



## The Cap-and-Trade emissions allowances system at the heart of the strategy

In 2013, Québec adopted its new 2013-2020 [Action Plan on Climate Change](#) (PACC) which aims to reduce GHG emissions by 20% by 2020. This plan is subject to [twice-yearly assessments](#). The first three years of implementation of the PACC will therefore result in a reduction of 1.4 Mt CO<sub>2</sub>eq / year. In 2015, during the review of the plan, additional investments of \$66 million were announced, together with the setting up of actions for Francophone countries that are the most vulnerable to climate change - \$25.5 million mainly in Africa. As Quebec's electricity mix is 97% hydroelectric, the main sectors affected by the PACC are transportation, industry and buildings. In 2009 they accounted for 43.5%, 28% and 14% of GHG emissions respectively. The many efforts made since 2006 have enabled it to post one of North America's best per capita emissions reports at 10 tCO<sub>2</sub>eq/ year/capita.

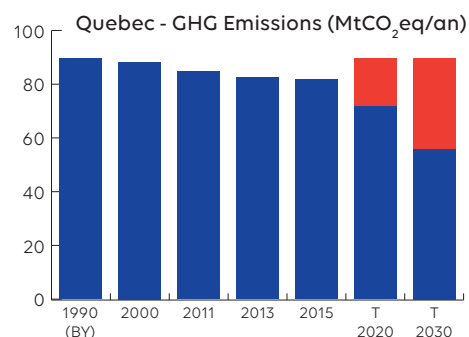
### • A SELF-FUNDED PLAN THROUGH THE EMISSION CAP-AND-TRADE SYSTEM (SPDE) •

From 2007, Quebec introduced a tax on fossil fuels, **before the introduction of the "SPDE", emissions quota system in 2013, coupled with the California State Carbon Quota System (WCI)**. It affects companies emitting more than 25,000 tCO<sub>2</sub>eq/ year. In the first 2013-2014 period, it imposed an emissions cap on the industry and electricity sectors only. 100% of companies covered by the SPDE fulfilled their obligations by paying the Québec government for an emission allowance for each tonne of CO<sub>2</sub> emissions produced. These emissions units may be distributed free of charge, auctioned or sold over-the-counter by the government to companies. As of 2015, the SPDE now includes fossil fuel distributors, and the number of emissions permits issued by the government is being reduced each year. The revenues it generates are fully earmarked for the [Green Fund](#) the main funder of the PACC.

### • QUEBEC'S FREIGHT TRANSPORT: THE MAIN SOURCE OF EMISSIONS FROM TRANSPORTATION •

With 41% of total emissions in 2014 and an increase of 20.4% since 1990, the transportation sector is the largest GHG emitter in Quebec. Road transport is the main source of transport-related emissions, with emissions almost doubling from 4.83 to 9.19 MtCO<sub>2</sub>eq between 1990 and 2014. The Quebec government is therefore running 11 programmes dedicated solely to mobility.

Since 2017, the [Eco-trucking programme](#) has been providing financial support for companies to adopt low-carbon, more energy-efficient technologies in freight vehicles: the purchase of hybrid vehicles, auxiliary



systems for fuel consumption reductions related to the operation of equipment, or aerodynamics. It also funds studies to improve logistics within companies, therefore reducing travel. In 2015-2016, over C\$ 6.5 million in financial assistance was granted to 892 applications for the installation of 6,787 facilities. As of 31 March, 2016, the programme had reduced emissions by 228,328 ktCO<sub>2</sub>eq.

For individuals, the C\$ 120 million "[Drive Electric](#)" programme has been offering C\$ 8,000 for the purchase of an electric vehicle and C\$ 600 for the installation of a 240-volt home terminal since 2015. The number of electric and hybrid cars thus rose from 5,684 to 9550 in that same year. Quebec is the first province in Canada to pass a law requiring manufacturers to offer more certified Zero-Emission Vehicles (ZEV).

MAIN SOURCE:  
[013-2020 CLIMATE CHANGE ACTION PLAN](#)