

ONTARIO REGULATION 474/16

made under the

CLIMATE CHANGE MITIGATION AND LOW-CARBON ECONOMY ACT, 2016

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Amending O. Reg. 143/16
(QUANTIFICATION, REPORTING AND VERIFICATION OF GREENHOUSE GAS EMISSIONS)

1. Subsection 1 (1) of Ontario Regulation 143/16 is amended by adding the following definitions:

“Cap and Trade Program Regulation” means Ontario Regulation 144/16 (The Cap and Trade Program) made under the Act;
“indirect useful thermal energy” means thermal energy that is generated at one facility and used at another facility;

2. Section 3 of the Regulation is amended by striking out the equation and substituting the following:

$$E = \sum_{i=1}^n GHG_i \times GWP_i$$

3. (1) Subsection 5 (2) of the Regulation is amended by striking out the equation and substituting the following:

$$R = (A - B - C)$$

(2) Subsection 5 (2) of the Regulation is amended by striking out “and” at the end of the definition of “A”, adding “and” at the end of the definition of “B” and adding the following definition:

C = the portion of A that is emitted from the use of indirect useful thermal energy, quantified in accordance with section 4.

4. Section 6 of the Regulation is amended by adding the following subsection:

(4) Subject to sections 8.1 and 9, a person who prepared a GHG report with respect to specified GHG activities engaged in at a facility for a year for the purpose of registering as a voluntary participant pursuant to section 31.1 of the Cap and Trade Program Regulation, shall give the Director a GHG report with respect to the activities for that year and each subsequent year.

5. Subsection 8 (1) of the Regulation is amended by striking out “section 6” in the portion before clause (a) and substituting “subsections 6 (1) to (3)”.

6. The Regulation is amended by adding the following section:

Reporting, capped participants re indirect useful thermal energy

8.1 (1) The requirement in subsection 6 (4) to give GHG reports with respect to specified GHG activities engaged in at a facility for subsequent years ceases to apply to a person who became a voluntary participant pursuant to section 31.1 of the Cap and Trade Program Regulation, starting in the first year following a compliance period if,

- (a) the person has complied with this Regulation for the final three consecutive years of the compliance period;
- (b) the reporting amount in respect of the facility has been less than 10,000 tonnes of CO₂e for each of those years; and
- (c) the person’s registration as a voluntary participant has been cancelled pursuant to section 35 of the Cap and Trade Program Regulation.

(2) Subsection (1) ceases to apply to a person if, for any year following its application, the reporting amount in respect of the facility is 10,000 tonnes of CO₂e or more.

7. (1) Section 9 of the Regulation is amended by striking out “section 6” in the portion before clause (a) and substituting “subsections 6 (1) to (3)”.

(2) Section 9 of the Regulation is amended by adding the following subsection:

(2) The requirement in subsection 6 (4) for a person that became a voluntary participant pursuant to section 31.1 of the Cap and Trade Program Regulation to give GHG reports for subsequent years ceases to apply to the person if the use of indirect useful thermal energy at the facility permanently ceases and the person,

- (a) provides notice to the Director that the activity has ceased permanently;
- (b) gives the Director a GHG report in respect of the final year in which the activity was engaged; and
- (c) has the GHG report mentioned in clause (b) verified and submits a verification statement to the Director, as required by this Regulation.

8. (1) Section 10 of the Regulation is amended by striking out the equation and substituting the following:

$$V = (A - B - C) - (D - E)$$

(2) Section 10 of the Regulation is amended by adding the following definition:

C = the portion of A that is emitted from the use of indirect useful thermal energy, quantified in accordance with section 4,

9. Subsection 11 (3) of the Regulation is revoked and the following substituted:

(3) Subject to subsection (4), the requirement in subsection (2) to have subsequent GHG reports verified ceases to apply to a person, starting in the first year following the end of a compliance period, in the following circumstances:

- 1. If the person is required to register as a mandatory participant or, but for section 21 of the Cap and Trade Program Regulation, would be required to register as a mandatory participant, the requirement ceases to apply if,
 - i. the person has complied with this Regulation for the final three consecutive years of the compliance period, and
 - ii. the verification amount in respect of the facility is less than 25,000 tonnes of CO₂e for each of those years.
- 2. If the person is registered as a voluntary participant for the final three years of the compliance period, the requirement ceases to apply if the conditions described in subparagraphs 1 i and ii apply and the person's registration as a voluntary participant has been cancelled pursuant to section 35 of the Cap and Trade Program Regulation.

10. (1) Paragraph 3 of subsection 12 (11) of the Regulation is revoked.

(2) Subsection 12 (12) of the Regulation is revoked and the following substituted:

(12) For the purposes of this Regulation, a transfer or sale of a petroleum product to the owner or operator of a petroleum refinery or fractionation facility in Canada is not first placing the petroleum product on the Ontario market.

(3) Column 3 of item 3 of the Table to section 12 of the Regulation is amended by adding "and (12)" at the end.

11. Section 23 of the Regulation is amended by adding the following subsection:

(3.1) In addition to the information required under subsections (2) and (3), if the person required to give the report became a voluntary participant pursuant to section 31.1 of the Cap and Trade Program Regulation and has a reporting amount that is less than 10,000 tonnes of CO₂e, the GHG report shall include the amounts used in the equation set out in paragraph 4 of section 31.1 of that regulation.

12. Subsection 26 (2) of the Regulation is amended by striking out "or" at the end of clause (a), adding "or" at the end of clause (b) and adding the following clause:

- (c) the amount determined under paragraph 4 of section 31.1 of the Cap and Trade Program Regulation, if that amount is required to be included in a GHG report.

13. Subsection 32 (3) of the Regulation is amended by adding the following paragraph:

- 3. The amount determined under paragraph 4 of section 31.1 of the Cap and Trade Program Regulation, if that amount is required to be included in a GHG report.

14. Schedule 2 to the Regulation is amended by adding the following item:

12.1	Indirect useful thermal energy use.	The use of thermal energy at one facility that was generated at another facility.
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Commencement

15. This Regulation comes into force on the later of January 1, 2017 and the day it is filed.