Quebec's Cap-and-Trade Program

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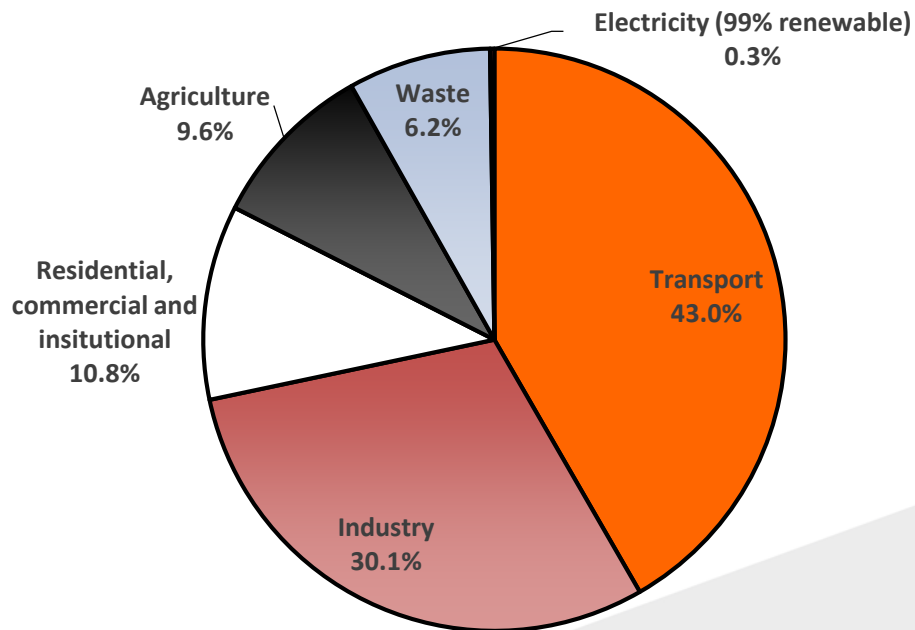
Director – Carbon Market

Ministry of the Environment and the Fight Against Climate Change

Québec

Québec Profile

Québec GHG emissions by sectors, 2016

Electricity (99% renewable)
0.3%

Waste
6.2%

Agriculture
9.6%

Transport
43.0%

Residential,
commercial and
insitutional
10.8%

Industry
30.1%

2020

20% under 1990 levels

69,70 MMt (54,74 MMt)

2030

37,5% under 1990 levels

59,2 MMt (44,14 MMt)

Population : 8,394 millions (2017)

GDP per capita : 37 888$US (2017)

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Comprehensive, flexible and efficient approach to address Climate Change
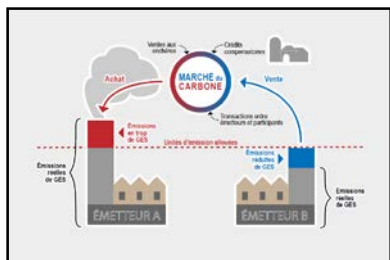
Targets will be achieved through the convergence of:

- Cap & Trade Program with Broad Scope (around 82% of QC's emissions)
- Auctions : 4.5 billions $CAD fully reinvested in Mitigation and Adaptation and Complementary/Companion Policies
- Other governmental Policies (energy, transportation, marine, etc.)

Québec's C&T Program (main features)

- Broad Scope : Electricity, Industry, Transport and Buildings
  - Covers approximately 82% of Quebec's GHG emissions
  - Electricity and Industry : *"where the GHG are emitted"*
  - Transport and buildings : *"first distributor approach"*
    - *Gas, Diesel, Light and Heavy Oil, Natural Gaz, Propane, …*

- Price containment mechanisms :
  - Minimum auction price with annual increase (5% plus inflation),
  - Price containment reserve (soft ceiling price)

- Flexibility mechanisms
  - 3 years compliance period
  - Trading allowed
  - Banking allowed

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Benefits of Linking

- Economic efficiency
  - For the Province (whole economy) and for Covered entities
  - Allows for a higher level of ambition

- Short and long term market stability

- Increased liquidity and price discovery…

- Shared Infrastructures
  - Economy of scale : Lower cost for both Governments and Covered Entities

