



NATIONAL ASSEMBLY OF QUÉBEC

FIRST SESSION

FORTY-SECOND LEGISLATURE

Bill 44

**An Act mainly to ensure effective
governance of the fight against
climate change and to promote
electrification**

Introduction

**Introduced by
Mr. Benoit Charette
Minister of the Environment and the Fight Against
Climate Change**

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EXPLANATORY NOTES

This bill establishes that the Minister of the Environment and the Fight Against Climate Change is, by virtue of office, the Government's adviser regarding the fight against climate change and that he or she is to ensure government-wide integrated governance of the latter. More specifically, the Minister must ensure the coherence and coordination of government and ministerial measures and measures proposed by certain public bodies that concern the fight against climate change and must be involved in their preparation.

The bill entrusts the Minister with responsibility for preparing a climate change framework policy and proposing it to the Government, and creates a standing advisory committee to advise the Minister on policy directions, policies, programs and strategies regarding the fight against climate change. The Minister may give other ministers and certain public bodies any opinion he or she considers appropriate to promote the fight against climate change, in particular when a proposed measure does not, in the Minister's opinion, comply with the principles and objectives set out in the framework policy.

The bill amends the rules governing the Green Fund, which it renames the "Electrification and Climate Change Fund", in particular

(1) by abolishing the Conseil de gestion du Fonds vert and transferring some of its responsibilities to the Minister of the Environment and the Fight Against Climate Change;

(2) by dedicating the Fund exclusively to the financing of measures regarding the fight against climate change; and

(3) by replacing the existing rule whereby two-thirds of the revenues from the cap-and-trade system for greenhouse gas emission allowances is reserved for the measures applicable to transportation by a rule allowing the Government to determine the minimum share of such revenues that may be reserved for that purpose.

The Auditor General Act is amended by adding, to the responsibilities of the Sustainable Development Commissioner, the duty to report annually on the Commissioner's findings and recommendations with respect to that fund, to the extent considered appropriate by the Commissioner.

Certain provisions governing the greenhouse gas cap-and-trade system are amended to allow the revenues from the sale of certain emission units to be reserved for certain emitters, and the regulatory authorizations for projects eligible for the issuance of offset credits are clarified. The Act to increase the number of zero-emission vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions is also amended with a view to facilitating its application, in particular with regard to reconditioned motor vehicles.

The Minister of Energy and Natural Resources is given responsibility for ensuring integrated governance regarding energy transition, innovation and efficiency. As a result, Transition énergétique Québec is abolished and the Minister of Energy and Natural Resources is entrusted with the responsibility of preparing an energy transition, innovation and efficiency master plan. To that end, the Minister may establish an advisory committee to advise the Minister.

The bill provides for the content of the master plan, the government authorization process and the terms and conditions for its coming into force and implementation.

The current contribution payable by energy distributors to Transition énergétique Québec becomes payable to the Minister of Energy and Natural Resources and is to be calculated by the Régie de l'énergie using the method prescribed by government regulation.

The Energy Transition Fund is renamed the “Energy Transition, Innovation and Efficiency Fund” and the fees collected for a petroleum exploration, production or storage licence or for an authorization to produce brine are to be paid into that fund or into the fossil energy management component of the Natural Resources Fund in the proportion determined by the Minister.

The Régie de l'énergie retains the power to approve energy distributors' programs and measures provided for in the Energy Transition, Innovation and Efficiency Master Plan but may no longer give its opinion on the Master Plan's capacity to achieve the targets regarding energy transition, innovation and efficiency.

Lastly, the bill contains the consequential amendments and transitional measures necessary for the above restructuring, in particular with respect to the transfer of the rights and obligations of the abolished bodies, the continuation of their affairs, and the transfer of their assets and employees.

LEGISLATION AMENDED BY THIS BILL:

- Financial Administration Act (chapter A-6.001);
- Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions (chapter A-33.02);
- Act respecting the governance of state-owned enterprises (chapter G-1.02);
- Hydro-Québec Act (chapter H-5);
- Act respecting Investissement Québec (chapter I-16.0.1);
- Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2);
- Act respecting the Ministère des Transports (chapter M-28);
- Act respecting the Ministère du Développement durable, de l'Environnement et des Parcs (chapter M-30.001);
- Environment Quality Act (chapter Q-2);
- Act to reduce the debt and establish the Generations Fund (chapter R-2.2.0.1);
- Act respecting the Régie de l'énergie (chapter R-6.01);
- Auditor General Act (chapter V-5.01).

LEGISLATION REPEALED BY THIS BILL:

- Act respecting Transition énergétique Québec (chapter T-11.02).

REGULATIONS AMENDED BY THIS BILL:

- Regulation respecting road vehicle registration (chapter C-24.2, r. 29);
- Regulation respecting greenhouse gas emissions from motor vehicles (chapter Q-2, r. 17);

- Regulation respecting the recovery and reclamation of products by enterprises (chapter Q-2, r. 40.1);
- Regulation respecting the charges payable for the use of water (chapter Q-2, r. 42.1);
- Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (chapter Q-2, r. 46.1);
- Regulation respecting the Québec sales tax (chapter T-0.1, r. 2).

Bill 44

AN ACT MAINLY TO ENSURE EFFECTIVE GOVERNANCE OF THE FIGHT AGAINST CLIMATE CHANGE AND TO PROMOTE ELECTRIFICATION

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CHAPTER I

GOVERNANCE OF THE FIGHT AGAINST CLIMATE CHANGE

DIVISION I

ACT RESPECTING THE MINISTÈRE DU DÉVELOPPEMENT DURABLE, DE L'ENVIRONNEMENT ET DES PARCS

1. The Act respecting the Ministère du Développement durable, de l'Environnement et des Parcs (chapter M-30.001) is amended by inserting the following section after section 10:

“10.1. The Minister is by virtue of office the Government's adviser on issues concerning the fight against climate change and shall ensure government-wide integrated governance of the latter.

