

PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 71

, Approved and Ordered February 16, 2024



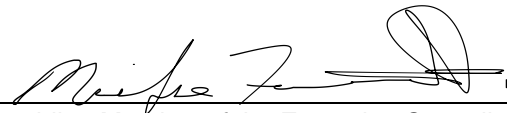
Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that the attached BC Carbon Registry Regulation is made.



Minister of Environment and Climate Change Strategy



Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: Greenhouse Gas Industrial Reporting and Control Act, S.B.C. 2014, c. 29, ss. 46, 48 and 50

Other: _____

R10734819

BC CARBON REGISTRY REGULATION

Definitions

- 1** (1) In this regulation:
- “**Act**” means the *Greenhouse Gas Industrial Reporting and Control Act*;
 - “**designated operator**” has the same meaning as in section 1 (2) [*definitions and interpretation*] of the Greenhouse Gas Emission Reporting Regulation;
 - “**general account**” means a holding account other than an account referred to in section 13 (2) (a) to (c) [*registry*] of the Act;
 - “**operator**” has the same meaning as in section 1 (2) of the Greenhouse Gas Emission Reporting Regulation;
 - “**primary account representative**”, in relation to an account, means the individual identified by the proposed account holder under section 7 (1) (i) [*account application*] or by the account holder under section 8 (a) [*conditions applicable to account holders*];
 - “**project reduction**” has the same meaning as in section 11 (1) [*definitions and interpretation*] of the Emission Offset Project Regulation;
 - “**registry**” means the BC Carbon Registry continued under section 2 (1);
 - “**secondary account representative**”, in relation to an account, means an individual identified by the proposed account holder under section 7 (1) (j) or by the account holder under section 8 (a).
- (2) For the purposes of the definition of “holding account” in section 1 (1) [*definitions*] of the Act, an account referred to in section 5 or 6 [*general accounts*] is prescribed as a holding account.

BC Carbon Registry

- 2** (1) The BC Carbon Registry is continued and is operated by the minister.
- (2) The minister may establish terms and conditions on which persons may hold accounts in the registry and use the registry, including, without limitation, terms and conditions respecting the following:
- (a) confidentiality of information;
 - (b) indemnification as between the account holder and the government;
 - (c) consent to the collection or disclosure of personal information, as defined in the *Freedom of Information and Protection of Privacy Act*;
 - (d) maintenance of the security of the registry system.

Regulated operation

- 3** (1) An operator of a regulated operation may establish a compliance account for the regulated operation for the purposes of:
- (a) meeting a compliance obligation for a compliance period in the manner described in section 6 (2) (a) [*compliance obligation*] of the Act, or

- (b) making compliance units available under section 6.1 (2) (d) [*greenhouse gas emission correction*] of the Act after a correction referred to in that section.
- (2) An operator of a regulated operation may establish one or more holding accounts in the registry.
- (3) An operator of a regulated operation who wishes to establish an account referred to in subsection (1) or (2) must apply to the registry administrator in accordance with section 7 (1) [*account application*].

Project proponent

- 4 (1) The project proponent of an accepted emission offset project must, within 30 days after the emission offset project is accepted by the director, hold or establish a holding account referred to in section 13 (2) (b) [*registry*] of the Act.
- (2) A person who is required under subsection (1) to establish a holding account in the registry must apply to the registry administrator in accordance with section 7 (1) [*account application*].

General accounts – government

- 5 (1) In addition to the accounts required under section 13 (2) (c), (e) and (f) [*registry*] of the Act, the government may hold general accounts in the registry.
- (2) The registry administrator must establish one or more general accounts for the government on the direction of the director.

General account – other person

- 6 The director may authorize a person other than a person referred to in section 13 (2) (a) to (c) of the Act to establish a general account in the registry to which the director may credit compliance units if
 - (a) the person applies to the registry administrator in accordance with section 7 (1), and
 - (b) the director is satisfied that the person's participation in the registry will not pose an unacceptable risk to the security of the registry.

Account application

- 7 (1) An application for an account in the registry must be submitted in the form and manner specified by the director and must include the following:
 - (a) the legal name of the proposed account holder;
 - (b) the type of account to be established;
 - (c) whether the proposed account holder is an individual, a corporation or a partnership;
 - (d) the trade name or operating name of the proposed account holder;
 - (e) if the proposed account holder is an individual,
 - (i) the individual's mailing address, and
 - (ii) if the application relates to a business, the primary address from which the individual carries on business;