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Revenue Use : Mitigation Measures

Mitigating GHG Emissions

=

Economic Opportunities

LION8

Innovation
Improving Competitiveness
Stimulate Economic Growth

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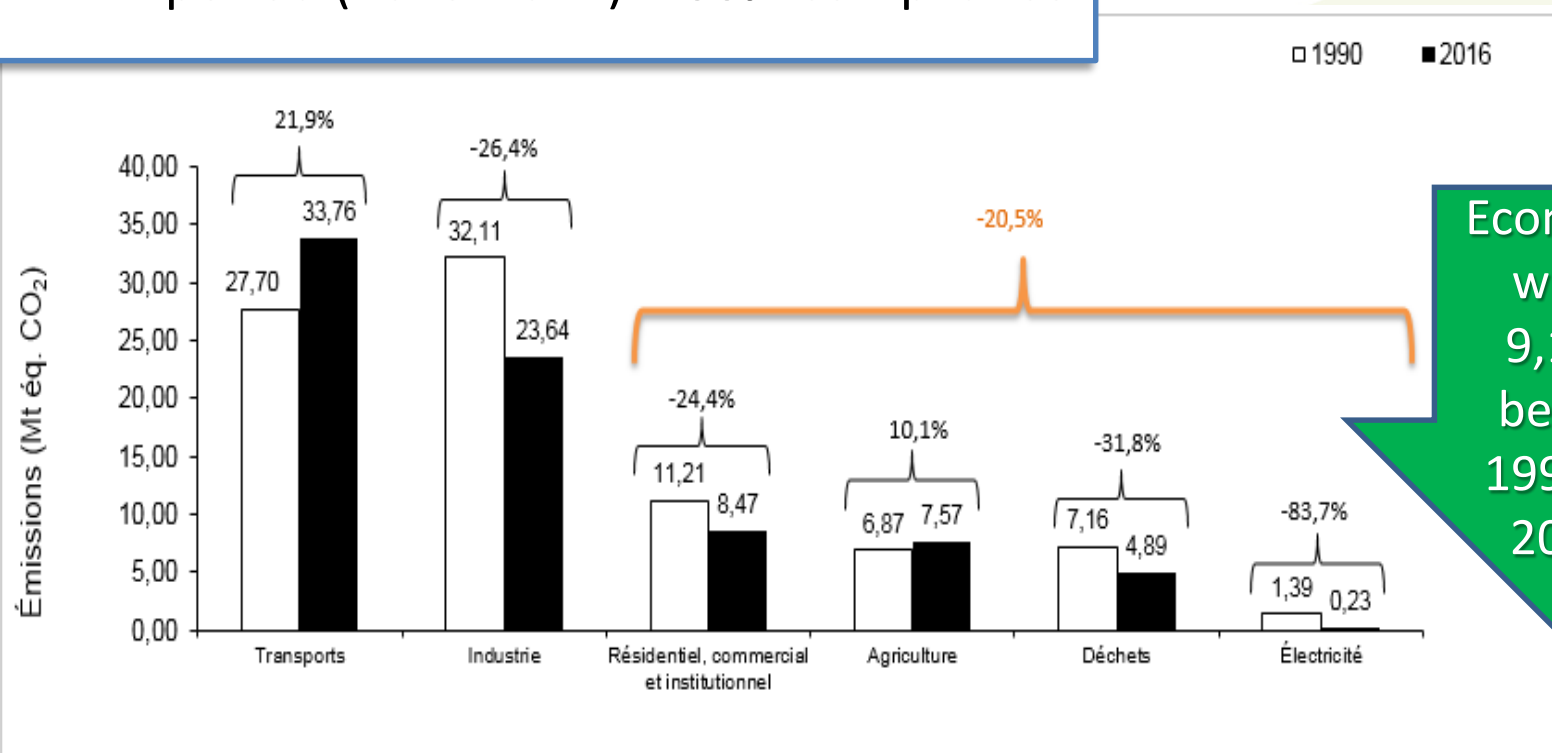# Revenue Use : Adaptation Measures