The fight against climate change includes all measures to reduce, limit or prevent greenhouse gas emissions, in particular by electrification, to remove greenhouse gases from the atmosphere, to mitigate the economic and social consequences of such measures and to promote adaptation to the impacts of global warming and climate change, as well as Québec's participation in regional or international partnerships in these areas and the development of such partnerships.

The Minister shall ensure the coherence and coordination of policies, action plans, programs, consultation processes and other measures of the Government, government departments and public bodies that concern the fight against climate change and shall be involved in their preparation. Each minister or public body concerned continues to be responsible for choosing and implementing the means to achieve the results.

The Minister must be consulted when measures that could have a significant impact in the fight against climate change are developed. The Minister shall give the other ministers and the public bodies any opinion he considers appropriate to promote the fight against climate change, in particular when a proposed measure does not, in his opinion, comply with the principles and

objectives set out in the climate change framework policy provided for in section 46.3 of the Environment Quality Act (chapter Q-2) or with the greenhouse gas reduction or limitation targets set under section 46.4 of that Act, and may recommend to them the adjustments required to ensure such compliance.

For the purposes of this Act, “public body” means a budget-funded body or a body other than a budget-funded body listed in Schedule 1 or 2 to the Financial Administration Act (chapter A-6.001).

The Minister shall exercise the responsibilities conferred on him by this section regarding the development of and participation in international partnerships with due regard for the powers and duties of the Minister of International Relations.”

2. Section 12 of the Act is amended by striking out “public” in paragraph 4.

3. The Act is amended by inserting the following sections after section 12:

“12.1. Within the scope of the exercise of his functions under section 10.1, the Minister may give directives to the departments and public bodies concerning the methods they must apply to calculate the quantity of greenhouse gas emitted, reduced, prevented or limited or the quantity removed from the atmosphere, or to evaluate the risks related to the impacts of global warming and of climate change and integrate them into adaptation to those impacts if such methods are not otherwise prescribed by law. Such directives are binding on the departments and public bodies concerned.

“12.2. Without excluding the more specific powers granted for that purpose by other Acts under the Minister’s responsibility, the Minister may, by agreement approved by the Government, delegate the management of a program the Minister has prepared under this Act or another Act under the Minister’s responsibility to a municipality, a legal person or another body.

The management delegation agreement must include

- (1) the powers delegated and the delegatee’s obligations;
- (2) the objectives and targets to be achieved, including effectiveness and efficiency objectives and targets, and the information to be provided;
- (3) the rules relating to the contracts the delegatee may award;
- (4) the reports required on the achievement of the objectives and targets set;
- (5) the manner in which the Minister is to oversee the delegatee’s management and intervene if the objectives and targets are not achieved or seem likely not to be achieved;

(6) the penalties applicable for failing to meet the obligations stipulated in the agreement; and

(7) if the delegatee is a regional county municipality, the delegated powers that may be subdelegated to a local municipality whose territory is included in that of the regional county municipality, as well as the terms governing the subdelegation.

The exercise of powers by a delegatee or a subdelegatee under such an agreement is not binding on the State.

The Minister shall make the agreement public.”

4. The Act is amended by inserting the following division after section 15:

“DIVISION II.0.1

“ADVISORY COMMITTEE ON CLIMATE CHANGE

“15.0.1. An advisory committee on climate change is established.

“15.0.2. The committee is composed of members appointed by the Minister, on the conditions the Minister determines. Members must collectively have significant and multidisciplinary expertise and experience regarding the fight against climate change and the majority must be from the scientific community.

The Deputy Minister, or the latter’s delegate, attends the meetings of the committee as an observer.

“15.0.3. The mission of the committee is to advise the Minister, at the latter’s request or on its own initiative, on the policy directions, programs, policies and strategies regarding the fight against climate change with a view to continuous improvement and taking into consideration advances in science and technology in this area.

“15.0.4. The committee makes its advice to the Minister public 30 days after sending it to the Minister.

“15.0.5. The resources the Minister considers necessary for the accomplishment of the committee’s mission, to ensure administrative support and the organization of its work, are made available to it.”

5. The Act is amended by replacing “GREEN” in the heading of Division II.1 before section 15.1 by “ELECTRIFICATION AND CLIMATE CHANGE”.

6. Sections 15.1 and 15.2 of the Act are replaced by the following sections:

“15.1. The Electrification and Climate Change Fund is established.

The Fund is dedicated to the financing, in compliance with the principles, policy directions and objectives established in the climate change framework policy, of any measure to fight climate change, in particular by means of electrification, and of the Minister's activities in this area.

The Fund is to be used, in particular, to finance activities, projects and programs aimed at stimulating technological and social innovation, research and development, knowledge acquisition, performance improvement, and public awareness and education regarding the fight against climate change.

The sums credited to the Fund may also be used to administer and pay any financial assistance provided for by a program prepared by the Government or by the Minister, or by any other minister or public body who or that is a party to an agreement entered into under section 15.4.3 or has been entrusted with a mandate under that section.

“15.2. The Minister is responsible for the management of the Fund, which he ensures with a view to sustainable development, efficiency and transparency.

To that end, the Minister gives priority to management centred on achieving the best results to ensure compliance with government principles, policy directions and objectives, in particular those set out in the climate change framework policy.

