

Administrative version

ATTENTION

It is important to specify that this administrative version is intended to facilitate consultation of the amendments proposed by the draft regulation amending the Regulation respecting the application of the Act to increase the number of zero-emission motor vehicles in Québec in order to reduce emissions of greenhouse gases and other pollutants, which will be published in the *Gazette officielle du Québec* on May 3, 2023, for a 45-day consultation period. It has no official value and we do not guarantee its perfect compliance with the proposed modifications. If necessary, reference should be made to the official text.

NOTE: Proposed changes to the text of the current rules appear in changes mode, and those highlighted in yellow are new since the June 2022 posting for consultation.

Regulation to amend 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

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, ss. 3, 4, 6 and 7, 2nd par., s. 8, 3rd and 4th pars., and s. 10)

CHAPTER I

DEFINITIONS AND CLASSIFICATION OF MOTOR VEHICLE MANUFACTURERS

1. In this Regulation, unless the context indicates otherwise,

«low-emission motor vehicle» means a vehicle propelled, as the case may be,

- (1) by the association of an electric motor or another means of propulsion that emits no pollutants with an engine that emits pollutants;
- (2) solely by a hydrogen internal combustion engine; or
- (3) solely by an electric motor whose battery used to supply the motor is recharged from a source that is not on board the vehicle or by a motor that emits pollutants;

and that meets the conditions provided for in section 2; (*véhicule automobile à faibles émissions*)

«low-speed motor vehicle» means a zero-emission motor vehicle equipped with at least 3 wheels that, on a plane paved surface and over a distance of 1.6 km,

reaches a maximum speed between 32 and 40 km/h, whose electric range, when it travels without interruption at its maximum speed with a load of 150 kg, is not less than 40 kilometres, and whose gross weight rating is less than 1,361 kg; (*véhicule automobile à basse vitesse*)

«motor vehicle with a range extender» means a low-emission motor vehicle equipped with a range extender that enables it, where it travels and has used all of its basic electric range, to continue travelling over a distance that must be less than the distance that the range allows to travel and whose basic electric range is at least 121 km; (*véhicule automobile avec un prolongateur d'autonomie*)

«reconditioned motor vehicle» means a motor vehicle that, in addition to the conditions set out in paragraphs 1 and 2 of section 6 of the 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), meets, at the time of its sale or lease by a motor vehicle manufacturer, the following conditions:

(1) the vehicle has the same equipment as a new motor vehicle of the same model and the same model year, or a more recent model year, offered for sale or lease in Québec; the equipment may be of higher quality than the original equipment;

(2) the equipment is in a condition comparable to the condition of the original equipment of a new motor vehicle of the same model and the same model year;

(3) whichever comes first

a) when subtracting the number representing the model year of the motor vehicle from the number representing the calendar year during which the motor vehicle was registered for the first time in Québec, the result obtained does not exceed 4; or

b) the number of kilometres indicated on the vehicle's odometer does not exceed ~~40,000~~100 000 km;

(4) it is covered by the same conventional warranty as that offered by the motor vehicle manufacturer for a new motor vehicle of the same model and the same model year sold or leased in Québec, for the unexpired term of the warranty for such a vehicle; (*véhicule automobile remis en état*)

«zero-emission motor vehicle» means a motor vehicle propelled solely by an electric motor, including a motor vehicle whose motor is supplied by a hydrogen fuel cell, or another means of propulsion that emits no pollutants and whose sole element emitting pollutants is the vehicle's air conditioner. (*véhicule automobile zéro émission*)

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2. To be considered a low-emission motor vehicle, a motor vehicle must, in addition to what is provided for in the definition in section 1, meet the following conditions:

(1) if the type of model of the motor vehicle corresponds to one of those referred to in the first category indicated in the table in section 1961.2(a)(1) of Title 13 of the California Code of Regulations for model years 2020 to 2025 or to one of those referred to in section 1961.4(d)(2)(A)1 of Title 13 for 2026 and subsequent model years, the maximum quantity of each of the following gases, that is, formaldehyde, non-methane volatile organic compounds, carbon monoxide and nitrogen oxide, as well as particulates produced by the fuel combustion process, emitted into the atmosphere by the motor vehicle through its exhaust pipe, must not exceed ~~as of the 2020 model year~~ the values corresponding, according to the quantity of gas and particulates emitted by the vehicle exhaust pipe, to the SULEV30 category or a category with a stricter standard~~SULEV20 or SULEV30 category~~, provided for in section 1961.2(a)(1) of Title 13 of the California Code of Regulations, those values being calculated by using the methods provided for in section 1961.2(d) of the same Title;

(2) the maximum quantity of hydrocarbon contained in the gases emitted by evaporation by the motor vehicle, that is, the gases emitted otherwise than by the exhaust pipe, must not exceed ~~as of the 2020 model year the values provided for in section 1976(b)(1)(G) of Title 13 of the California Code of Regulations up to model year 2025 inclusively, the values provided for in section 1976(b)(1)(G) of Title 13 of the California Code of Regulations and, as of model year 2026, the values provided for in section 1976(b)(1)(G) and (H) of Title 13~~, those values being calculated using the methods provided for in section 1976(c) of the same Title.