2013-2020
Adaptation Strategy

- Minimize impacts of Climate Change
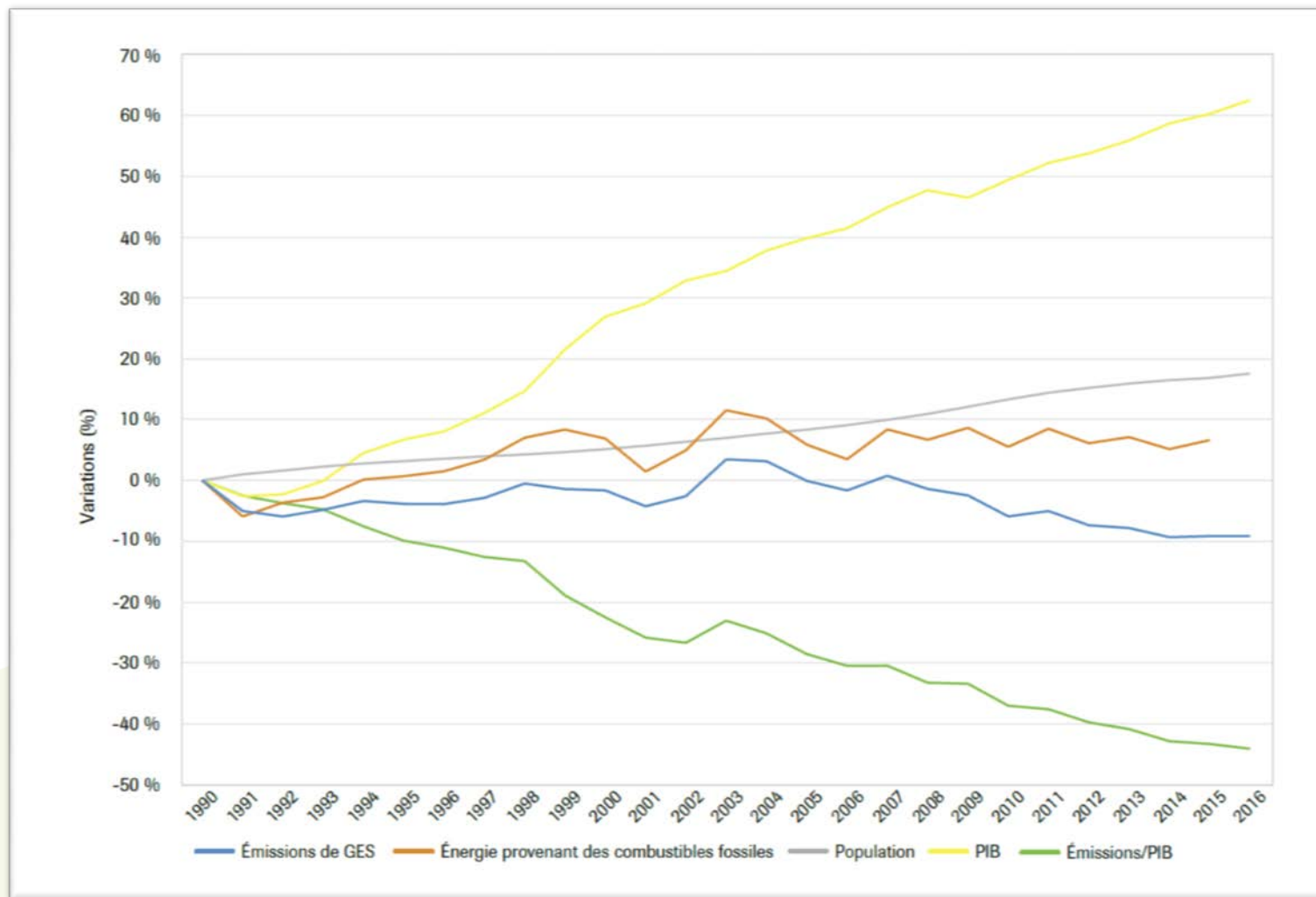- Increase Awareness
- Develop Knowledge

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Some Results to date

- C&T Program:
- 1st period (2013-2014): **100%** compliance
- 2nd period (2015-2017): **100%** compliance

Economy wide 9,1 % below 1990 in 2016

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Some Results

Thanks!

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