More specifically, the Minister

(1) sees to it that the sums credited to the Fund are allocated to the purposes for which they are intended in accordance with section 15.1;

(2) sees to it that the commitments made by the ministers and public bodies under the agreements referred to in section 15.4.3 and the mandates entrusted to them under that section are met;

(3) prepares on a yearly basis, in collaboration with the Minister of Finance, a plan for the measures financed by the Fund, including in particular any transfers made under section 15.4.1, and an expenditures plan in that regard, in compliance with the government objectives established for that purpose; and

(4) makes any adjustments required to improve the Fund's performance with respect to the uses to which it is specifically allocated.”

7. Section 15.4 of the Act is amended

(1) by replacing “for a matter covered by the Fund” in paragraph 3.2 by “for the fight against climate change”;

(2) by inserting the following paragraphs after paragraph 5:

“(5.0.1) the monetary administrative penalties imposed under the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere (chapter Q-2, r. 15), the Regulation respecting greenhouse gas emissions from motor vehicles or the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances;

“(5.0.2) the fines paid by offenders for an offence against the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere, the Regulation respecting greenhouse gas emissions from motor vehicles or the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances;”;

(3) by striking out paragraphs 6 and 7;

(4) by inserting “or by a government regulation” at the end of paragraph 8.1;

(5) by replacing “for a matter covered by the Fund” in paragraph 11 by “for the fight against climate change”.

8. Sections 15.4.1 to 15.4.1.2 of the Act are replaced by the following sections:

“15.4.1. The Government may, on the recommendation of the Minister of Finance and the minister responsible for the administration of this Act, determine a minimum share of the proceeds of the sale of the emission allowances referred to in the second paragraph of section 46.6 of the Environment Quality Act (chapter Q-2) to be reserved for the financing of measures applicable to transportation.

The Government may also, on the recommendation of those ministers, determine the sums credited to the Fund that are to be allocated to public transit measures and to financial assistance programs that promote the development and use of public transit or the development and use of modes of passenger transportation other than passenger vehicles occupied by the driver only. The sums thus allocated are transferred by the Minister to the Land Transportation Network Fund established under paragraph 1 of section 12.30 of the Act respecting the Ministère des Transports (chapter M-28).

The sums referred to in the second paragraph of section 46.8.1 of the Environment Quality Act are excluded from the application of this section.

“15.4.1.1. Despite the second paragraph of section 54 of the Financial Administration Act (chapter A-6.001), the Minister of Finance may not advance the sums referred to in the second paragraph of section 46.8.1 of the Environment Quality Act (chapter Q-2) to the general fund.”

9. Section 15.4.2 of the Act is amended

(1) by replacing the first paragraph by the following paragraph:

“A minister or a public body who or that is a party to an agreement entered into with the minister responsible for the administration of this Act under section 15.4.3 or has been entrusted with a mandate by the latter under the same section may, if applicable, debit the sums provided for in the agreement or the mandate from the Fund.”;

(2) by replacing “Energy Transition Québec” in the second paragraph by “public body”.

10. Section 15.4.3 of the Act is replaced by the following section:

“15.4.3. When the activities of a department or public body allow the implementation of measures that may be financed by the Fund in accordance with section 15.1, the minister responsible for the administration of this Act may enter into an agreement with the minister responsible for that department or with that public body to allow it to debit the sums required for those measures from the Fund.

The minister responsible for the administration of this Act may also entrust a minister or a public body with a mandate to implement, as specified in the mandate, measures to fight climate change in an area under the latter minister’s or the public body’s responsibility. The Minister may also, within the framework of such a mandate, allow the other minister or the public body to debit the sums required for such measures from the Fund.

An agreement or mandate must specify the amount that may be debited from the Fund for the fiscal years during which it will be applicable. An agreement must also specify the measures that may be financed using those sums as well as how the sums are to be distributed among the measures, or leave it up to the Minister or the public body who or that is a party to the agreement to distribute the financing among those measures in the manner that is the most efficient and is consistent with the climate change framework policy. The administrative costs that may be debited from the Fund under such an agreement or mandate must be approved by the minister responsible for the administration of this Act.

The minister or public body concerned is responsible for implementing the measures for which he or it debits sums from the Fund as well as for achieving the objectives set regarding the fight against climate change.”

11. Division II.2 of the Act is replaced by the following sections:

“15.4.4. The Fund’s financial data and a list of the measures financed by it must appear under a separate heading in the department’s annual management report.

The financial data under the heading must include

- (1) the expenditures and investments debited from the Fund;
- (2) the sums debited from the Fund by each Minister or public body who or that is a party to an agreement referred to in section 15.4.3 or has been entrusted with a mandate under that section; and
- (3) the nature and evolution of revenues.

“15.4.5. The Fund’s financial statements are audited each year by the Auditor General.”

12. Section 15.4.38 of the Act is amended by adding the following subparagraphs at the end of the second paragraph:

“(7) residual materials management, to ensure safe and sustainable management of residual materials by preventing or reducing their production, promoting their recovery and reclamation, and reducing the quantities to be eliminated; and

“(8) water governance that complies with the governance scheme established by the Act to affirm the collective nature of water resources and to promote better governance of water and associated environments (chapter C-6.2).”

13. Section 15.4.40 of the Act is amended, in the first paragraph,

- (1) by inserting the following subparagraphs after subparagraph 11:

“(11.1) the revenue derived from charges prescribed by the Regulation respecting the charges payable for the disposal of residual materials (chapter Q-2, r. 43);

“(11.2) the revenue derived from charges prescribed by the Regulation respecting the charges payable for the use of water (chapter Q-2, r. 42.1);”;

- (2) by replacing “Green” in subparagraph 12 by “Electrification and Climate Change”;

(3) by inserting “, except those imposed for a failure to comply with a provision of the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere (chapter Q-2, r. 15), the Regulation respecting greenhouse gas emissions from motor vehicles (chapter Q-2, r. 17) or the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (chapter Q-2, r. 46.1)” at the end of subparagraph 14;

(4) by inserting “, except those imposed for a failure to comply with a provision of the Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere, the Regulation respecting greenhouse gas emissions from motor vehicles or the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances” at the end of subparagraph 15.

