

(4) in addition to the information referred to in paragraph 3, for each low-speed, low-emission and zero-emission motor vehicle sold or leased by the motor vehicle manufacturer,

(4.1) the number allocated to it in the list published by the Minister under section 5 of the Act;

(4.2) the motor vehicle's identification number;

(4.3) whether the vehicle was new or reconditioned at the time of its initial sale or lease;

(4.4) in the case of a reconditioned motor vehicle, the number of kilometres at the time of its sale or lease;

(4.5) the date of its initial sale or lease to an automobile dealership;

(4.6) the date of its initial sale or lease by an automobile dealership and the date of its first registration in Québec; and

(4.7) the contact information of the automobile dealership referred to in subparagraph 4.5;

(5) the credits entered periodically by the Minister during the calendar year, before the deadline provided for in section 10 of the Act.

4. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

103026

Draft Regulation

An Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions
(2016, chapter 23)

Regulation

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that 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, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The draft Regulation provides for parameters, calculation method and conditions allowing to determine the number of credits that a motor vehicle manufacturer must accumulate, under the Act, for a particular model year, where the average of the manufacturer's sales and leases of new motor vehicles applicable for that model year is greater than 4,500.

The draft Regulation also provides for a classification of motor vehicle manufacturers by category and sets, for each category, separate parameters, calculation method and conditions with respect to the requirements related to the credits that motor vehicle manufacturers must accumulate. It specifies the cases where it is possible to reclassify a motor vehicle manufacturer in a category other than the category in which the manufacturer was initially classified.

In addition, the draft Regulation determines the calculation method to establish, according to the electric range of motor vehicles, the number of vehicles propelled either solely or in conjunction with another means of propulsion, by an electric motor, a hydrogen internal combustion engine or another means of propulsion that emits no pollutants, whether new or reconditioned, that a motor vehicle manufacturer may sell or lease to meet the requirements related to the credits that the manufacturer must accumulate under the Act. It provides for that purpose, in the calculation method, the number of credits to which the sale or the lease of each of the vehicles gives entitlement.

It also provides for additional conditions which the motor vehicles must meet so that their sale or lease gives entitlement to credits, including the characteristics they must possess.

It determines the calculation method, the conditions and terms of payment of the charge to be paid by a motor vehicle manufacturer that has not accumulated the number of credits that it should have accumulated at the end of a period of 3 consecutive calendar years, and it sets the value of a credit at \$5,000 for the purpose of calculating the charge

The draft Regulation also provides for the terms pertaining to a report on alienation of credits between motor vehicle manufacturers and the annual report provided for in the Act, and the information that must be transmitted for each.

The draft Regulation prescribes monetary administrative penalties for certain failures to comply with any of the provisions and the amounts of the penalties, and it determines certain provisions of the Regulation the violation of which constitutes an offence and renders the offender liable to a fine, the minimum and maximum amounts of which are set by the Regulation.

Lastly, it provides for transitional provisions respecting motor vehicles whose model years are prior to model year 2018, sold or leased by a motor vehicle manufacturer before and after the coming into force of the Act so that the rules applicable to those motor vehicles with respect to the accumulation of credits are specified.

The draft Regulation will have a positive financial impact on consumers, particularly because the price of the motor vehicles contemplated by the draft Regulation should go down and the number of models offered on the Québec market should go up. The draft Regulation should also have a positive impact on sales and on the number of charging stations installed by the enterprises that manufacture them. However, it is expected that motor vehicle manufacturers and automobile dealerships will sustain losses when the new measure comes into force. The same will probably be true for refiners and service stations, due to the decrease in gasoline sales. In addition, garages may see a reduction in the number of oil changes they perform.

Further information on the draft Regulation may be obtained by contacting Valérie Vendette, Direction des programmes, Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques, Édifice Marie-Guyart, 675, boulevard René-Lévesque Est, 6^e étage, boîte 31, Québec (Québec) G1R 5V7; telephone: 418 521-3868, extension 4618; email: valerie.vendette@mddelcc.gouv.qc.ca; fax: 418 646-4920.

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to Valérie Vendette at the above-mentioned contact information.

DAVID HEURTEL,
*Minister of Sustainable Development,
the Environment and the
Fight Against Climate Change*

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

An Act to increase the number of zero-emission motor vehicles in Québec in order to reduce greenhouse gas and other pollutant emissions (2016, chapter 23, s. 3, s. 4, s. 6, s. 7, 2nd par., s. 8, 2nd and 3rd pars., s. 10 and s. 64, 3rd par.)

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 3; (*véhicule automobile à faibles émissions*)

“low-speed motor vehicle” means a zero-emission four-wheel motor vehicle 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 charge 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*)

“reconditioned motor vehicle” means a motor vehicle that, in addition to the conditions set 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 (2016, chapter 23), meets, at the time of its sale or lease by a motor vehicle manufacturer, the following conditions:

(1) the capacity of the battery which supplies the electric motor used to propel the vehicle is equal to not less than 90% of the capacity of a battery of a new motor vehicle of the same model and the same model year;

(2) 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;

(3) 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;

(4) whichever comes first

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

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

(5) 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, 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*)

2. 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.

3. 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) 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 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, those values being calculated using the methods provided for in section 1976(c) of the same Title.

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 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.

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 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 within 30 days of the deadline provided for in section 10 of the Act, and for a small volume manufacturer, within 30 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

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

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.

