B.C. OBPS COMPLIANCE GUIDANCE

September 2025

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DOCUMENT CONTROL

Version	Date	Description of Changes
1.0	June 2025	Initial release of the document titled "Guidance for Using the B.C. Carbon Registry under the B.C. Output-Based Pricing System", providing interim direction to operators of regulated operations on how to use the BCCR in the B.C. OBPS.
2.0	September 2025	This version replaces the June 2025 release and includes expanded guidance for operators of regulated operations on how to use the BCIERS Compliance Module and the B.C. Carbon Registry to meet a compliance obligation.

LIST OF ACRONYMS

BCIERS	B.C. Industrial Emissions Reporting System
B.C.	British Columbia
BCCR	British Columbia Carbon Registry
BCCRR	British Columbia Carbon Registry Regulation
CO_2e	Carbon Dioxide Equivalent
FAA	Financial Administration Act
GGEAPAR	Greenhouse Gas Emission Administrative Penalties and Appeals Regulation
GGERR	Greenhouse Gas Emission Reporting Regulation
GGIRCA	Greenhouse Gas Industrial Reporting and Control Act
GHG	Greenhouse Gas
OBPS	Output-Based Pricing System

1. INTRODUCTION

1.1 Purpose

This guidance helps operators of regulated operations understand and meet their compliance obligations under British Columbia's Output-Based Pricing System (B.C. OBPS) using two digital platforms:

- the B.C. Industrial Emissions Reporting System (BCIERS) and
- the B.C. Carbon Registry (BCCR).

This guidance explains how to:

- assess a compliance obligation,
- request and receive earned credits,
- obtain an invoice and pay for excess emissions,
- use compliance units to meet part of a compliance obligation,
- make monetary payments, and
- track monetary payments and compliance unit usage against an obligation.

Operator: the person who owns and/or controls and directs the industrial operation.

Regulated operation: regulated operations are reporting operations that produce, or are designed and constructed to produce, a regulated product and will participate in the B.C. OBPS. Regulated operations have a compliance obligation to emit less than their annual emissions limit, or else pay for any excess emissions above their annual emission limit.

Compliance Obligation: the requirement for an operation to emit less than or equal to the emission limit for a compliance period, or else to pay for any excess emissions above the emission limit by making a monetary payment or using a limited number of compliance units.

This guidance focuses on the steps an *operator* may take to meet a compliance obligation. The goal is to ensure that operators clearly understand the steps and tools available to meet their B.C. OBPS *compliance obligation* and/or request and receive earned credits in accordance with regulatory requirements.

This guidance replaces the previously released "Guidance for Using the BC Carbon Registry under the B.C. Output-Based Pricing System" and reflects current requirements under the Greenhouse Gas Industrial Reporting and Control Act (GGIRCA) and its regulations. Operators should always consult the Ministry of Energy and Climate Solutions' (the Ministry) website for the most up-to-date versions of related guidance.

This guidance is not legally binding and does not replace or override statutory requirements. Operators remain responsible for understanding and complying with GGIRCA and all associated regulations.

For further information, please email the Ministry at: GHGRegulator@gov.bc.ca.

1.2 Regulatory Framework and Compliance Obligations

The B.C. OBPS is a carbon pricing system designed to drive greenhouse gas (GHG) reductions by establishing performance-based *emission limits* for large industrial emitters.

The B.C. OBPS is established under the GGIRCA and is administered through its associated regulations:

- Greenhouse Gas Emission Reporting Regulation (GGERR): sets out requirements for emissions reporting, verification, and compliance reports;
- B.C. Carbon Registry Regulation (BCCRR): governs the creation, management, and transfer of compliance units in the BCCR; and
- Greenhouse Gas Emission Administrative Penalties and Appeals Regulation (GGEAPAR): sets out administrative penalties for non-compliance with GGIRCA and its regulations, and the related appeal processes.

Under section 6 of the GGIRCA, a compliance obligation is the requirement for a regulated operation to emit less than or equal to its emission limit for a *compliance period*.
If emissions exceed the limit, the operator must address the excess by:

- making a monetary payment, or
- using a combination of a monetary payment and a limited number of compliance units *(earned credits* or *offset units*).

Operations that emit below their limit may generate earned credits, which can be traded, sold or held for future use.

Compliance Units:

Earned credits: credits that are issued to an operation when their emissions are verified to be below their emission limit. Earned credits can be retired voluntarily, held to meet future compliance obligations and do not expire. Operators can transfer earned credits to any other operation or third-party account holder in the BCCR.

Offset units: verified units that represent emission reductions and removals generated from approved B.C. carbon offset projects. Offset units can be retired voluntarily, held to meet future compliance obligations, but their use to meet a compliance obligation is limited by vintage year (i.e., the year in respect of which the units were issued; see B.C. OBPS Program and Reporting Guidance for more information on vintage limits). Operators can transfer offset units to any other operation or third-party account holder in the BCCR.

1.3 Audience

The primary audience for this guidance is operators of regulated operations under the B.C. OBPS. These entities are required to emit less than or equal to the emission limit for a compliance period, or else to pay for any excess emissions above the emission limit by making a monetary payment or using a limited number of compliance units. This guidance may be useful to other carbon market participants or BCCR users, such offset project proponents, traders and liquidity providers, since it describes how compliance units are accounted and transacted in the BCCR.

