

# **GREENHOUSE GAS INDUSTRIAL REPORTING AND CONTROL ACT**

## [SBC 2014] CHAPTER 29

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#### Part 1 — Interpretation

#### Definitions

##### 1 In this Act:

"accepted emission offset project" means an emission offset project accepted by the director under section 9 [emission offset projects];

"account" means an account in the registry;

"administrative agreement" means an agreement under section 16 (2) [registry operated outside government];

"appeal board" means the Environmental Appeal Board under the Environmental Management Act;

"attributable", in relation to greenhouse gas emissions, means attributable under the regulations to an industrial operation;

"carbon dioxide equivalent" means the mass of carbon dioxide that would produce the same global warming impact as a given mass of another greenhouse gas, as determined in accordance with the regulations;

"compliance account" means an account described in section 13 (3) (b) [registry];

"compliance obligation" means the requirement imposed under section 6 (1) on regulated operations;

"compliance period" means the period prescribed for the purposes of section 6 [compliance obligation];

"compliance report" means a report under section 7 (1) [compliance reports] or a supplementary report under section 7 (3);

"compliance unit" means an offset unit, a funded unit, an earned credit or a recognized unit;

"conservation officer" has the same meaning as in the Environmental Management Act;

"contingency account" means the account described in section 13 (4) (c) [registry];

"director" means an employee appointed under the Public Service Act who is designated as the director for the purposes of this Act;

"director's protocol" means a protocol established under section 10 [director's protocols];

"earned credit" means a compliance unit described in section 12 [earned credits];

"emission limit", in relation to a regulated operation, means the applicable emission limit under section 5 [regulated operations' emission limits];

"emission report" means a report under section 3 (1) [emission reports] or a supplementary report under section 3 (3);

"facility" includes

(a) all buildings, structures, stationary items and equipment that

(i) are located or used primarily on a single site, contiguous sites or adjacent sites,

(ii) are controlled and directed by the same person, and

(iii) function as a single integrated site,

(b) wastewater collection and wastewater treatment systems that treat wastewater from a facility, if the systems are on or adjacent to a site or sites referred to in paragraph (a) (i) and are controlled and directed by the person referred to in paragraph (a) (ii),

(c) storage of petroleum or natural gas products at a terminal that receives petroleum or natural gas products from a facility, if the terminal is adjacent to a site or sites referred to in paragraph (a) (i) and controlled and directed by the person referred to in paragraph (a) (ii), and

(d) mobile equipment, used primarily at the site or sites referred to in paragraph (a) (i), that functions as part of the integrated site;

"foreign jurisdiction" means a jurisdiction outside Canada;

"funded unit" means a compliance unit described in section 11 [funded units];

"greenhouse gas" has the same meaning as in the Greenhouse Gas Reduction Targets Act;

"holding account" means an account described in section 13 (3) (a), (4) (a) or (5) [registry];

"industrial operation" means one or more facilities, or a prescribed activity, to which greenhouse gas emissions are attributable;

"inspector" means a person, or a person in a class, designated under section 21 [inspectors];

"issue", in relation to an offset unit, a funded unit or an earned credit, means issue by the director or issue by the registry administrator on the direction of the director;

"offset unit" means a compliance unit described in section 8 (1) [offset units];

"operator", in relation to an industrial operation, means a person considered under the regulations to be the operator of the industrial operation;

"project proponent" means a person who

(a) meets the prescribed criteria, if any, and

(b) submits to the director, directly or through a validation body, a plan for an emission offset project that the person proposes to or does carry out;

"project report" means a report described in section 8 (1) [offset units] that meets the prescribed requirements;

"recognized unit" means a unit of another jurisdiction that under the regulations is, or is deemed to be, the equivalent of an offset unit for the purpose of meeting compliance obligations;

"registry" means the registry established for the purposes of section 13 [registry];

"registry administrator" means the person responsible for administering the registry in accordance with this Act and the regulations, and if applicable, an administration agreement;

"regulated operation" means a reporting operation that is in a class set out in column 1 of the schedule;

"reporting operation" means an industrial operation that is prescribed as a reporting operation;

"reporting period" means the period prescribed for the purposes of section 3 (1) [emission reports];

"retire" means,

(a) in relation to an offset unit, a funded unit or an earned credit, the transfer of the unit into the retirement account by the director or by the registry administrator on the direction of the director, or

(b) in relation to a recognized unit, retirement of the unit in accordance with the regulations;

"retirement account" means the account described in section 13 (4) (b) [registry];

"schedule" means the Schedule of Regulated Operations and Emission Limits;

"technology fund" means a not-for-profit corporation that

(a) is outside the government reporting entity,

(b) has a board of directors that includes persons with expertise in clean technologies or the commercialization of new products, processes, services or technologies,

(c) publishes an annual report that includes financial statements and any prescribed information,

(d) is considered by the minister to have an objective, fair and rigorous process, independent of government, the applicant and the technology fund, for reviewing funding applications,

(e) is focused on accelerated market adoption of innovative clean technologies that result in lower greenhouse gas emissions, and

(f) meets prescribed criteria;

"validation body" means a person that meets the prescribed requirements;

"validation statement" means a statement, in accordance with section 9 (1) [emission offset projects], of a validation body respecting the plan for an emission offset project, which statement includes the prescribed information, statements and signatures;

"verification body" means a person that meets the prescribed requirements;

"verification statement" means a statement of a verification body respecting an emission report, a compliance report or an accepted emission offset project report, which statement includes the prescribed information, statements and signatures.

## Part 2 — Emission Reporting

### Non-reporting operations

2 (1) If required by the regulations, for each reporting period, the operator of an industrial operation that was not a reporting operation in the previous reporting period, and would be a reporting operation but for the level of its greenhouse gas emissions, must calculate, in accordance with the regulations, the greenhouse gas emissions of the industrial operation to determine whether it is a reporting operation for the reporting period.

(2) An industrial operation that is not a reporting operation for a reporting period must, if required by the regulations,

(a) maintain the prescribed records of the determination under subsection (1) for the prescribed period and produce those records on request of an inspector, and

(b) provide information to the director as required by the regulations.

### Emission reports

3 (1) For each reporting period, in accordance with the regulations, the operator of a reporting operation must ensure that a report respecting the following is submitted to the director:

(a) the greenhouse gas emissions attributable to the operation for the reporting period;

(b) the prescribed information or matters.

(2) If required by the regulations, the operator of a reporting operation must ensure that a verification statement in relation to the emission report is prepared, and submitted to the director, in accordance with the regulations.

(3) The operator of a reporting operation must ensure that a supplementary report is submitted to the director within the prescribed period after the operator becomes aware that

(a) information in a previous report under this section did not completely and accurately disclose the information required to be included in the report, or

(b) information required to be reported in a previous report has changed.



(4) If required by the regulations, the operator of a reporting operation must ensure that a verification statement in relation to a supplementary report is prepared, and submitted to the director, in accordance with the regulations, and, in any other case, the director may require that the operator have a verification statement in relation to the supplementary report prepared in accordance with the regulations and submitted to the director by the date specified by the director.

(5) Subsection (3) does not apply in relation to inaccuracies, omissions or changes that are considered under the regulations to be immaterial.

(6) A supplementary report under this section must be in accordance with the regulations or, if no specific direction is prescribed, in accordance with the regulations applicable to the report under subsection (1).

