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Greenhouse gas cap and trade program under the Western Climate Initiative (WCI)

THE PARTNERS RELEASE GUIDELINES

Québec City, September 23, 2008 – Premier Jean Charest and the Minister of Sustainable Development, Environment and Parks, Line Beauchamp, join with the other partners in the Western Climate Initiative (WCI) to release the main guidelines for the greenhouse gas (GHG) cap and trade program. The full program will be made public by the end of 2008.

“Today, Québec joins with its Canadian and US partners to release the guidelines for a cap and trade system that will form the basis for a future regulated carbon market in North America. The system, founded on an absolute cap on GHG emissions as provided for in the Kyoto Agreement, is especially beneficial for Québec in that it offers increased flexibility for the partners and businesses concerned, and takes into account early actions to reduce emissions. This is a key issue for Québec’s industrial sector, which has significantly reduced emissions since 1990,” stated the Premier.

The WCI program is innovative, since this is first time a program of this type will cover as many GHG producing sectors, an objective under the Kyoto Agreement. The WCI cap and trade program will take effect in 2012 and, during the first compliance period from 2012 to 2014, will cover GHG emissions from heavy industry and electricity production. Beginning in 2015, it will be extended to include emissions from the transportation sector and combustion in the residential, commercial and light industry sectors. It will be preceded by a compulsory GHG emissions reporting period, starting in 2010.

“Québec continues to innovate in the climate change field, both in Québec and Canada and on the international stage. In 2005, it joined the Climate Group and co-chaired the Climate Leaders Summit. In 2006, it released a daring action plan on climate change that has since been extended, with over 92% of the actions already implemented. In 2007, it joined the Climate Registry and, in 2008, the WCI. The WCI cap and trade system will become a key component in Québec’s strategy to fight climate change, and the Montréal Climate Exchange could become the platform for transactions by businesses buying or selling GHG emission rights,” said Minister Beauchamp.

It is also important to note that the Ontario and Québec governments signed a memorandum of understanding in June 2008, undertaking to work with other provinces, territories and states to develop and implement a GHG cap and trade system. Already, Manitoba and British Columbia have been asked to join the process, whose goal is to facilitate participation and links with larger North American and international cap and trade systems, and to create an inter-governmental forum for collaboration by the provinces and territories involved.

The guidelines for the cap and trade system are available on the WCI website at www.westernclimateinitiative.org.

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