

August 12th, 2026

PMI Chile

Québec's Experience

Cap-and-Trade System for greenhouse gas emission allowances



Fleuve Saint-Laurent

© Tourisme Québec / Gaëlle Leroyer

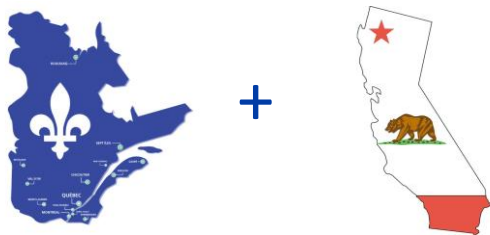
Philippe Grégoire
Ministry of the Environment, the Fight Against Climate Change, Wildlife and Parks

Québec 

Highlights

➤ 2013 : Launch of Québec's Cap&Trade

➤ 2014 :



➤ ~ 80% of GHG emissions in Quebec

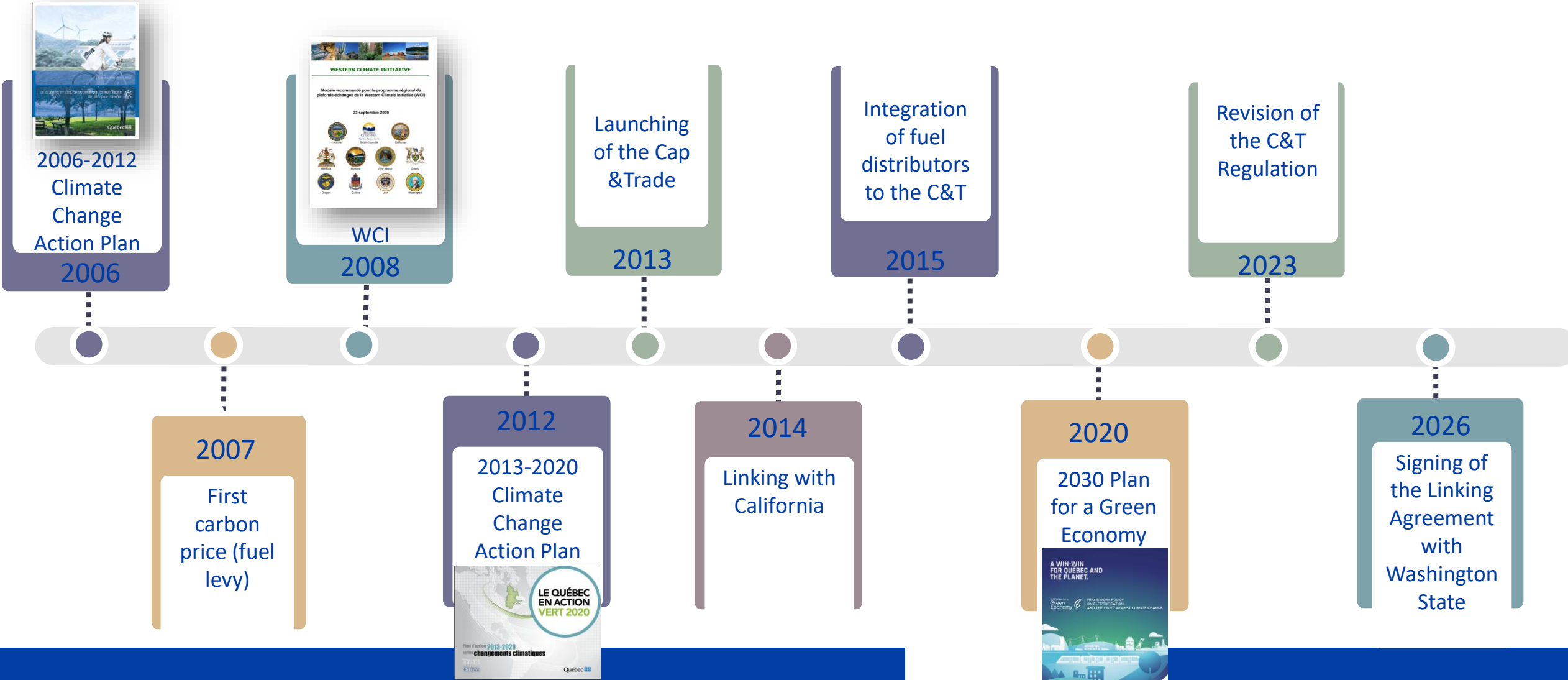
➤ Tool for Economic Growth

➤ Flexible

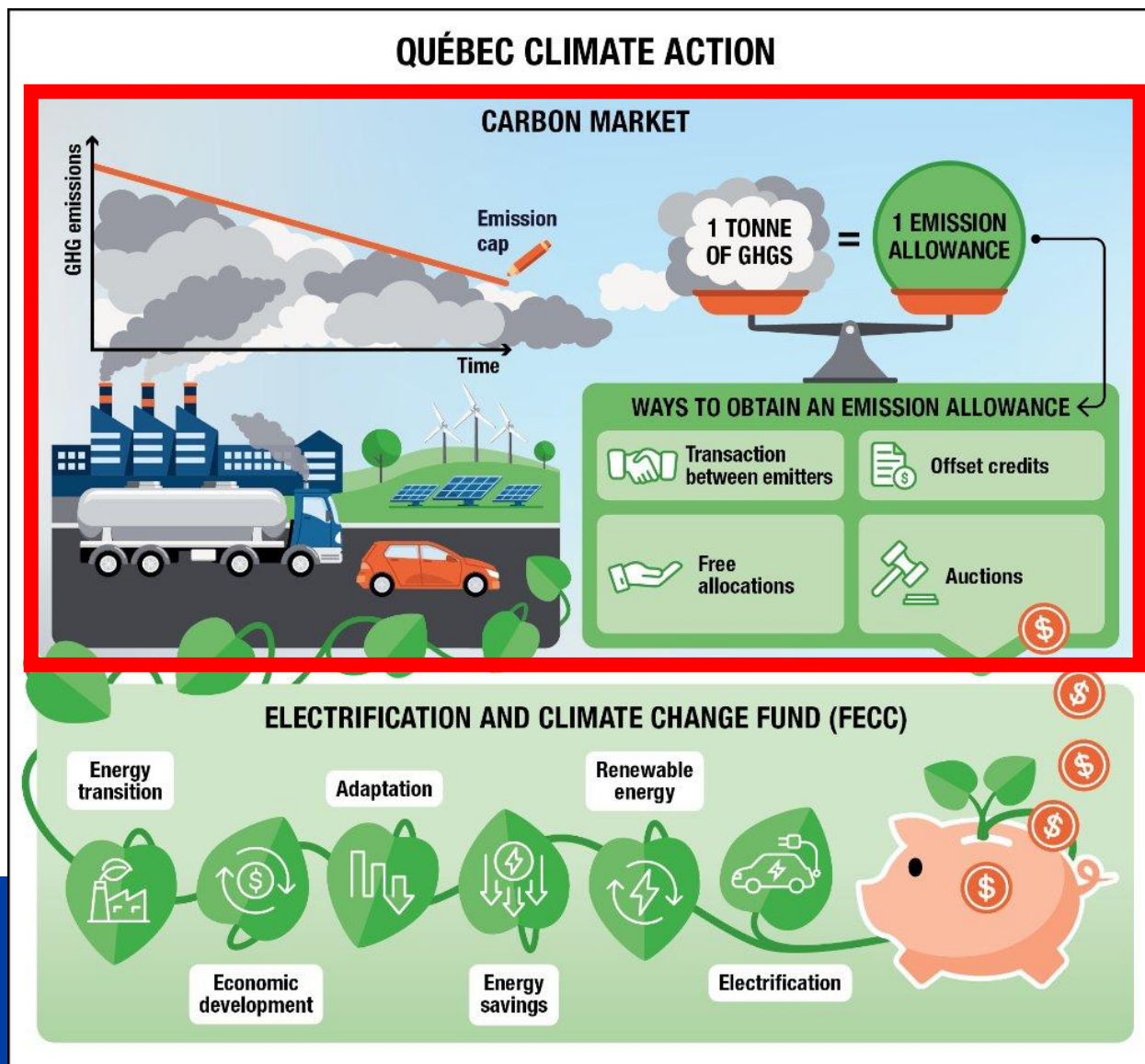
➤  at the lowest possible cost

➤ > \$11,5 billion paid to the ECCF

History of Québec's Approach



How the Québec Cap&Trade Works – At a Glance

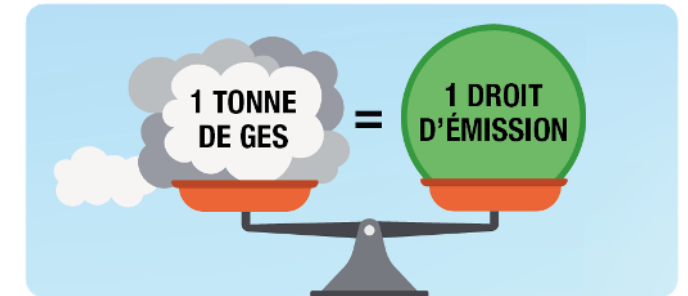
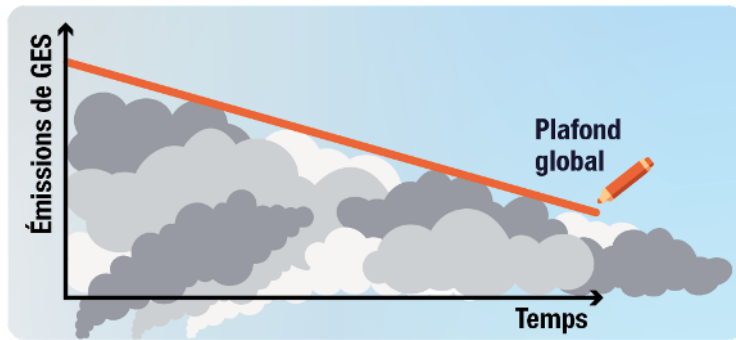