(7) The director may

(a) require that an emission report be audited at the expense of the operator in accordance with the directions of the director, or conduct or authorize a person to conduct the audit at the expense of the operator, and

(b) require an operator to provide additional information in support of an emission report.

### Part 3 — Emission Control

#### Division 1 — Compliance Obligation

##### Capture and storage of emissions

##### 4 Greenhouse gas emissions that

(a) would be attributable to a regulated operation, but

(b) are captured and stored in accordance with the regulations,

are deemed not to be attributable for the purpose of the compliance obligation of the regulated operation.

##### Regulated operations' emission limits

5 The emission limit for a regulated operation for each compliance period set out in column 3 of the schedule is the limit of greenhouse gas emissions, expressed in carbon dioxide equivalent emissions,

(a) set out, for the compliance period, in column 2 of the schedule opposite the applicable class of regulated operations set out in column 1 of the schedule, or

(b) calculated, for the compliance period, as described in column 2 of the schedule opposite the applicable class of regulated operations set out in column 1 of the schedule.

## Compliance obligation

6 (1) Subject to subsection (2), for each compliance period, the operator of a regulated operation must ensure that the amount of greenhouse gas emissions, determined in accordance with the regulations on a carbon dioxide equivalent basis, that is attributable to the regulated operation is less than or equal to the emission limit applicable to the regulated operation for the compliance period.

(2) An operator of a prescribed class of regulated operations may meet a compliance obligation for a compliance period by ensuring that compliance units, representing the amount of greenhouse gas emissions by which the regulated operation exceeded the applicable emission limit in that compliance period, are available in the compliance account for that regulated operation

(a) on the date the compliance report and related verification statement are due, and

(b) if the operator submits a supplementary report that affects the operator's compliance obligation, by the end of the period prescribed for the purpose of section 7 (3).

## Compliance reports

7 (1) For each compliance period, in accordance with the regulations, the operator of a regulated operation must ensure that a report respecting the regulated operation's compliance with the regulated operation's compliance obligation is submitted to the director, which report must include all the following:

(a) the amount of greenhouse gas emissions, determined in accordance with the regulations on a carbon dioxide equivalent basis, that is attributable to the regulated operation for the purposes of the operator's compliance obligation for the compliance period;

(b) if applicable, the amount of greenhouse gas emissions that was captured from the operation, and stored, in the compliance period;

(c) the applicable emission limit or, if the emission limit for the regulated operation is determined using a formula set out in the schedule, the elements of the calculation and the calculation of the emission limit;

(d) if the amount of greenhouse gas emissions under paragraph (a) exceeds the limit under paragraph (c), a calculation of greenhouse gas emissions, expressed in carbon dioxide equivalent emissions, by which the emissions described in paragraph (a) exceed that limit;

(e) if applicable, the number of compliance units that have been placed in the operator's compliance account to meet the operator's compliance obligation for the compliance period;

(f) the prescribed information or matters.

(2) The operator of a regulated operation must ensure that a verification statement in relation to its compliance report is prepared, and submitted to the director, in accordance with the regulations.

(3) An operator of a regulated operation must ensure that a supplementary report is submitted to the director within the prescribed period after the operator becomes aware that

(a) information in a previous report under this section did not completely and accurately disclose the information required to be included in the report, or

(b) information required to be reported in a previous report has changed.

(4) If required by the regulations, a regulated operator must ensure that a verification statement in relation to a supplementary report is prepared, and submitted to the director, in accordance with the regulations, and, in any other case, the director may require that the operator have a verification statement in relation to the supplementary report prepared in accordance with the regulations and submitted to the director by the date specified by the director.

(5) Subsection (3) does not apply in relation to inaccuracies, omissions or changes that are considered under the regulations to be immaterial.

(6) A supplementary report under this section must be made in accordance with the regulations or, if no specific direction is prescribed, in accordance with the regulations applicable to the report under subsection (1).

(7) The director may

(a) require that a compliance report be audited at the expense of the operator in accordance with the directions of the director, or conduct or authorize a person to conduct the audit at the expense of the operator, and

(b) require an operator to provide additional information in support of a compliance report.

## Division 2 — Emission Offsets

### Offset units

8 (1) On application in accordance with the process established by regulation, the director may issue, by crediting to an account, one unit for

(a) each verified reduction of one tonne of carbon dioxide equivalent emissions into the atmosphere, or

(b) each verified removal of one tonne of carbon dioxide equivalent emissions from the atmosphere achieved as part of and in accordance with an accepted emission offset project in respect of which the director has received a report of the outcome of the project and a verification statement in relation to the report.

(2) An offset unit described in subsection (1) may be credited, as directed by the director, only to

(a) the holding account of the project proponent, or

(b) the contingency account.

### Emission offset projects

9 (1) Subject to section 10 (5), the director may accept an emission offset project if the director receives from a validation body a copy of the plan in respect of the project and a validation statement respecting that plan, which statement is in accordance with the regulations and affirms that the validation body is satisfied that

- (a) the plan for the emission offset project
    - (i) meets the prescribed criteria, if any, and
    - (ii) is in accordance with the applicable protocol,
  - (b) the proponent of the emission offset project meets the prescribed criteria, if any,
  - (c) the plan for the emission offset project and the assertions in the plan are fair and reasonable,
  - (d) the reduction of greenhouse gas emissions into, or removal of greenhouse gas from, the atmosphere, estimated in the plan to be achieved through the emission offset project, are conservatively estimated, and
  - (e) if the emission offset project is implemented in accordance with the plan, the estimated reduction of greenhouse gas emissions into, or removal of greenhouse gas from, the atmosphere will be achieved.
- (2) The director must publish the following by posting them on a publicly available website:
- (a) the plan for an accepted emission offset project;
  - (b) the validation statement in respect of the plan;
  - (c) project reports in relation to the accepted emission offset project;
  - (d) verification statements in respect of the project reports.
- (3) The documents posted under subsection (2) in relation to an accepted emission offset project must remain posted until all offset units issued in respect of the project have been retired or cancelled in accordance with the regulations.

#### Director's protocols

10 (1) In accordance with the prescribed procedures, if any, the director may establish protocols, consistent with the regulations, for any aspect of carrying out a class of emission offset projects, including, without limitation,

- (a) describing the class of emission offset projects to which a protocol is applicable,
- (b) describing the phases of emission offset projects in the class, including, without limitation, describing how the start and end dates of the projects will be determined,
- (c) for determining the standards for planning, managing and conducting projects and for monitoring, measuring, quantifying and documenting in relation to projects in the class,

- (d) for determining the baseline greenhouse gas emission level to be used to measure the reductions and removals of greenhouse gas achieved by projects in the class,
- (e) describing requirements to be met before offset units may be issued in relation to the class of projects, which may include, but are not limited to the following, in accordance with the regulations:
- (i) requiring the project proponent to provide evidence that a covenant under section 219 of the Land Title Act, a statutory right of way under section 218 of that Act or another charge under that Act has been registered in the land title office in favour of the Crown and specifying the terms and conditions of the charge;
- (ii) requiring the project proponent to provide security for the performance of the proponent's obligations under this Act in relation to the project, and
- (f) insuring against the risk of reversal of greenhouse gas reductions or removals achieved by an emission offset project, which may include
- (i) requiring that offset units generated by the project be credited to the contingency account, or
- (ii) discounting the number of offset units to be credited to the holding account of the project proponent.
- (2) Unless the regulations provide otherwise, the director may specify in a protocol how a prescribed standard applies to, or may make different provisions for, different subclasses of emission offset projects in the class to which the protocol applies.
- (3) The director must provide public notice, in any manner the director considers appropriate, of a protocol established under subsection (1).
- (4) A protocol established under subsection (1) does not apply to an emission offset project for which a plan is validated before notice of the protocol is provided under subsection (3).
- (5) A validation body must not provide a validation statement unless the plan for an emission offset project is in accordance with the applicable protocol.
- (6) The director must not accept a plan for an emission offset project that has a start date, determined in accordance with the applicable protocol, that occurred before public notice of that protocol, or before public notice of an amendment to that protocol that makes that protocol applicable to the emission offset project, is given under subsection (3), if
- (a) more than one year has elapsed since that public notice was given, or
- (b) more than 5 years have elapsed since the project was started.

