

Greenhouse Gas Emissions Reporting Regulation Amendment O. Reg. 452/09

A decorative graphic consisting of five horizontal lines of varying shades of green and brown, stacked vertically.

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by
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Outline

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Amendments to Greenhouse Gas Emissions Reporting

Ontario finalized changes to the emissions reporting regulation.

- [EBR 012-4549](#): Changes to the Greenhouse Gas Emissions Reporting Regulation (O. Reg. 452/09) and Guideline (December 11, 2015).

GHG emissions reporting regulation has been in place since 2010.

- Reporting by all facilities that are emitting 25,000 tonnes of carbon dioxide equivalent (CO₂e) or more per year.
- Mandatory use of identified standard quantification methods starting with 2011 emissions.
- Reporting of 2010 emissions in 2011, and annual reporting thereafter.
 - First report due on Jun 1, 2011.
- Third party verification of 2011 emissions, to be verified annually.
 - First annual verification statement due by Sep 1, 2012.
- Companies who emit less than 25,000 tonnes of CO₂e per year may voluntarily report.

Updates needed to support a cap and trade program.

- Increase coverage of emissions and sources of emissions.

Summary of Changes

Change	Details
Lowered emissions reporting threshold	10,000 t CO ₂ e for Table 2 activities
Introduced reporting only emissions	Emissions that have to be quantified and reported but not verified (certain activities only)
Introduced new verification opinion options	The amendment allows for the use of qualified positive verification statement
Added New Activities (used to be called "Sources")	<ul style="list-style-type: none"> •Magnesium Production, Electricity transmission and distribution, and Natural Gas transmission and distribution (Table 2 activities) •Petroleum Product suppliers, Natural Gas distributors, and Electricity importers (Other activities) •Mobile Equipment (optional to report)

Other changes include:

- Moved activity definitions from the guideline to the regulation
- Updated the existing Standard Quantification Methods (SQM) in the guideline
- Added new SQMs for all seven new activities
- Defined transitional rules for 2015-2017

Timeline for Implementing Changes

2015 activities (Reported June 2016)

Original "sources" (Table 2 activities) reported and verified according to previous regulation using either old or new guideline.

Verifiers of original "sources" may use new qualified positive opinion.

Reporting and verification threshold remains at 25,000 t CO₂e.

2016 activities (Reported June 2017)

Original Table 2 activities reported and verified according to amended regulation/new guideline.

6 new activities are to be reported this year using BAQM or SQM:

- 3 as part of Table 2
- 3 as "Other activities"

New "report only" emissions.

Reporting threshold is 10,000 t CO₂e for Table 2 activities; 10,000 t CO₂e for Natural Gas Distribution; 0 MW for Electricity Import; and 200L for Petroleum Product supply.
No change to verification threshold.

2017 activities (Reported June 2018)

All activities reported and verified according to amended regulation and SQMs in new guideline.

Verifiers required to use new production data material discrepancy test.

No change to reporting thresholds.
Verification threshold is 25,000 t CO₂e for Table 2 activities; 25,000 t CO₂e for NG Distribution; 0 MW for Electricity Import; and 200L for PP supply.

Reporting & Verification Thresholds

- Lower the emissions reporting threshold from 25,000 tonnes of CO₂e per year to 10,000 tonnes. s.5(1)(a); 6(2)
- The threshold for the requirement to have an emission report verified (verification threshold) remains at 25,000 tonnes of CO₂e emissions annually. s.7.6(1)(a)

Reporting Only Emissions

- Emissions that must be quantified and reported but which are not to be verified under the reporting regulation are (s.7.3(2)1.):

Emissions associated with coal storage (ON.100)

Emissions associated with cooling units at electricity generators (ON.40)

Fugitive emissions from geothermal electricity generating facilities (ON.40)

Emissions from the operation of equipment related to natural gas (ON.350)

Biomass combustion emissions (ON.20)

Verification Opinion Options

- In addition to positive and adverse verification statements, the amendment allows for the use of a qualified positive verification statement. s.12(1)
 - This new category is for emissions reports that contain no material discrepancy but in which there are one or more areas of non-compliance with some requirements of the regulation or guideline.

NEW!

A material discrepancy test has been added to assist in the evaluation of errors related to production data. This test will be required for 2017 production data (reported in 2018). In the meantime, verifiers will continue to apply their own judgement in evaluating the materiality of errors in production data. s.11(2)

New Activities Overview

- Six new activities were added for which emissions must be reported starting with the 2017 report (2016 data submitted in 2017). s.7.1(1)
 - Best alternative quantification methods (BAQM) listed in the Guideline are permitted for all six new activities for the first year of reporting s.25(3) and the standard quantification (SQM) will be mandatory in subsequent years. s.26(1)(b)
 - Three of these activities are part of Table 2 and are to be combined into one report with emissions from all applicable Table 2 activities. s.24(2)
 - The other three activities are to be reported individually. s.6(8)
- One new activity was added for which reporting is optional. ON.280
 - If reported, emissions are to be reported along with emissions from Table 2 activities.