3. The requirements of this Regulation respecting the number of kilometres indicated on the motor vehicle's odometer refer to the number of kilometers that, following a mechanical inspection by the Société de l'assurance automobile du Québec, is entered in the register kept by the Société for entering information on the motor vehicle and its owner.

4. Motor vehicle manufacturers are classified according to the following categories:

(1) ~~category A~~—“large volume manufacturer” includes motor vehicle manufacturers whose average sales and leases of new motor vehicles, for the model year for which a classification is established, is greater than 20,000;

(2) ~~category B~~—“intermediate volume manufacturer” includes motor vehicle manufacturers whose average sales and leases of new motor vehicles, for the model year for which a classification is established, is between 4,501 and 20,000;

(3) ~~category C~~—“small volume manufacturer” includes motor vehicle manufacturers whose average sales and leases of new motor vehicles, for the model year for which a classification is established, is equal to or less than 4,500.

For the purpose of classifying a motor vehicle manufacturer, the average of its sales and leases of new motor vehicles for a particular model year is obtained by

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adding the number of new motor vehicles sold or leased by the manufacturer for each of the 3 consecutive model years whose last model year immediately precedes the model year for which a classification is established, and by dividing the total by 3.

The data used to calculate the average used to classify a motor vehicle manufacturer are those registered in its name in the register kept under section 11 of the Act.

As of the 2025 model year, intermediate volume manufacturers are considered to be large volume manufacturers and no reclassification between the two categories is possible.

~~5. The initial classification of a motor vehicle manufacturer that is required to submit a report under section 10 of the Act is established by the Minister for the 2018 model year.~~

The initial classification of a motor vehicle manufacturer ~~that is not required to submit such report~~ that is not yet classified is established by the Minister for the first model year covered by the manufacturer's first report under section 10 of the Act.

6. The classification of a large or intermediate volume manufacturer is established by the Minister within ~~30~~90 days of the deadline provided for in section 10 of the Act, and the classification of a small volume manufacturer, within ~~30~~90 days of the date on which the Minister receives the manufacturer's first report under that same section.

7. Where the classification of a motor vehicle manufacturer is established, the Minister enters it in the register kept under section 11 of the Act and so informs the manufacturer in writing within 15 days of that entry.

8. For each model year following the model year for which the initial classification of a motor vehicle manufacturer has been established, the Minister re-evaluates the classification within the same period as the period provided for in section 6, and the Minister informs the manufacturer in writing of the results of the evaluation within 15 days of the evaluation.

The evaluation referred to in the first paragraph does not result in a change of category for a motor vehicle manufacturer, except in the cases provided for in section 9.

9. A motor vehicle manufacturer may be reclassified in a new category if

- (1) for a model year, the average of the manufacturer's sales and leases of new motor vehicles, calculated in accordance with the second paragraph of section 4, is greater than the maximum value provided for the category in which the manufacturer is classified, and the situation occurs for the 2 following consecutive model years. The same applies if the value of the average is less than the minimum value provided for the category in which the manufacturer is classified;
- (2) the manufacturer has reported incomplete or inaccurate information; or

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(3) a change occurs in the control of the manufacturer;

(4) the manufacturer was initially classified in the "small volume manufacturer" category and, for a model year, the average of the manufacturer's sales and leases of new motor vehicles, calculated in accordance with the second paragraph of section 4, is greater than 4,500 motor vehicles.

10. A motor vehicle manufacturer that finds itself in either of the situations referred to in paragraph 1 of section 9 may be reclassified as of the model year immediately following the third of the model years for which any of the situations re-occurs, in the category just above or, as the case may be, just below the category in which the manufacturer is classified.

A motor vehicle manufacturer that finds itself in the situation referred to in paragraph 2 of section 9 may be reclassified as of the oldest model year for which incomplete or inaccurate information has been provided, in the category corresponding to the real average of its sales and leases for that model year, calculated in accordance with the second paragraph of section 4. In such a situation, the manufacturer will also have to pay to the Minister any sum that would have been paid if its credits had been calculated on the basis of complete and accurate information, and that is claimed by the Minister ~~in accordance with section 47 of the Act.~~

A motor vehicle manufacturer that finds itself in the situation referred to in paragraph 3 of section 9

(1) if the change occurs following a merger of its enterprise with one or more motor vehicle manufacturers, the motor vehicle manufacturer resulting from the merger will initially be classified as of the second model year following the model year whose year corresponds to the calendar year during which the change occurred; the classification will be established on the basis of the average, for each model year used for its calculation, of the total of the sales and leases of new motor vehicles of all the manufacturers concerned, calculated in accordance with the second paragraph of section 4; or