### Division 3 — Funded Units

#### Funded units

11 For each payment the operator of a regulated operation makes to the minister in the prescribed amount, the director may issue, by crediting to a holding account of the operator, one unit that is

equivalent, for the purposes of a compliance obligation, to a credit of one tonne of carbon dioxide equivalent emissions.

#### Division 4 — Earned Credits

##### Earned credits

12 (1) If, on receipt of a compliance report and verification statement, the director is satisfied that the greenhouse gas emissions of the regulated operation for the compliance period were less than the emission limit applicable to that regulated operation for that compliance period, subject to subsection (2), the director may issue, by crediting to the holding account of the operator of the regulated operation, one credit for each tonne of carbon dioxide equivalent emissions by which the greenhouse gas emissions of that regulated operation were less than that emission limit.

(2) If greenhouse gas emissions were captured and stored in order to achieve the lower emissions result described in subsection (1), the director, in the amount the director considers appropriate, may reduce the number of earned credits issued under subsection (1) to account for the risk that stored greenhouse gas emissions are released into the atmosphere over a 100-year time horizon.

#### Division 5 — Registry

##### Registry

13 (1) The Lieutenant Governor in Council, by regulation, must establish a registry for the purposes of this Act.

(2) The director must ensure that

- (a) offset units, funded units and earned credits issued by the director are credited to accounts,
- (b) transactions in relation to compliance units are tracked through the registry, and
- (c) prescribed information is published through the registry.

(3) The operator of a regulated operation that has a compliance obligation that may be met as described in section 6 (2) [compliance obligation] may hold, in accordance with the regulations,

- (a) an account to which compliance units may be credited to the operator, and
- (b) an account in the name of each regulated operation of that operator into which the operator may transfer compliance units for the purpose of meeting the operator's compliance obligation.

(4) The government must hold the following accounts:

(a) an account to which offset units may be credited for the purpose of meeting the obligations under section 6 (1) (c) of the Greenhouse Gas Reduction Targets Act;

(b) an account into which compliance units may be retired

(i) from compliance accounts of regulated operations,

(ii) from the account referred to in paragraph (a), and

(iii) from the account referred to in paragraph (c);

(c) an account to which the director may credit the prescribed portion of offset units generated by prescribed classes of emission offset projects.

(5) The project proponent of an accepted emission offset project must hold an account to which offset units earned by the accepted emission offset project may be credited.

#### Registry administrator

14 (1) The registry administrator is responsible for administering the registry in accordance with this Act, the regulations, the directions of the director and, if required, the administrative agreement.

(2) The registry administrator must assign a unique identifier to

(a) each offset unit, funded unit and earned credit the director issues, and

(b) each recognized unit that is credited to an account,

by which the unit may be tracked in the registry.

#### Registry operated by minister

15 If the Lieutenant Governor in Council establishes a registry under section 13 that is to be operated by the minister, the minister may appoint an employee under the Public Service Act as the registry administrator to exercise the powers and perform the duties of the registry administrator under this Act.

#### Registry operated outside government

16 (1) If the Lieutenant Governor in Council establishes a registry under section 13 that is to be operated outside of government, the minister may appoint a person as the registry administrator subject to an administrative agreement being entered into under subsection (2) of this section.

(2) The minister may enter into an administrative agreement appointing a person as the registry administrator under which agreement the person is to

(a) operate the registry for the purposes of this Act, and

- (b) exercise the powers and perform the duties of the registry administrator under this Act.
- (3) An administrative agreement referred to in subsection (2) must include provisions that specify all the following:
- (a) the acceptance by the registry administrator of the responsibility to provide the services required to be provided by the registry under this Act as set out in the agreement;
  - (b) the terms for financial arrangements between the registry administrator and the government, including the collection and payment of fees due to the registry administrator or the government and any other financial matters;
  - (c) the terms and conditions on which the registry administrator will provide account services to regulated operators, the government and the project proponents of accepted emission offset projects;
  - (d) the requirements for records management by the registry administrator;
  - (e) matters in respect of which the registry administrator is required to report to the director;
  - (f) a requirement that the registry administrator ensure that there is adequate insurance;
  - (g) indemnification between the registry administrator and the government;
  - (h) the obligations of the parties if the agreement is terminated;
  - (i) the time period of the agreement or the procedure for review of the agreement by the registry administrator and the government;
  - (j) procedures for the settlement of disputes between the parties.
- (4) The registry administrator must comply with the terms of the administrative agreement, and may not administer the registry under this Act except in accordance with that agreement.
- (5) Information obtained by the registry administrator in the course of administering the registry may be used by the registry administrator only for the purposes of administering the registry for British Columbia.

Administrative agreement does not make registry administrator an agent of the government

17 The registry administrator appointed under an administrative agreement is not an agent of the government for purposes of the administration of the registry.

Power of registry administrator to set fees

18 A registry administrator referred to in section 16 (2) may set, in accordance with the administrative agreement, the fees and other charges that must be paid by a person having an account or using the registry.

Compliance units issued into registry



19 If the director issues an offset unit, a funded unit or an earned credit, the registry administrator must credit the offset unit, funded unit or earned credit to the account specified by the director.

## Division 6 — Compliance Unit Transactions

### Compliance unit transactions

20 (1) The holder of a holding account may transfer, in accordance with the regulations, compliance units from the holding account

(a) to another holding account,

(b) to a compliance account, or

(c) if authorized by the regulations, to another registry.

(2) Compliance units in a compliance account may not be transferred out of the account except by the director.

(3) The director may retire compliance units

(a) from the compliance account of a regulated operation,

(b) from the government's holding account,

(b.1) from a person's holding account on the direction of the person, if the person is not a regulated operation, and

(c) from the contingency account if there is a reversal of greenhouse gas reductions or removals achieved by an emission offset project.

(4) Only the director may retire compliance units.

(5) Under subsection (3), the director may retire,

(a) from the compliance account of a regulated operation, the number of compliance units required

(i) for the operation to meet its compliance obligation in relation to the regulated operation for a compliance period, or

(ii) for the operator of the regulated operation to satisfy an administrative penalty that is imposed in relation to the operation and is an obligation to make compliance units available for retirement,

(b) from the government's holding account, the number of offset units required for public sector organizations, as defined in the Greenhouse Gas Reduction Targets Act, to meet their obligation under section 5 (1) of that Act,

(b.1) from the holding account of a person described in subsection (3) (b.1), the number and type of compliance units the person directs the director to retire, and

(c) from the contingency account, the number of offset units required to compensate for a reversal of greenhouse gas reductions or removals achieved by an emission offset project.