How the Québec Cap&Trade Works – At a Glance

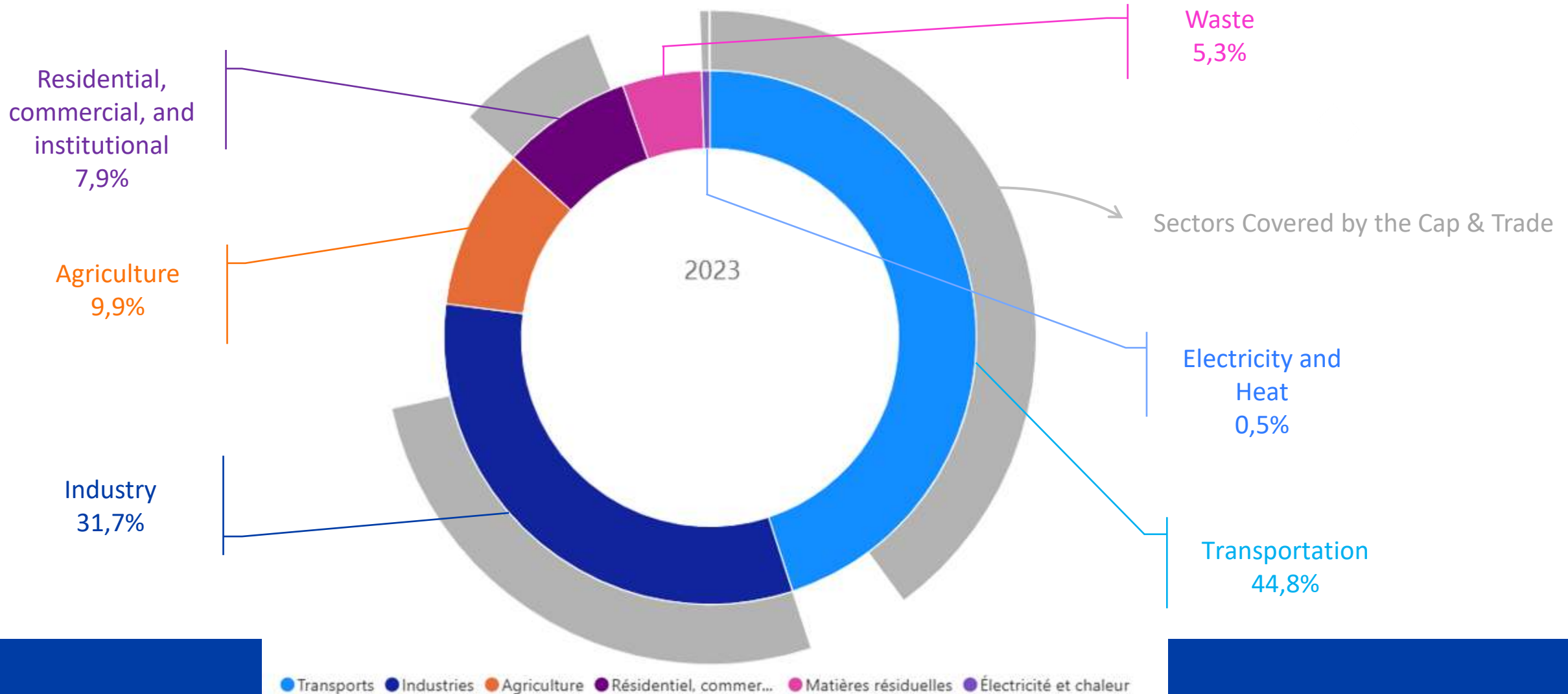
Declining Caps

Limits Applicable to All Emitters

Emissions Coverage