(2) if the change occurs because the motor vehicle manufacturer concerned divested itself of part of its assets for the benefit of one or more motor vehicle manufacturer that acquire them or that are constituted for that purpose, the reclassification of the motor vehicle manufacturer that divested itself of part of its assets and the manufacturers that acquire them as well as the initial classification of those that are constituted for that purpose will be established, for each of them, as of the second model year following the model year whose year corresponds to the calendar year during which the change occurred; the classification will be established, for each of them, on the basis of the average, for each model year used for the calculation, of the sales and leases of new motor vehicles of the motor vehicle models hence sold or leased by the motor vehicle manufacturer concerned by the calculation, the average being calculated in accordance with the second paragraph of section 4.

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A motor vehicle manufacturer that finds itself in the situation referred to in paragraph 4 of section 9 may be reclassified as of the model year concerned.

11. Where a change occurs in the control of a motor vehicle manufacturer, the manufacturer must so inform the Minister in writing within 30 days of the change.

In the case referred to in subparagraph 2 of the third paragraph of section 10, the manufacturer must also, in the same document, inform the Minister of the agreements entered into with the other motor vehicle manufacturers regarding the distribution of credits entered in its name in the register on the date of the change, so that the Minister may make the necessary modifications.

CHAPTER II

CREDITS

DIVISION I

NUMBER AND ACCUMULATION OF CREDITS

12. Within ~~30~~90 days of the deadline provided for in section 10 of the Act, the Minister determines, on the basis of the information reported by the motor vehicle manufacturer, the number of credits that the manufacturer must accumulate for the model year covered by the report and so notify the manufacturer in writing within the same period.

13. The number of credits that a large or intermediate volume motor vehicle manufacturer must accumulate for a particular model year is determined by means of a percentage of the average of its sales and leases of new motor vehicles for the same model year, using the following equation:

$$Nc = P \times A$$

where

Nc = the number of credits that the motor vehicle manufacturer must accumulate;

P = the percentage of the average of the sales and leases of new motor vehicles of the manufacturer for the model year concerned;

A = the average of the sales and leases of new motor vehicles of the manufacturer for the model year concerned.

For the purpose of calculating the number of credits that must be accumulated by a motor vehicle manufacturer for a particular model year, the average of its sales and leases of new motor vehicles is obtained by adding the number of new motor vehicles sold or leased by the manufacturer for each of the 3 consecutive model years the last of which precedes by 1 model year the model year for which the number of credits must be determined, and by dividing the total by 3.

The value of the percentage referred to in the first paragraph is determined in the table below, based on the model year concerned by the calculation.

Model year	Value of the percentage (P)
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2018	3.50%
2019	6.50%
2020	9.50%
2021	12.00%
2022	14.50%
2023	17.00%
2024	19.50%
2025 and subsequent	22.00%
<u>2025</u>	<u>22.00%</u>
<u>2026</u>	<u>32.50%</u>
<u>2027</u>	<u>45.00%</u>
<u>2028</u>	<u>60.00%</u>
<u>2029</u>	<u>75.00%</u>
<u>2030</u>	<u>85.00%</u>
<u>2031</u>	<u>91.00%</u>
<u>2032</u>	<u>95.00%</u>
<u>2033</u>	<u>97.50%</u>
<u>2034</u>	<u>99.00%</u>
<u>2035 and subsequent</u>	<u>100.00%</u>

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14. ~~As of model year 2020, among the credits that a large volume motor vehicle manufacturer must accumulate for a particular model year.~~ Among the credits that a large volume motor vehicle manufacturer must accumulate for each of the 2020 to 2024 model years, a certain number of the credits may only be accumulated by selling or leasing new or reconditioned zero-emission motor vehicles or new or reconditioned motor vehicles with a range extender, or by acquiring, from another motor vehicle manufacturer, NZEV, RZEV, NVRE or RVRE credits.

The number of credits referred to in the first paragraph is determined using a fraction of the total percentage of the average of its sales and leases of new motor vehicles, using the following equation:

$$Nc\ ZEV = Pf\ ZEV \times A$$

where

Nc ZEV = the number of credits that may only be accumulated by the motor vehicle manufacturer by selling or leasing new or reconditioned zero-emission motor vehicles or new or reconditioned motor vehicles with a range extender, or by acquiring NZEV, RZEV, NVRE or RVRE credits;

Pf ZEV = a fraction of the total percentage of the average used in the equation in section 13;

A = the same average as the average used in the equation in section 13.

The other part of the credits that a large volume motor vehicle manufacturer must accumulate for the model year referred to in the first paragraph may be accumulated by selling or leasing any type of new or reconditioned motor vehicle defined in section 1 or by acquiring, from another motor vehicle manufacturer, credits belonging to any of the categories provided for in section 16.