(6) The retirement of compliance units from an operator's compliance account may occur

(a) not earlier than one year after the date the compliance report and verification statement in respect of which the compliance units are to be retired are due, and

(b) if a supplementary report is received in relation to the same regulated operation and the same compliance period after the expiry of the year referred to in paragraph (a), upon receipt of the verification statement relating to the supplementary report.

(7) When the director has retired from the compliance account of a regulated operation the number of compliance units required to meet the operator's compliance obligation for a compliance period, the director must transfer to a holding account of that operator any compliance units that were deposited into the compliance account for the relevant compliance period and were not required to meet the operator's compliance obligation for that compliance period.

(8) Compliance units must not be transferred from the retirement account except that the director may transfer compliance units from the retirement account only

(a) in the case of director, registry administrator or electronic system error, and

(b) into the account from which they were transferred in error.

## Part 4 — Compliance and Enforcement

### Division 1 — Inspections

#### Inspectors

21 The director may

(a) designate a person as an inspector or a class of persons as inspectors, and

(b) issue identification to a person, or a person in a class, designated under paragraph (a), identifying the person as an inspector.

#### Inspection and seizure powers

22 (1) For the purposes of ensuring compliance with this Act or the regulations, an inspector, at any reasonable time, may enter land or premises, other than premises or a part of premises used solely as a private residence, and inspect any place, process, thing or activity that is

- (a) part of the business premises or operations of an industrial operation, or
  - (b) part of the business premises of the project proponent of an accepted emission offset project or the site of the project.
- (2) An inspector who enters land or premises under this section may do any or all of the following for the purposes referred to in subsection (1):
- (a) inspect, analyze, measure, sample or test anything;
  - (b) use or operate anything or require the use or operation of anything, under conditions specified by the inspector;
  - (c) take away samples;
  - (d) make or take away copies of records.
- (3) An inspector who enters land or premises in accordance with this section
- (a) may take along the persons and equipment that the inspector considers may be necessary for the purposes of the inspection, and
  - (b) on request, must provide proof of identity to a person present on the land or premises entered.
- (4) Section 112 [seizures and prevention orders] of the Environmental Management Act applies for the purposes of this Act, and for that application
- (a) a reference in that section to this Act or to this Act or the regulations is to be read as a reference to this Act or this Act and the regulations under this Act, as applicable,
  - (b) a reference in that section to a director is to be read as a reference to the director under this Act,
  - (c) a reference in that section to an officer is to be read as a reference to an inspector, and
  - (d) a reference in that section to an inspection is to be read as a reference to an inspection under this Act.
- (5) A person who is the subject of an inspection under this section, or who is or was a director, receiver, receiver manager, officer, employee, banker, auditor or agent of a person who is the subject of an inspection under this section, on request of an inspector, must, without charge or unreasonable delay,
- (a) produce for examination by the inspector any record relating to requirements under this Act, and
  - (b) provide the inspector with information relevant to the purposes of the inspection.

## Division 2 — Administrative Penalties

### Automatic administrative penalties: failure to meet compliance obligation

23 (1) If a report under section 7 (1) or (3) [compliance reports], or the verification statement submitted in respect of the report, indicates that the operator of the regulated operation has failed to

meet the operator's compliance obligation, the operator is subject to the administrative penalty established by the regulations

(a) in the case of a report under section 7 (1), on the applicable date under section 6 (2) [compliance obligation], and

(b) in the case of a report under section 7 (3), on the date the supplementary report and verification statement are due.

(2) In the case of an administrative penalty that is a monetary amount, the amount must be paid to the government

(a) in the case of a report under section 7 (1), on the applicable date under section 6 (2), and

(b) in the case of a report under section 7 (3), on the date the supplementary report and verification statement are due.

Imposed administrative penalties: inaccurate report or failure to report

24 (1) The director must take action under this section, in accordance with the regulations,

(a) if the director is satisfied on a balance of probabilities that

(i) the greenhouse gas emissions attributable to a regulated operation for a compliance period differed from those reported under section 7 (1) or (3) [compliance reports], whether or not those reported emissions are verified by the verification statement that accompanies the report, and

(ii) as a consequence, the operator has failed to meet the operator's compliance obligation by the applicable date under section 6 (2) [compliance obligation], or

(b) if

(i) the operator of a regulated operation fails to submit a compliance report in accordance with section 7 (1) or (3) or submits a report that is not accompanied by a verification statement, and

(ii) the director is satisfied on a balance of probabilities that the operator failed to meet the operator's compliance obligation by the applicable date under section 6 (2),

unless the director is satisfied on a balance of probabilities that the operator has a reasonable excuse for the inaccuracy or failure.

(2) In the circumstances referred to in subsection (1) (a) or (b), the director, in accordance with the regulations, must serve the operator with an administrative penalty notice

(a) identifying the operator's non-compliance as determined by the director, and

(b) requiring the person to satisfy the administrative penalty established by the regulations and specified in the notice.

Imposed administrative penalties in relation to other matters

25 (1) The director may take action under this section, in accordance with the regulations, if the director is satisfied on a balance of probabilities that a person has contravened a prescribed provision of this Act or the regulations.

(2) In the circumstances referred to in subsection (1), the director, in accordance with the regulations, may serve the person with an administrative penalty notice

- (a) identifying the person's non-compliance as determined by the director, and
- (b) requiring the person to satisfy the administrative penalty specified in the notice.

When administrative penalty is imposed and must be satisfied

26 (1) An operator served with an administrative penalty notice under section 24 (2) or 25 (2) is subject to an administrative penalty as follows:

- (a) if the operator admits, in writing, to the non-compliance and, if applicable, to its extent as determined by the director, the penalty indicated in the notice is imposed at the time of that admission;
- (b) if the time for appealing the determination of non-compliance or its extent under Part 5 [Appeals to Environmental Appeal Board] has elapsed and no appeal has been commenced, the penalty indicated in the notice is imposed at the end of the time for appealing;
- (c) if the non-compliance or its extent as determined by the director is appealed and, under the final determination of the appeal, the operator is subject to an administrative penalty, the penalty specified in the final determination is imposed at the time of that final determination.

(2) In the case of an administrative penalty under section 24 or 25 that is a monetary amount, the amount must be paid to the government within the prescribed time after the penalty is imposed and in accordance with any other prescribed requirements.

(3) In the case of an administrative penalty under section 23, 24 or 25 that is an obligation to make compliance units available for retirement, the compliance units must be deposited into the operator's compliance account within the prescribed time and in accordance with any other prescribed requirements.

Administrative penalties do not relieve from compliance obligation

27 Compliance units required as an administrative penalty to be made available for retirement are in addition to the compliance units the operator is required to make available under section 6 (2) [compliance obligation] in order to meet the compliance obligation in relation to which the administrative penalty was imposed.

Liability for administrative penalty

28 (1) If a corporation fails to do something or does something for which the corporation is liable to an administrative penalty, a director or officer of the corporation who authorized, permitted or acquiesced in the failure or action is also liable to an administrative penalty.

(2) This section applies whether or not an administrative penalty is imposed on the corporation.

#### Recovery of penalties and other debts due

29 (1) An administrative penalty that is a monetary amount may be recovered in accordance with subsection (3) as a debt due to the government from the person on whom the administrative penalty was imposed.