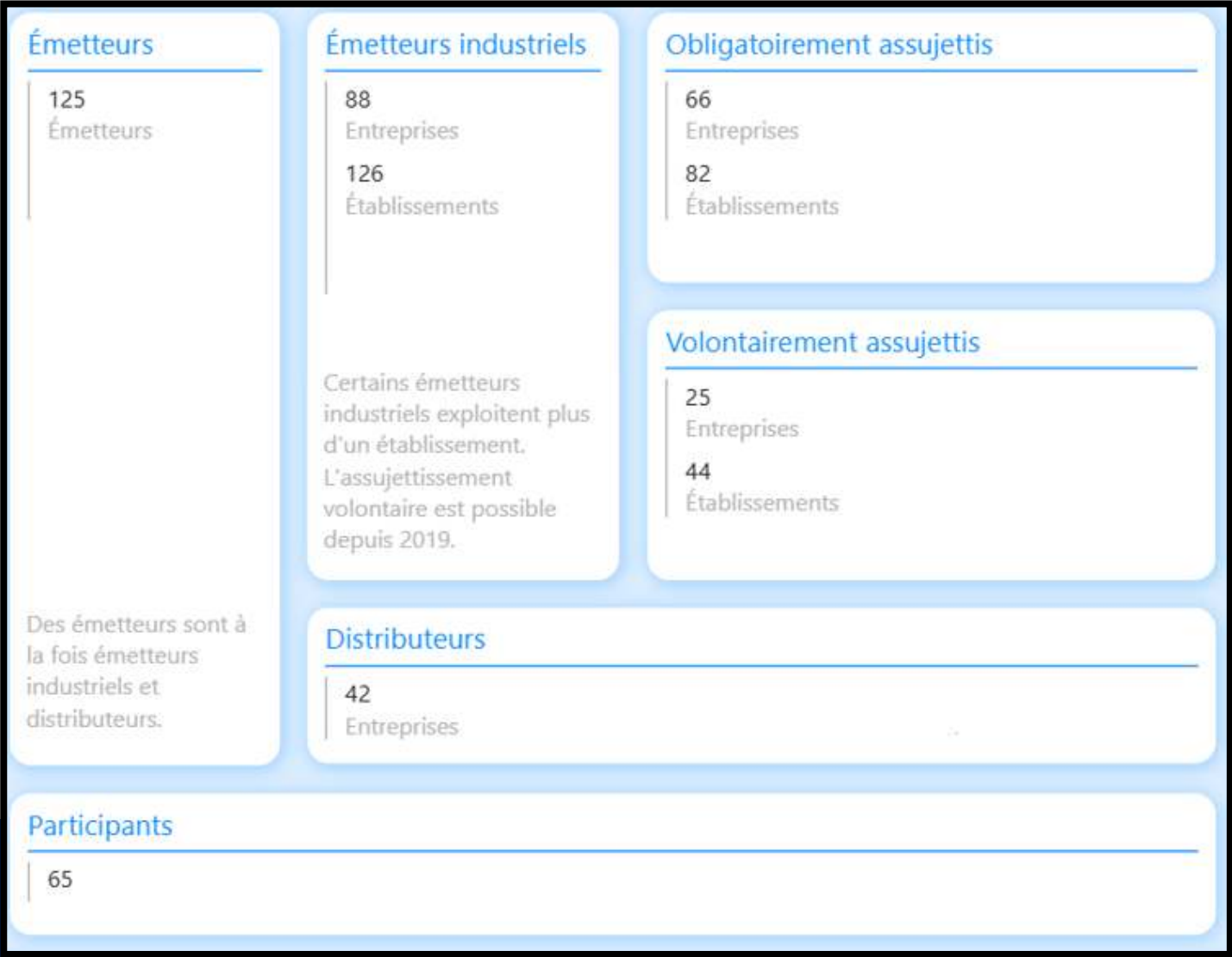


Targeted Sectors



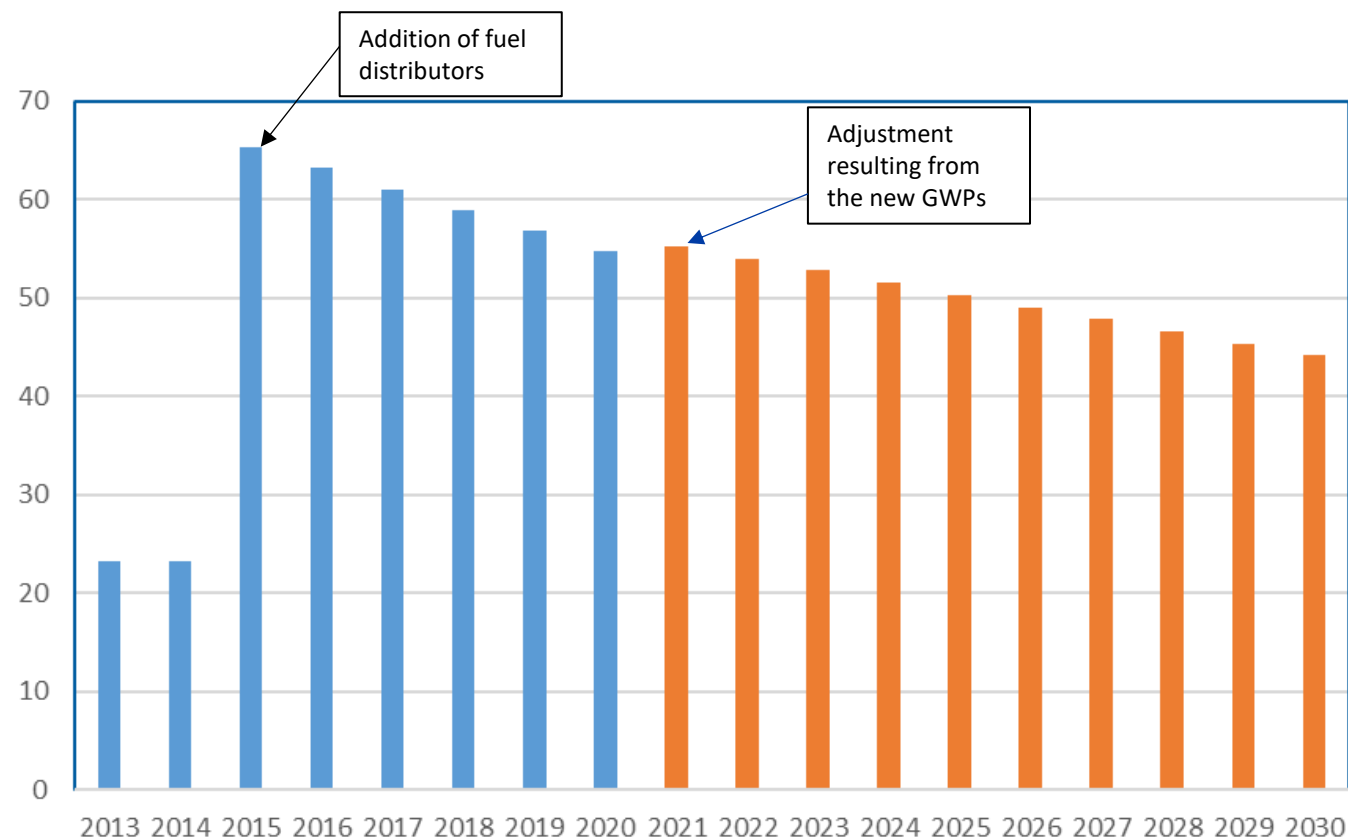
Scope of the Cap & Trade

Portrait of 2024

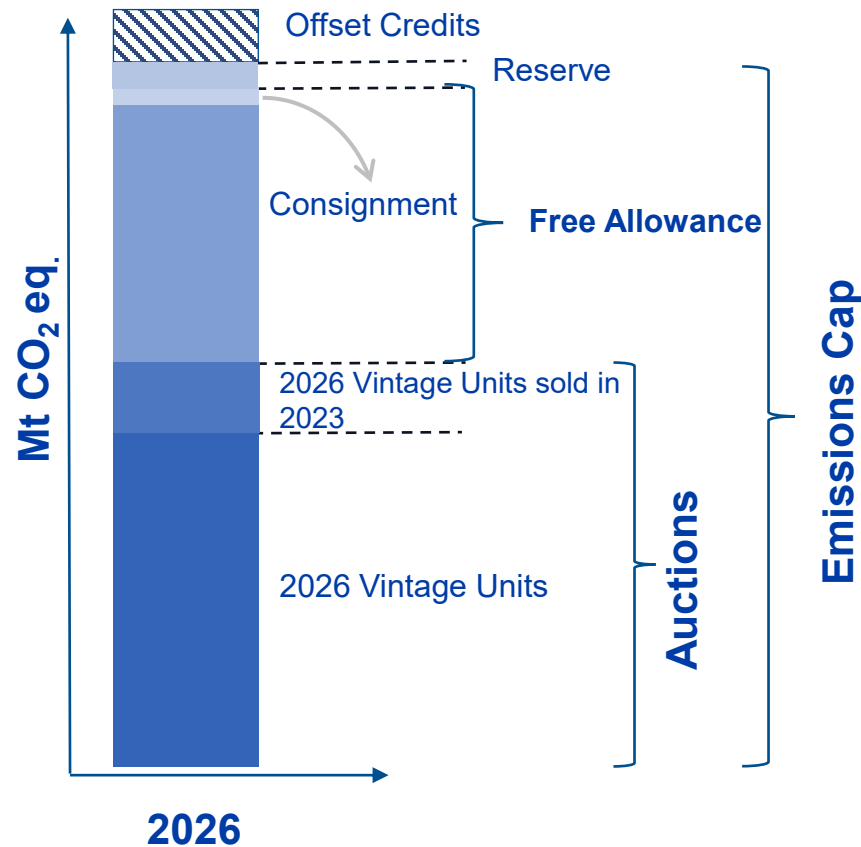