1.4 Scope

The scope of this guidance is limited to the B.C. OBPS compliance process. It does not cover broader topics such as the methodologies for emissions quantification, detailed emissions reporting procedures, verification requirements, or offset project development. Those topics are addressed in separate documents:

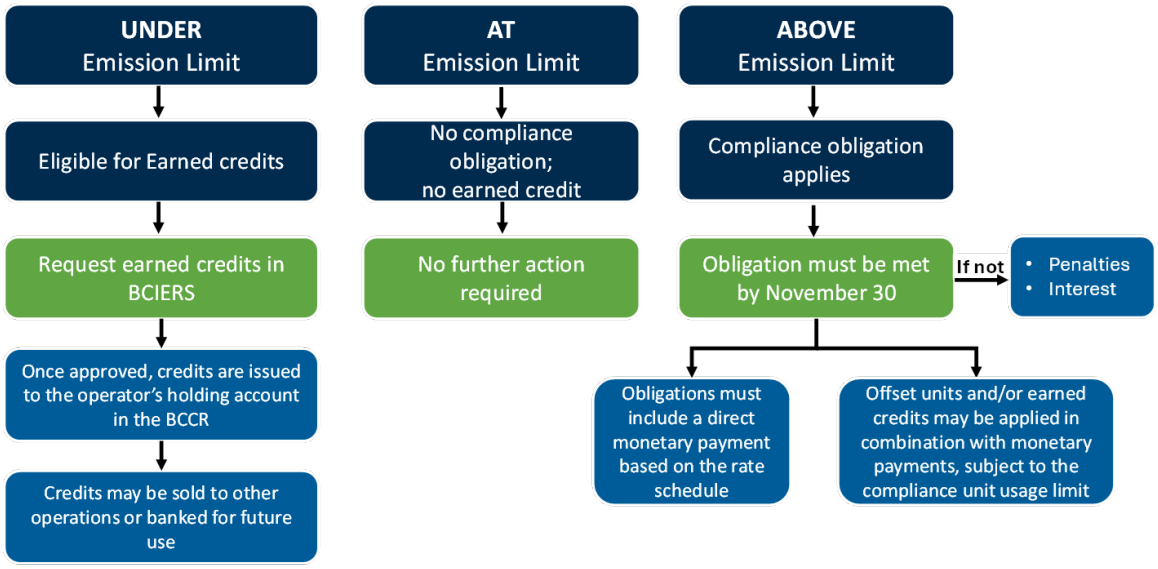
- B.C. Output-Based Pricing System Program and Reporting Guidance: explains eligibility criteria, reporting requirements, compliance mechanisms, and sector-specific quantification methodologies under the B.C. OBPS.
- Verification for Industrial GHG Emissions Reporting and the B.C. OBPS: explains requirements for third-party verification, planning and execution steps, and templates for verification statements.
- GHG Offset Guidance Document: explains requirements for offset project eligibility, planning, reporting, validation and verification, and the issuance and management of offset units.

Each of these documents should be consulted for detailed requirements beyond the compliance process.

2. ANNUAL COMPLIANCE PROCESS

This chapter provides a summary of the annual compliance process, which encompasses the steps operators will take to comply with reporting and compliance deadlines under the B.C. OBPS. It gives operators an overview of the key stages from compliance obligation assessment to meeting the obligation, including discussion on payments, use of compliance units and potential penalties for unmet obligations. While this chapter introduces how BCIERS and the BCCR support operators in the compliance process, detailed descriptions of these systems are provided in Chapters 3-5.

Figure 1. Compliance Process under the B.C. OBPS



2.1 Timeline

Table 1. Timeline

Date	Milestone
May 31	Annual Report due (including a verification statement)
Jun - Nov	Ministry reviews annual reports; operators address any required corrections
Nov 30	Deadline to meet compliance obligations
Dec 1	Penalties begin to accrue for unresolved compliance obligations

2.2 Compliance Obligation Assessment

After an operator submits their *Annual Report,* the Ministry reviews the submission for accuracy and completeness and may request supplementary reports if they identify any material deficiencies.

There are three possible outcomes, which are displayed on the operator's dashboard in BCIERS, along with available actions and associated deadlines.

- If reported emissions exceed the emission limit, BCIERS calculates the excess emissions and the resulting compliance obligation for the operator.
- If the operation's emissions remain below the emission limit, the system indicates the eligibility to request earned credits.
- If emissions equal the emission limit, the operator can confirm in the system that their compliance obligation has been met.

The BCIERS guides the operator through the compliance process by issuing system notifications and providing links to relevant actions, such as applying compliance units or making a monetary payment.

2.3 Using Compliance Units

When an operation has excess emissions, operators have an option to meet part of their compliance obligation by using compliance units (i.e., earned credits and B.C. offset units) in addition to making a required monetary payment.

The program sets an annual Credit Usage Limit, which defines the maximum percentage of an obligation that can be met using compliance units (See Table 2). The remaining portion must be covered through a monetary payment equal to excess emissions multiplied by the compliance charge rate for that reporting year (see Table 3). For example, for the 2024 reporting period, operators can meet up to 50% of their excess emissions obligation with units and must pay the remaining portion at the applicable compliance charge rate.

