

Federal Government Publishes Final Regulations for Coal-Fired Power Plants



Reducing emissions from coal-fired electricity—which is responsible for 11% of Canada’s total GHG emissions and 77% of emissions from the electricity sector—is an important step toward meeting the country’s 2020 target of reducing GHG emissions to 17% below 2005 levels. So back in June 2010, the federal government indicated its intention to target the electricity sector, particularly coal-fired plants. After holding consultations with key stakeholders, the government announced proposed regulations in Aug. 2011. On Sept. 12, 2012, it published the final regulations, which set strict performance and emissions standards for coal-fired power plants. Here’s an overview of the *Reduction of Carbon Dioxide Emissions from Coal-fired Generation of Electricity Regulations*.

THE REGULATIONS

Key Dates: The regulations, which were published in the *Canada Gazette Part I* on Sept. 12, generally take effect on July 1, 2015. But some sections take effect Jan. 1, 2013 and one section takes effect Jan. 1, 2030. The owner or operator of a regulated coal-fired power unit must register it by Feb. 1, 2013. And new units must be registered within 30 days of their commissioning dates. (Schedule 1 spells out the information required at registration.)

Who the Regulations Apply to: The regulations apply to:

- New coal-fired power units that start producing electricity commercially on or after July 1, 2015; and
- Coal-fired units that have reached the end of their “useful life,” that is, generally 50 years since starting to produce electricity commercially. (Note: the proposed regulations set the end of useful life at 45 years.) Units that were commissioned before 1975 will reach their end-of-life after 50 years of operation or at the end of 2019, whichever comes earlier. And units commissioned in or after 1975 but before 1986 will reach their end-of-life after 50 years of operation or at the end of 2029, whichever comes earlier.

Key Requirements: The regulations are divided into two key sections:

Performance standard. Part 1 sets out a performance standard for the intensity of carbon dioxide (CO₂) emissions from regulated units. The government’s goal is

to phase out high-emitting coal-fired power generation and promote a transition towards lower- or non-emitting types of generation, such as high-efficiency natural gas and renewable energy. To that end, the regulations set a stringent performance standard based on the intensity of CO₂ emissions from power plants fuelled by burning natural gas. (Part 3 of the regulations sets out rules for measuring the intensity of these emissions from regulated units.) Regulated coal-fired units are barred from, on average, producing emissions with an intensity of more than 420 tonnes CO₂ from the combustion of fossil fuels for each GWh of electricity produced by the units during a calendar year. (Note: the limit in the proposed regulations was 375.)

The emissions subject to this limit don't include CO₂ emissions that are captured in accordance with carbon-capture laws. In addition, new and old units can apply for deferral of compliance with the performance standard until Jan. 1, 2025 if they've been equipped with carbon-capture and storage technology.

Reporting requirements. Part 2 sets out requirements for the reporting, sending, recording and retention of information. For example, regulated facilities must submit annual emissions reports by June 1 of the following year. Schedule 4 spells out the information required in these reports.

Regulated entities are subject to enforcement and compliance requirements and penalties set out in the *CEPA*. For example, government inspectors will be authorized to inspect covered facilities to ensure their compliance with the regulations.

ANALYSIS

In the first 21 years, the government says the regulations should result in a cumulative reduction in GHG emissions of about 214 megatonnes—the equivalent of removing about 2.6 million personal vehicles per year from the road. In addition, the regulations should improved overall air quality. But critics argue that the final regulations weaken the restrictions contained in the proposed regulations and don't go far enough. Meanwhile, the federal government is working on equivalency agreements with provinces such as BC, ON, NS and SK that have their own regulations on coal-fired plants.