The fraction of the total percentage of the average referred to in the equation in the second paragraph is determined below, based on the model year concerned by the calculation.

Model year	Total percentage (P) applicable to intermediate and large volume motor vehicle manufacturers subject to the Regulation	Fraction of the total percentage (Pf ZEV) applicable for the part of the credits referred to in the first paragraph	Fraction of the total percentage (Pf) applicable for the part of the credits referred to in the third paragraph
2020	9.50%	6.00%	3.50%
2021	12.00%	8.00%	4.00%
2022	14.50%	10.00%	4.50%

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2023	17.00%	12.00%	5.00%
2024	19.50%	14.00%	5.50%
2025 and subsequent	22.00%	16.00%	6.00%

~~15. A motor vehicle manufacturer may accumulate, by selling or leasing reconditioned motor vehicles, or by acquiring, from another motor vehicle manufacturer, RZEV, RLEV, RVRE or RLSV credits, a maximum of 30% of the total of the credits it must accumulate for each period referred to in section 8 of the Act. A motor vehicle manufacturer may accumulate, for each group of 3 model years listed in the table below, by selling or leasing reconditioned motor vehicles, or by acquiring, from another motor vehicle manufacturer, RZEV, RLEV, RVRE or RLSV credits, at most, the percentage specified in the table of the total credits it must accumulate for the group of model years concerned:~~

<u>Groups of 3 consecutive model years</u>	<u>Maximum percentage</u>
<u>2022-2024</u>	<u>30%</u>
<u>2025-2027</u>	<u>20%</u>
<u>2028-2030</u>	<u>15%</u>
<u>2031-2033</u>	<u>10%</u>
<u>Subsequent groups</u>	<u>0%</u>

~~A Up to the 2024 model year, a large volume motor vehicle manufacturer may accumulate~~

(1) by selling or leasing new or reconditioned motor vehicles with a range extender, or by acquiring, from another motor vehicle manufacturer, NVRE or RVRE credits, a maximum of 50% of the credits referred to in section 14, that are related to the sale or lease of zero-emission motor vehicles or the acquisition of NZEV or RZEV credits; or

(2) by selling or leasing new or reconditioned low-speed motor vehicles, or by acquiring, from another motor vehicle manufacturer, NLSV or RLSV credits, a maximum of 25% of the total of the credits it must accumulate for each period referred to in section 8 of the Act.

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The total of the credits referred to in the first paragraph and in subparagraph 2 of the second paragraph is calculated in accordance with section 13.

16. The credits accumulated by a motor vehicle manufacturer are, in the register kept under section 11 of the Act, classified by groups of 3 model years corresponding to the model years referred to in section 8 of the Act, according to the following categories:

- (1) NZEV credits, that is, the credits accumulated by selling or leasing new zero-emission motor vehicles, excluding low-speed vehicles;
- (2) RZEV credits, that is, the credits accumulated by selling or leasing reconditioned zero-emission motor vehicles, excluding low-speed vehicles;
- (3) NLEV credits, that is, the credits accumulated by selling or leasing new low-emission motor vehicles;
- (4) RLEV credits, that is, the credits accumulated by selling or leasing reconditioned low-emission motor vehicles;
- (5) NVRE credits, that is, the credits accumulated by selling or leasing new motor vehicles with a range extender;
- (6) RVRE credits, that is, the credits accumulated by selling or leasing reconditioned motor vehicles with a range extender;
- (7) NLSV credits, that is, the credits accumulated selling or leasing new low-speed motor vehicles;
- (8) RLSV credits, that is, the credits accumulated by selling or leasing reconditioned low-speed motor vehicles.

17. The credits accumulated by selling or leasing a reconditioned motor vehicle are entered in the register in the name of the motor vehicle manufacturer that sold or leased the vehicle, regardless of its make or model.

18. The credits accumulated by selling or leasing a low-speed motor vehicle, whether new or reconditioned, may not be used for the purposes of the requirement provided for in the first paragraph of section 14.

19. On a written request by a motor vehicle manufacturer, the Minister may determine the number of credits that it must accumulate for a particular model year by replacing, in the equations in sections 13 and 14, the average provided for therein by the total number of new motor vehicles of that same model year, entered in the register on the date of the calculation, that the manufacturer sold or leased.

~~For the Minister to follow up on the motor vehicle manufacturer's request, the manufacturer must demonstrate, to the Minister's satisfaction, that the total number of new motor vehicles of the model year covered by its request, that it sold or leased, has, for circumstances beyond its control and that it could not foresee, diminished by not less than 30% in relation to the preceding model year. The Minister may follow up on the motor vehicle manufacturer's request if the~~

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manufacturer demonstrates, to the Minister's satisfaction, that the request is based on one of the following situations:

(1) the total number of new motor vehicles of the model year covered by the request, that it sold or leased, has, for circumstances beyond its control and that it could not foresee, diminished by not less than 30% in relation to the preceding model year;

(2) the number of new motor vehicles of the model year covered by the request, that it sold or leased, makes it impossible to achieve the number of credits that the motor vehicle manufacturer must accumulate, even if the manufacturer sold only zero-emission motor vehicles.