14. The Act is amended by inserting the following sections after section 15.4.41.1:

“**15.4.41.2.** The sums referred to in subparagraph 11.1 of the first paragraph of section 15.4.40 are allocated to the financing of any measure related to residual materials management.

“**15.4.41.3.** The sums referred to in subparagraph 11.2 of the first paragraph of section 15.4.40 are allocated to the financing of any measure related to water governance.”

DIVISION II

ENVIRONMENT QUALITY ACT

15. The heading of the subdivision before section 46.1 of the Environment Quality Act (chapter Q-2) is amended by replacing “*action plan*” by “*framework policy*”.

16. Section 46.3 of the Act is replaced by the following section:

“**46.3.** The Minister shall prepare a climate change framework policy and submit it to the Government. The Minister is responsible for ensuring the implementation of the policy and coordinating its application.”

17. Section 46.4 of the Act is amended by replacing “Target-setting under” in the fourth paragraph by “The setting of the target referred to in the first paragraph”.

18. Section 46.8 of the Act is amended

(1) by replacing subparagraph 2 of the first paragraph by the following subparagraph:

“(2) offset credits to any person or municipality having carried out, in whole or in part, in accordance with the regulation made under section 46.8.2, a project eligible for such credits that has resulted in a reduction of greenhouse gas emissions or in the removal of greenhouse gases from the atmosphere;”;

(2) by striking out the second paragraph;

(3) by adding the following sentence at the end of the third paragraph: “The Government may, by regulation, prescribe any other information the Minister must publish concerning emission units allocated without charge and those sold at auction under section 46.8.1.”

19. The Act is amended by inserting the following sections after section 46.8:

“46.8.1. The Government may, by regulation and on the conditions it determines, prescribe that part of the emission units allocated to an emitter without charge under subparagraph 1 of the first paragraph of section 46.8 is intended for sale at auction.

The sums collected at an auction shall be paid to the emitter by the Minister, after an agreement for that purpose has been entered into between them.

The emitter may use those sums only to carry out projects aimed at reducing greenhouse gas emissions or research and development in this area, on the terms and conditions prescribed in the regulation concerning the payment and use of the sums as well as the carrying out of the projects.

The sums paid to the emitter must be used during the period determined by regulation of the Government. At the end of that period, the emitter is required to surrender to the Minister the sums not used or those used for purposes other than those provided for in the third paragraph. The same applies where, before the end of the period, the emitter ceases to carry on or operate the emitter’s business, facility or establishment.

Despite the fifth paragraph of section 115.48, the Government may prescribe, by regulation, from among the sums to be surrendered to the Minister under the fourth paragraph, those that bear interest, the interest rate applicable, and the date as of which interest is payable.

“46.8.2. The Minister may, by regulation,

(1) determine the projects that are eligible for offset credits;

(2) set the conditions that must be complied with in carrying out those projects;

(3) determine the methods for calculating the quantity of greenhouse gas emissions reduced or the quantity of greenhouse gases removed from the atmosphere under those projects; and

(4) determine the information or documents a person or municipality referred to in subparagraph 2 of the first paragraph of section 46.8 must provide to the Minister.”

20. Section 95.3 of the Act is amended by replacing “under section 31.0.6” in subparagraph 2 of the first paragraph by “under section 31.0.6 or 31.68.1”.

DIVISION III

AMENDING PROVISIONS

ACT TO INCREASE THE NUMBER OF ZERO-EMISSION VEHICLES IN QUÉBEC IN ORDER TO REDUCE GREENHOUSE GAS AND OTHER POLLUTANT EMISSIONS

21. Section 8 of the Act to increase the number of zero-emission vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions (chapter A-33.02) is amended by inserting the following paragraph after the first paragraph:

“The credits accumulated by a motor vehicle manufacturer through the sale or lease of a motor vehicle referred to in paragraph 2 of section 6 are considered, for the purposes of this section, to have been accumulated for the model year, among those referred to in the first paragraph, that corresponds to the calendar year during which it was sold or leased for the first time in Québec.”

22. The Act is amended by inserting the following section after section 62:

“**62.1.** The Minister may delegate, in writing, to any member of the personnel of the Ministère du Développement durable, de l’Environnement et des Parcs designated by the Minister the exercise of the powers provided for in sections 12 and 14.”

FINANCIAL ADMINISTRATION ACT

23. Schedule 2 to the Financial Administration Act (chapter A-6.001) is amended by striking out “Conseil de gestion du Fonds vert”.

ACT RESPECTING THE MINISTÈRE DES TRANSPORTS

24. Section 12.30 of the Act respecting the Ministère des Transports (chapter M-28) is amended by striking out “subparagraph 1 of” in subparagraph g of paragraph 1.

AUDITOR GENERAL ACT

25. Section 43.1 of the Auditor General Act (chapter V-5.01) is amended by adding the following subparagraph at the end of the first paragraph:

“(4) the Commissioner’s findings and recommendations respecting the Electrification and Climate Change Fund established under section 15.1 of the Act respecting the Ministère du Développement durable, de l’Environnement et des Parcs (chapter M-30.001).”

REGULATION RESPECTING THE QUÉBEC SALES TAX

26. Schedule III to the Regulation respecting the Québec sales tax (chapter T-0.1, r. 2) is amended by striking out “Conseil de gestion du Fonds vert”.