Table 2. Compliance Usage Limit

Year	Credit Usage Limit
2024	50%
2025	40%
2026	30%
2027	30%
2028	30%
2029	30%
2030	30%

Table 3. Compliance Charge Rates 2024 - 2030

Calendar year	Compliance Charge Rate per tonnes CO_2e
2024	$80
2025	$95
2026	$110
2027	$125
2028	$140
2029	$155
2030	$170

Only eligible compliance units can be used. Earned credits do not expire and are always eligible. Offset units, however, must have a vintage year within three years prior to the compliance period to be eligible. BCIERS and BCCR enforce these rules by allowing only eligible units to be transferred into *Compliance Accounts.*

To request earned credits or apply compliance units toward an obligation, the operator of a regulated operation must hold an "Operator of Regulated Operation" Holding Account in the BCCR. The Ministry reviews and approves all registry account applications, and this process may require up to two weeks.

2.4 Unit Retirement

Retirement means that a compliance unit has been claimed against emissions and is therefore permanently removed from circulation. All retirements are posted publicly on the BCCR to ensure transparency.

To use compliance units to meet a compliance obligation, they must be made available for retirement in a Compliance Account of the operator of a regulated operation. Once a user applies units to meet an obligation in BCIERS, the system automatically creates a dedicated Compliance Account for the operation and reporting year and transfers the selected units to the applicable Compliance Account.

Compliance units transferred into a BCCR Compliance Account through BCIERS may only be transferred out of the Compliance Account with approval from the Director. The Director under GGIRCA ("Director") will formally retire units in the Compliance Account once satisfied the risk of annual report corrections is sufficiently low.

All retirements must be approved by the Director. The Director's retirement is an administrative step and does not itself determine whether the operator has met the obligation. For further details, see Section 5.3.4.

2.5 Making Monetary Payment

Once an operator determines their compliance obligation, the Ministry will issue an invoice in BCIERS[1] for the outstanding amount, calculated at the applicable carbon price per tonne (see Table 2). Operators may generate this invoice at any time to confirm the amount due.

Before making a monetary payment, operators should confirm that any corrections to their Annual Report have been first submitted in a supplementary report. Operators may apply compliance units and make monetary payments in any order and as many times as necessary, provided they are within the annual limit for use of compliance units and the full obligation is met by the November 30 deadline. However, operators may find the process simpler if they apply compliance units first before downloading the invoice and making a monetary payment. If the operator submits a supplementary report or uses

[1] For the 2024 compliance year, the compliance obligation invoices will be issued on November 1, 2025, with payment due by November 30. Operators cannot receive an invoice or make payments before November 1, 2025.

compliance units to meet part of the obligation, BCIERS will automatically adjust the amount due in the invoice accordingly.

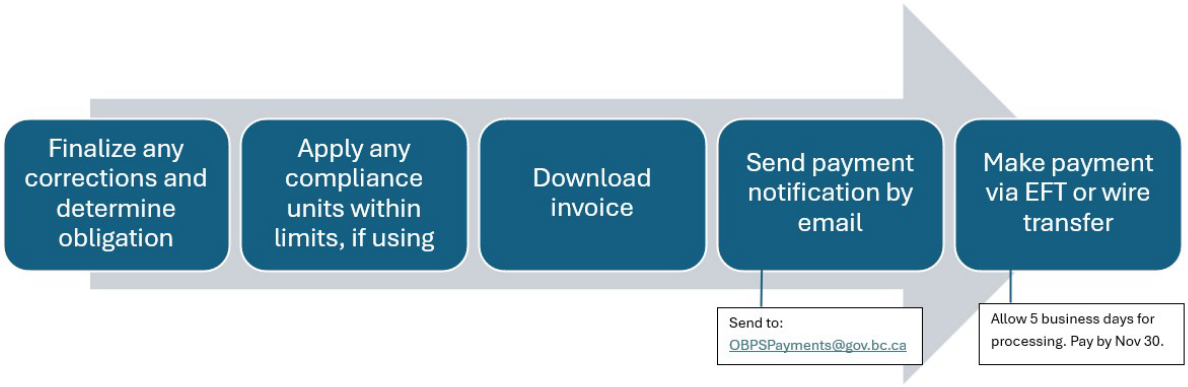
To make a monetary payment, operators should first review the payment instructions and email a *payment notification* to OBPSpayments@gov.bc.ca with the details outlined in the payment instructions (see section 4.4.3 of this guidance). Next, operators should make their payment via *electronic funds transfer (EFT)* or wire transfer to the designated B.C. OBPS bank account.

It may take up to five business days for payments to be processed and reconciled. Once payment is received, BCIERS updates the obligation status accordingly. The Ministry uses the payment date to determine compliance with the deadline and whether a penalty exists. For clarity, the payment date is the date when payment is deposited to the B.C. OBPS bank account. Unmet obligations after November 30 are subject to daily compounding penalties, as well as interest under the *Financial Administration Act* (FAA).

Inaccurate, incomplete, or late notifications will slow the payment processing, which can delay recognition of compliance in BCIERS. However, if a payment is made on or before November 30 and processed after the deadline, BCIERS may temporarily show that a penalty exists until the payment is processed and the system refreshes the information.

Operators must retain all payment records and compliance documentation for at least 7 years, as required by the GGERR.