The motor vehicle manufacturer's request must be submitted not later than 30 days before the date provided for in the first paragraph of section 10 of the Act.

~~A request made under the first paragraph may only be submitted for 2 model years of a series of 8 consecutive model years.~~ As of model year 2022, a request made under the first paragraph may only be submitted for 2 model years of a series of 8 consecutive model years, unless it is based on the situation referred to in subparagraph 2 of the second paragraph.

DIVISION II

CREDITS TO WHICH THE SALE OR LEASE OF A MOTOR VEHICLE GIVES ENTITLEMENT

§ 1. — *Zero-emission motor vehicles*

~~§§ 1. — Provisions applicable up to the 2024 model year~~

19.1. Sections 20 to 24 apply to zero-emission motor vehicles whose model year is 2024 or earlier.

20. The number of credits to which the sale or lease, by a motor vehicle manufacturer, of a new zero-emission motor vehicle gives entitlement is determined using the following equation:

$$Nc\ ZEV = (0.01 \times R \times 0.6214) + 0.50$$

where

Nc ZEV = the number of credits to which the sale or lease of a new zero-emission motor vehicle gives entitlement;

R = the electric range of the motor vehicle, in kilometres.

The electric range of a zero-emission motor vehicle is determined according to the standards and by using the following methods:

a) the EPA Light-duty Urban Dynamometer Driving Schedule (UDDS) method provided for in U.S. 40 CFR Appendix I to Part 86, used here to measure, for that type of vehicle, the distance it may travel without recharging the battery when travelling in the city without interruption;

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b) for 2014 to 2017 model years, the standards and other methods provided for in the document entitled California Exhaust Emission Standards and Test Procedures for 2009 through 2017 Model Zero-Emission Vehicles and Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes, published by the California Air Resources Board;

c) for 2018 and subsequent model years, the standards and other methods provided for in the document entitled California Exhaust Emission Standards and Test Procedures for 2018 and Subsequent Model Zero-Emission Vehicles and Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium-Duty Vehicle Classes, published by the California Air Resources Board.

If the motor vehicle is registered in Québec after 1 September 2025, it gives entitlement to one credit.

~~21.— The number of credits to which the sale or lease of a reconditioned zero-emission motor vehicle gives entitlement is determined by means of a percentage of the number of credits to which the sale or lease of a new zero-emission motor vehicle of the same model and the same model year gives entitlement. That percentage varies depending on the number of kilometres indicated on the odometer of the vehicle concerned, according to the values and percentages provided for in the following table.~~

Number of kilometres indicated on the odometer	Percentage of the number of credits to which the sale or lease of a new zero-emission motor vehicle of the same model and the same model year gives entitlement
between 0 and 10,000 km	80%
between 10,001 and 20,000 km	75%
between 20,001 and 30,000 km	60%
between 30,001 and 40,000 km	50%

21. The number of credits to which the sale or lease of a reconditioned zero-emission motor vehicle gives entitlement is determined by means of a percentage of the number of credits to which the sale or lease of a new zero-emission motor vehicle of the same model and the same model year gives entitlement. That percentage varies depending on the difference between the number representing the calendar year during which the vehicle was registered for the first time in

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Québec and the number representing its model year, according to the following table:

<u>Difference between the number representing the calendar year during which the vehicle was registered for the first time in Québec and the number representing its model year</u>	<u>Percentage of the number of credits to which the sale or lease of a new zero-emission motor vehicle of the same model and the same model year gives entitlement</u>
<u>0 or less</u>	<u>100%</u>
<u>1</u>	<u>80%</u>
<u>2</u>	<u>70%</u>
<u>3</u>	<u>60%</u>
<u>4</u>	<u>50%</u>

22. The maximum number of credits to which the sale or lease of a new zero-emission motor vehicle gives entitlement is 4.00.

The maximum number of credits to which the sale or lease of a reconditioned zero-emission motor vehicle gives entitlement is calculated on the basis of a percentage of the maximum number of credits to which the sale or lease of a new zero-emission motor vehicle gives entitlement. The value of that percentage is set by using the same data as those provided for in the table in section 21.

23. A new zero-emission motor vehicle whose electric range is less than 80.47 km gives entitlement to no credit.

24. A motor vehicle with a range extender is considered, for the purpose of calculating the number of credits and the maximum number of credits to which the sale or lease of such a motor vehicle gives entitlement, in accordance with sections 20 to 23, a zero-emission vehicle.

