



August 19, 2015

Québec Cap-and-Trade System: Important Deadlines for Regulated Emitters

Under Québec's cap-and-trade system, regulated emitters have until November 1, 2015, to ensure that their verified emissions do not exceed their greenhouse gas (GHG) emission allowances. Failure by regulated entities to cover their GHG emissions with a sufficient number of emission units can result in severe sanctions. In light of this deadline, Québec's Minister of Sustainable Development, Environment and the Fight Against Climate Change announced a sale by mutual agreement of GHG emission units to be held on September 22, 2015. It is not expected that there will be another opportunity to acquire units for the first compliance period through government-administered means.

Eligible emitters have until Friday, August 21, 2015, to obtain an approved account and complete an application to participate in the sale via the Compliance Instrument Tracking System Service (CITSS) auction platform. An emitter will be an eligible participant if it currently holds no emission units that can be used for the first compliance period. Emitters that are deemed eligible will be advised thereof by September 18, 2015.

Emission units are being offered for sale in three categories at the prices set by regulation, as follows:

| | | |
|-------------|-----------------|-------------------|
| Category A: | 6,661,766 units | C\$44.96 per unit |
| Category B: | 6,661,766 units | C\$50.58 per unit |
| Category C: | 6,661,766 units | C\$56.20 per unit |

As is the case with the joint Québec–California cap-and-trade auctions, intended bids must be supported by a financial guarantee (cash, letter of credit or letter of guarantee). Applicants have until September 10, 2015, to provide their financial guarantee.

Alternatively, regulated emitters may opt to purchase privately the required emission units.

For further details, consult the [Notice of Sale by Mutual Agreement](#).