

## Market Notice

### Important information concerning Québec's cap-and-trade system for greenhouse gas emission allowances (C&T System)

The Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs is publishing this market notice to inform the public and entities registered with the C&T System that possible adjustments may be made to the Regulation respecting a cap-and-trade system for greenhouse gas emission allowances and, consequently, to the operation of the carbon market in the coming year.

The Québec carbon market has been in force since 2013 and has been linked to California's since 2014. After 10 years of implementation, the Government of Québec wishes to assess the operating parameters of its C&T System and make adjustments if necessary. The objective of the approach is to ensure that the C&T System remains an effective tool that will contribute to achieving the greenhouse gas emissions reduction target by 2030 and carbon neutrality by 2050. A similar process is also underway in [California](#), Québec's partner in the Western Climate Initiative carbon market. The two governments will work together since their carbon markets are linked.

This assessment is consistent with increased international climate ambitions, the thought process regarding carbon border adjustment mechanisms and the definition of the role of certain key tools in the fight against climate change.

During the summer and fall of 2023, the Ministry intends to hold discussions with stakeholders that could lead to a proposed regulatory amendment towards the end of the year. More details on upcoming discussions will be provided this spring.

Potential topics that will be addresses include:

- The assessment of saved and accumulated emission allowances under the linked carbon market;
- The assessment of annual emission allowance caps in a context of carbon neutrality by 2050;
- The role and treatment of carbon capture and storage activities;
- Offset credits.