(2) If a person does not satisfy, within the prescribed time, an administrative penalty that is an obligation to make compliance units available for retirement,

(a) the government may acquire and retire compliance units equal to the amount needed to satisfy the obligation, and

(b) the costs of acquiring and retiring the compliance units may be recovered in accordance with subsection (3) as a debt due to the government from the person.

(3) If a person fails to pay

(a) an administrative penalty as required under this Act, or

(b) an amount owing under subsection (2) (b) within 30 days' notice of the debt being served on the person,

the director may file a certificate in a court that has jurisdiction and, on filing, the certificate has the same force and effect, and all proceedings may be taken on it, as if it were a judgment of the court with which it is filed.

(4) A certificate under subsection (3) may be in the prescribed form, must be signed by the director and must contain

(a) the name of the person who is liable for the administrative penalty or debt,

(b) particulars of the administrative penalty or debt, and

(c) a statement of the amount of the monetary penalty under subsection (1) or the government's costs under subsection (2) (b).

### Division 3 — Offences and Penalties

#### Offences

30 (1) An operator of a regulated operation who contravenes section 6 (1) [compliance obligation] commits an offence.

(2) An operator of a reporting operation or regulated operation who does any of the following commits an offence:

(a) contravenes section 3 (1), (2), (3), (4) or (6) [emission reports];

(b) contravenes section 7 (1), (2), (3), (4) or (6) [compliance reports].

(3) An operator of an industrial operation to which section 2 [non-reporting operations] applies who contravenes section 2 (1) or (2) commits an offence.

(4) A person who does either of the following commits an offence:

(a) obstructs or resists the director or an inspector exercising powers or performing duties under this Act;

(b) fails to comply with a direction given or requirement imposed under this Act by the director or an inspector.

(5) A person convicted of an offence under subsection (1), (2), (3) or (4) is liable to a fine of not more than \$1 500 000 or imprisonment for a term of not more than 2 years, or both.

(6) A person who contravenes section 42 (2) [confidentiality] commits an offence.

(7) A person convicted of an offence under subsection (6) is liable to a fine of not more than \$200 000 or imprisonment for a term of not more than 2 years, or both.

#### Offences of providing false or misleading information

31 (1) A person must not include false or misleading information in a report required to be provided to the director under this Act nor provide false or misleading information to a person acting under this Act.

(2) A person who knowingly contravenes subsection (1) commits an offence and is liable on conviction to a fine of not more than \$1 500 000 or imprisonment for a term of not more than 2 years, or both.

(3) A person who contravenes subsection (1), other than a person described in subsection (2), commits an offence and is liable on conviction to a fine of not more than \$500 000 or imprisonment for a term of not more than 6 months, or both.

(4) A person is not guilty of an offence under subsection (3) if the person establishes that, at the time the information was provided, the person did not know that it was false or misleading and exercised reasonable care and diligence in providing the information.

#### Continuing offences

32 If an offence under section 30 continues for more than one day, separate fines, each not exceeding the maximum fine for the offence, may be imposed for each day the offence continues.

## Liability of directors and officers

33 (1) If a corporation commits an offence under this Act, a director or officer of the corporation who authorized, permitted or acquiesced in the offence commits the offence.

(2) Subsection (1) applies whether or not the corporation is prosecuted for or convicted of the offence.

## Relationship between administrative penalties and offences

34 (1) A person may be prosecuted under this Act for a contravention or failure in relation to which an administrative penalty has been imposed.

(2) In imposing a sentence for an offence under this Act, the court may consider an administrative penalty imposed in relation to the same matter.

(3) An administrative penalty may not be imposed on a person for a contravention or failure in relation to which the person has been convicted of an offence under this Act.

## Other provisions relating to offences

35 (1) Section 5 of the Offence Act does not apply to this Act or the regulations.

(2) The time limit for laying an information for an offence under this Act

(a) is 3 years after the date that the facts on which the information is based arose, or

(b) if the minister completes a certificate described in subsection (3), is 18 months after the date that the facts on which the information is based first came to the knowledge of the minister.

(3) A document purporting to have been issued by the minister, certifying the date on which the minister became aware of the facts on which the information is based, is proof of the certified facts.

## Division 4

### Not in Force

36-39 [Not in Force.]

## Part 5 — Appeals to Environmental Appeal Board

### What decisions may be appealed, who may appeal and the appeal process

40 (1) For the purposes of this Part, "decision" means any of the following:



(a) a determination of non-compliance under section 24 [imposed administrative penalties: inaccurate report or failure to report] or of the extent of that non-compliance, as set out in an administrative penalty notice;

(b) a determination of non-compliance under section 25 [imposed administrative penalties in relation to other matters], of the extent of that non-compliance or of the amount of the administrative penalty, as set out in an administrative penalty notice;

(c) a prescribed decision or a decision in a prescribed class.

(2) A person who is served with

(a) an administrative penalty notice referred to in subsection (1) (a) or (b), or

(b) a document evidencing a decision referred to in subsection (1) (c)

may appeal the applicable decision to the appeal board.

(3) Subject to this Act, Division 1 of Part 8 [Appeals] of the Environmental Management Act applies in relation to appeals under this Act.

## Part 6 — General

### Notice and service under this Act

41 (1) A notice or other document that, under this Act, must be given to, delivered to or served on a person may be given, delivered or served as follows:

(a) in any case,

(i) by leaving a copy with the person,

(ii) by sending a copy by registered mail to the address on file with the director for the person or provided to the director by that person,

(iii) by faxing to a number, or by emailing to an email address, provided to the director by the person, or

(iv) in a prescribed manner, subject to any prescribed conditions;

(b) if the person is a corporation,

(i) by leaving a copy at the corporation's business address, on file with the director or provided to the director by that corporation, with a person apparently employed in the business,

(ii) by leaving a copy in a mail box or mail slot at that business address,

(iii) by attaching a copy to a door or other conspicuous place at that business address, or

(iv) if applicable, by sending a copy by registered mail to the mailing address shown for the registered office of the company in the corporate register under the Business Corporations Act;

(c) if the person is an individual,

(i) by leaving a copy at that person's residence, at the address on file with the director or provided to the director by the individual, with an adult who apparently resides with that person,

(ii) by leaving a copy in a mail box or mail slot for that address, or

(iii) by attaching a copy to a door or other conspicuous place at that address.

(2) A notice or other document is deemed to have been, as applicable, given to, delivered to or served on a person,

(a) if sent by registered mail, on the earlier of

(i) the 14th day after the notice or document was mailed, and

(ii) the date on which the notice or document was actually received by the person,

(b) if left or attached in a manner described in subsection (1) (b) or (c), on the earlier of

(i) the 3rd day after the notice or document is left or attached, as applicable, and

(ii) the date on which the notice or document was actually received by the person,

(c) if faxed or emailed, on the earlier of

(i) the 3rd day after the notice or document is faxed or emailed, as applicable, and

(ii) the date on which the notice or document was actually received by the person, and

(d) if given by a prescribed means of delivery, at the prescribed time.