- (f) if the proposed account holder is a corporation,
 - (i) the legal name of the individual submitting the application on behalf of the corporation and the individual's position in or with the corporation,
 - (ii) the primary address from which the corporation carries on business, and
 - (iii) except in the case of a corporation established or continued by an enactment,
 - (A) the mailing address of the corporation's registered or head office, and
 - (B) the registration number or incorporation number assigned to the corporation by the Registrar of Companies;
- (g) if the proposed account holder is a partnership,
 - (i) the legal name of the partner submitting the application,
 - (ii) the legal name of the partnership,
 - (iii) if the partner is a corporation, the legal name of the individual submitting the application on behalf of the corporation and the individual's position in or with the corporation,
 - (iv) the primary address from which the partnership carries on business,
 - (v) the legal names of the partners authorized to carry on business on behalf of the partnership, and
 - (vi) the registration number, if any, assigned to the partnership by the Registrar of Companies;
- (h) if the proposed account holder is to hold the account for the benefit of another person or entity, the legal name of the other person or entity and the information under paragraph (e), (f) or (g), as applicable, in relation to the other person or entity;
- (i) the legal name of the individual who, as the primary account representative of the proposed account holder, is to have electronic access to and manage the proposed account holder's accounts and conduct transactions in the registry on behalf of the proposed account holder;
- (j) the legal name of any individual who, as a secondary account representative of the proposed account holder, is to exercise the powers of the primary account representative on behalf of the proposed account holder;
- (k) proof satisfactory to the director of
 - (i) if the proposed account holder is an individual, the identity of the proposed account holder,
 - (ii) if the proposed account holder is a corporation,
 - (A) the identity of the individual referred to in paragraph (f) (i), and
 - (B) incorporation or registration in British Columbia, except in the case of a corporation established or continued by an enactment,
 - (iii) if the proposed account holder is a partnership,

- (A) the identity of the partner referred to in paragraph (g) (i), and if the partner is a corporation, the identity of the individual referred to in paragraph (g) (ii), and
 - (B) registration in British Columbia,
 - (iv) the identities of the primary account representative and each secondary account representative, if any,
 - (v) the authority of the primary account representative to have electronic access to and manage the proposed account holder's accounts and conduct transactions in the registry on behalf of the proposed account holder,
 - (vi) the authority of any secondary account representatives to exercise the powers of the primary account representative on behalf of the proposed account holder, and
 - (vii) the proposed account holder's agreement to the terms and conditions established under sections 2 (2) [*BC Carbon Registry*] and 8;
 - (1) any other information approved by the director and specified by the registry administrator.
- (2) A person applying under subsection (1) on behalf of the designated operator of a regulated operation must provide the following information:
- (a) the legal name and contact information of the designated operator;
 - (b) the information required under subsection (1) (c) to (h), as applicable, in relation to each other operator of the regulated operation, and for that purpose a reference in subsection (1) (c) to (h) to the proposed account holder is to be read as a reference to the other operator.
- (3) In addition to the information required under subsection (1), a person other than the operator of a regulated operation who applies under this section must provide proof satisfactory to the director that
- (a) the proposed account holder holds an account in good standing in a financial institution that provides the services of a savings institution in Canada or the United States of America, and
 - (b) in the case of an individual applying on behalf of another person, the individual is authorized by the other person to apply on the other person's behalf.

Conditions applicable to account holders

- 8** The following are conditions of holding an account and using the registry:
- (a) the account holder must advise the registry administrator within 30 days after any change is made to the information provided under section 7 (1) (a) to (j) or (1) or (2) or the matters for which proof was provided under section 7 (1) (k) or (3);
 - (b) the primary account representative for the account holder must be authorized by the account holder to, by electronic means, conduct transactions in the registry and manage the accounts on behalf of the account holder until the registry administrator receives written notice from the

account holder cancelling the authority of the primary account representative;

- (c) a secondary account representative for the account holder, if any, must be authorized by the account holder to, by electronic means, conduct transactions in the registry and manage the accounts on behalf of the account holder until the registry administrator receives written notice from the account holder or the primary account representative of the account holder cancelling the authority of the secondary account representative;
- (d) the account holder agrees that neither the registry administrator nor the government is liable for any loss or damage caused to the account holder because of anything done or not done by a primary account representative, a secondary account representative or a person purporting to act as a primary account representative or secondary account representative, acting or purporting to act under the authority referred to in paragraph (b) or (c), as applicable, except if unauthorized access to the registry results solely from a breach of a registry or government security system;
- (e) the account holder agrees that neither the registry administrator nor the government is liable for any loss or damage caused to the account holder through the registry because of a breach of the account holder's security system.

Emission offset projects – public documents

- 9** The director must ensure that the documents posted on a publicly available website under section 9 (2) [*emission offset projects*] of the Act in relation to an accepted emission offset project remain posted until all offset units issued in respect of the project have been retired or cancelled.