GENERAL AMENDING PROVISIONS

27. The following provisions are amended in the following manner:

(1) “Green Fund under section 15.4” in subparagraph 3 of the first paragraph of section 3 of the Act to reduce the debt and establish the Generations Fund (chapter R-2.2.0.1) is replaced by “Fund for the Protection of the Environment and the Waters in the Domain of the State under section 15.4.40”;

(2) “Green Fund” in the heading of Chapter IV, the second paragraph of section 13 and the second, third and seventh paragraphs of section 14 of the Regulation respecting the recovery and reclamation of products by enterprises (chapter Q-2, r. 40.1) is replaced by “Fund for the Protection of the Environment and the Waters in the Domain of the State”;

(3) “Fonds vert” in section 11 of Regulation respecting the charges payable for the use of water (chapter Q-2, r. 42.1) is replaced by “Fund for the Protection of the Environment and the Waters in the Domain of the State”.

28. The expression “Green Fund” is replaced by “Electrification and Climate Change Fund” in the following provisions:

(1) section 59 of the Act to increase the number of zero-emission vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions (chapter A-33.02);

(2) subparagraph *e* of subparagraph 5 of the first paragraph of section 115.43 and section 115.44 of the Environment Quality Act (chapter Q-2);

(3) the fourth and sixth paragraphs of section 114 of the Act respecting the Régie de l’énergie (chapter R-6.01);

(4) the fourth paragraph of section 19 of the Regulation respecting greenhouse gas emissions from motor vehicles (chapter Q-2, r. 17);

(5) the last paragraph of sections 53 and 62 of the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances (chapter Q-2, r. 46.1).

DIVISION IV

TRANSITIONAL PROVISIONS

29. The Plan d'action 2013-2020 sur les changements climatiques, approved by Order in Council 518-2012 (2012, G.O. 2, 3114, French only) and amended by Orders in Council 434-2013 (2013, G.O. 2, 1984, French only), 756-2013 (2013, G.O. 2, 3229, French only), 90-2014 (2014, G.O. 2, 746, French only), 91-2014 (2014, G.O. 2, 752, French only), 128-2014 (2014, G.O. 2, 1018, French only), 93-2015 (2015, G.O. 2, 512, French only), 1019-2015 (2015, G.O. 2, 4883, French only), 952-2016 (2016, G.O. 2, 6170, French only), 135-2018 (2018, G.O. 2, 1660, French only), 419-2018 (2018, G.O. 2, 2761, French only), 331-2019 (2019, G.O. 2, 1194, French only) and 732-2019 (2019, G.O. 2, 3097, French only), is continued until 31 December 2020.

30. The Conseil de gestion du Fonds vert is dissolved without other formalities than those provided for in this Act.

31. The Minister of the Environment and the Fight Against Climate Change replaces the Conseil de gestion du Fonds vert; the Minister acquires its rights and assumes its obligations.

32. The agreements entered into between a minister or Energy Transition Québec and the Conseil de gestion du Fonds vert in accordance with section 15.4.3 of the Act respecting the Ministère du Développement durable, de l'Environnement et des Parcs (chapter M-30.001) are deemed to be agreements entered into between a minister and the Minister of the Environment and the Fight Against Climate Change for the purposes of section 15.4.2 of that Act, as amended by section 9.

33. The assets and liabilities of the Conseil de gestion du Fonds vert are transferred to the Minister of the Environment and the Fight Against Climate Change and are included in the Electrification and Climate Change Fund established under section 15.1 of the Act respecting the Ministère du Développement durable, de l'Environnement et des Parcs.

34. The term of the members of the board of directors of the Conseil de gestion du Fonds vert ends on (*insert the date of coming into force of this section*).

The term of the president and chief executive officer ends without any compensation other than the severance allowance provided for in section 22 of the Règles concernant la rémunération et les autres conditions de travail des titulaires d'un emploi supérieur à temps plein, enacted by Order in Council 450-2007 (2007, G.O. 2, 2723, French only).

35. The employees of the Conseil de gestion du Fonds vert become, without further formality, employees of the Ministère de l'Environnement et de la Lutte contre les changements climatiques.

36. The records, archives and other documents of the Conseil de gestion du Fonds vert become those of the Minister of the Environment and the Fight Against Climate Change.

37. The Attorney General of Québec becomes, without continuance of suit, a party to any proceeding instituted by or against the Conseil de gestion du Fonds vert.

38. In any document other than an Act or a government regulation, unless the context indicates otherwise and with the necessary modifications

(1) a reference to the Conseil de gestion du Fonds vert or its president and chief executive officer is a reference to the Minister of the Environment and the Fight Against Climate Change;

(2) a reference to the Green Fund or the Fund for the Protection of the Environment and the Waters in the Domain of the State is a reference to the Electrification and Climate Change Fund or the Fund for the Protection of the Environment and the Waters in the Domain of the State, according to the subject matter concerned by the document in which the reference is found.

39. The assets and liabilities of the Fund for the Protection of the Environment and the Waters in the Domain of the State relating to the sums referred to in paragraphs 5.0.1 and 5.0.2 of section 15.4 of the Act respecting the Ministère du Développement durable, de l'Environnement et des Parcs, enacted by section 7, are transferred to the Electrification and Climate Change Fund.

40. The assets and liabilities of the Electrification and Climate Change Fund relating to the matters referred to in paragraphs 7 and 8 of section 15.4.38 of the Act respecting the Ministère du Développement durable, de l'Environnement et des Parcs, enacted by section 12, are transferred to the Fund for the Protection of the Environment and the Waters in the Domain of the State.

41. Until the date of coming into force of the first order under the first paragraph of section 15.4.1 of the Act respecting the Ministère du Développement durable, de l'Environnement et des Parcs, as replaced by section 8, that section 15.4.1 is to be read as follows:

“15.4.1. Two-thirds of the sums that correspond to the proceeds of the sale by the Minister of emission allowances within the meaning of the second paragraph of section 46.6 of the Environment Quality Act (chapter Q-2) is reserved for the measures applicable to transportation.