Gases Covered :
CO₂, CH₄, N₂O,
HFC, PFC,
SF₆, NF₃

Annual Caps on Emission Units

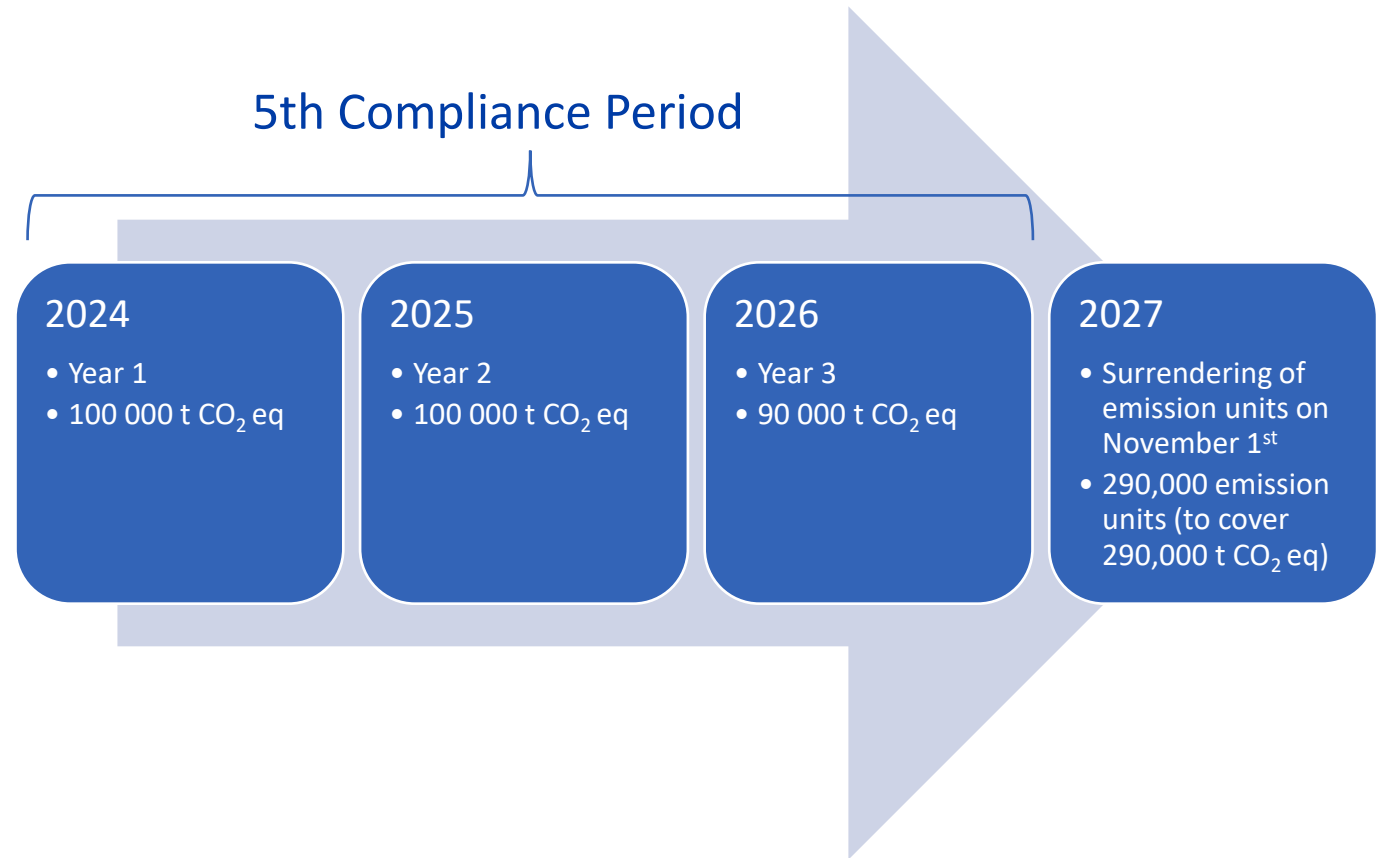
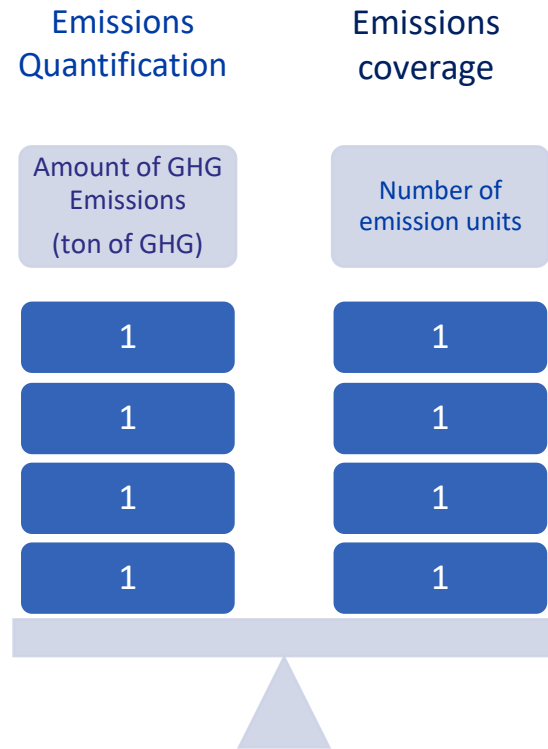