25. This subdivision Sections 20 to 24 does not apply to a low-speed motor vehicle.

§§ 2. — Provisions applicable as of the 2025 model year

25.1. Sections 25.2 to 25.3 apply to zero-emission motor vehicles whose model year is 2025 or later.

25.2. The sale or lease of a new zero-emission motor vehicle gives entitlement to 1 credit.

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25.3. The number of credits to which the sale or lease of a reconditioned zero-emission motor vehicle gives entitlement is determined by means of a percentage of the number of credits to which the sale or lease of a new zero-emission motor vehicle of the same model and the same model year gives entitlement. That percentage varies depending on the difference between the number representing the calendar year during which the vehicle was registered for the first time in Québec and the number representing its model year, according to the following table:

<u>Difference between the number representing the calendar year during which the vehicle was registered for the first time in Québec and the number representing its model year</u>	<u>Percentage of the number of credits to which the sale or lease of a new zero-emission motor vehicle of the same model and the same model year gives entitlement</u>
0 or less	100%
1	80%
2	70%
3	60%
4	50%

§ 2. — *Low-emission motor vehicles*

§§ 1. — *Provisions applicable up to the 2024 model year*

25.4. Sections 26 to 29 apply to low-emission motor vehicles whose model year is 2024 or earlier

26. The number of credits to which the sale or lease of a new low-emission motor vehicle gives entitlement is calculated on the basis of the vehicle's electric range, according to the values and, if applicable, the equation provided for in the following table.

Vehicle's electric range, in km	Number of credits
less than 16 km	0
between from 16 and to 129 km	$(0.01 \times R \times 0.6214) + 0.3$

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where

R = the electric range of the motor vehicle, in kilometres.

The electric range of a low-emission motor vehicle is determined by using the UDDS method, referred to in subparagraph a of the second paragraph of section 20, and using the value called Equivalent all electric range (EAER) contained therein, and complying with the standards and using the methods referred to, according to the vehicle's model year, in subparagraph b or c of the second paragraph of section 20.

27. A new low-emission motor vehicle whose electric range, determined by using method EPA US06 Driving Schedule for Light-Duty Vehicles and Light-Duty Trucks provided for in U.S. 40 CFR Appendix I to Part 86 and also, according to the model year, in the following sections of the documents listed below and complying with the standards and using the other methods provided for therein, is not less than 16 km, gives entitlement to 0.20 additional credits:

a) for the model years up to 2017, section G.7.5 of the document entitled California Exhaust Emission Standards and Test Procedures for 2009 through 2017 Model Zero- Emission Vehicles and Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium Duty Vehicle Classes;

b) for the 2018 and subsequent model years, section G.7.3 of the document entitled California Exhaust Emission Standards and Test Procedures for 2018 and Subsequent Model Zero-Emission Vehicles and Hybrid Electric Vehicles, in the Passenger Car, Light-Duty Truck and Medium Duty Vehicle Classes.

27.1. *If a new low-emission motor vehicle is registered in Québec after 1 September 2025, it gives entitlement to 0.5 credits.*

28. The number of credits to which the sale or lease of a reconditioned low-emission motor vehicle gives entitlement is calculated in the same manner and by using the same values for the number of kilometres and percentage as for a motor vehicle referred to in section 21.

29. The maximum number of credits to which the sale or lease of a new low-emission motor vehicle gives entitlement is 1.30.

The maximum number of credits to which the sale or lease of a reconditioned low-emission motor vehicle gives entitlement is calculated on the basis of a percentage of the maximum number of credits to which the sale or lease of a new low-emission motor vehicle gives entitlement. The value of that percentage is set by using the same data as those provided for in the table in section 21.

§§ 2. *— Provisions applicable as of the 2025 model year*

29.1. Sections 29.2 and 29.3 applies to low-emission motor vehicles whose model year is 2025 or later.

29.2. The sale or lease of a new low-emission motor vehicle gives entitlement to 0.5 credits if the electric range of the vehicle is equal to or greater than 80 km.

The electric range of a motor vehicle referred to in sections 29.2 and 29.3 is obtained by multiplying the electric range of the vehicle in charge-depleting mode ("A" in the equation below) by factor 0.7.

For the model years 2025, 2026 and 2027, the sale or lease of a new low-emission motor vehicle whose electric range is equal to or greater than 50 km but less than 80 km gives entitlement to the number of credits determined using the following equation:

$$Nc\ LEV = (A \times 0.7) / 200) + 0.05$$

where

Nc LEV = the number of credits to which the sale or lease of a new low-emission motor vehicle whose electric range is equal to or greater than 50 km but less than 80 km for model years 2025, 2026 and 2027 gives entitlement;

A = the electric range of the motor vehicle in charge-depleting mode, in kilometres, established in accordance with section 311-12(j)(4)(i) of Subpart D, Part 600, Subchapter Q, Chapter I, Title 40 of the Code of Federal Regulations, rounded to the first decimal or, if the number is equidistant by 2 consecutive decimals, to the highest of those numbers.