Figure 2. Payment process



2.6 Corrections to Compliance Obligations

Corrections to an Annual Report may affect an operator's compliance obligation. If a supplementary report increases the excess emissions for an operation in a reporting year, an additional compliance obligation exists. If the report decreases excess emissions, a reduced compliance obligation exists. BCIERS automatically adjusts a compliance obligation based on the corrected information submitted in a supplementary report. Depending on the outcome, the operator and/or the Director must take steps to administer the change in compliance obligation.

Below is an outline of the outcomes of supplementary reports as follows:

Increased obligation:

- BCIERS will notify the operator of a new invoice for that operation in the *compliance module.*
- The operator must meet the additional obligation within 30 days or penalties apply.
- In some cases, an increased obligation may reveal that an operator received excess earned credits due to under-reported emissions. In this case, the operator must compensate for the surplus credits. The Ministry will notify the operator of the obligation for excess earned credits.

Decreased obligation:

- Recorded as an adjustment to the existing invoice for that operation.
- The Director may approve the return of compliance units or a monetary refund, or both as applicable.
- In some cases, a decreased obligation may reveal that an operator has earned credits instead of having an amount due. In this case, the existing invoice will be void and the operator will be able to request earned credits in BCIERS.

2.7 Compliance Obligation Report

The operator is responsible for confirming it has met its compliance obligation by referring to the *Compliance Obligation Report* in BCIERS. The operator must confirm that the monetary payment and use of compliance units, if any, have reduced the invoiced obligation to zero by November 30. If the obligation is not met by the deadline, penalties and FAA interest will apply. Detailed guidance on how compliance is recorded in BCIERS is provided in Section 4.5.

2.8 Penalties

Operators that do not meet their compliance obligations by the deadline of November 30th are subject to the following provisions under B.C. OBPS:

- For an unmet obligation, automatic penalties begin immediately after November 30 for each outstanding tonne of unmet obligation and continue to accrue until the obligation is met.
- Discretionary penalties may be imposed by the Director for other non-compliance issues, such as late or inaccurate reporting.

Operators are strongly encouraged to act promptly upon receiving such notices to avoid accruing penalties and interest. More details are provided in Chapter 6.

3. SYSTEM OVERVIEW

The B.C. OBPS is supported by two key digital platforms:

- BCIERS for registration of regulated operations, preparation of an annual report, tracking payments and use of compliance units to meet a compliance obligation, and
- BCCR for registry account management and general trade of compliance units.

This chapter provides a brief overview of how each system supports operators in meeting their compliance obligations. Chapters 4 and 5 provide detailed guidance on how operators use BCIERS and BCCR to complete these steps.

3.1 B.C. Industrial Emissions Reporting System (BCIERS)

BCIERS is the digital platform provided by the Ministry for operators of *regulated operations* to meet compliance obligations under B.C. OBPS. It serves as the central hub for registration, administration, reporting, and compliance, supported by four dedicated modules:

- Registration Module, where operators register their operator, operation and facilities.
- Administration Module, where operators manage their registration and make updates.
- Reporting Module, where operators prepare and submit an Annual Report.
- Compliance Module, where operators assess and meet a compliance obligation.

BCIERS automatically informs the operator whether the operator has met their compliance obligation, has earned credits, or has an obligation to pay for excess emissions for the reporting year. The system then guides the operator through the next steps, using notifications and on-screen messages to outline required actions.

Chapter 4 of this document provides detailed guidance on the use and functions of BCIERS Compliance Module.

3.2 B.C. Carbon Registry (BCCR)

The BCCR enables the accounting, issuance, trade and retirement of compliance units. It maintains the integrity and transparency of both the B.C. OBPS and B.C.'s carbon offset system by tracking all transactions.

Through its integration with BCIERS, the BCCR also facilitates issuance, tracking, trade and retirement of earned credits under the B.C. OBPS, as well as the use of both offset units and earned credits in the B.C. OBPS compliance market. The BCCR is accessible to operators and voluntary market participants.

Chapter 5 of this document provides detailed guidance on the use and functions of the BCCR.

3.3 BCIERS and BCCR Integration

While the Compliance Module and BCCR are distinct systems, these digital platforms are functionally integrated. This integration allows users to apply earned credits or offset units that are held in the BCCR to meet part of a compliance obligation for excess emissions in BCIERS. Through BCIERS, users can view their compliance unit holdings from the BCCR, select the units they wish to use, and seamlessly transfer those units to a dedicated BCCR Compliance Account. BCIERS automatically creates and manages BCCR Compliance Accounts. Once compliance units are applied, BCIERS automatically adjusts the invoice and locks the units in the Compliance Account until they are finally retired by the Ministry. BCIERS coordinates with the BCCR and other Ministry systems to complete the required transactions.

4. BCIERS COMPLIANCE MODULE

The Compliance Module in BCIERS serves as the primary portal for viewing and managing compliance obligations under the B.C. OBPS. After logging into BCIERS, operators are directed to the dashboard, which displays modules for Administration, Registration, Reporting, and Compliance. To access compliance functions, operators select the Compliance module.

Within the Compliance Module, operators can review compliance status, apply units, generate invoices, make payments, track obligations and penalties, and access the Compliance Obligation Report required under B.C. OBPS. This chapter provides step-by-step guidance on navigating these functions.