Allocation of Emission Units

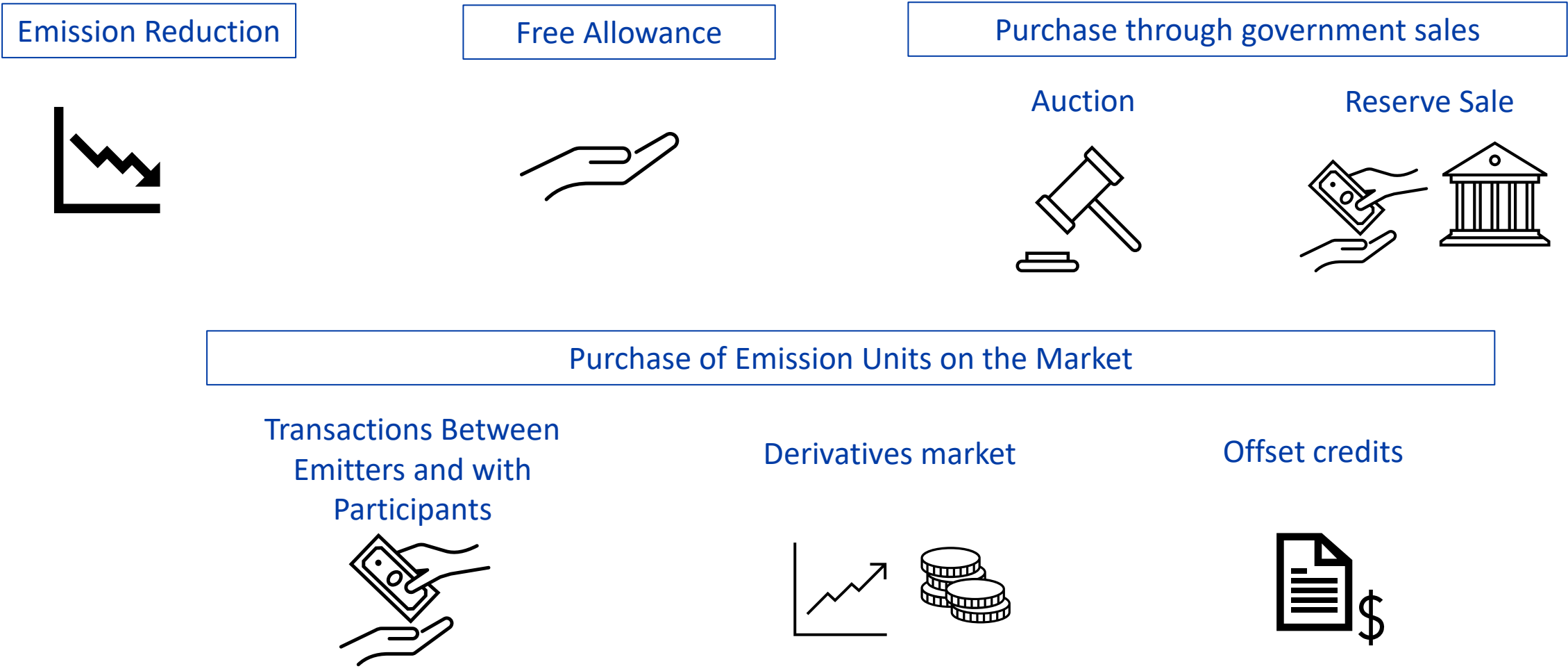


- Current vintage units offered at auction (+/- 48 %)
- 2026 vintage units sold in 2023 (10 %)
- Free allowance (+/- 38 %)
 - ❑ 36,6% free allowance
 - ❑ 1,4% consignment
- Minister's Reserve (4 %)

Regulatory Compliance



Compliance and Emission Units Acquisition Strategy





MADI

Program

Plan pour une
**économie
verte 2030**

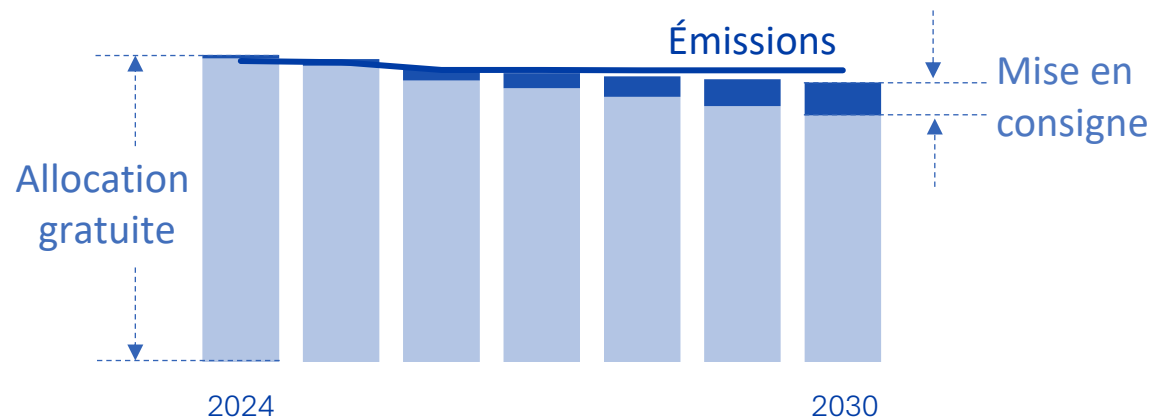


Funds available upon award

End: 2026



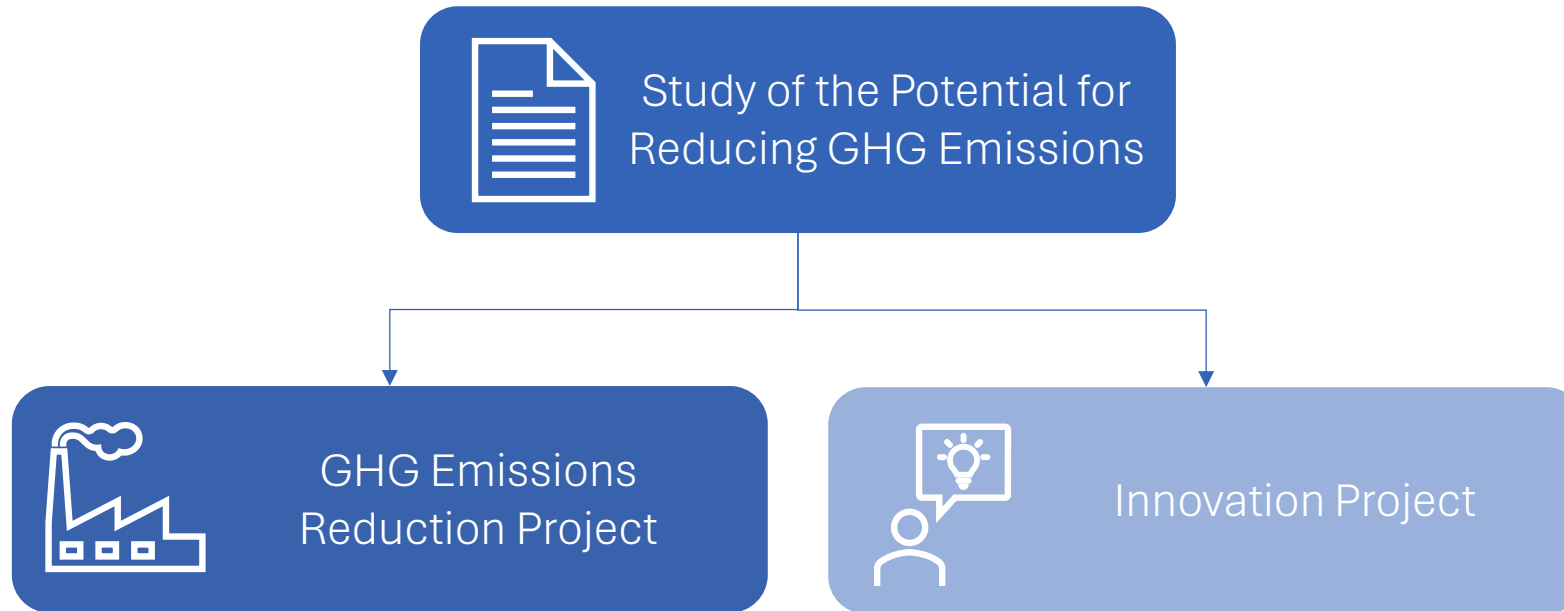
Consignment



The amounts add up every year

End: 2030

MADI and Consignment Provide Funding for



Financing of up to 100%

For eligible businesses only

Optional

Expenses are eligible **only if incurred after** the project has been approved



Joint Auctions: Quebec and California's



How does it work?

- Quarterly sales of emission units (current and future vintage units)
- Quebec–California Joint Online Platform



Who is participating?

