Climate Action Reserve
Webinar, 21 June 2012

Québec Offset System
Robert Noël de Tilly
Francis Béland-Plante

Ministry for Sustainable Development,
Environment and Parks
Government of Québec
Evolution of GHG emissions in Quebec

1990 = 83.7 Mt

2008 = 82.7 Mt

2020 mitigation goal: 20% below 1990
Evolution of GHG emissions by sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>1990</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport</td>
<td>27.83</td>
<td>35.80</td>
</tr>
<tr>
<td>Industrie</td>
<td>30.57</td>
<td>24.74</td>
</tr>
<tr>
<td>Résidentiel, commercial et institutionnel</td>
<td>10.82</td>
<td>10.30</td>
</tr>
<tr>
<td>Agriculture</td>
<td>5.85</td>
<td>6.38</td>
</tr>
<tr>
<td>Déchets</td>
<td>7.14</td>
<td>5.03</td>
</tr>
<tr>
<td>Électricité</td>
<td>1.46</td>
<td>0.43</td>
</tr>
</tbody>
</table>
Implementation Timeline

- December 2011: Adoption of Cap-and-trade regulation
- Spring 2012: Publication of QC draft regulation concerning cap-and-trade system, including linking modifications and addition of offset system: 60 days public consultation period
- Fall 2012: Adoption of regulation, including linking modifications and offset system
- Fall 2012: On line Registration of offsets projects
- Continuous: Work with other WCI Partners to harmonize and develop common protocols
- 2013: Issuance of first Québec offset credits
Compliance obligation under the cap-and-trade system

- On November 1\textsuperscript{st} following the end of each compliance period (2015, 2018, 2021)
  - compliance account must contain a number of allowances that equals the total amount of GHG emissions reported and verified during the compliance period
  - 3 options to meet compliance obligation:
    - Reduce GHG emissions
    - Buy allowances at auctions or on the market
    - Buy offsets (use of offset credits limited to 8 % of compliance obligation)
## WCI cap-and-trade coverage and potential offset sectors and project types

<table>
<thead>
<tr>
<th>Cap-and-trade system</th>
<th>Offset system</th>
<th>Project Types for Review:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emitters over 25 kt CO2 eq.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Industry;</td>
<td>Sectors:</td>
<td>• Manure Management;</td>
</tr>
<tr>
<td>- Electricity (includes importations);</td>
<td>• Agriculture;</td>
<td>• Small Landfills;</td>
</tr>
<tr>
<td>- Fuels:</td>
<td>• Waste;</td>
<td>• Coal Mine Methane;</td>
</tr>
<tr>
<td>- Transportation;</td>
<td>• Forest;</td>
<td>• ODS</td>
</tr>
<tr>
<td>- Buildings.</td>
<td>• ODS</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Not all project types will be eligible in the offset system

**Objective:**

Avoid double counting of reductions: cap-and-trade and offsets
Offset Protocols in QC draft regulation

• 1- CH$_4$ Destruction from manure storage facilities (for projects located in Québec only);

• 2- CH$_4$ Destruction from small Landfills (for projects located in Québec only);

• 3- ODS destruction in Canada or in US from appliances foams (originating in Canada/US)

QC will issue offset credits only for projects using protocols included in its regulation. Offset credits issued in the voluntary market will not be recognized.
Some Eligibility Criteria for Offsets

• Proponent must demonstrate ownership of the reductions

• Proponent must be domiciled or have an establishment in Québec

• Additionnal
  – Performance standard includes regulations and common practices
  – Project began after January 1st, 2007

• Permanent reductions
Evaluation of Potentials for Québec offset protocols

- ODS: 100 kt CO$_2$ eq. / year (QC only)
  500 kt CO$_2$ eq. / year (Canada wide)

- Small Landfills :100 kt CO$_2$ eq./year (QC only)

- Livestock : 10 kt to 50 Kt CO$_2$ eq./year (QC only, small farms)

Other protocols to be reviewed by WCI
Québec Offset Process

- Identification of project corresponding to a protocol included in QC regulation and drafting of a project plan

- **Validation:** must be consistent with ISO 14064-3, carried out by a validation body accredited ISO 14065, by a member of the International Accreditation Forum and following ISO 17011 program, specific to the project sector

- **Application** and registration of project to the Minister (project plan + validation report)

- **Project implementation** and quantification: following protocol specifications
Québec offset process

- **Project reports**: must be submitted on an annual basis and verified

- **Verification**:
  - done consistently with ISO 14064-3 by a verification body accredited ISO 14065, by a member of the International Accreditation Forum and following ISO 17011 program, specific to the project sector
  - Verification required annually, except for projects under 25 kt CO₂ eq. (every second year)

- **Offset credits issuance by the Minister**
Thanks!

Francis Béland-Plante
Climate Change Bureau
francis.beland-plante@mddep.gouv.qc.ca
http://www.mddep.gouv.qc.ca/index.asp
http://www.westernclimateinitiative.org/