

ENERGY in QUÉBEC:

A Source of Growth

THE GOVERNMENT IS PUTTING CONSUMERS AT THE FOREFRONT OF THE INITIATIVES IN THE NEW 2030 ENERGY POLICY, WHICH SEEKS TO:

- ▶ favour a low-carbon economy;
- ▶ optimally develop our energy resources;
- ▶ foster responsible consumption;
- ▶ capitalize fully on energy efficiency potential;
- ▶ promote the entire technological and social innovation chain.

A UNIFYING VISION

Make Québec by the year 2030 a North American leader in the realms of renewable energy and energy efficiency and thus build a new, strong, low-carbon economy.

This perspective will become a reality by putting consumers at the forefront of initiatives.

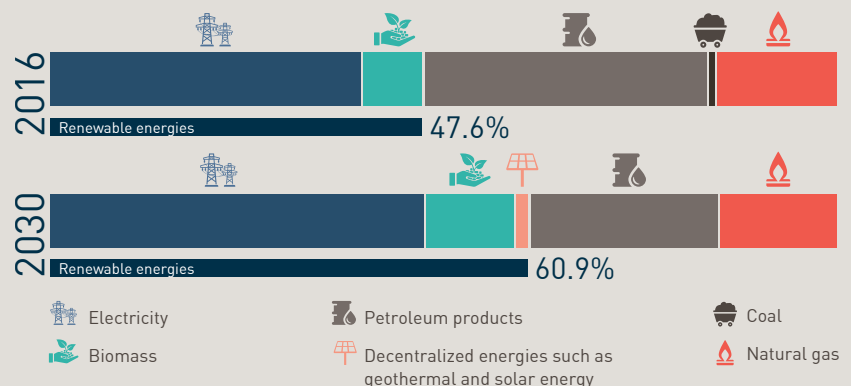
AMBITIOUS TARGETS

1. **ENHANCE** energy efficiency by 15%
2. **REDUCE** by 40% the amount of petroleum products consumed
3. **ELIMINATE** the use of thermal coal
4. **INCREASE** by 25% the share of renewable energies in total energy production
5. **INCREASE** by 50% bioenergy production

TARGETS TO BE MET BY 2030

Québec consumers (individuals, households, industries, institutions and businesses) rely on electricity, oil, natural gas, biomass, coal and decentralized energies such as geothermal and solar energy to satisfy some of their needs. Such needs can be broken down as follows:

- ▶ Travel
- ▶ Transport/deliver
- ▶ Produce/distribute/export
- ▶ Connect/recharge/store
- ▶ Heat/air-condition/ventilate



KEY STRATEGIC THRUSTS

Four key strategic thrusts will guide Québec's energy transition over the next 15 years:

1. ENSURE INTEGRATED GOVERNANCE OF THE ENERGY TRANSITION

The energy transition hinges on coherent, concerted action by numerous stakeholders. In order to coordinate and manage all of the measures aimed at the attainment of our ambitious targets, the Québec government undertakes to:

- ▶ establish a single gateway devoted to energy conservation and the energy transition;
- ▶ review the role of the Régie de l'énergie;
- ▶ modernize the process to authorize energy projects.

A major investment

The government intends to make available to households, businesses and public establishments more than \$4 billion over a period of 15 years to cover energy efficiency and energy substitution measures.

2. PROMOTE THE TRANSITION TO A LOW-CARBON ECONOMY

By 2030, the government will bank on the development of a low-carbon economy.

To this end, it intends to influence:

- ▶ the energy consumption of households and commercial concerns;
- ▶ the energy choices of industrial enterprises;
- ▶ the travel patterns of individuals and freight transportation; and
- ▶ set an example as regards energy consumption.

Multi-fuel service station pilot project

The government will establish a multi-fuel service station pilot project that will span all of Québec by 2030. The service stations will first be installed in regions with high potential for use. After 2030, all government authorizations for new facilities or the modernization of service stations must be accompanied by multi-fuel offerings.

"Zero coal" legislation

The government intends to adopt "zero coal" legislation aimed at completely eliminating by 2030 thermal coal as an energy source. This objective will be legally imposed unless the GHG emitted by this type of fuel are sequestered by means of proven technologies.

3. OFFER CONSUMERS A RENEWED, DIVERSIFIED ENERGY SUPPLY

In order for residential, institutional, commercial and industrial consumers to participate in the energy transition and take advantage of the numerous benefits that it will afford them, the government will offer them a renewed, diversified energy supply. Such diversity will stem from public and private investments, enhanced management, better planning of energy resource development in the territory, and government intervention in the form of incentives. With the assistance of energy distributors, the government plans to:

- ▶ prioritize energy efficiency;
- ▶ increase green electricity offerings;
- ▶ fully capitalize on the energy value of biomass;
- ▶ diversify and enhance the supply of natural gas.

Energy efficiency, a separate production option

Energy efficiency consists in using each form of energy optimally, through the appropriate technologies, to deliver a given service or to produce a given good, without reducing comfort or altering our way of life and individual quality of life. By relying on energy efficiency, we are freeing up energy and, accordingly, making it available for other projects.

The wind power option

The government's objective is to take advantage of the wind power option by limiting impact on Québec consumers' electricity rates through supply planning when Hydro-Québec needs energy.

The government is seeking, in particular, in its perspective of wind power development, to ensure that certain wind farms built in Québec export their entire output to North American markets.

4. DEFINE A NEW APPROACH TO FOSSIL ENERGIES

If it commits itself to the development of the hydrocarbon option, the government must proceed step by step and in a transparent manner. The revenues that Québec could derive from such development would enhance its trade balance. Such revenues would be earmarked for the energy transition and, as a matter of priority, the development of renewable energies. However, it is essential to review our approach to this option and several factors must be considered:

- ▶ the safe transport of hydrocarbons;
- ▶ responsible hydrocarbon exploitation in Québec;
- ▶ social acceptability in the host communities;
- ▶ the enforcement of the most stringent technical and environmental standards.

Legal framework

The government will adopt a statutory framework governing hydrocarbon exploration and exploitation in Québec.

IMPLEMENTATION OF THE 2030 ENERGY POLICY

The 2030 Energy Policy will be implemented in four stages. First, several amendments will have to be made to the existing statutory framework. Next, three action plans will be published, covering the periods 2016-2020, 2021-2025, and 2030.

Follow-up mechanisms will be introduced to ensure that targets are met by 2030.

The 2030 Energy Policy is a pact that the government is making with Quebecers to create wealth, ensure their quality of life and reduce GHG emissions.

Energy efficiency, energy substitution and behavioural change are the three linchpins that, taken together, will enable Québec to successfully achieve the energy transition necessary to attain the targets.