- Emitters and registered participants from both jurisdictions

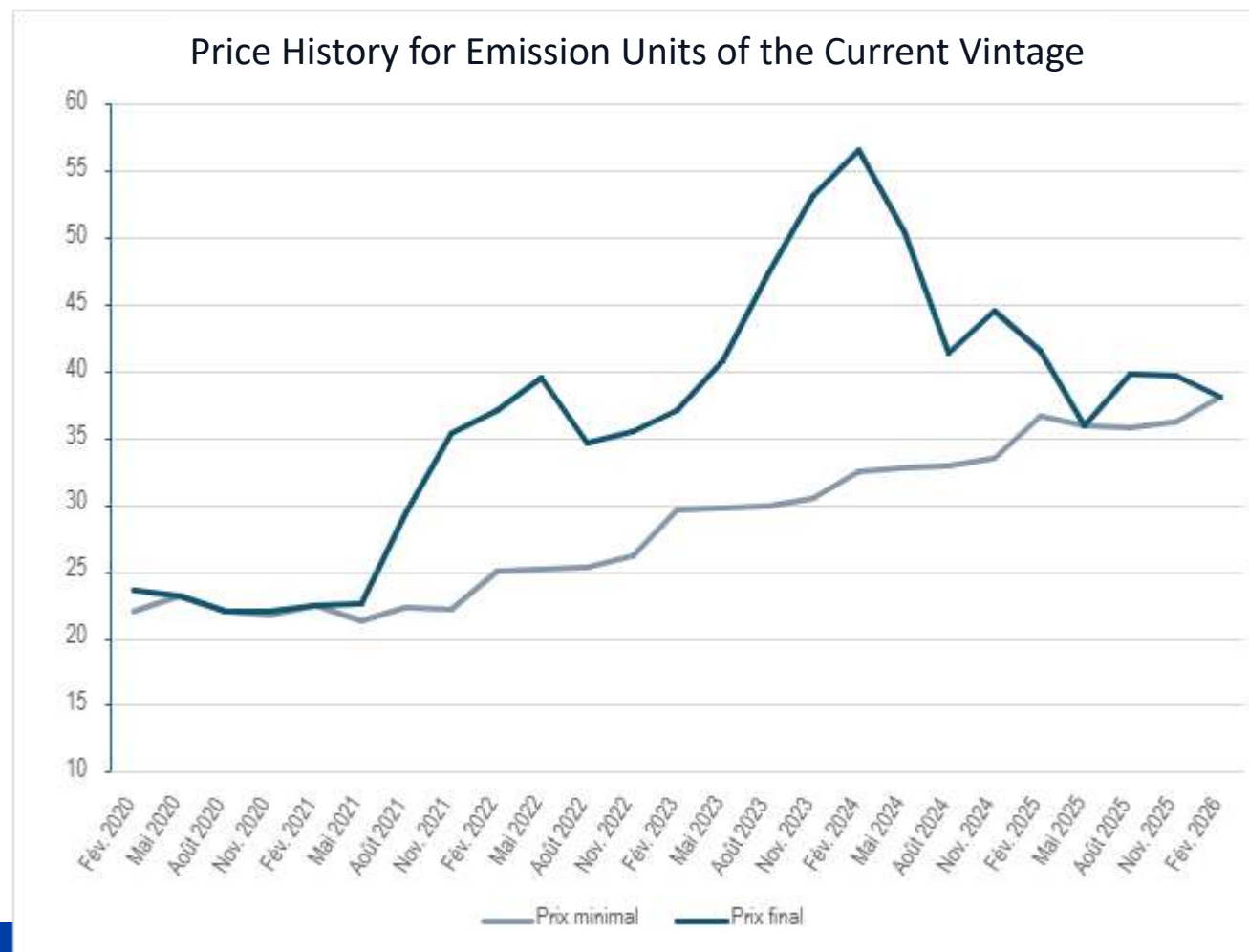


To ensure a stable market:

- Purchase Limits
- Holding Limits (market manipulation prevention)



Joint Auctions: Quebec and California's



For a more detailed version:
<https://www.environnement.gouv.qc.ca/changements/carbone/ventes-encheres/historique-prix-encheres-WCI-en.pdf>



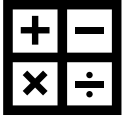
Reserve Sales by the Minister

- Price control mechanism
- The emission units being offered for sale come from the Minister's reserve
- Exclusive to Quebec emitters that do not have enough emission allowances to cover their GHG emissions for a given compliance period
 - Emitters may not purchase more than the amount required to cover their compliance obligations
- Prices are set in advance and increase each year (+5% per year, indexed to annual inflation)
 - ☐ Category A : CA\$ 63.12 in 2026
 - ☐ Category B : CA\$ 81.09 in 2026
 - ☐ Category C : CA\$ 99.10 in 2026



\$

Offset Credits



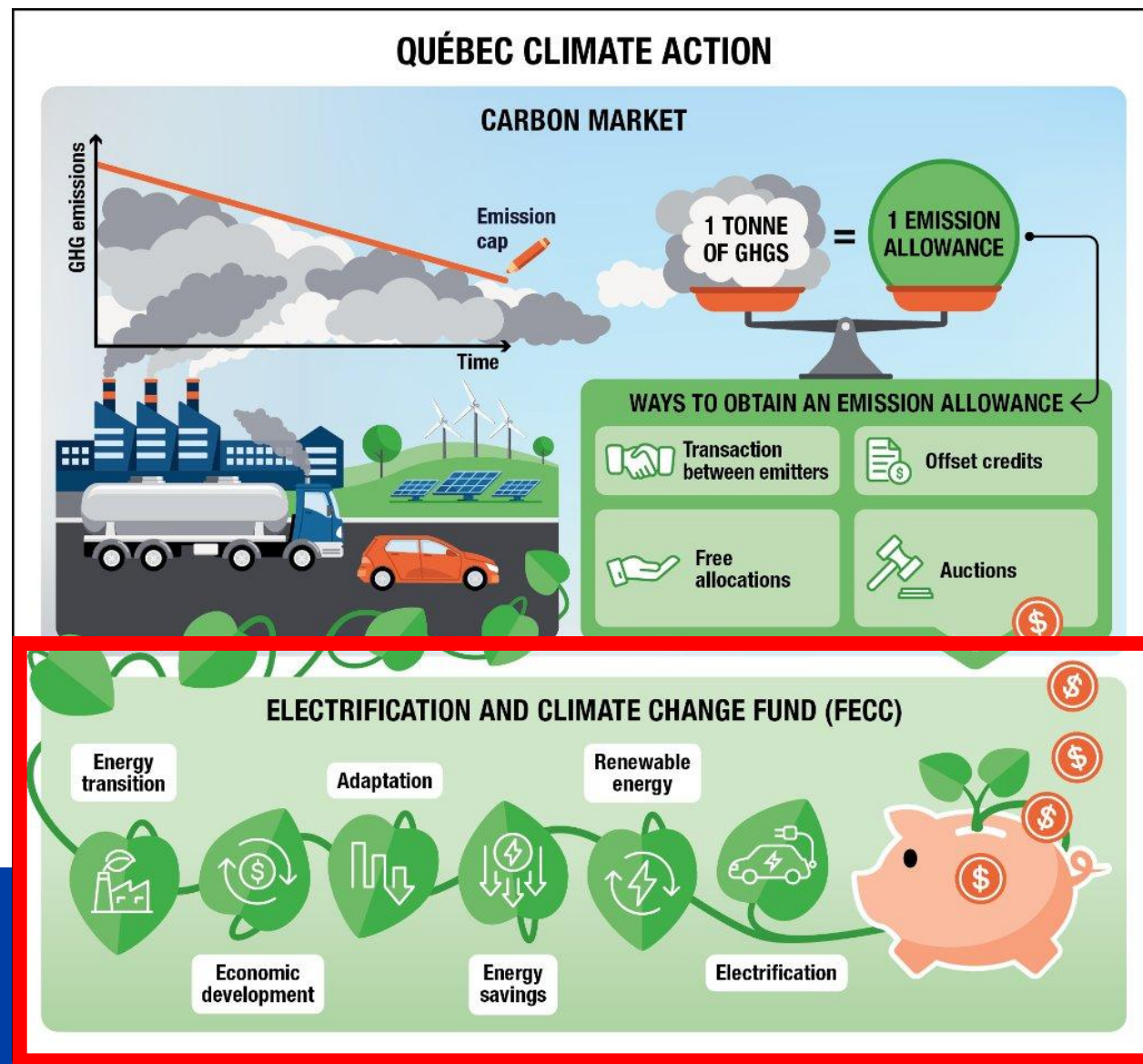
By the Numbers

- The Quebec government has issued more than 2.33 million credits

Current ministerial protocols/regulations:

- ☐ Landfill methane reclamation and destruction ;
- ☐ Halocarbon destruction ;
- ☐ Carbon sequestration through afforestation or reforestation on private lands ;
- ☐ Methane destruction by covering manure storage facilities ;
- ☐ Destruction of methane from drainage systems at active coal mines ;
- ☐ Destruction of methane from ventilation air at active underground coal mines
- ☐ Manure anaerobic digestion.