4.1 Compliance Obligation Assessment in BCIERS

Once the operator submits their Annual Report, the BCIERS Compliance Module automatically determines whether the operation has a compliance obligation or can request credits. The Compliance Summaries page displays an overview of each operation's status for the compliance period, including the following information:

- Excess Emissions: Tonnes by which the operation's reported emissions for compliance exceed its emissions limit.
- Outstanding Balance: Any remaining emissions that must be covered by payment of money or compliance units. **It may take several days for the outstanding balance to reflect payments.**
- Compliance Status: Whether the operator has met the compliance obligation or not, or can request earned credits.
- Penalty Status: Whether a penalty is accruing due to missed deadlines.
- Obligation ID and Action: Links for managing obligations, viewing details, or requesting credits.

4.2 Requesting Issuance of Earned Credits

If an operation's verified emissions are below the emissions limit for a compliance period, the BCIERS Compliance Module will show earned credits. In this case, the operator may request that the Ministry issue earned credits into the "Operator of Regulated Operation" Holding Account in the BCCR.

Operators must request earned credits through BCIERS. On the Compliance Summaries page, the Compliance Status column shows "Earned credits - not requested" when an operation has earned credits that have not yet been requested for issuance. In the Actions column, the operator selects "Request Issuance of Credits", which opens the Review Compliance Report page displaying the amount of earned credits. To complete the request, the operator clicks Continue and enters their *BCCR Holding Account ID.*

The Ministry only issues credits if the operator has an active "Operator of Regulated Operation" Holding Account in the BCCR.

Once issued, the credits appear in the Holding Account. The operator can hold the credits for future use, apply them to compliance obligations (subject to Credit Usage Limits), or transfer them to other account holders in the BCCR.

4.3 No Compliance Obligation or Earned Credits

If a regulated operation's verified emissions exactly match its emissions limit for the compliance period, the operation has:

- No excess emissions, and therefore no compliance obligation, and
- No credited emissions, and therefore no earned credits.

In this case, the BCIERS Compliance Module displays a "No compliance obligation or earned credits" status in both the Compliance Summaries and Review Compliance Report views. No further action is required from the operator for this operation.

4.4 Managing Compliance Obligations in BCIERS

When an operation exceeds its emissions limit for a compliance period, a compliance obligation exists and is displayed in the BCIERS Compliance Module. This obligation must be met either by using monetary payments or a combination of compliance units and monetary payments.

4.4.1 Reviewing the Compliance Obligation

Operators can view their compliance obligation under the "Review Compliance Obligation Report" section. This page summarizes:

- Emissions Attributable for Compliance
- Emissions Limit
- Excess Emissions subject to compliance
- Compliance Charge Rate
- Equivalent value of the obligation

Each compliance obligation is associated with a unique Obligation ID for Ministry tracking purposes.

4.4.2 Applying Compliance Units

Operators may apply eligible compliance units (see section 2.3 for details) from their "Operator of Regulated Operation" holding account in the BCCR to meet their obligation up to the annual Credit Usage Limit. They can apply compliance units on the Review Compliance Obligation Report page by entering their BCCR Holding Account ID.

After compliance units have been applied, operators can view the updated invoice by clicking on the "Generate Compliance Invoice" button.

4.4.3 Payment Instructions and Invoice Download

Operators must pay the remaining portion of the obligation not covered by compliance units, if used. Payments are not made directly in BCIERS. Instead, payment is a two-step process:

(1) the operator must email a payment notification to the Ministry, and

(2) the operator must submit the payment via EFT or wire transfer.

BCIERS records the monetary payment information under the "Monetary Payments Made" section on the Review Compliance Obligation Report page.

Operators can access their invoice by clicking the "Generate Compliance Invoice" button, and they can access the payment instructions from the Download Payment Instructions page. This page provides the invoice number, payee details, and instructions for remitting payment.

Before submitting payment, operators must notify the Ministry by email at OBPSPayments@gov.bc.ca, with the following necessary details:

- Operator name
- Exact payment date
- Payment amount
- Invoice number

Operators have the flexibility to make monetary payments before applying compliance units and, if needed, make additional payments afterward.

Payments should be made at least five business days before the deadline to allow for processing.

Failure to provide accurate payment details may result in processing delays and potential interest or penalties.

4.4.4 Tracking Monetary Payments

After reviewing the invoice and submitting a payment, operators navigate to the "Pay Obligation and Track Payment(s)" section in BCIERS. This interface shows:

- The outstanding balance in tonnes of CO_2e
- The monetary equivalent of the obligation
- An update on the payment status once funds are received and processed

Once the Ministry processes the payment, the invoice balance in BCIERS is automatically updated.

4.5 Demonstrating Compliance in BCIERS

Once an operator has met their compliance obligation, BCIERS automatically creates a record (referred to in B.C. OPBS Program and Reporting Guidance as the Compliance Obligation Report) showing how the obligation was met. The record fulfills the regulatory requirement under GGERR section 23.1, which

requires operators with excess emissions to demonstrate how they met their obligation. Operators do not need to take further action.

The report form auto-populates key information, including:

- Compliance units applied (with serial numbers and details from BCCR)
- Payment amounts (linked from the integrated invoice system)

Operators have access to the report in BCIERS for each compliance period that they have generated an obligation under the B.C. OBPS.