Confidentiality

42 (1) In this section:

"protected information" means information that would reveal

(a) trade secrets of a third party, or

(b) commercial, financial, labour relations, scientific or technical information of or about a third party,

but does not include information in respect of which the third party has consented to its disclosure or information that is publicly available;

"public body" has the same meaning as in the Freedom of Information and Protection of Privacy Act;

"third party", in relation to the disclosure of information, means any person, group of persons or organization, other than

(a) the person to whom the disclosure is made or is to be made, or

(b) a public body;

"trade secret" has the same meaning as in the Freedom of Information and Protection of Privacy Act.

(2) Subject to Part 2 of the Freedom of Information and Protection of Privacy Act, a person who has access to protected information that is in the custody or under the control of the government through

(a) information that is collected under this Act respecting a reporting operation or regulated operation, whether collected from the operator of the operation or from a verification body,

(b) the exercise of powers under section 22 [inspection and seizure powers] in relation to an industrial operation, or

(c) an information-sharing agreement under section 43 that provides that the information is to be kept confidential

must not disclose the protected information to any other person.

(3) The prohibition in subsection (2) does not apply to disclosure of the following information:

(a) determinations of greenhouse gas emissions, or emissions of a particular greenhouse gas, attributable to

(i) a reporting operation or regulated operation,

(ii) one or more facilities of a reporting operation or regulated operation, and

(iii) prescribed categories of sources;

(b) the application of compliance units for the purpose of section 6 (2) [compliance obligation];

(c) information required or authorized to be in the public portion of the registry;

(d) information required or authorized to be made public under this Act or section 6.1 of the Ministry of Environment Act.

(4) The prohibition in subsection (2) does not apply to disclosure in the following circumstances:

(a) in the course of administering or enforcing this Act or a prescribed enactment;

(b) for the purpose of court proceedings;

(c) to a verification body for the purpose of verifying a verification statement in relation to an emission report or a compliance report;

(d) in accordance with an information-sharing agreement under section 43.

#### Information-sharing agreements

43 (1) For the purposes of this section, "information-sharing agreement" means a data-matching or other agreement to provide or exchange information for the purposes of the administration of this Act.

(2) With the prior approval of the Lieutenant Governor in Council, the minister may enter into an information-sharing agreement with

- (a) the registry administrator,
- (b) an entity, whether or not in British Columbia, that
  - (i) performs a function similar to the registry's function, or
  - (ii) carries out research or establishes standards in relation to greenhouse gas emissions,
- (c) Canada, another province, a territory or a foreign jurisdiction, or an agent of any of them, or
- (d) an organization responsible for accrediting persons qualified to conduct validations or verifications under this Act.

#### Agreements

44 With the prior approval of the Lieutenant Governor in Council, the minister may enter into agreements

- (a) for the purposes of this Act, with Canada, another province, a territory or a foreign jurisdiction, or with an agent of any of them, respecting
  - (i) recognition, as compliance units, of units that are comparable to a class of compliance units and are issued by the other party,
  - (ii) inspection and enforcement, and
  - (iii) accounting for reductions of greenhouse gas emissions into, or removals of greenhouse gas from, the atmosphere, or
- (b) for the purposes of the requirements of this Act or the regulations relating to validations and verifications, with any of the following:
  - (i) Canada, another province, a territory or a foreign jurisdiction, or an agent of any of them;
  - (ii) an organization responsible for accrediting persons qualified to conduct validations or verifications under this Act.

#### Operator responsibility

45 If the regulations describing who is considered to be an operator of an industrial operation are applicable to more than one person in relation to an industrial operation, each operator of the industrial operation is jointly and separately responsible for meeting that industrial operation's obligations under this Act.

#### General regulation-making powers

46 (1) The Lieutenant Governor in Council may make regulations referred to in section 41 of the Interpretation Act.

(2) The authority under another provision of this Act to make regulations does not limit subsection (1).

(3) The Lieutenant Governor in Council may make regulations as follows:

(a) prescribing information that must or may be made public under this Act, other than information referred to in paragraph (a) of the definition of "protected information" in section 42 [confidentiality];

(b) establishing criteria that must be applied by the director in making decisions under this Act;

(c) defining words or expressions used but not defined in this Act;

(d) respecting any matter for which regulations are contemplated by this Act.

(4) A regulation under this Act may do any or all of the following:

(a) delegate a matter to a person;

(b) confer a discretion on a person;

(c) make different regulations in relation to

(i) reporting operations, regulated operations and industrial operations that are not reporting operations,

(ii) different classes of reporting operations, regulated operations and industrial operations that are not reporting operations,

(iii) different classes of emission offset projects,

(iv) different types of compliance units,

(v) different classes of account holders,

(vi) different types of reports or statements and different classes of types of reports or statements, and

(vii) different types of accounts;

(d) establish classes or types for the purposes of paragraph (c) (ii) to (vii).

(5) A regulation under this Act may adopt by reference, in whole, in part or with any changes considered appropriate, a regulation, code, standard or rule

(a) enacted as or under a law of another jurisdiction, including a foreign jurisdiction, or

(b) set by a provincial, national or international body or any other code, standard or rule making body, as the regulation, code, standard or rule stands at a specific date, as it stands at the time of adoption or as amended from time to time.

Regulations in relation to industrial, reporting and regulated operations

47 The Lieutenant Governor in Council may make regulations as follows:

(a) establishing reporting operations for the purposes of this Act by

(i) prescribing as reporting operations

(A) classes of activities,

(B) classes of activities that meet a prescribed level of activity, or

(C) facilities where activities referred to in clause (A) or (B) occur, including facilities that are not limited to a single location,

(ii) designating as a reporting operation a particular set of activities or a particular facility, including a facility that is not limited to a single location, or

(iii) prescribing reporting operations by reference to a prescribed level of

(A) attributable greenhouse gas emissions from one or more facilities, or

(B) attributable greenhouse gas emissions from prescribed categories of sources;

(b) amending the schedule

(i) to designate as regulated operations a class of reporting operations,

(ii) to establish the emission limit or a formula to determine the emission limit for each regulated operation, and

(iii) to specify the compliance period or periods to which an emission limit applies;

(c) respecting industrial operations referred to in section 2 (1) [non-reporting operations], including, without limitation, requiring classes of those industrial operations to comply with section 2 (1) [non-reporting operations];

(d) respecting who is to be considered the operator of an industrial operation, a regulated operation or a reporting operation;

(e) establishing the greenhouse gas emissions that, for the purposes of this Act, are attributable to an industrial operation, a reporting operation or a regulated operation, which emissions may include, but are not limited to,

(i) greenhouse gas emissions whether they occur inside or outside British Columbia,

(ii) in relation to electricity, greenhouse gas emissions associated with the generation and transmission of the electricity until the point at which the electricity is consumed by an industrial operation, and

(iii) greenhouse gas emissions associated with activities that occur at, or with facilities that are part of, a regulated operation but are ancillary to the primary activity or purpose of the industrial operation;

(f) respecting the methodology by which attributable greenhouse gas emissions are to be determined on a carbon dioxide equivalent basis;

(g) respecting industrial operations, whether or not reporting or regulated, including, without limitation,

(i) requiring industrial operations to register with or submit information to the director,

(ii) providing for the timing, form, content and manner of registration or submission of information, and

(iii) requiring the preparation, submission and approval of plans for monitoring and quantifying an industrial operation's attributable greenhouse gas emissions;

(h) for the purpose of defining classes of regulated operations, including as part of a regulated operation activities that occur at or facilities that are part of the regulated operation but are ancillary to the primary activity or purpose of the industrial operation.