Reinvestment of Revenues



For citizens

➤ Electric Vehicles



- ❑ Nearly **\$860 million** allocated for vehicles and home and multi-unit residential charging stations
- ❑ Average annual savings of **\$235 per month** on gas and vehicle maintenance

➤ Residential Buildings



- ❑ Through Rénoclimat, participants saved an average of **\$535 per year** on their energy bills

For Businesses

- Emissions Reduction Projects
- Energy Conversion
- Innovation Projects
- Energy Efficiency

- ☐ Jobs
- ☐ Economic Prosperity
- ☐ Competitiveness

Growing Cucumbers Using Hot Water
from a Pulp and Paper Mill



Powering a Mine in the North
with Wind Energy



Producing Cement-Free Concrete
While Sequestering Carbon



To Adapt to Climate Change

- Combating Heat
- Combating Heavy Rainfall and Flooding
- Adapting Agriculture
- Reducing Risks Associated with Wildfires

- ☐ Quality of Life
- ☐ People Safety
- ☐ Infrastructure Improvements

Greening to Improve Stormwater Management



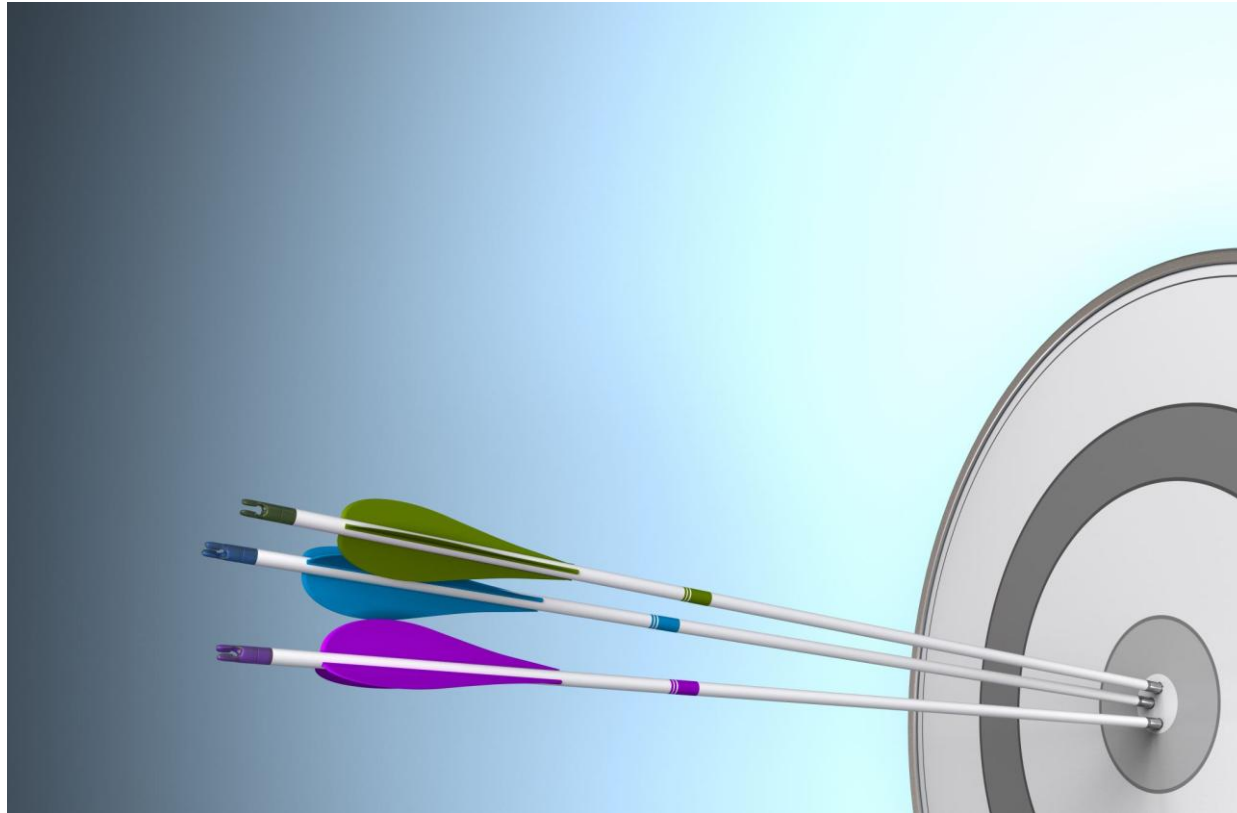
Urban Oases of Freshness



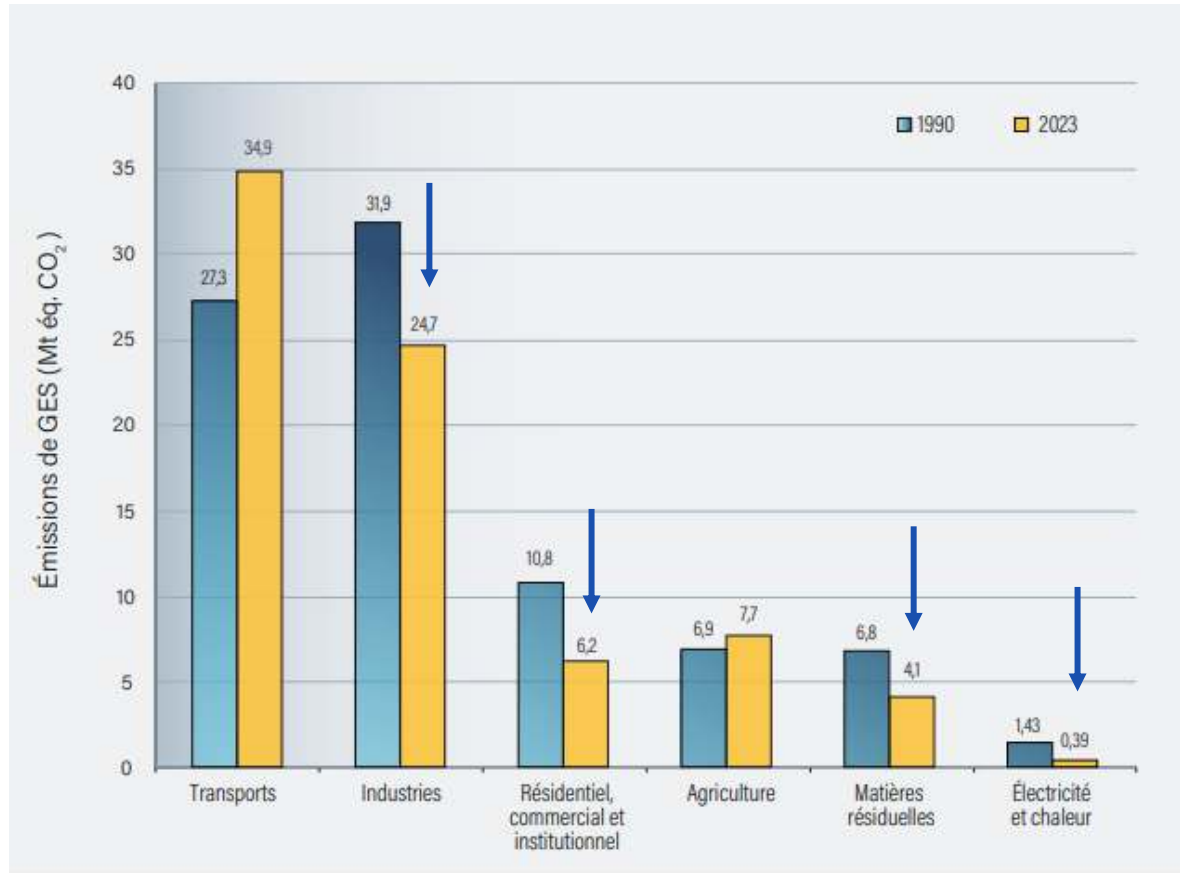
Retention basins



Results



Emissions Decline in Several Key Sectors



Source: Quebec GHG Emissions Inventory, 1990–2023

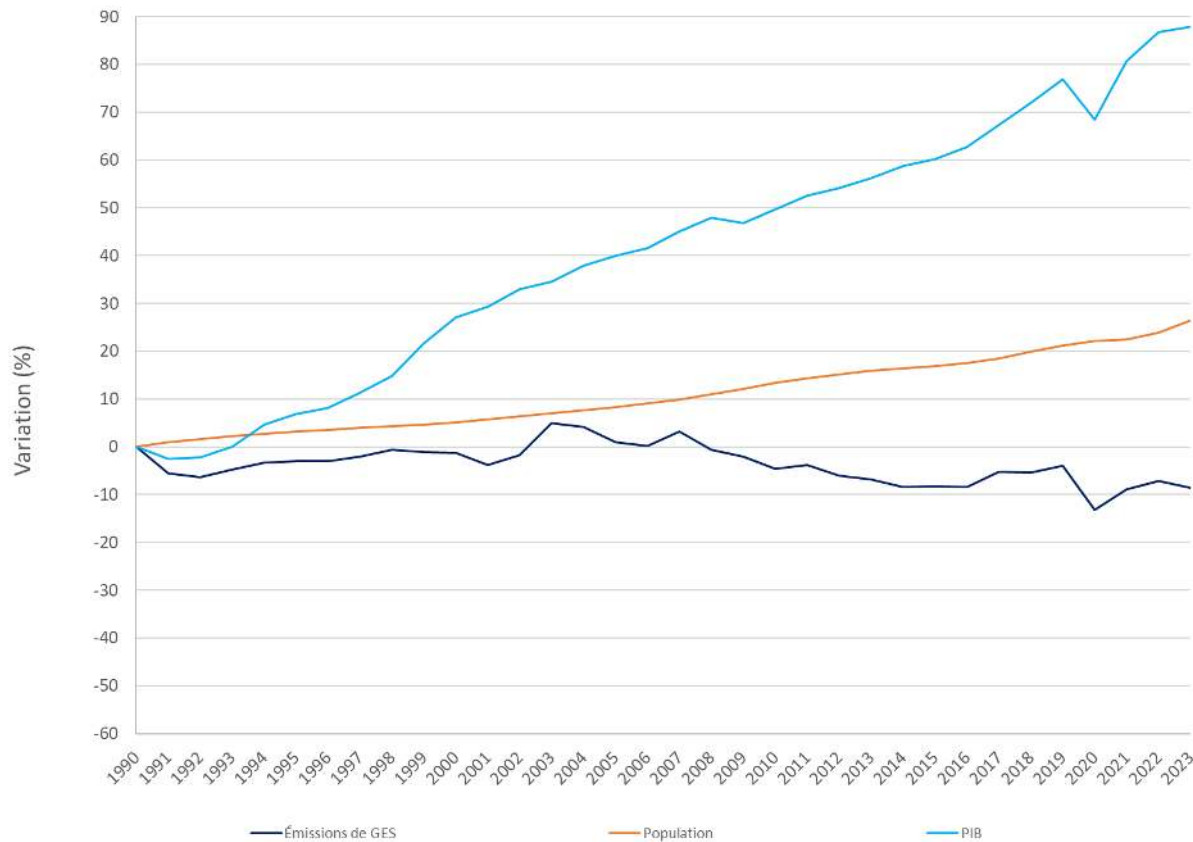
➤ Reductions in GHG emissions in the following sectors:

- ❑ Industry