5. B.C. CARBON REGISTRY (BCCR)

The BCCR is a secure platform where emission reductions and removals may be credited, traded and retired. It provides operators with the ability to hold and manage compliance units, ensuring that obligations under the B.C. OBPS can be met in a transparent and accountable way.

Operators primarily interact with the BCCR through their holding and Compliance Accounts. BCIERS and the BCCR are integrated: operators apply units to their compliance obligations through BCIERS, while the BCCR records and manages the issuance, transfer, and retirement of those units.

A BCCR User Guide is accessible through the help menu after logging onto a BCCR account. It provides detailed instructions on account setup, transactions, and other functions.

5.1 BCCR Account Applications and Types

5.1.1 Application of BCCR Accounts

Operators of regulated operations must apply to the *Director under the GGIRCA* for accounts on the BCCR, in accordance with ss.7 and 8 of the BC Carbon Registry Regulation (BCCRR).

Operators may visit the website to learn more about the application process and to access a link to the application form.

5.1.2 Regulated Operation Accounts

Operators of regulated operations must have both a Holding Account and a Compliance Account in the BCCR to use compliance units to meet a compliance obligation or to receive earned credits.

- **"Operator of Regulated Operation" Holding Account:** holds and transacts offset units and earned credits. The Ministry issues earned credits to this account when eligible. Only this account type can transact with a Compliance Account.
- **Compliance Accounts:** a sub-account tied to a specific regulated operation. It may hold eligible units but functions only for compliance purposes. Operators do not need to manually open their Compliance Account. Instead, BCIERS automatically generates the account. Operators must provide a valid "Operator of Regulated Operation" Holding Account ID and consent for the account to be opened and activated on their behalf. This ensures that only the appropriate operator with a verified compliance obligation is granted access to the account. Operators can view the Compliance Account in the BCCR, but they cannot initiate transactions from it.

5.1.3 General Participant Holding Accounts

"General Participant" Holding Accounts may be held by anyone that meets the application requirements to open an account, such as offset project proponents, liquidity providers, financial institutions, or other market participants. These accounts can hold and transact offset units and earned credits but may not be used to meet a compliance obligation or generate earned credits.

Earned credits, once deposited into an "Operator of Regulated Operation" Holding Account, may be then transferred to a "General Participant" Holding Account, provided the credits have not already been transferred to a compliance account or retired. Compliance units may be transferred between a "General Participant" Holding Account and an "Operator of a Regulated Operation" Holding Account.

5.2 Compliance Unit Issuance

Operators request an earned credit issuance in BCIERS (see Section 4.2). The Director reviews the request and, if eligible, issues earned credits to the "Operator of a Regulated Operation" Holding Account. Once issued, the credits appear as Active in the BCCR Issuances grid.

For offset projects, the Director issues offset units to the project proponent's BCCR Holding Account when the verified project report conforms to GGIRCA, the regulations and the applicable protocol. These issuances also appear as Active in the BCCR Issuances grid.

5.3 Compliance Unit Transactions

Operators may acquire compliance units, hold them, transfer them to other BCCR accounts, voluntarily retire them in the BCCR or apply them to their compliance obligation in BCIERS.

5.3.1 Public Listings of Compliance Units

Compliance units in all accounts may be publicly visible on the BCCR by account, project, issuance, retirement and cancellation. To view public information available on BCCR, go to: BC Carbon Registry Public View.

The BCCR only lists contact information for an account holder if they are required by the regulations to share it or if they have otherwise consented to share it.

5.3.2 Acquiring Compliance Units

Operators interested in acquiring units should search for active units by Holding Account and then refer to the publicly listed website for that account holder.

Operators or third parties that want to acquire and/or buy compliance units should contact the account holder directly to negotiate terms. The Ministry does not sell compliance units and does not provide referrals to companies that sell compliance units.

Account holders may voluntarily disclose the sale price of compliance units when completing the transfer of units on the BCCR. This information supports the Ministry to continuously improve the B.C. OBPS.

5.3.3 Transfer

Any account holder that holds compliance units may transfer a specific quantity from their Holding Account to any other account holder's Holding Account.

The transferer must have the exact ID of the transferee's Holding Account to initiate the transfer on the BCCR, and the transferee must accept the transfer to complete the process. Transfers appear as Pending Transfer until accepted.

Only operators of regulated operations may transfer compliance units from their "Operator of Regulated Operation" Holding Account into their Compliance Account. **Once units move into the Compliance Account, operators cannot transfer them elsewhere. Only the Director under GGIRCA may transfer units out of a Compliance Account.** Please refer to section 4.4.2 for more information.

For detailed system steps, consult the BCCR User Guide, accessible through the help menu after logging into the BCCR.

5.3.4 Retirement

Retirement is a permanent, irreversible action on the BCCR that removes a compliance unit from circulation so that it cannot be used in the future.

Compliance retirements:

- If the operator intends to use compliance units to meet part of their compliance obligation, that obligation is met if the operator uses BCIERS to transfer the compliance units to the Compliance Account by November 30. The Director's retirement of those units is a separate administrative step and does not determine whether an operator has met their compliance obligation.
- The Director will retire units in the Compliance Account once the risk of the annual report requiring corrections that would impact the determination of excess emissions is sufficiently low.