Despite the foregoing, the sale or lease of a new low-emission motor vehicle that is not covered under Part 600 – Fuel Economy and Greenhouse Gas Exhaust Emissions of Motor Vehicles of Subchapter Q, Chapter I, Title 40 of the Code of Federal Regulations gives entitlement to 0.5 credits irrespective of its electric range.

29.3. The number of credits to which the sale or lease of a reconditioned low-emission motor vehicle gives entitlement is determined by means of a percentage of the number of credits to which the sale or lease of a new low-emission motor vehicle of the same model and the same model year gives entitlement. That percentage varies depending on the difference between the number representing the calendar year during which the vehicle was registered for the first time in Québec and the number representing its model year, according to the following table:

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<u>Difference between the number representing the calendar year during which the vehicle was registered for the first time in Québec and the number representing its model year</u>	<u>Percentage of the number of credits to which the sale or lease of a new low-emission motor vehicle of the same model and the same model year gives entitlement</u>
<u>0 or less</u>	<u>100%</u>
<u>1</u>	<u>80%</u>
<u>2</u>	<u>70%</u>
<u>3</u>	<u>60%</u>
<u>4</u>	<u>50%</u>

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 § 3. — *Low-speed motor vehicles*

30. The sale or lease of a new low-speed motor vehicle whose model year is 2024 or earlier gives entitlement to 0.15 credits.

The maximum number of credits to which the sale or lease of a reconditioned low-speed motor vehicle gives entitlement is calculated on the basis of a percentage of the maximum number of credits to which the sale or lease of a new low-speed motor vehicle gives entitlement. The value of that percentage is set by using the same data as those provided for in the table in section 21.

CHAPTER III
CHARGE

31. The charge referred to in section 8 of the Act, payable to the Minister by every motor vehicle manufacturer that, at the end of the period provided for in that section, has not accumulated the total number of credits that it had to accumulate for the 3 model years covered by that period, is calculated using the following equation:

$$C = (Nce - Nca) \times Vc$$

where

C = the charge payable by the motor vehicle manufacturer concerned;

Nce = the number of credits that the motor vehicle manufacturer should have accumulated;

Nca = the number of credits accumulated by the motor vehicle manufacturer;

Vc = the value of a credit for calculating the charge.

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The text that will be published in the *Gazette officielle du Québec* prevails.

For Up to the period of 3 consecutive calendar years concerning the 2022 to 2024 model years, for calculating the charge, the value of a credit is set at \$5,000.

The charge calculated under the first paragraph is payable in one installment.

As of the period of 3 consecutive calendar years concerning the 2025 to 2027 model years, for calculating the charge, the value of a credit is set at \$20,000. The value is adjusted on 1 January of each year using the rate calculated in the manner set out in section 83.3 of the Financial Administration Act (chapter A-6.001). The Minister publishes the result of the adjustment by means of a notice in the *Gazette officielle du Québec* or by any other means deemed appropriate by the Minister.

32. For the purpose of determining if a motor vehicle manufacturer must pay a charge, the Minister considers the total number of credits that the manufacturer should have accumulated and the total number of those the manufacturer has accumulated for each group of 3 model years covered by a period.

CHAPTER IV REPORTS

33. The report provided for in section 7 of the Act is made under oath and is sent in writing. It must contain

- (1) the contact information of the motor vehicle manufacturer that alienated the credit;
- (2) the contact information of the motor vehicle manufacturer to which the credit was alienated;
- (3) the contact information of the person responsible for the report for the motor vehicle manufacturer;
- (4) the class of motor vehicle which gave entitlement to the credit, that is, a low-speed, low-emission or zero-emission motor vehicle or a motor vehicle with a range extender;
- (5) whether the motor vehicle which gave entitlement to the alienated credit was new or reconditioned;
- (6) the period of 3 consecutive calendar years during which the alienated credit was accumulated;
- (7) the number of alienated credits;

(7.1) the price paid for those credits or, as the case may be, the monetary value of the goods or services received or to be received in exchange for the credits;

- (8) a report that the alienation of the credit is evidenced in writing between the parties to the contract;
- (9) the date of the alienation of the credit; and
- (10) the date on which the contract between the motor vehicle manufacturers concerned was signed.

