

SUPERCHARGING ZEV SALES IN QUEBEC - PROVINCE CONSULTS ON PLANNED UPDATES TO THE REGULATIONS

Posted on June 14, 2023

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Introduction

The Government of Quebec has announced new draft regulations that would update the province's zero-emission vehicle ("ZEV") standards.^[1] The new draft regulations would make changes to the current standard to help the province reach its target of 100% ZEV sales by 2035.^[2] The new standard will accelerate certain targets, such as increasing the number of electric cars Quebec wants on the roads by 2030 from 1.6 million to 2 million.^[3] A summary of the key changes to the two regulations is presented below.

Key changes to the Regulation respecting the application of the Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions

The proposed changes to the *Regulation respecting the application of the Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions*^[4] ("ZEV Growth Regulation") are designed to accelerate the number of ZEVs in Quebec by 2035. The key changes to the ZEV Growth Regulation include:

- From 2025 onwards, the ZEV credit calculation will be 1 new ZEV=1 credit (reconditioned ZEVs are subject to a different rule);
- From 2025 onwards, the credit calculation for "low-emission" vehicles ("LEV") (notably hybrid vehicles) will be 1 new LEV = 0.5 credit, provide such LEV has an 80km or more autonomy;
- Increasing from 40,000 km to 100,000 km the maximum mileage a vehicle's odometer may show to qualify as reconditioned vehicle;
- A progressive reduction to the number of credits a manufacturer can accumulate for selling or leasing reconditioned vehicles (down to 0 by 2035);
- Increasing from \$5,000 to \$20,000 the value of a credit, which amount will be adjusted yearly;
- Modifications to various provisions for consistency with international standards (such as the California Code Regulations);
- Manufacturers must provide the value of any alienated credits or the monetary value of the goods or

services received or to be received in exchange for the credits (this information will be kept confidential, see below);

- Manufacturers must provide an estimate/projection for the number of zero and low-emission motor vehicles it expects to sell in each year over the next 5 years (this information will be kept confidential, see below).

Key changes to the Regulation respecting the limit on the number of credits that may be used by a motor vehicle manufacturer and the confidentiality of some information

The proposed changes to the *Regulation respecting the limit on the number of credits that may be used by a motor vehicle manufacturer and the confidentiality of some information*^[5] (“**ZEV Credit Regulation**”) are designed to complement the changes to the ZEV Growth Regulation. Among the changes are:

- Limits on the number of accumulated credits a manufacturer may carry forward (down to “0” from 2034);
- To carry forward the credits, the manufacturer must submit an application to the Minister (of the Environment) within 15 days following the notification of the Minister’s decision regarding the number of credits the Minister intends to enter into the register maintained under the *Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions*;
- Changes to how the province will treat the confidentiality of certain information:
 - Confidential: the price paid for alienated credits or the monetary value of the goods and services received in exchange for the credits, the number of zero-emission or low-emission motor vehicles that the manufacturer submitting the report expects to sell for each of the 5 years.
 - Non-confidential: Information regarding ZEV sales including the trademark, model, type of model and model year of vehicles sold.

Conclusion

The province of Quebec is taking concrete steps to accelerate the transition to 100% ZEVs by 2035. The aim of these steps, in part, is fostering more consumer choice for ZEVs in the province while the vast majority of Canadian provinces do not impose similar requirements on manufacturers, thus contributing to the province’s GHG emission reduction targets^[6]. The draft ZEV Growth and Credit Regulations are subject to a 45-day public consultation ending on June 16, 2023.^[7] We will monitor the final amendments and provide an update when they are published.

[1] For more information on Quebec’s zero-emission vehicle (ZEV) standard see Québec - Ministère de l’Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs , “[The zero-emission](#)

[vehicle standard](#)".

[2] Québec – Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs, "[Draft regulations to strengthen the zero-emission vehicle standard in 2025-2035](#)" (last accessed May 16, 2023).

[3] [Draft Regulation – Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions](#), CQLR, c A-33.02 r.1.

[4] Québec – Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs "[Draft regulations to strengthen the zero-emission vehicle standard in 2025-2035](#)" (last accessed May 16, 2023).

[5] [Draft Regulation – Limit on the number of credits that may be used by a motor vehicle manufacturer and the confidentiality of some information](#), CQLR, c A-33.02, r.2.

[6] Passenger transportation accounted for 33.5% of all of the province's GHG emissions in 2020.

[7] Québec – Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs "[Draft regulations to strengthen the zero-emission vehicle standard in 2025-2035](#)" (last accessed May 16, 2023).

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A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

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