

APPENDIX

ASSISTANCE PROGRAM AIMING TO REDUCE OR AVOID GREENHOUSE GAS EMISSIONS THROUGH THE IMPLEMENTATION OF INTERMODAL FREIGHT PROJECTS

1. INTRODUCTION

In the framework of the Québec government's 2006-2012 action plan on climate change, called "Québec and Climate Change, a Challenge for the Future," one of the Ministère des Transports du Québec's (MTQ) mandates is to implement measures to reduce or prevent greenhouse gas (GHG) emissions by setting up intermodal freight projects.

These measures are implemented via a program called the Assistance Program Aiming to Reduce or Avoid Greenhouse Gas Emissions through the implementation of intermodal freight projects. The program is in line with the 2006-2012 action plan's action 8. The program has two components. The first is intended to support infrastructure projects, while the second is intended to support businesses using transportation solutions that help reduce GHG emissions.

The program also has some objectives that stem from previous rail and marine sector programs and the Assistance Program for Modal Integration, such as fostering better mode integration within Québec's transportation system, with a view to competitiveness, reducing the social costs of transport operations and protecting the environment.

2. OBJECTIVE

The program's goal is to reduce or prevent GHG emissions from freight.

3. PROGRAM PERIOD

The Assistance Program Aiming to Reduce or Avoid Greenhouse Gas Emissions through the implementation of intermodal freight projects began on October 1, 2007 and will run until 2013.

4. GENERAL TERMS

The financial aid takes the form of a grant. For Component A, projects can be submitted at any time. However, the MTQ must receive Component B project applications prior to March 31 and September 30 of each year.

A proponent wishing to submit a project must, in the framework of the program, draw up an application according to the parameters set out in the Financial Assistance Application Guide. The guide will be available on the MTQ web site, at the Direction du transport maritime, aérien et ferroviaire (DTMAF), and at all local MTQ offices. The application must be sent to DTMAF.

5. ELIGIBLE PROJECTS

Any project that reduces or prevents GHG emissions by means of improved intermodality or the use of rail or marine transportation.

6. ELIGIBLE ORGANIZATIONS

- Businesses, municipal organizations and other legally incorporated organizations with an establishment in the Province of Québec.
- Not eligible: consulting firms and similar organizations.

7. PROPONENT'S OBLIGATIONS

- File a business plan in support of the grant application.
- When submitting the application, have the GHG emission reduction or avoidance validated by an organization recognized by the Canadian Standards Organization for the application of standard ISO-14064 (Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals).
- Provide a report certifying the tonnage of GHG emissions reduced or prevented, as requested for each project category, by an independent organization.

8. PROJECT ASSESSMENT CRITERIA

- Impact on the tonnage of GHG emissions reduced or avoided during the project period
- The project's long-term viability (potential for reducing GHG emissions beyond the 2006-2012 action plan on climate change reference period)
- The project's economic spin-offs
- Environmental, economic and social cobenefits (reduction in atmospheric pollutants, decrease in road maintenance costs, road safety, etc.)
- Possibility of other viable transport alternatives
- Complementarity with other transportation modes

COMPONENT A: PROJECTS WITH INFRASTRUCTURE EXPENDITURE

Eligible expenses

Development of sites

- Construction of a railway track and preparation of the infrastructure
- Construction, development or improvement of buildings, areas or tanks intended for transshipment or storage of merchandise
- Acquisition and installation of transshipment equipment
- Construction, development or improvement of platforms, warfs or loading docks
- Environmental and engineering studies

- Creation of plans and specifications
- Rehabilitation of transportation infrastructures
- Lease, purchase or improvement of rail, marine or intermodal transportation equipment
- ISO-14064 certification fees

Ineligible expenses

- Purchase of land and decontamination works

Financial contribution

- The program's financial contribution is a maximum of \$500 per tonne of GHG emissions reduced or avoided, for the entire project. Financial contributions from Government of Québec departments and agencies may not exceed 50% of the eligible expenses associated with the project, up to a maximum of \$6M.
- The proponent's financial contribution must be at least 33% of the eligible expenses associated with the project.
- The financial contribution is paid in three instalments:
 - The first third of the contribution is paid upon production of the supporting documentation for the eligible expenses is produced.
 - The second third is paid after the first year of operation, following submission of a report certifying the tonnage of GHG emissions reduced or avoided. The MTQ reserves the right to reduce its contribution to the project if the GHG emissions reduced or avoided do not meet the goals set at the project's outset.
 - The balance of the contribution is paid when a final report is submitted certifying the tonnage of GHG emissions reduced or avoided after the first three years of project operation, or before the end of the fifth year. The MTQ will adjust its contribution in line with the quantity of GHG emissions reduced or avoided.
 - The MTQ may increase its contribution if the targets set at the outset are exceeded and there is room in the budget.
- If the project receives financial contributions from other Government of Québec departments and agencies in relation to the project's eligible expenses, these amounts will be deducted from the program's contribution.
- If the project receives a financial contribution from the Government of Canada in relation to eligible expenses, the MTQ reserves the right to adjust the program's contribution.
- In the framework of this program, the same project cannot receive assistance from both Components A and B.

COMPONENT B: PROJECTS WITHOUT INFRASTRUCTURE EXPENDITURE (SPECIAL PROJECTS)

- A proponent with a project that does not include infrastructure expenditures can obtain a maximum of \$250 per tonne of GHG emissions reduced or avoided if the proponent uses a transportation solution that helps reduce GHG emissions. The \$250 amount is for the entire project, and the financial contribution cannot exceed \$3M.
- Dry and liquid bulk freight projects to prevent GHG emissions are not eligible.
- One fifth of the financial contribution is paid after each year of operation over a five-year period following submission of a report certifying the tonnage of GHG emissions reduced. The MTQ reserves the right to reduce its contribution to the project if the quantity of GHG emissions reduced or avoided does not meet the goals set at the project's outset.
- The balance of the contribution is paid when the final report is submitted certifying the tonnage of GHG emissions reduced at the end of the fifth year of operation. The MTQ will adjust its contribution in line with the quantity of GHG emissions reduced or avoided.
- The MTQ reserves the right to favour the projects with the highest impact on reducing GHG emissions.
- If the project receives a financial contribution in relation to eligible expenses from other Government of Québec departments or agencies or from the Government of Canada, the MTQ reserves the right to adjust its contribution.
- The MTQ must receive the applications prior to March 31 and September 30 of each year. The Minister will subsequently announce the selected projects.