#### Regulations in relation to compliance units

48 (1) The Lieutenant Governor in Council may make regulations respecting emission offset projects and offset units, including, without limitation, the following regulations:

(a) respecting the criteria

(i) for qualifying as the proponent of an emission offset project, including, without limitation, criteria in relation to

(A) ownership of the proponent, and

(B) financial matters, and

(ii) for qualifying as an emission offset project, including, without limitation, criteria in relation to

(A) location of projects,

(B) timing of projects, and

(C) public consultation;

- (b) respecting the form and content of a plan for an emission offset project;
- (c) respecting periods in relation to emission offset projects, including, without limitation,
  - (i) requiring that a plan for an emission offset project and validation statement in respect of the plan be provided to the director for acceptance of the emission offset project within a specified period after the completion of the validation statement,
  - (ii) limiting the period in which reductions and removals of greenhouse gas must be achieved for a class of emission offset projects,
  - (iii) limiting the period within which the application for the issue of offset units in relation to a verified project report must be made and the consequence of failing to apply within that period,
  - (iv) limiting the period, after the completion of an emission offset project, by which the final project report and verification of that final project report must be provided to the director,
  - (v) establishing the period during which a class of emission offset projects must be monitored, managed or maintained after the completion of the project, and
  - (vi) authorizing the director to extend or limit a period in relation to emission offset projects either generally or in specified circumstances;
- (d) establishing standards for planning, managing and conducting emission offset projects and for monitoring, measuring, quantifying and documenting in relation to the projects, including, without limitation,
  - (i) for any aspect of the project, and
  - (ii) for certainty, for determining the baseline greenhouse gas emission level to be used to measure the reductions and removals of greenhouse gas achieved by the emission offset project;
- (e) establishing the processes
  - (i) for submitting to the director plans for emission offset projects, validations of such plans, project reports and verifications of project reports,
  - (ii) by which the director accepts an emission offset project,
  - (iii) for applying for the issue of offset units, and
  - (iv) by which offset units are issued;
- (f) respecting the conditions under which offset units may be issued in relation to classes of emission offset projects, including, without limitation, regulations
  - (i) requiring a project proponent to give security, for the performance of the obligations imposed under this Act on the project proponent in relation to the project, to the director in the amount, in the form and subject to the conditions specified in the regulation, or authorizing the director to require the owner or operator of an emission offset project to give security for that purpose to the director in the amount, in the form and subject to the conditions the director may specify,
  - (ii) respecting



- (A) the circumstances in which security described in subparagraph (i) may be realized, and
- (B) the payment of interest on security,
- (iii) requiring a project proponent to provide evidence that a covenant under section 219 of the Land Title Act, a statutory right of way under section 218 of that Act or another charge under that Act has been registered in the land title office in favour of the government and specifying the terms and conditions of the charge,
- (iv) authorizing the director to impose a requirement that a project proponent provide evidence that a covenant under section 219 of the Land Title Act, a statutory right of way under section 218 of that Act or another charge under that Act has been registered in the land title office in favour of the government and specifying the terms and conditions of the charge,
- (v) respecting the contingency account, including, without limitation,
  - (A) prescribing the classes of emission offset projects for which a portion of offset units must be issued into the contingency account, and
  - (B) respecting the retirement of compliance units from the contingency account, and
- (vi) respecting the determination of the risk of reversal of greenhouse gas reductions or removals in relation to emission offset projects;
- (g) requiring a project proponent to provide information in addition to the information in the plan for an emission offset project, validation statement or verification statement;
- (h) imposing requirements on project proponents in respect of monitoring, maintaining and reporting after completion of the emission offset project;
- (i) requiring a project proponent who has applied for and received offset units in relation to an emission offset project to complete implementation of the project.
- (2) The Lieutenant Governor in Council may make regulations respecting funded units, including, without limitation, prescribing the amount that must be paid to the minister to receive one funded unit, which amount may be different for different compliance periods.
- (3) If the minister has entered into an agreement under section 44 [agreements], with Canada, another province, a territory or a foreign jurisdiction, that provides for the mutual recognition of the equivalence of units from each jurisdiction, the Lieutenant Governor in Council may make regulations
  - (a) recognizing a unit of Canada, another province, a territory or a foreign jurisdiction, including by deeming it to be the equivalent of an offset unit, for the purpose of meeting a compliance obligation of a regulated operation,
  - (b) providing that an offset unit transferred by an operator or a project proponent to a person who does not hold an account in the registry is cancelled, and
  - (c) providing for the crediting to accounts of units referred to in paragraph (a).
- (4) The Lieutenant Governor in Council may make regulations respecting the retirement of compliance units.

(5) The Lieutenant Governor in Council may make regulations

(a) authorizing the minister, subject to there being an appropriation under the Financial Administration Act, to enter into an agreement with a technology fund that

(i) accepts and evaluates proposals for funding to assist in the commercialization of new clean technologies, and

(ii) provides funding for proposals described in subparagraph (i),

(b) specifying the matters the parties must reach agreement on and include in the agreement,

(c) prescribing required terms and conditions of the agreement, and

(d) prescribing other criteria for the purpose of paragraph (f) of the definition of "technology fund" in section 1.

Regulations in relation to validation and verification

49 The Lieutenant Governor in Council may make regulations respecting validation bodies, validation statements, verification bodies and verification statements, including, without limitation, regulations

(a) establishing requirements and standards respecting qualifications, accreditation, conflict of interest and other matters relating to persons who perform validations or verifications under this Act,

(b) respecting the conduct of validations of emission offset projects and the form and content of validation statements,

(c) authorizing the director to refuse to accept validation statements from a validation body and verification statements from a verification body

(i) while the validation body or verification body is under investigation by the organization that accredited it, or

(ii) if the director believes on reasonable grounds that the validations performed by the validation body or the verifications performed by the verification body do not comply with the regulations or with the standards of the organization that accredited the validation body or verification body,

(d) respecting the conduct of verifications of emission reports, compliance reports and emission offset project reports and the form and content of verification statements, and

(e) prescribing circumstances in which the operator of a reporting operation or a regulated operation must have a verification statement prepared and submitted to the director respecting a supplementary report under section 3 (3) [emission reports] or a supplementary report under section 7 (3) [compliance reports].

Regulations in relation to registry

50 The Lieutenant Governor in Council may make regulations as follows:

(a) respecting the establishment of a registry for the purposes of section 13 (1) [registry], including by establishing a registry to be operated by

(i) the minister, or

(ii) another person, including, without limitation, a person who operates a similar registry whether inside or outside Canada;

(b) respecting the registry, including, without limitation,

(i) respecting who, in addition to the persons authorized or required by section 13 (3), (4) and (5), may hold accounts,

(ii) respecting the fees that may be established and collected by the registry administrator in relation to registry services,

(iii) respecting the terms and conditions on which persons may hold accounts and use the registry, and

(iv) conferring powers on the director to suspend or cancel an account holder's participation in the registry other than participation for the purpose of transferring compliance units into a compliance account;

(c) requiring account holders to report information relating to compliance units or their activities in the registry and respecting to whom the reports are to be submitted and the timing, form, content and manner of submission of the reports;

(d) prescribing information that the director must ensure is published in the registry and the portions of the registry that may be made, or must not be made, available to the public;

(e) providing that the registry is linked to or forms part of another registry that is used for registering, tracking and retiring units that are comparable to offset units or earned credits;

(f) if the registry administrator is changed, or if the registry is linked to or forms part of another registry, making any provisions the Lieutenant Governor in Council considers necessary or advisable to effect or facilitate the transition, including, without limitation, deeming transfers and retirements of units through the other registry to be transfers and retirements of compliance units under this Act.

