

# Energy and Environmental Law Bulletin

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## British Columbia's New Requirement for Mandatory Reporting of Greenhouse Gas Emissions

Kai Alderson, Ron Ezekiel, Stephanie Sanger and Paul Wilson, Vancouver

### Overview

On November 25, 2009, the B.C. Government enacted the *Mandatory Reporting of Greenhouse Gas Emissions Regulation* (the "Regulation"). The Regulation imposes greenhouse gas ("GHG") monitoring and reporting obligations on a wide range of businesses with operations in British Columbia commencing January 1, 2010.

### Key Dates

Owners and operators of industrial facilities in B.C. should take note of these important dates:

**January 1, 2010** | Start date for data collection

**February 1, 2010** | Deadline to apply to director for approval of a quantification methodology other than a methodology that is specified in the Regulation

**February 28, 2010** | Deadline for an operator or owner to forecast total attributable emissions for 2010 if unsure whether or not an operation will be required to report

**March 31, 2010** | Deadline for registration for facilities that are known to exceed the reporting threshold or that may exceed the reporting threshold

**March 31, 2010** | Last date on which an alternative quantification methodology may be used without approval from the director

**December 31, 2010** | End of first reporting period

**March 31, 2011** | Deadline for submitting GHG emissions report for 2010

**September 1, 2011** | Deadline for submitting verification statement and supplementary report

### Regulated Facilities

GHG emissions are to be reported on a facility-by-facility basis. If the attributable GHG emissions from a facility exceed 10,000 metric tonnes carbon dioxide equivalent (MTCO<sub>2e</sub>) in a calendar year, then the owner or operator of the facility must report those GHG emissions for that year.

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### Industries Likely to be Affected

Facilities include industrial operations that are located on a single site. The Regulation also sets out special reporting provisions for linear operations, such as transmission lines or pipelines. All of the GHG emissions from a facility must be aggregated to determine the total GHG emissions attributable to the facility.

Under the Regulation, the term “facility” has a broad meaning. It includes buildings, structures, stationary items and equipment that are: (i) located or used primarily on a single site or on sites that are contiguous or adjacent to one another; (ii) managed or controlled by the same person; and (iii) function as a single integrated site. The term “facility” also includes wastewater collection and treatment systems that treat wastewater from a facility, wherever located. Under the Regulation, mobile, off-road equipment that operate as a part of an integrated site comprise part of that facility.

Agriculture	Manufacturing
Base metals	Metals production
Cement and lime	Mining
Chemicals	Natural gas
Coal	Oil and gas
Electricity	Pipelines
Petrochemicals	Pulp and paper
Waste water	Wood products

### Registration and Reporting Requirements

An owner or operator’s reporting requirements in respect of a facility depend on the amount of GHG emissions attributable to that facility in each reporting year, as well as that facility’s annual GHG emissions between the years 2006 to 2009.

Annual Emissions <sup>1</sup> (tonnes CO <sub>2</sub> e)	Reporting Requirements
May reach 10 000	- Registration requirement
10 000 or more	- Annual reporting of GHG emissions to director  - Report in subsequent years <u>unless</u> below threshold for 3 consecutive years or meet other conditions  - Quantify GHG emissions attributable to the operation for each year from 2006 to 2009
20 000 in any year between 2006 to 2009	- Report emissions for each year that meet this threshold (include with first emissions report)
25 000	- Annual reporting of GHG emissions to director  - Verification requirements

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<sup>1</sup> This annual GHG emissions threshold does not include MTCO<sub>2</sub>e from wood biomass or the wood biomass component of mixed fuels.

## Quantification and Data Management

The Ministry has stated that it expects the measurement and reporting of GHG emissions to be on par with the standard of financial record-keeping and reporting.

Owners and operators must determine early what sources of GHG emissions at regulated facilities are required to be measured and reported. GHG emissions are only deemed to be “attributable” to a facility if such emissions result from activities and sources that are expressly set out in the Regulation.

The approved methodologies for determining the amount of GHG emissions attributable to each regulated source or activity at a facility are set out in the *Reporting Regulation Methodology Manual*, as amended from time to time.<sup>2</sup>

Owners and operators of industrial facilities must put systems in place to track all of the data required to determine GHG emissions attributable to prescribed sources and activities at that facility. The reporting operation must also put in place adequate data-management and data-retention procedures to ensure that all data used to calculate the GHG emissions are verifiable.

## Third Party Verification

Owners and operators of facilities with annual GHG emissions equal to or greater than 25, 000 MTCO<sub>2</sub>e (not including CO<sub>2</sub> from woody biomass) must submit a verification statement prepared by an accredited third-party verifier in

accordance with Ministry guidelines for each annual report of GHG emissions.<sup>3</sup>

From 2012, such a verification report must be submitted together with the GHG emissions report. For 2010 and 2011, owners and operators may submit a verification report on or before September 1 of the year in which the applicable report is submitted.

## Conclusion

The Regulation impacts owners and operators of hundreds of industrial facilities in British Columbia, making them responsible for monitoring and reporting GHG emissions to standards on par with financial reporting.

For more information on the subject of this bulletin, please contact the authors:

**Kai Alderson**

604 631 3222  
[kalderson@fasken.com](mailto:kalderson@fasken.com)

**Ron Ezekiel**

604 631 4708  
[rezekiel@fasken.com](mailto:rezekiel@fasken.com)

**Stephanie Sanger**

604 631 4810  
[ssanger@fasken.com](mailto:ssanger@fasken.com)

**Paul Wilson**

604 631 4748  
[pwilson@fasken.com](mailto:pwilson@fasken.com)

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<sup>2</sup> See

<http://www.env.gov.bc.ca/epd/codes/ggrcta/pdf/methodology-manual.pdf>.

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<sup>3</sup> See

<http://www.env.gov.bc.ca/epd/codes/ggrcta/pdf/verification-manual.pdf>.

## For More Information About Our Energy and Environmental Law Practice Group

### Vancouver

**Paul Wilson\*\***  
604 631 4748  
[pwilson@fasken.com](mailto:pwilson@fasken.com)

\*\*National Leader

**Ron Ezekiel**  
604 631 4708  
[rezekiel@fasken.com](mailto:rezekiel@fasken.com)

### Calgary

**Peter Feldberg**  
403 261 5364  
[pfeldberg@fasken.com](mailto:pfeldberg@fasken.com)

### Toronto/Ottawa

**Rosalind Cooper**  
416 865 5127  
[rcooper@fasken.com](mailto:rcooper@fasken.com)

### Montréal

**Pierre B. Meunier**  
514 397 4380  
[pmeunier@fasken.com](mailto:pmeunier@fasken.com)

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### Vancouver

604 631 3131  
[vaninfo@fasken.com](mailto:vaninfo@fasken.com)

### Montréal

514 397 7400  
[mtlinfo@fasken.com](mailto:mtlinfo@fasken.com)

### Johannesburg

27 11 685 0800  
[jnbinfo@fasken.com](mailto:jnbinfo@fasken.com)

### Calgary

403 261 5350  
[cgyinfo@fasken.com](mailto:cgyinfo@fasken.com)

### Québec City

418 640 2000  
[qcinf@fasken.com](mailto:qcinf@fasken.com)

### Toronto

416 366 8381  
[torinfo@fasken.com](mailto:torinfo@fasken.com)

### London

44 20 7382 6020  
[loninfo@fasken.com](mailto:loninfo@fasken.com)

### Ottawa

613 236 3882  
[ottinfo@fasken.com](mailto:ottinfo@fasken.com)

### Paris

33 1 44 94 96 98  
[paris@fasken.com](mailto:paris@fasken.com)