Quebec’s Cap-and-Trade Program

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Québec Profile

Québec GHG emissions by sectors, 2016

- Transport: 43.0%
- Industry: 30.1%
- Residential, commercial and institutional: 10.8%
- Agriculture: 9.6%
- Waste: 6.2%
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Population: 8,394 millions (2017)
GDP per capita: 37,888$US (2017)

2020: 20% under 1990 levels
69.7 MMT (54.74 MMT)

2030: 37.5% under 1990 levels
59.2 MMT (44.14 MMT)
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.)

- Mitigation
- Adaptation
- Public awareness
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
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
Revenue Use: Mitigation Measures

Mitigating GHG Emissions = Economic Opportunities

Innovation
Improving Competitiveness
Stimulate Economic Growth
Revenue Use: Adaptation Measures

2013-2020
Adaptation Strategy

- Minimize impacts of Climate Change
- Increase Awareness
- Develop Knowledge
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
Some Results
Thanks!