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34. The report provided for in section 10 of the Act is sent to the Minister in writing. It must contain

- (1) the contact information of the motor vehicle manufacturer submitting the report;
- (2) the contact information of the person responsible for the report for the motor vehicle manufacturer;
- (3) for each model year covered by the report,
 - a) the number of new motor vehicles sold or leased by the manufacturer; and
 - b) the number of new motor vehicles sold or leased by the manufacturer, by type of model of those vehicles;
- (4) for each type of model of motor vehicle covered by the report,
 - a) its trademark;
 - b) its model;
 - c) the type of model;
 - d) its specifications;
 - e) its gross weight rating; and
 - f) if applicable, the quantity of carbon dioxide, methane and nitrous oxide emitted by the vehicle, per kilometre, in the city or on the highway, calculated in accordance with section 35; and
- (5) in addition to the information referred to in paragraph 4, for each low-speed, low-emission and zero-emission motor vehicle sold or leased by the motor vehicle manufacturer,
 - a) the number allocated to it in the list published by the Minister under section 5 of the Act;
 - b) the motor vehicle's identification number;
 - c) whether the vehicle was new or reconditioned at the time of its initial sale or lease;
 - d) in the case of a reconditioned motor vehicle, the number of kilometres at the time of its sale or lease and a report that it meets the conditions set in the definition of such a vehicle in section 1;
 - e) the date of its initial sale or lease to an automobile dealership; and
 - f) the contact information of the automobile dealership referred to in subparagraph e.

(6) the number of zero-emission and low-emission motor vehicles that the motor vehicle manufacturer submitting the report expects to sell for each of the 5 years following the year of the report.

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35. The values of the carbon dioxide, methane and nitrous oxide emissions, in grams, emitted by the motor vehicle, per kilometre, when travelling in the city, are determined according to the quantitative evaluation methods provided for in the regulatory provisions, Emission Regulations for 1977 and Later model Year New Light-Duty Vehicles and New light-Duty Trucks and New Otto-Cycle Complete Heavy-Duty Vehicles; Test Procedures, U.S. 40 CFR, Part 86, Subpart B, and the emissions of such a vehicle, per kilometre, when travelling on the highway, are measured according to the technical requirements of the method Highway Test Procedure provided for in the regulatory provisions Fuel Economy and Carbon-Related Exhaust Emission Test Procedures, U.S. 40 CFR, Part 600, Subpart B.

However, for motor vehicles whose gross vehicle weight rating is greater than 3,856 kg, the values of the carbon dioxide emissions, in grams per kilometre, are determined according to the applicable methods and calculations provided for in the Heavy-duty Vehicle and Engine Greenhouse Gas Emission Regulations (SOR/2013-24).

The values of the methane and nitrous oxide emissions referred to in the first paragraph may be replaced by a value of 1.2 grams equivalent carbon dioxide per kilometre.

36. Motor vehicle manufacturers that submit a report under the Act must keep every supporting document used to submit that report for not less than 8 years as of the date on which the report was sent, and they must provide those supporting documents to the Minister on request.

CHAPTER V

MONETARY ADMINISTRATIVE PENALTIES

37. A monetary administrative penalty of \$1,000 may be imposed to a motor vehicle manufacturer that fails to keep every supporting document referred to in section 36 for the period prescribed therein.

38. A monetary administrative penalty of \$1,500 may be imposed to a motor vehicle manufacturer that

- (1) fails to send to the Minister any information or document required under this Regulation or necessary for its application; or
- (2) fails to inform the Minister, as soon as possible, of a change in the control of its enterprise.

CHAPTER VI

OFFENCES

39. Every motor vehicle manufacturer that fails to keep any supporting document referred to in section 36 during the period prescribed therein is liable to a fine of not less than \$3,000 nor more than \$600,000.

40. Every motor vehicle manufacturer that

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(1) fails to send to the Minister any information or document required under this Regulation or necessary for its application; or

(2) fails to inform the Minister, as soon as possible, of a change in the control of its enterprise is liable to a fine of not less than \$6,000 nor more than \$600,000.

41. Every motor vehicle manufacturer that sends to the Minister false or misleading information is liable to a fine of not less than \$30,000 nor more than \$1,500,000.

CHAPTER VII

MISCELLANEOUS, TRANSITIONAL AND FINAL

42. The data required from the motor vehicle manufacturers under this Regulation must be provided in metric units.

43. Where the result of an equation or a calculation referred to in this Regulation contains more than 2 decimals, it is rounded to the nearest second decimal.

44. A motor vehicle manufacturer may accumulate credits for the sale and lease of new motor vehicles and of reconditioned motor vehicles of the 2014 to 2017 model years that, in addition to the requirements provided for in the Act, meet any of the definitions in section 1. Division II of Chapter II then apply to them.

The credits accumulated under the first paragraph are recorded for the first period for which the Minister establishes the credits accumulated by a motor vehicle manufacturer under section 8 of the Act and they may be used by that manufacturer for any of the model years covered by that period.

45. Taking into account the provisions of sections 64 and 65 of the Act, the first report of a motor vehicle manufacturer must contain the total number of new motor vehicles sold or leased for each of the 5 consecutive model years the last of which immediately precedes the model year whose year corresponds to the calendar year during which the report is submitted.

46. *(Omitted).*