From the sums so reserved, the Minister shall transfer to the Land Transportation Network Fund established under paragraph 1 of section 12.30 of the Act respecting the Ministère des Transports (chapter M-28) a sum, equal to the average of the sums transferred to that fund by the Minister in the preceding five fiscal years, allocated to public transit measures and to financial assistance programs that promote the development and use of modes of passenger transportation other than passenger vehicles occupied by the driver only.

The sums referred to in the second paragraph of section 46.8.1 of the Environment Quality Act are excluded from the application of this section.”

42. A fee of \$295 is payable by any person or municipality who or that, in accordance with subdivision 6 of Division IV of Chapter IV of Title I of the Environment Quality Act, files a declaration of compliance with the Minister.

This section ceases to have effect on the date of coming into force of a regulation amending the Ministerial Order respecting the fees payable under the Environment Quality Act (chapter Q-2, r. 28) and prescribing the fees payable for such a declaration of compliance.

CHAPTER II

GOVERNANCE OF THE ENERGY TRANSITION

DIVISION I

ACT RESPECTING THE MINISTÈRE DES RESSOURCES NATURELLES ET DE LA FAUNE

43. Section 12 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2) is amended by inserting the following paragraphs after paragraph 14.1:

“(14.2) supporting, stimulating and promoting energy transition, innovation and efficiency and ensuring their integrated governance;

“(14.3) preparing and implementing programs and measures regarding energy transition, innovation and efficiency;

“(14.4) contributing to the financing of programs and measures regarding energy transition, innovation and efficiency;

“(14.5) ensuring the coordination of all programs and measures regarding energy transition, innovation and efficiency;

“(14.6) supporting research and development in the energy sector;

“(14.7) administering certification programs;

“(14.8) preparing reports and benchmarking studies on energy-related matters and advising the Government on standards and other elements that may influence energy consumption, and proposing appropriate changes;”.

44. The Act is amended by inserting the following after section 17.1:

“DIVISION II.0.1

**“ENERGY TRANSITION, INNOVATION AND EFFICIENCY
MASTER PLAN**

“17.1.1. In this division,

“energy distributor” means

(1) an identified energy distributor;

(2) a fuel distributor; or

(3) a municipal electric power system governed by the Act respecting municipal and private electric power systems (chapter S-41) or the Coopérative régionale d’électricité de Saint-Jean-Baptiste de Rouville governed by the Act respecting the Coopérative régionale d’électricité de Saint-Jean-Baptiste de Rouville and repealing the Act to promote rural electrification by means of electricity cooperatives (1986, chapter 21);

“identified energy distributor” means

(1) Hydro-Québec when carrying on electric power distribution activities; or

(2) a natural gas distributor as defined in section 2 of the Act respecting the Régie de l’énergie (chapter R-6.01);

“fuel distributor” means

(1) a person who refines, manufactures, mixes, prepares or distils fuel in Québec;

(2) a person who brings or causes to be brought into Québec fuel contained in one or more receptacles with a total capacity of over 200 litres, except fuel contained in a fuel tank installed as standard equipment to supply the engine of a vehicle;

(3) a person who, in Québec, exchanges fuel with a person described in paragraph 1; or

(4) a legal person or partnership that brings fuel into Québec for a purpose other than resale.

For the purposes of the definition of “fuel distributor” in the first paragraph, “fuel” means gasoline, diesel fuel, heating oil or propane, but not aviation fuel, marine bunker fuel, hydrocarbons used as raw material by industries that transform hydrocarbon molecules through chemical or petrochemical processes, or renewable fuel content.

For the purposes of the second paragraph,

“diesel fuel” means a liquid mixture of hydrocarbons obtained from the refining of petroleum and intended to supply diesel engines;

“gasoline” means a liquid mixture of hydrocarbons obtained from the refining of petroleum mainly for use as spark ignition engine fuel;

“heating oil” means a liquid mixture of hydrocarbons obtained from the refining of petroleum and used for domestic, commercial, institutional or industrial heating;

“propane” means a liquid mixture of hydrocarbons obtained from the refining of petroleum or the processing of natural gas and used either as spark ignition engine fuel or for such purposes as cooking and domestic, commercial, institutional and industrial heating.

17.1.2. Every five years, the Minister shall set the policy directions and general objectives as well as the targets to be achieved regarding energy transition, innovation and efficiency in compliance with the principles and objectives set out in the climate change framework policy provided for in section 46.3 of the Environment Quality Act (chapter Q-2).

The policy directions, general objectives and targets shall be submitted to the Government for approval.

17.1.3. The departments, bodies and identified energy distributors must submit to the Minister, within the time specified by the Minister, the programs and measures they propose to make available to their clients for a five-year period to make it possible to achieve the targets.

The programs and measures submitted must contain a description of the actions to be carried out, and the budgetary estimates, method of financing and time frame for carrying them out.

17.1.4. The Minister shall prepare and submit to the Government a five-year energy transition, innovation and efficiency master plan.

For that purpose, the Minister shall establish, on the conditions the Minister determines, an advisory committee to advise him in preparing the master plan.

The master plan must include, in particular,

- (1) the policy directions, general objectives and targets regarding energy transition, innovation and efficiency;
- (2) a summary of the programs and measures that will be put in place by the departments, bodies and identified energy distributors to achieve the targets established in accordance with section 17.1.2, including the objectives pursued by the programs and measures, the target clientele, and their impact on greenhouse gas emissions;
- (3) the departments', bodies' and identified energy distributors' budgetary estimates and time frames for carrying out the programs and measures;
- (4) the energy distributors' financial investment toward preparing, carrying out, coordinating and updating the master plan, by form of energy;
- (5) the designation of the person responsible for implementing each program and measure;
- (6) a report on the energy situation in Québec and on progress made regarding energy transition, innovation and efficiency with respect to the targets established in the previous master plan; and
- (7) a list of priority research subjects regarding energy transition, innovation and efficiency.