Regulations in relation to administrative penalties

51 The Lieutenant Governor in Council may make regulations for the purposes of Division 2 [Administrative Penalties] of Part 4 [Compliance and Enforcement] as follows:

(a) prescribing the administrative penalties, or the manner of calculating the administrative penalties, that are or must be imposed under

(i) section 23 [automatic administrative penalties: failure to meet compliance obligation], and

(ii) section 24 [imposed administrative penalties: inaccurate report or failure to report],

which may include either or both of a monetary amount to be paid to the government and an obligation to retire compliance units;

(b) in relation to administrative penalties under section 24 or 25 [imposed administrative penalties in relation to other matters],

(i) prescribing a limitation period for imposing an administrative penalty and evidentiary matters in relation to that period,

(ii) prescribing procedures to be applied by the director in making a determination of non-compliance, and

(iii) requiring the director to serve a person with a notice of intent to impose an administrative penalty and provide the person with an opportunity to be heard before sending an administrative penalty notice to the person;

(c) in relation to administrative penalties under section 25,

(i) prescribing a maximum or minimum amount of monetary administrative penalties that may be imposed generally, or for specified contraventions, or the manner of calculating those amounts,

(ii) prescribing the maximum or minimum number of compliance units that, as an administrative penalty for specified contraventions, may be required to be made available in a compliance account, or the manner of calculating those numbers,

(iii) prescribing provisions of this Act and the regulations in relation to which an administrative penalty may be imposed,

(iv) authorizing administrative penalties to be imposed on a daily basis for continuing contraventions or failures,

(v) prescribing matters that must be considered by the director in imposing the penalty in a particular case, and

(vi) prohibiting the director from serving an administrative penalty notice on a person who has demonstrated to the satisfaction of the director that the person exercised due diligence to prevent the specified contravention or failure;

(d) establishing the required content of administrative penalty notices;

(e) establishing procedures for providing a person on whom a notice of intent to impose an administrative penalty has been served with an opportunity to be heard, which may include opportunities that do not involve an oral hearing;

(f) respecting the time limit, manner and process for satisfying an administrative penalty;

(g) prescribing the consequences of failing to satisfy an administrative penalty, which may include, but are not limited to, imposing additional administrative penalties under section 25;

(h) providing for the publication of information respecting the imposition of an administrative penalty.

Regulations in relation to appeals

52 (1) The Lieutenant Governor in Council may make regulations respecting appeals under Part 5 [Appeals to Environmental Appeal Board], including, without limitation, prescribing decisions or classes of decisions as being appealable under that Part.

(2) Regulations under subsection (1) may provide that specified provisions of the Environmental Management Act in relation to appeals apply in relation to appeals under this Act with the changes the Lieutenant Governor in Council considers necessary or advisable.

Regulations in relation to other matters

53 (1) The Lieutenant Governor in Council may make regulations as follows:

(a) respecting reports under this Act, including, without limitation, prescribing requirements respecting to whom the reports are to be submitted and the timing, form, content, supporting evidence, validation by validation bodies, verification by verification bodies, certification by senior officers or directors of industrial operations or project proponents and manner of submission of the reports;

(b) establishing requirements and standards respecting the quality assurance of the information provided in the reports under this Act and the data that support the reports, including, without limitation, requirements and standards respecting

(i) monitoring methodologies and equipment,

(ii) sampling methodologies and equipment,

(iii) analytical methodologies and equipment, and

(iv) recording information and records management

that must be used for the purposes of reports under this Act;

(c) establishing requirements respecting the creation and retention of records supporting reports and information required to be provided to the director under this Act;

(d) establishing fees and charges that are to be paid in respect of any matter for which the government provides a service or performs a duty under this Act;

(e) prescribing for the contravention of a regulation a fine not exceeding \$200 000;

(f) [Not in Force.]

(g) respecting claims of confidentiality in relation to information provided to the director in reports.

(2) Without limiting subsection (1) (a), regulations under that subsection may require that reports, verification statements and validation statements under this Act are to be submitted to

(a) the registry administrator, or

(b) a person or entity referred to in section 43 (2) [information-sharing agreements] or 44 [agreements].

## Part 7 — Transitional Provision, Repeal and Consequential Amendments

### Transitional Provision

#### Transition — Greenhouse Gas Reduction Targets Act

54 (1) Despite the repeal of section 12 (2) (g) (ii) of the Greenhouse Gas Reduction Targets Act, if the proponent of a project that is authorized under that section to be approved, the plan for which has been validated in accordance with the regulations under that Act, has, on or before the date this section comes into force,

- (a) agreed in writing to sell to the government emission offsets generated by the project, or
- (b) delivered verified emission offsets to the government for the 2012 calendar year or a later calendar year,

the director, on request of that proponent, must accept the project under section 9 (1) of this Act, for the applicable validation period prescribed under section 12 (2) (g) (ii) of the Greenhouse Gas Reduction Targets Act, as if it were an emission offset project acceptable under section 9 (1) of this Act.

(2) The proponent of a project described in subsection (1) must make the request under that subsection within the prescribed period.

(3) This Act and the regulations under this Act apply to a project accepted under subsection (1) and to the plan for the project as if the project were an accepted emission offset project.

(4) The director may issue, by crediting to the government's holding account, an offset unit for a reduction in greenhouse gas emissions or atmospheric greenhouse gas concentrations that would have been recognized as an emission offset under the Greenhouse Gas Reduction Targets Act had title to the reduction been transferred to the government before the date this section comes into force, if

- (a) title to the reduction is transferred to the government, and
- (b) the reduction is not registered in any other registry that is used for registering, tracking and retiring units that are comparable to offset units.

(5) The director may issue, by crediting to the government's holding account, an offset unit for a reduction in greenhouse gas emissions or atmospheric greenhouse gas concentrations that would have been recognized as an emission offset under the Greenhouse Gas Reduction Targets Act immediately before January 1, 2016, if

- (a) title to the reduction was transferred to the government on or before December 31, 2015, and
- (b) the emission offset has not been applied to meet the obligation under section 5 of that Act of a public sector organization.

## Repeal

## Repeal

55 The Greenhouse Gas Reduction (Cap and Trade) Act, S.B.C. 2008, c. 32, is repealed.

## Consequential Amendments

[Note: See Table of Legislative Changes for the status of sections 56 to 64.]

Section(s)	Affected Act
56	Carbon Tax Act
57	Greenhouse Gas Reduction (Emissions Standards) Statutes Amendment Act, 2008
58-62	Greenhouse Gas Reduction Targets Act
63	Hydro and Power Authority Act
64	Miscellaneous Statutes Amendment Act (No. 3), 2010

## Commencement

65 This Act comes into force by regulation of the Lieutenant Governor in Council.

## Schedule of Regulated Operations and Emission Limits

Item    Column 1

Regulated Operation    Column 2

Emission Limit    Column 3

## Compliance Period

1        [Not in Force]    [Not in Force]    [Not in Force]

2        liquefied natural gas operation    0.16 carbon dioxide equivalent tonnes for each tonne of liquefied natural gas produced    current and future calendar years

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