Voluntary retirements:

Operators may also request voluntary retirement of compliance units from their "Operator of a Regulated Operation" Holding Account, but voluntary retirements do not count toward compliance obligations under the B.C. OBPS.

Important rules:

- Units in Holding Accounts voluntarily retired by operators do not count for B.C. OBPS compliance. Only retirements made from the Compliance Account by the Director count toward compliance.
- Units cannot be retired "on behalf of" an operator by a third party; operators must arrange for the transfer of any compliance units to be used to meet a compliance obligation to its own Holding Account.
- Once transferred to a Compliance Account, units are locked for compliance purposes and cannot be withdrawn or repurposed unless returned by the Director.
- Retirements (both compliance and voluntary) are published in the BCCR for transparency.

6. INTEREST AND PENALTIES

Operators may be subject to financial penalties and interest for failing to meet their obligations under the GGIRCA. The BCIERS Compliance Module automatically calculates penalties and interest related to overdue compliance obligations. The Ministry may also impose administrative penalties outside of BCIERS at the Director's discretion. In both cases, penalties are linked to compliance failures and may be subject to appeal.

6.1 Interest on Overdue Obligations

All overdue compliance obligations accrue interest in accordance with the *Financial Administration Act* (FAA). Interest is calculated at the prime lending rate + 3%, compounded monthly, and applies until the overdue obligation is resolved.

6.2 Automatic Penalties

Unmet obligations after the compliance obligation deadline of November 30 will be subject to daily compounding penalties, as well as interest under the FAA. Operators must fulfill their compliance obligations to stop the penalty from continuing to accrue. The Ministry encourages operators to make monetary payment at least five business days in advance of the compliance obligation deadline to allow for payment processing time.

The payment date is the date when payment is deposited into the B.C. OBPS bank account. The Ministry uses the payment date to determine whether a penalty exists. If a payment is made before the deadline and processed after the deadline, BCIERS may temporarily show that a penalty exists until the payment is processed and the system refreshes the information.

If the obligation is not met by the deadline, an *automatic penalty* begins accruing. These are calculated based on:

- Daily Penalty Rate (e.g., 0.38%)
- Number of Days Late
- Accumulated Penalty and Compounding
- FAA Interest (if any)
- Total Penalty Owed (as of today)

Penalties continue to accrue until the operator meets the compliance obligation, at which point the Ministry issues an administrative penalty invoice. If the operator does not pay a penalty in full within 30 days, the outstanding penalty amount will also be subject to interest under the FAA.

Supplementary Reports with Increased Obligations

If the operator submits a supplementary report after November 30, and it results in an increased obligation, it is immediately subject to interest equal to the prime lending rate + 3%, compounded monthly from December 1 until resolved.

If the operator does not meet the increased obligation within 30 days, the outstanding obligation will then be subject to the automatic daily penalty rate and interest under the FAA.

Operators are strongly encouraged to act promptly upon receiving such notices to avoid accruing penalties and interest.

6.3 Imposed Penalties

Imposed penalties are formal administrative penalties issued at the discretion of the Director, as authorized under section 25 of GGIRCA. The Ministry manages imposed administrative penalties outside of BCIERS and may issue invoices that include information not reflected in BCIERS. These penalties address noncompliance beyond missed compliance obligation deadlines, such as:

- failure to register or update registration information;
- failure to submit emissions or compliance reports;
- obstruction of inspections;
- other contraventions prescribed under GGIRCA or its regulations.

The process for imposed penalties generally involves the following steps:

- Director's Decision: The Director determines that a listed contravention has occurred.
- Notice Issued: The Ministry formally notifies the operator of the proposed penalty and the amount.
- Opportunity to Respond: The Director provides the operator an opportunity to be heard. Operators must submit their request within 30 calendar days of receiving the penalty notice.
- Invoice Created: If upheld or varied, the Ministry issues an invoice with payment instructions for the B.C. OBPS bank account. The operator must follow these instructions to complete payment. If the penalty is withdrawn, the Director provides written notice of that decision.

For the list of contraventions and associated maximum penalty amounts, see the Greenhouse Gas Emission Administrative Penalties and Appeals Regulation. Under this regulation, administrative penalties may be up to $1,000,000, depending on the nature and severity of the contravention.

6.4 Appeals

Operators have the right to appeal some decisions - including imposed penalties - through the Environmental Appeal Board (EAB) under section 40 of GGIRCA.

The following decisions may be appealed:

- Imposed administrative penalties under GGIRCA s. 25.

- Director decisions under GGIRCA, such as:
    - Refusals to issue earned credits or offset units;
    - Rejections of project plans, emission offset projects, or methodology changes;
    - Determinations of emission limits or excess emissions;
    - Suspension or cancellation of compliance units or registry accounts.
- Registry administrator decisions under the BCCR, such as account closures or transfer refusals.

A full list of appealable decisions is set out in the Greenhouse Gas Emission Administrative Penalties and Appeals Regulation.

The director or registry administrator must serve notice of the decision. Appeals must be filed with the EAB within 30 days of the decision.

For details and filing instructions, visit the Environmental Appeal Board.

7. OWNERSHIP TRANSFERS AND COMPLIANCE RESPONSIBILITY

Changes in the ownership of regulated operations or facilities during or after a compliance period can affect how BCIERS and the BCCR handle obligations and entitlements. The operator of a regulated operation on December 31 of the reporting year bears the reporting and compliance responsibilities for that operation.

