



Linking Québec and California Cap-and-Trade Systems

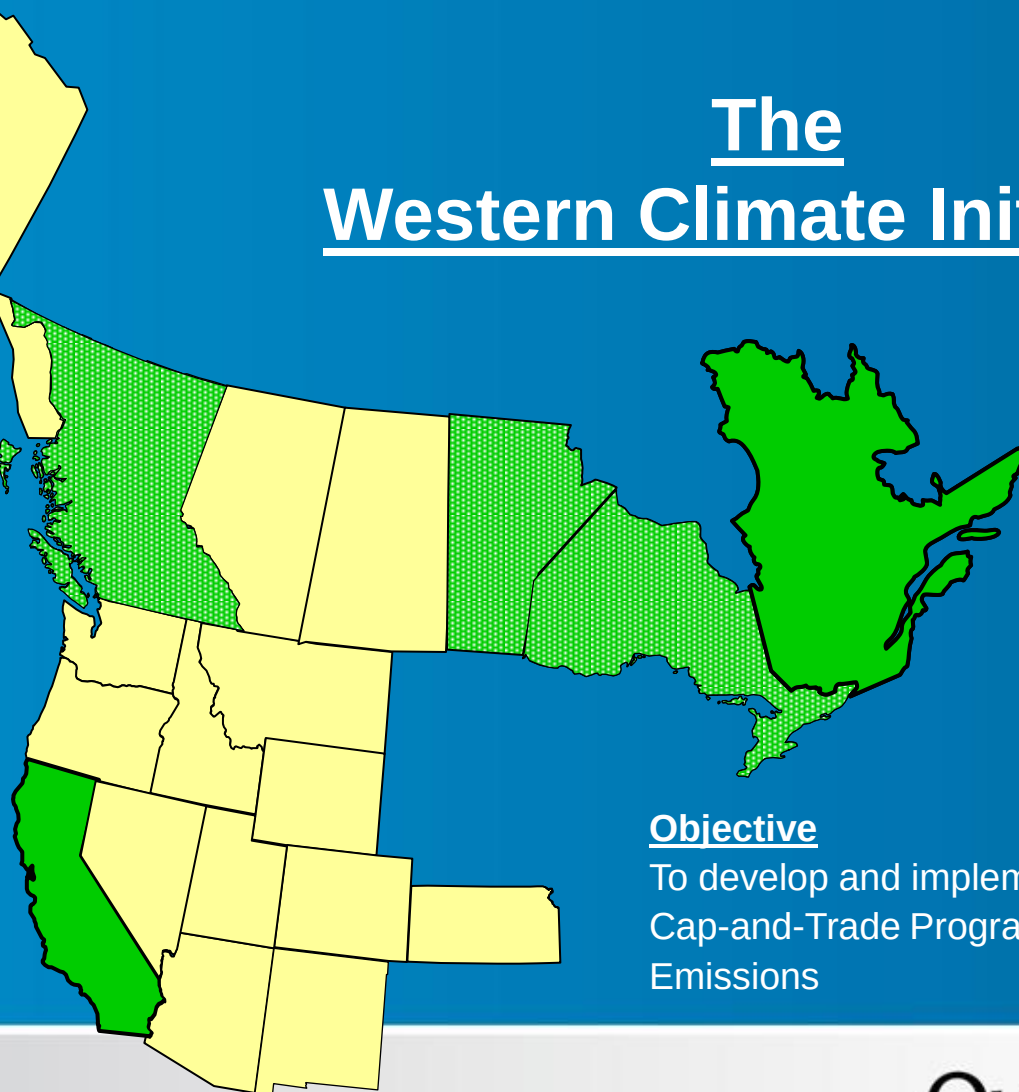
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The Western Climate Initiative

WCI Partners

British-Columbia
California
Manitoba
Ontario
Québec



Objective

To develop and implement a Regional
Cap-and-Trade Program to reduce GHG
Emissions

Québec's C&T System : Scope

- Since January 1st 2013
 - Electricity and Industry (about 80 facilities)
 - Threshold : 25,000 tonnes CO₂
- Beginning January 1st 2015
 - Fuel distribution (about 50 distributors)
 - Threshold : 25,000 tonnes CO₂

Québec's C&T System

- January 1st, 2013 : beginning of 1st compliance period
- April 2013 : Pilot Auction
- May 2013 : First Distribution of Allowances
- November 2013 : First Auction
- January 1st, 2014 : Linked market with California

Linking Milestones

- Initial California Cap & Trade regulation (December 2010)
- WCI Inc. (October 2011)
- Initial Québec Cap & Trade regulation (December 2011)
- Québec Linking Regulation (December 2012)
- California Linking Regulation (June 2013)

Next Steps to linking

- Linking Agreement (signature expected in September 2013)
- California Air Resources Board Report on Linking to the Governor (by November 1st, 2013)
- Linking becomes into effect (January 1st, 2014)

WCI makes it easier...

Common set of rules:

- Draft Design Recommendations (2008) : Scope, Cap Setting, ...
- Reporting Guidelines and Protocols (2008, 2009, 2010)
- Detailed Program Design (2010): Model Rule
- Offset System Essential Elements (2010): Common Criteria

... but not that easy

Review and Harmonize Regulations :

- Compare regulations “line-by-line”
- Amend existing regulations based on findings

WCI Inc. makes it easier...

Common Infrastructures and Service Providers:

- Tracking System (SRA)
- Auction Platform (Markit)
- Financial Service Administrator (Deutsche Bank)
- Help Desk (ICF International)
- Market Monitor (Monitoring Analytics)

... but not that easy

- Compare Procedures “Step-by-Step”
- Develop New Common Procedures
- Update/Modify infrastructures to support linking

Linking with other systems

Elements to consider

- Reporting regulation
- Approach to allowance distribution and auctioning
- Market price and price containment mechanisms
- Market infrastructures : compatibility of registries, auction platforms, ...

UN
QUÉBEC
POUR TOUS

Merci !