Verification of emissions from new activities will be voluntary for the 2016 report and mandatory in subsequent years. s.26 & s.7.6

New Table 2 Activities

Operation of Equipment for a Transmission System or a Distribution System (Electricity) ON.230

- Requires reporting of emissions associated with the operation of electricity transmission and distribution networks including fugitive emissions from all equipment that is part of the network.
- Included in overall Table 2 activity reporting and verification thresholds.

Operation of Equipment Related to Natural Gas ON.350

- Requires reporting of emissions associated with the operation of natural gas equipment related to transmission, storage, LNG import/export and pipelines; including fugitive emissions.
- Included in overall Table 2 activity reporting threshold and is reporting only.

Magnesium Production ON.290

- Requires the reporting of emissions associated with the production of magnesium metal or products.
- Included in overall Table 2 activity reporting and verification thresholds.

New Other Activities

Natural Gas Distributors ON.400

- Requires reporting of emissions that are attributable to the combustion of natural gas delivered by natural gas distribution companies to the end users.
- Reporting threshold of 10,000 t CO₂e and verification threshold of 25,000 t CO₂e.

Petroleum Product Suppliers ON.390

- Requires reporting of emissions attributable to the combustion of petroleum products supplied for use in Ontario by petroleum refineries, fractionation facilities, and importers.
- Petroleum products do not include fuel used in aviation or marine applications.
- Reporting and verification threshold of 200L of product supplied.
- Fuel used in aviation and marine applications are exempted. s.3(3)(a)

Electricity Importation ON.60

- Requires reporting of the quantity of electricity imports into Ontario
- Reporting and verification threshold of 0 MW imported (i.e., no threshold).

New Optional Reporting Activity

Mobile Equipment at Facilities ON.280

- This method was included in the Guideline to allow for reporting of emissions from the operation of mobile equipment at facilities used for on-site transportation or movement of substances, materials or products.
- This activity does not include the operation of on-road vehicles, aircraft, or marine vessels.
- Reporting and verification thresholds not applicable as it is classified as optional reporting only.

Guideline Changes

In addition to the seven new SQMs, the December 2015 version of the Guideline has been amended to include:

- The ability to use either the February 2012 version or the December 2015 version of an SQM for each activity for the 2015 reporting year.
 - Each activity must use the same version of an SQM for the entire activity but different activities may use different versions.
 - The December 2015 version will be mandatory for subsequent reporting years until otherwise amended.
- Expanded applicable technical reference methods.
- Streamlined or removed director approvals for measurement/sampling changes to the SQMs.
- Specific missing data substitution requirements in all SQMs.
- Additional production and process data in various SQMs, as was requested.
- Amended ON.20 - General Stationary Combustion to provide greater clarity and ease of use.

Transition: Rules for 2015

Definitions

- Definitions have been added to clarify the transition sections (s.22-26) and help distinguish between the year the activities are engaged in (e.g., 2015) and the year the reports are submitted in (e.g., 2016 report). s.21

2015 Activities (2016 report) s.22

- The regulation as it existed on December 31, 2015 continues to apply as is for this reporting year.
- Exception: the new verification statement requirements (s.12) applies to the 2016 report.
- The additional verification opinion allows for a qualified positive statement.

Transition: Rules for 2016 (1)

Steps taken under pre-2016 regulation s.23

- “3 year exit” rules will continue to apply to both reporting and verification of facilities that remain below the new thresholds.
- A facility that is within a 3 year exit cycle as of January 1, 2016 and is:
 - Below 10,000 t CO₂e will continue reporting and verifying under the amended regulation until they surpass the 3rd consecutive year below the exit threshold (including both previous and new activities) and then may stop reporting and verifying.
 - Above 10,000 t CO₂e but below 25,000 t CO₂e will continue reporting and verifying under the amended regulation until they surpass the 3rd consecutive year below the verification exit threshold (including both previous and new activities) and then will continue to report without needing to verify.

In both cases, the facility may count reports submitted and verified under the previous regulation when determining the number of consecutive years below the exit threshold.

Transition: Rules for 2016 (2)

2016 Activities (2017 report) s.24

- Provided steps in determining verification threshold for facilities that are engaged with Table 2 activities in 2016 (i.e. including the new Table 2 activities).
- Verification is only required if the emissions from the existing activities are greater than 25,000 tonnes. s.24(3)

All new 2016 activities will be reportable next year (2017 report):

- BAQM as provided in the Guideline may be used to quantify emissions for the new Table 2 activities and Other activities instead of SQM for this year only. s.25(3)
 - Director consent is not required to change from BAQM to SQM in the following year. s.25(4)
- The new Table 2 activities are required to be reported but are not required to be verified or included in the verification threshold calculation. s.26(1)(a) and s.26(2).
- The new Other activities are required to be reported but are not required to be verified. s.26(1)(b)

Transition: Rules for 2017

2017 Activities (2018 report)

- All new activities are required to be quantified using SQM and are subject to verification.
- The verification material discrepancy test with respect to production verification begins to apply. s.25(5) and (6)
- 3 year exit rules are the same as for 2016 Activities (2017 Report)