

Toward a North American Carbon Market

Québec: member of the Western Climate Initiative (WCI)

WCI objective

Provide participating members with a common approach to addressing climate change.

Privileged tool

Implement a cap and trade system for greenhouse gas (GHG) emission allowances on the territory of WCI members, with a view toward creating a North American carbon market.

Steps to get there

Each member of the WCI adopts regulations establishing a cap and trade system for GHG emission allowances on its territory.

December 14, 2011: Québec adopts the **Regulation respecting the cap and trade system for greenhouse gas emission allowances**, becoming the second member of the WCI to do so after California. British Columbia, Manitoba and Ontario should soon follow suit.

What's next...

1. Negotiation and conclusion of recognition agreements between WCI partner members to link their systems together.
2. Official recognition, by regulatory means, of the agreements concluded.
3. Publication and adoption of proposed regulations on the offset system.

What is a GHG emissions cap and trade system?

The government sets a cap on GHG emissions for all regulated emitters. This cap will be lowered as the years go by.

Each year, those companies will receive from the government a free allocation of emission rights (also called "allowances") corresponding to the amount of GHGs they may emit, based on their historical emissions and level of production.

Going further, the number of free units allocated to companies per unit of production will diminish by around 1% to 2% starting in 2015.

Companies whose GHG emissions are greater than the number of units allocated will have to modernize by adopting clean technologies, or else buy emission rights at government auctions or on the carbon market.

As for companies whose GHG emissions are less than their allocation, they will be able to sell their excess carbon credits to other companies on the carbon market.

Coming into force of Québec's system: January 2012

2012: familiarization period. Participants will be able to register with the system and take part in pilot auctions.

Emitters affected as of January 1, 2013

Around 75 operators in the industrial and electricity sectors whose annual GHG emissions equal or exceed the annual threshold of 25 000 CO₂e.

Emitters affected as of January 1, 2015

Operators of businesses that import or distribute fuels whose whose annual GHG emissions due to combustion reach or exceed the annual threshold of 25 000 CO₂e.

**Développement durable,
Environnement
et Parcs**

Québec