The departments' and bodies' budgetary estimates determined in accordance with subparagraph 3 of the first paragraph must be consistent with the expenditure and investment estimates approved in accordance with section 48 of the Financial Administration Act (chapter A-6.001).

“17.1.5. The Government shall authorize the implementation of the master plan if it is consistent with the policy directions, general objectives and targets regarding energy transition, innovation and efficiency.

Except for the programs and measures subject to the approval of the Régie de l'énergie under section 85.41 of the Act respecting the Régie de l'énergie (chapter R-6.01), the master plan comes into force, following the authorization of the Government, on 1 April following the end of the period covered by the previous master plan or on the date set by the Government.

The Minister shall make the master plan public before it comes into force.

“17.1.6. The Minister shall amend the master plan during the five-year period if the Minister considers, in particular, that the energy context, a review of the programs and measures contained in the plan, or the decision of the Régie de l’énergie under the first paragraph of section 85.41 of the Act respecting the Régie de l’énergie (chapter R-6.01) so requires.

Except for the programs and measures subject to the approval of the Régie de l’énergie under section 85.41 of the Act respecting the Régie de l’énergie, if an amendment could compromise the policy directions, general objectives or targets set regarding energy transition, innovation and efficiency, the Minister shall submit the amended master plan to the Government for authorization.

As applicable, the amended master plan comes into force following the authorization of the Government or on the date set by the Minister.

The Minister shall make the amended master plan public before it comes into force.

“17.1.7. Departments, bodies and identified energy distributors must carry out the programs and measures for which they are responsible under the master plan.

If an identified energy distributor is unable to carry out such a program or measure within the time and in the manner specified in the master plan, it must notify the Minister as soon as possible. The Minister may, at the distributor’s expense, implement the program or measure the distributor has failed to carry out after giving the distributor 30 days’ written notice to that effect.

“17.1.8. The Minister shall determine and make public the performance indicators used to measure achievement of results under the master plan.

“17.1.9. The departments, bodies and identified energy distributors must, each year, on the date set by the Minister, send the latter a status report on the actions undertaken under the master plan, as well as the results obtained, including those based on the performance indicators provided for in section 17.1.8.

“17.1.10. Not later than 30 September of each year, the Minister shall make public a report on the actions undertaken under the master plan as well as the results obtained, including those based on the performance indicators provided for in section 17.1.8.

“17.1.11. Every energy distributor must pay to the Minister its annual contribution determined by the Régie de l’énergie in accordance with the due dates, rate and calculation method prescribed by regulation of the Government. The regulation may also prescribe the terms of payment, the rate of interest on sums due and the penalties payable for failure to pay.

The rate, calculation method and terms of payment referred to in the first paragraph may, among other things, vary from one distributor or class of distributors to another. The regulation may also exempt a distributor or class of distributors.

The amount of the penalty that may be determined by the Government under the first paragraph may not exceed 15% of the sums due.”

45. Section 17.12.19 of the Act is amended by replacing “fees collected for an exploration, production or storage licence or an authorization to produce brine” in subparagraph 1 of the first paragraph by “a part, determined by the Minister, of the fees collected for an exploration, production or storage licence or an authorization to produce brine”.

46. The heading of subdivision 4 before section 17.12.21 of the Act is amended by replacing “*Transition*” by “*Transition, Innovation and Efficiency*”.

47. Section 17.12.21 of the Act is replaced by the following section:

“17.12.21. The Energy Transition, Innovation and Efficiency Fund is established.

The Fund is dedicated to the financing of activities related to energy transition, innovation and efficiency.

The Government may, on the conditions it determines and on the recommendation of the Minister, order that a part, which it fixes, of any sum that would otherwise be credited to the general fund be credited to the Fund.

An order under the third paragraph may take effect as of the start date of the fiscal year in which it is made.”

48. Section 17.12.22 of the Act is amended

(1) by inserting the following paragraph before paragraph 1:

“(0.1) the annual contribution collected from energy distributors under section 17.1.11;”;

(2) by inserting “that are not credited to the fossil energy management component of the Natural Resources Fund” at the end of paragraph 1.

49. Section 17.12.23 of the Act is repealed.

50. Section 17.22 of the Act is amended by inserting “, 14.3” after “paragraph 3” in the second paragraph.

DIVISION II

OTHER AMENDMENTS

FINANCIAL ADMINISTRATION ACT

51. Schedule 2 to the Financial Administration Act (chapter A-6.001) is amended by striking out “Transition énergétique Québec”.

ACT RESPECTING THE GOVERNANCE OF STATE-OWNED ENTERPRISES

52. Schedule I to the Act respecting the governance of state-owned enterprises (chapter G-1.02) is amended by striking out “Transition énergétique Québec”.

HYDRO-QUÉBEC ACT

53. Section 16 of the Hydro-Québec Act (chapter H-5) is amended by inserting “and the contribution provided for in section 17.1.11 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2)” after “(chapter R-13)” in the first paragraph.

54. Section 22.1 of the Act is amended by replacing “Act respecting Transition énergétique Québec (chapter T-11.02)” in the second paragraph by “Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2)”.

ACT RESPECTING INVESTISSEMENT QUÉBEC

55. Section 21 of the Act respecting Investissement Québec (chapter I-16.0.1) is amended by striking out the third paragraph.

ACT RESPECTING THE RÉGIE DE L'ÉNERGIE

56. Section 25 of the Act respecting the Régie de l'énergie (chapter R-6.01) is amended by striking out the first sentence and “also” in the second paragraph.