Registry – public information

- 10** (1) The director must ensure that the registry administrator publishes the following information in a portion of the registry that is made available to the public:
 - (a) the legal name of each account holder;
 - (b) the types of accounts held;
 - (c) in relation to each operator of a regulated operation, the number of compliance units retired for each compliance period from the compliance account of the regulated operation.
- (2) The director must ensure that the terms and conditions established under section 2 (2) [*BC Carbon Registry*] are published in a portion of the registry that is made available to the public.

Compliance unit identifier

- 11** The registry administrator must, for the purposes of tracking compliance units in the registry, assign a unique identifier that identifies the following:
 - (a) for each offset unit issued, the calendar year in which the relevant emission reduction or removal occurred;
 - (b) for each earned credit issued, the compliance period in which the earned credit was earned;

- (c) for each recognized unit credited to an account, the calendar year in which the relevant project reduction occurred.

Compliance unit information

- 12** The following information in relation to each compliance unit issued into the registry must be published in a portion of the registry that is made available to the public:
- (a) the unique identifier assigned to the compliance unit by the registry administrator under section 11;
 - (b) the type of compliance unit;
 - (c) in the case of an offset unit,
 - (i) the name of the project that generated the offset unit,
 - (ii) the type of project that generated the offset unit,
 - (iii) the name of the project proponent,
 - (iv) the calendar year in which the offset unit was issued,
 - (v) the calendar year in which the relevant project reduction occurred, and
 - (vi) an electronic link to the documents posted on a publicly available website under section 9 (2) of the Act in relation to the project;
 - (d) in the case of an earned credit,
 - (i) the name of the operator of the regulated operation that earned the earned credit,
 - (ii) the name and business email address of the operator's primary account representative,
 - (iii) the calendar year in which the earned credit was issued, and
 - (iv) the compliance period in which the earned credit was earned;
 - (e) in the case of a recognized unit,
 - (i) the jurisdiction in which the recognized unit was issued,
 - (ii) the calendar year in which the recognized unit was issued, and
 - (iii) the calendar year in which the relevant project reduction occurred;
 - (f) in the case of a compliance unit that has been retired,
 - (i) the name of the holder of the account from which the unit was retired, and
 - (ii) the date of retirement.

Compliance unit transactions

- 13** (1) In this section, "**impaired project reduction**" has the same meaning as in section 11 (1) [*definitions and interpretation*] of the Emission Offset Project Regulation.
- (2) The account holder of a holding account may transfer compliance units from the holding account
- (a) to another holding account of the account holder,

- (b) to a holding account of another account holder, with the consent of the other account holder, or
 - (c) to a compliance account of the account holder.
- (3) Compliance units may not be transferred out of a compliance account except by the director.
- (4) Subject to subsection (6), compliance units may not be retired except by the director.
- (5) The director may retire compliance units as follows:
 - (a) from the compliance account of a regulated operation, the compliance units identified in a compliance report of the operation under section 23 (5) (b) [*content of compliance reports*] of the Greenhouse Gas Emission Reporting Regulation;
 - (b) from the government's holding account under section 13 (2) (c) [*registry*] of the Act, the number of offset units required for public sector organizations, as defined in section 1 [*definitions*] of the *Climate Change Accountability Act*, to meet their obligations under section 5 (1) [*carbon neutral public sector*] of that Act;
 - (c) from the contingency account if there is a reversal of greenhouse gas reductions or removals achieved by an emission offset project, the number of offset units required to compensate for the amount of the impaired project reduction;
 - (d) from a project proponent's holding account, the number of compliance units sufficient to compensate for an impaired project reduction under section 26.1 [*reversal events – retirement of compliance units*] of the Emission Offset Project Regulation.
- (6) The registry administrator or the director may, on the direction of the account holder, other than for the purposes of meeting a compliance obligation or other obligation of the account holder under the Act, retire compliance units from a holding account referred to in section 13 (2) (a) or (b) [*registry*] of the Act, or from a general account.
- (7) Compliance units may not be transferred out of the retirement account except by the director.
- (8) The director may transfer compliance units out of the retirement account only if
 - (a) there was an error in a compliance report, an error by the director or registry administrator or an electronic system error and the compliance units are transferred into the account from which they were transferred in error, or
 - (b) the compliance units were retired under section 26.1 (1) (b) or (2) (b) [*reversal events - retirement of compliance units*] of the Emission Offset Project Regulation and the transfer is necessary to comply with a decision of the appeal board following an appeal of the director's determination under section 26.1 (1) (b) of that regulation.

