

FACTS ABOUT

The Holding Limit for the California and Québec Cap-and-Trade Programs

California's Cap-and-Trade Program will link with Québec's Cap-and-Trade System on January 1, 2014. This fact sheet provides information on the Holding Limits for the California and Québec Cap-and-Trade Programs.

Background

This factsheet provides the 2014 through 2020 holding limits for the California and Québec Cap-and-Trade Programs. The holding limit is the maximum number of allowances that may be held by an entity or held by a group of entities with a direct corporate association at any point in time. It is separately calculated for (1) holdings of allowances with a vintage year corresponding to the current or previous calendar years plus allowances purchased from the Allowance Price Containment Reserve (APCR), and (2) allowances with a vintage year greater than the current calendar year.

Holding Limit Calculation

Pursuant to section 95920(e) of the California Cap-and-Trade Regulation, the holding limit is calculated with the following formula:

$$\text{Holding Limit} = 0.1 * \text{Base} + 0.025 * (\text{Annual Allowance Budget} - \text{Base})$$

In which:

“Base” equals 25 million metric tons of CO₂e, and

“Annual Allowance Budget” is the total number of allowances issued for the budget year in the California and Québec programs.

The linkage of the California and Québec Cap-and-Trade Programs occurs on January 1, 2014, at which time participants from both jurisdictions will be required to comply with the same holding limit based on the total annual allowance budget of both programs. The annual allowance budget and annual holding limit for vintage years 2014 through 2020 are presented in Tables 1 and 2, respectively.

Table 1: California and Québec Annual Allowance Budgets

Year	California Budget (Million Allowances)	Québec Budget (Million Emission Units)	Total Annual Budget (Million)
2014	159.7	23.20	182.90
2015	394.5	65.30	459.80
2016	382.4	63.19	445.59
2017	370.4	61.08	431.48
2018	358.3	58.96	417.26
2019	346.3	56.85	403.15
2020	334.2	54.74	388.94

Table 2: 2014–2020 Holding Limit in the California and Québec Programs

<i>Year</i>	<i>Holding Limit</i>
2014	6,447,500
2015	13,370,000
2016	13,014,750
2017	12,662,000
2018	12,306,500
2019	11,953,750
2020	11,598,500

Contact Information

For further information about the Joint California/Québec Holding Limit, please contact Emily Wimberger at (916) 327-5932 or ewimberg@arb.ca.gov.