57. Section 85.40 of the Act is replaced by the following section:

“**85.40.** The terms and expressions defined in section 17.1.1 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2) apply to this chapter.”

58. Section 85.41 of the Act is replaced by the following section:

“85.41. The programs and measures of the identified energy distributors contained in the energy transition, innovation and efficiency master plan provided for under section 17.1.4 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2) as well as the financial investment necessary, by form of energy, for carrying out the programs and measures shall be submitted to the Régie for approval. The Régie may approve them with or without amendment. The same holds for any amendment to the programs and measures.

When approving the programs and measures and the financial investment necessary, the Régie shall consider, in particular, such economic, social and environmental concerns as have been identified by order of the Government.

The Régie shall determine and calculate the annual contribution payable by an energy distributor to the Minister in accordance with the regulation made under the first paragraph of section 17.1.11 of the Act respecting the Ministère des Ressources naturelles et de la Faune.”

59. Sections 85.42 and 85.43 of the Act are repealed.

60. Section 85.44 of the Act is amended by replacing “subparagraph *a* of subparagraph 3 of the first paragraph of section 7 of the Act respecting Transition énergétique Québec (chapter T-11.02)” in paragraph 3 by “paragraph 1 of the definition of “fuel distributor” in the first paragraph of section 17.1.1 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2)”.

61. Section 114 of the Act is amended

- (1) by striking out subparagraph 11 of the first paragraph;
- (2) by striking out the third paragraph.

REGULATION RESPECTING ROAD VEHICLE REGISTRATION

62. Section 96.1 of the Regulation respecting road vehicle registration (chapter C-24.2, r. 29) is amended

(1) by replacing “a road vehicle” in the first paragraph by “an electric-powered road vehicle equipped with a battery rechargeable by connecting to the electric network and”;

(2) by striking out “and qualified under the Drive Electric component of the Roulez vert program administered by Transition énergétique Québec under section 5 of the Act respecting Transition énergétique Québec (chapter T-11.02)” in the first paragraph;

- (3) by striking out the second paragraph.

63. Section 142.1 of the Regulation is amended

(1) by replacing “a road vehicle” in the second paragraph by “an electric-powered road vehicle equipped with a battery rechargeable by connecting to the electric network”;

(2) by striking out “and qualified under the Drive Electric component of the Roulez vert program administered by Transition énergétique Québec under section 5 of the Act respecting Transition énergétique Québec (chapter T-11.02)” in the second paragraph;

(3) by striking out the third paragraph.

REGULATION RESPECTING THE QUÉBEC SALES TAX

64. Schedule III to the Regulation respecting the Québec sales tax (chapter T-0.1, r. 2) is amended by striking out “Transition énergétique Québec”.

DIVISION III

TRANSITIONAL PROVISIONS

65. The Act respecting Transition énergétique Québec (chapter T-11.02) is repealed.

66. Transition énergétique Québec is dissolved without other formalities than those provided for in this Act.

67. The Minister of Energy and Natural Resources replaces Transition énergétique Québec; the Minister acquires its rights and assumes its obligations.

68. Transition énergétique Québec programs and measures in force on (*insert the date of coming into force of this section*) continue to apply until they are replaced or abolished by the Minister of Energy and Natural Resources, with the approval of the Conseil du trésor if they concern a financial contribution.

69. The Attorney General of Québec becomes, without continuance of suit, a party to any proceeding instituted by or against Transition énergétique Québec.

70. For the purposes of section 17.1.4 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2), the 2018–2023 Energy Transition, Innovation and Efficiency Master Plan prepared by Transition énergétique Québec is maintained until 31 March 2025, with the necessary modifications. The Minister of Energy and Natural Resources must prepare a new energy transition, innovation and efficiency master plan for a five-year period beginning 1 April 2025.

71. The assets and liabilities of Transition énergétique Québec are transferred to the Minister of Energy and Natural Resources and are included in the Energy Transition, Innovation and Efficiency Fund established under section 17.12.21 of the Act respecting the Ministère des Ressources naturelles et de la Faune.

72. The Regulation respecting the annual contribution payable to Energy Transition Québec (chapter R-6.01, r. 5.1) continues to apply with the following modifications:

(1) a reference to the Act respecting Transition énergétique Québec (chapter T-11.02) is a reference to the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2);

(2) a reference to the annual contribution payable to Transition énergétique Québec is a reference to the annual contribution payable to the Minister of Energy and Natural Resources under section 17.1.11 of the Act respecting the Ministère des Ressources naturelles et de la Faune;

(3) a reference to the fiscal year of Transition énergétique Québec is a reference to the fiscal year of the Energy Transition, Innovation and Efficiency Fund.

73. The term of the members of the board of directors of Transition énergétique Québec ends on (*insert the date of coming into force of this section*).

The term of the president and chief executive officer ends without compensation.

74. The employees of Transition énergétique Québec become, without further formality, employees of the Ministère de l'Énergie et des Ressources naturelles, except those belonging to the class of positions of advocate and notary, who become employees of the Ministère de la Justice.

75. The records, archives and other documents of Transition énergétique Québec become those of the Ministère de l'Énergie et des Ressources naturelles.

76. In any document other than an Act or a government regulation, unless the context indicates otherwise and with the necessary modifications,

(1) a reference to Transition énergétique Québec is a reference to the Minister of Natural Resources and Wildlife or the Ministère des Ressources naturelles et de la Faune as well as to the Minister of Energy and Natural Resources or the Ministère de l'Énergie et des Ressources naturelles;

(2) a reference to the Energy Transition Fund is a reference to the Energy Transition, Innovation and Efficiency Fund.

CHAPTER III
FINAL PROVISION

77. This Act comes into force on (*insert the date of assent to this Act*).