Suspension or cancellation of participation in registry

- 14** (1) The director may suspend an account holder's participation in the registry for the period specified by the director if the director is of the opinion that
- (a) the account holder's application to the registry contained a material omission or misstatement,
 - (b) the account holder failed to comply with the Act, a regulation under the Act or the terms and conditions on which the account is held,
 - (c) it is in the interest of the account holder to suspend the account holder's participation in the registry, or
 - (d) the suspension is necessary or advisable in the public interest.
- (2) The registry administrator may suspend the participation of an account holder, a primary account representative or a secondary account representative in the registry if the registry administrator considers it necessary
- (a) because of a security breach or a suspected security breach, or
 - (b) in the case of a suspension of the participation of a primary account representative or secondary account representative, in order to determine the representative's authority to have electronic access to and manage an account holder's accounts and conduct transactions in the registry on behalf of the account holder.
- (3) The registry administrator must notify the director of a suspension under subsection (2) as soon as is practicable.
- (4) On receiving notice of a suspension, the director may
- (a) cancel the suspension, or
 - (b) continue the suspension, for the period specified by the director, if the director is of the opinion that any of the circumstances described in subsection (1) exist.
- (5) The director may cancel an account holder's participation in the registry if the director is of the opinion that
- (a) the account holder knowingly made a material omission or misstatement in the account holder's application to the registry,
 - (b) the account holder knowingly failed to comply with the Act, a regulation under the Act or the terms and conditions on which the account is held,
 - (c) the account holder, after receiving reasonable notice of any changes to the terms and conditions established under section 2 (2) [*BC Carbon Registry*], failed to agree to the terms and conditions, or
 - (d) the cancellation is necessary or advisable in the public interest due to the actions of the account holder.

Notice of intent to suspend or cancel

- 15** (1) Before issuing a suspension under section 14 (1), continuing a suspension under section 14 (4) (b) or issuing a cancellation under section 14 (5), the director must serve the account holder with a notice of the director's intent.
- (2) The notice of intent must set out the following:

- (a) the name of the account holder;
 - (b) a summary description of the reasons for the suspension or cancellation;
 - (c) the account holder's right to be provided with an opportunity to be heard;
 - (d) in the case of a suspension, the period of the suspension.
- (3) Despite this section, the director may, if the director considers a matter urgent, immediately suspend an account holder's participation in the registry.
- (4) The director must, promptly after issuing a suspension under subsection (3), provide the notice referred to in subsection (2) respecting the director's intention to continue the suspension or cancel the account holder's participation in the registry.

Opportunity to be heard

- 16** (1) If an account holder who is served with notice under section 15 (1) or (4) requests in writing, within 30 days after the date of service of the notice, an opportunity to be heard, the director must provide the account holder with an opportunity to be heard.
- (2) If an account holder requests an opportunity to be heard in accordance with subsection (1), the director, subject to subsection (3),
- (a) must conduct a written, electronic or oral hearing, or any combination of them, as the director considers appropriate, and
 - (b) may
 - (i) determine the circumstances and place in which, and the process by which, the hearing is to be conducted, and
 - (ii) specify the form and content of materials to be provided for the hearing and when the materials must be provided.
- (3) If an account holder fails to appear or provide materials to the director in accordance with subsection (2) (b), the director may proceed without further notice to suspend, continue the suspension of or cancel the account holder's participation in the registry.
- (4) After serving notice under section 15 (1) or (4), the director may, if no request for an opportunity to be heard is made within the 30-day period referred to in subsection (1) of this section, suspend, continue the suspension of, or cancel, as applicable, the account holder's participation in the registry.

Account closure

- 17** (1) A person who holds an account in the registry may close the account by providing written notice to the registry administrator.
- (2) The registry administrator must close the account within 30 days after receipt of the notice.
- (3) This section does not apply to the project proponent of an accepted emission offset project who is required to hold or establish an account under section 4 [*project proponent*].

Compliance units – account closure or suspension or cancellation of participation in registry

- 18** The registry administrator may,
- (a) on the written request of an account holder who closes an account, or whose participation in the registry is suspended or cancelled, credit, on behalf of the account holder, compliance units to an account, and
 - (b) on the written request of an account holder who closes an account, or whose participation in the registry is cancelled, transfer, on behalf of the account holder, compliance units from the account holder's holding account to the holding account of another account holder.

Transitional – project proponent

- 19** Despite section 8 [*conditions applicable to account holders*] of this regulation and the repeal of section 6.2 [*conditions applicable to account holders*] of the Greenhouse Gas Emission Control Regulation, section 6.2 of the Greenhouse Gas Emission Control Regulation, as it read immediately before its repeal, continues to apply with respect to a person who was a project proponent immediately before the date this section comes into force until the earlier of
- (a) August 1, 2024, and
 - (b) the date the project proponent notifies the minister in writing of the project proponent's election to have section 8 of this regulation apply.