- ❑ Residential, commercial, and institutional heating
- ❑ Electricity
- ❑ Waste

Sectors Covered by the Cap & Trade

➤ GHG emissions from transportation remain below pre-pandemic levels

Decoupling of GHG Emissions from Economic Growth



GDP rose by 87.9 %

The **population** increased by 26.5 %

GHG emissions in Quebec have decreased by 8.5%

➤ - 19,7 % taking into account trade with California

Future challenges



Future challenges

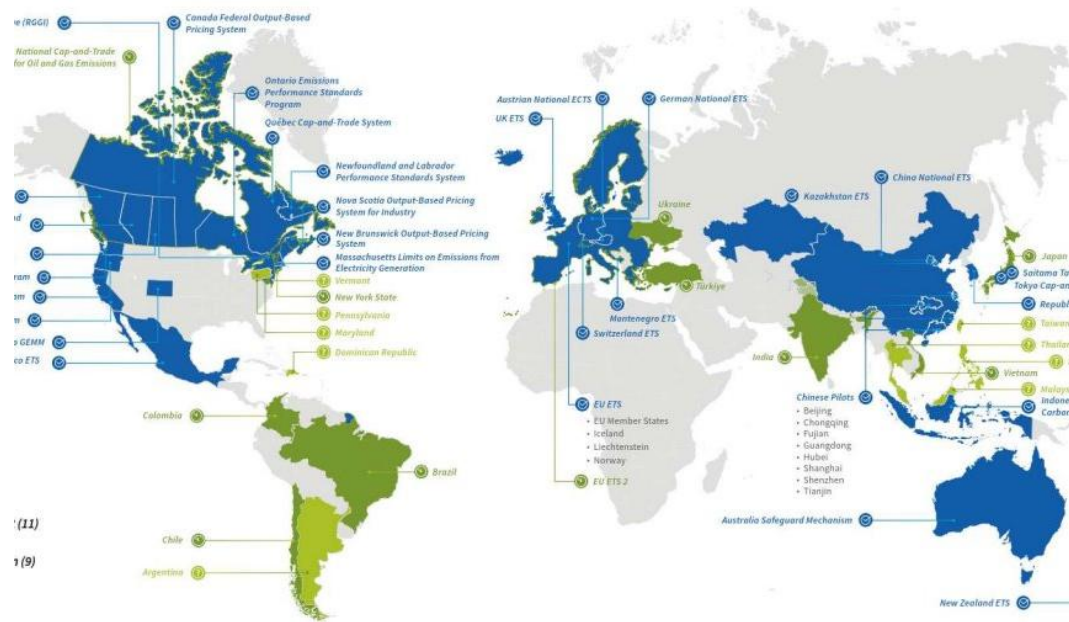
➤ Maintaining the rigor and effectiveness of the C & T - Revision of certain parameters:

-  
- Amends to the compliance periods, GWP values and rules pertaining to the disclosure of the business relationships of emitters and participants
- Various amendments concerning the free allowances and the coverage of GHG
- Amendments with respect to projects to  and reduction-related R&D projets

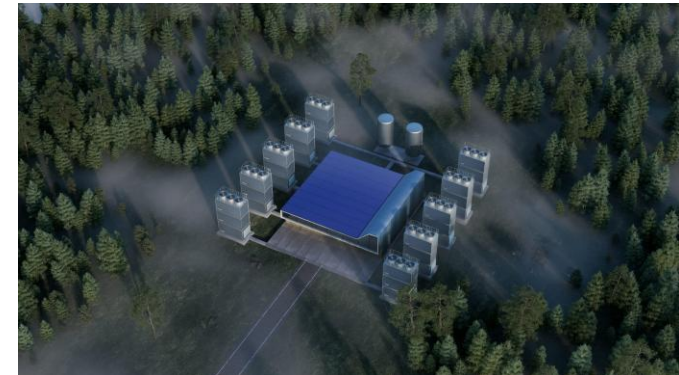
➤ Maintaining social acceptability

Future challenges

➤ Maintaining international cooperation



- Maintaining the use of revenues for climate action
- Be sure to thoroughly incorporate new technologies such as CO₂ capture and removal



Québec.ca/international



For more information:

www.environnement.gouv.qc.ca/changementsclimatiques/marche-carbone_en.asp

wci-inc.org



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Québec 