;
  - (2) by striking out Table 2.
- 24.** Appendix D is amended
- (1) by replacing “**contained in foam extracted and sent for destruction ( $Q_{F\text{ final, }i}$ ) and the quantity of halocarbon of type  $i$  used or intended to be used as refrigerants that are recovered and sent for destruction ( $Q_{R,i}$ )**” in the title of section 5 by “**extracted and sent for destruction ( $Q_{\text{ final, }i}$ )**”;
  - (2) by replacing “ $Q_{F\text{ final, }i}$ , namely the final quantity of halocarbon of type  $i$  contained in the foam, or the factor  $Q_{R,i}$ , namely the quantity of halocarbon of type  $i$  used or intended to be used as refrigerants” in paragraph 3 of section 5 by “ $Q_{\text{ final, }i}$ , namely the final quantity of halocarbon of type  $i$ ”.
- 25.** Appendix E is amended
- (1) by striking out « CONTAINED IN FOAM” in the appendix title;
  - (2) in section 1, pertaining to calculation methods for the initial quantity of halocarbons
    - (a) by striking out “**contained in foam**” in the section heading;
    - (b) by inserting “initial” before “quantity” in the introductory paragraph;
    - (c) in Method A,
      - i. by striking out “**contained in foam**” in the Method heading;
      - ii. by striking out “contained in foam” in the introductory paragraph;
      - iii. by replacing Equation 14 by the following:

**“Equation 14**

$$Q_{\text{init}} = (N_1 \times M_1) + (N_2 \times M_2) + (N_3 \times M_3) + (N_4 \times M_4)$$

Where:

$Q_{\text{init}}$  = Initial quantity of halocarbon of type i contained in foam prior to removal from appliances, in metric tonnes;

$N_1$  = Number of appliances of type 1;

$N_2$  = Number of appliances of type 2;

$N_3$  = Number of appliances of type 3;

$N_4$  = Number of appliances of type 4;

$M_1$  = Metric tonnes of halocarbon per appliance of type 1;

$M_2$  = Metric tonnes of halocarbon per appliance of type 2;

$M_3$  = Metric tonnes of halocarbon per appliance of type 3;

$M_4$  = Metric tonnes of halocarbon per appliance of type 4;”

d) in Method B,

- i. by striking out “**contained in foam**” in the Method heading;
- ii. by striking out “contained in foam” in the introductory paragraph;
- iii. by replacing “in the foam, and using that value as the “ $C_F$ ” factor in Equation 15 to calculate the initial quantity of halocarbons contained in foam from appliances” in subparagraph e of paragraph 1 by “in the foam, and using that value as the “ $C_F$ ” factor in Equation 15 to calculate the initial quantity of halocarbons”;
- iv. by replacing Equation 15 in paragraph 3 by the following:

**“Equation 15**

$$Q_{\text{init}} = Q_{F \text{ rec}} \times C_F$$

Where:

$Q_{\text{init}}$  = Initial quantity of halocarbon contained in foam prior to removal from appliances, in metric tonnes;

$Q_{F\text{rec}}$  = Total quantity of foam recovered prior to extraction of halocarbons, in metric tonnes;

$C_F$  = Concentration of halocarbon in foam prior to removal from appliances, in metric tonnes of halocarbon per metric tonne of foam.”

- v. by striking out “from the foam” in subparagraph *b* of paragraph 4;
- vi. by replacing “provenant de” in the French text of subparagraph *c* of paragraph 4 by “dans les”;

(3) in section 2 pertaining to the calculation method for extraction efficiency,

(a) by replacing Equation 16 by the following:

**“Equation 16**

$$EE = \frac{Q_{\text{final}}}{Q_{\text{init}}}$$

Where:

EE = Extraction efficiency;

$Q_{\text{final}}$  = Final quantity of halocarbons extracted and sent for destruction, calculated using Equation 17, in metric tonnes;

$Q_{\text{init}}$  = Initial quantity of halocarbon contained in foam prior to removal from appliances, calculated using Equation 14 or 15, as the case may be, in metric tonnes;

(b) by replacing Equation 17 by the following:

**“Equation 17**

$$Q_{\text{final}} = \sum_{i=1}^n Q_{\text{final},i}$$

Where:

$Q_{\text{final},i}$  = Final quantity of halocarbons extracted and sent for destruction, in metric tonnes;

*i* = Type of halocarbon;

*n* = Number of types of halocarbons;

$Q_{\text{final},i}$  = Final quantity of halocarbons of type *i* extracted and sent for destruction, determined in accordance with the method referred to in Appendix D, in metric tonnes of halocarbon of type *i*.”

**26.** This Regulation, except section 4, subparagraphs *a*, *b* and *f* of paragraph 1 of section 14, and sections 17 and 18, does not apply to projects starting before 31 December 2023 and for which a project notice in accordance with section 12 or a renewal notice in accordance with section 15 was filed not later than 31 December 2023.

**27.** This regulation comes into force on 1 January 2024.

106415