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 days of the deadline provided for in section 10 of the Act, the Minister determines the number of credits that a motor vehicle 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:

$$N_c = P \times A$$

where

N_c = 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)
2018	3.50%
2019	6.00%
2020	8.75%
2021	12.00%
2022	14.50%
2023	17.00%
2024	19.50%
2025 and subsequent	22.00%

14. Among the credits that a large volume motor vehicle manufacturer must accumulate for a particular model year, a certain number of the credits must be accumulated by means of the sale or lease of new or reconditioned zero-emission motor vehicles or by the acquisition, from another motor vehicle manufacturer, of NZEV or RZEV credits as defined in section 16.

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:

$$N_c \text{ ZEV} = P_f \text{ ZEV} \times A$$

where

$N_c \text{ ZEV}$ = the number of credits that the motor vehicle manufacturer must accumulate by means of the sale or lease of new or reconditioned zero-emission motor vehicles or by the acquisition of NZEV or RZEV credits;

$P_f \text{ ZEV}$ = 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 the sale or lease of any type of new or reconditioned motor vehicle defined in section 1 or by the acquisition of 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
2018	3.50%	1.25%	2.25%
2019	6.00%	3.00%	3.00%
2020	8.75%	5.25%	3.50%
2021	12.00%	8.00%	4.00%
2022	14.50%	10.00%	4.50%
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 a maximum of 30% of the total of the credits it must accumulate for a period of 3 consecutive model years, established under section 8 of the Act, by means of the sale or lease of reconditioned motor vehicles.

A large volume motor vehicle manufacturer may accumulate a maximum of 25% of the total of the credits it must accumulate for a period of 3 consecutive model years, established under section 8 of the Act, by means of the sale or lease of low-speed motor vehicles, whether new or reconditioned.

16. The credits accumulated by a motor vehicle manufacturer are, in the register kept under section 11 of the Act, classified by periods 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 means of the sale or lease of new zero-emission motor vehicles, excluding low-speed vehicles;

(2) RZEV credits, that is, the credits accumulated by means of the sale or lease of reconditioned zero-emission motor vehicles, excluding low-speed vehicles;

(3) NLEV credits, that is, the credits accumulated by means of the sale or lease of new low-emission motor vehicles;

(4) RLEV credits, that is, the credits accumulated by means of the sale or lease of reconditioned low-emission motor vehicles;

(5) NLSV credits, that is, the credits accumulated by means of the sale or lease of new low-speed motor vehicles;

(6) RLSV credits, that is, the credits accumulated by means of the sale or lease of reconditioned low-speed motor vehicles.

17. The credits accumulated by means of the sale or lease of 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.

18. 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 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.

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

§1. Zero-emission motor vehicles

19. 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;

(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.

20. 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 maximum number of credits to which the sale or lease of a new zero-emission motor vehicle gives entitlement is 4.

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 20.

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

23. This subdivision does not apply to a low-speed motor vehicle.

§2. Low-emission motor vehicles

24. 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
16 km	0
between 16 and 129 km	$(0.01 \times R \times 0.6214) + 0.3$
129 km	1.1

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 19, 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 19.

25. 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 0.2 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.

26. 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 20.

27. The maximum number of credits to which the sale or lease of a new low-emission motor vehicle gives entitlement is 1.3.

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 20.

§3. *Low-speed motor vehicles*

28. A new low-speed motor vehicle 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 20.

CHAPTER III CHARGE

29. 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.

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.

30. For the purpose of establishing, under section 8 of the Act, the number of credits that a motor vehicle manufacturer should have accumulated and has accumulated at the end of a period of 3 particular model years and of determining if the manufacturer must pay or not a charge, the Minister considers the total number of credits that the manufacturer should have accumulated and has accumulated for the 3 model years concerned.

CHAPTER IV REPORTS

31. 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 type of motor vehicle which gave entitlement to the credit, that is, a low-speed, low-emission or zero-emission motor vehicle;

(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;

(8) a declaration 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.

32. 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,

(3.1) the number of new motor vehicles sold or leased by the manufacturer; and

(3.2) 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,

(4.1) its trademark;

(4.2) its model;

(4.3) the type of model;

(4.4) its specifications;

(4.5) its gross weight rating; and

(4.6) 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 33; 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,

(5.1) the number allocated to it in the list published by the Minister under section 5 of the Act;

(5.2) the motor vehicle's identification number;

(5.3) whether the vehicle was new or reconditioned at the time of its initial sale or lease;

(5.4) in the case of a reconditioned motor vehicle, the number of kilometres at the time of its sale or lease and a declaration that it meets the conditions set in the definition of such a vehicle in section 1;

(5.5) the date of its initial sale or lease to an automobile dealership;

(5.6) the date of its initial sale or lease by an automobile dealership or the date of its first registration in Québec; and

(5.7) the contact information of the automobile dealership referred to in subparagraph 5.5.

33. 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.

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

34. Motor vehicle manufacturers that submit a report under this Regulation 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

35. 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 34 for the period prescribed therein.

36. 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

37. Every motor vehicle manufacturer that fails to keep any supporting document referred to in section 34 during the period prescribed therein is liable to a fine of not less than \$3,000 nor more than \$600,000.

38. Every 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

is liable to a fine of not less than \$6,000 nor more than \$600,000.

39. 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

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

41. 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.

42. 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.

43. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

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