To facilitate accurate record-keeping and system access, operators should submit a Reporting Event form as soon as possible when an ownership change occurs. Section 11.4 of the GGERR requires operators to update registration information within 30 days of a change in operator or other specified information. Timely notification enables the Ministry to confirm that operator information in BCIERS and the BCCR is up to date and to work with operators to ensure that compliance obligations, earned credits, and refunds are attributed or issued to the correct legal operator.

When notifying the Ministry, operators should be prepared to provide documentation that includes:

- the effective date of transfer;
- contact and other identifying details about the new operator; and
- the status of reporting and compliance obligations at the time of transfer.

Examples:

- **Transfer during a compliance period:** An operation changes ownership on September 1, 2025. The operator on December 31, 2025 (the buyer) is responsible for submitting the 2025 Annual Report and meeting any compliance obligation, even though the facility was under different ownership earlier in the year.
- **Transfer after the compliance period but before report submission:** An operation changes ownership on February 15, 2026, after the 2025 reporting year has ended but before the 2025 Annual Report is submitted. The operator on December 31, 2025 (the seller) remains responsible for submitting the 2025 Annual Report and meeting the 2025 compliance obligation.
- **Transfer after the Annual Report is submitted but before credits are issued:** An operator files the 2025 Annual Report in May 2026 which would earn credits, but ownership changes on June 1, 2026, and before credits are issued. Because the December 31, 2025, operator is responsible for the 2025 compliance year, the credits are issued to the former operator (the seller), not the new owner.

GLOSSARY

Annual Report: the annual report that all reporting operations submit by May 31st of the submission period to report emissions data, production data, allocation of emissions and compliance summary.

Automatic penalty: An administrative monetary penalty imposed by the Greenhouse Gas Emission Administrative Penalties and Appeals Regulation (GGEAPAR) if an operator fails to meet their compliance obligation by the compliance obligation deadline.

BCGHG ID: A unique ten-digit identifier number assigned by the Ministry to an operation or individual facility that reports its emissions. The BCGHG ID remains with the operation or facility even if ownership changes, to ensure reporting consistency.

BCCR Holding Account ID: A unique identifier assigned by the BCCR to an Operator of a Regulated Operation's Holding Account.

Compliance Account: A sub-account within an operator's Holding Account, tied to a specific regulated operation. It may hold offset units and earned credits.

Compliance Module: A module of BCIERS that enables regulated operators to manage compliance under the B.C. OBPS. It tracks emissions, facilitates earned credit requests when emissions are below limits, and supports transactions related to excess emissions, including applying compliance units and making monetary payments.

Compliance Obligation: the requirement for an operation to emit less than or equal to the emission limit for a compliance period, or else to pay for any excess emissions above the emission limit by making a monetary payment or using a limited number of compliance units.

Compliance Obligation Report: A report due by November 30 (after the Annual Report) for regulated operations with excess emissions. It outlines how the compliance obligation was met (credits used, offsets applied, and/or payments made). Submitted through BCIERS, it confirms compliance completion.

Compliance Period: refers to the calendar year which the reporting operations including regulated operations has been emitting greenhouse gases and has a compliance obligation, also sometimes referred to as the reporting period.

Compliance Units: Units used to satisfy compliance obligations under the B.C. OBPS.

- **a. Earned credits**: Issued when verified emissions are below the emission limit. They may be used for future compliance or transferred.
- **b. Offset units**: Represent emission reductions/removals from approved B.C. offset projects. Their use is subject to usage limits.

Corporate Services for the Natural Resources Sector (CSNR): A division of the Ministry of Water, Land and Resource Stewardship that provides financial, planning, HR, procurement, facilities, and security services to natural resource ministries.

Director under the GGIRCA: Statutory Decision Maker for the *Greenhouse Gas Industrial Reporting and Control Act*.

Earned Credit: A compliance unit issued under GGIRCA when an operator's verified emissions are below the emission limit. Each credit represents one tonne of CO_2e, is serialized, does not expire, and is stored in the operator's Holding Account.

Electronic funds transfer (EFT): The electronic transfer of funds between bank accounts, within or across institutions, via computer systems, without direct intervention of bank staff.

Emission Limit: The allowable baseline emissions for a regulated operation in a compliance period. Calculated using a sector-specific benchmark × production. Emissions below this limit earn credits; emissions above the limit trigger a compliance obligation.

Excess Emissions: for one-product operations, the regulated operation's annual production multiplied by the appropriate reduction factor and its production-weighted average emissions intensity. For multi-product operations, it means the sum of emission limits for each regulated product for the operation.

General Participant Holding Account: A Holding Account on the BCCR for voluntary market participants who are not regulated operations, project proponents, government entities, or other account holders listed in section 13(2) of GGIRCA.

Imposed penalty: An administrative monetary penalty imposed by the Director under GGIRCA for contraventions of the Act or its regulations.

Offset Unit: A compliance unit representing one tonne of CO_2e reduced or removed by an approved B.C. offset project. Offset units are serialized, tradable, have a vintage year, and are subject to usage limits under the B.C. OBPS.

Operator: The person or entity that owns and/or controls and directs a regulated operation.

"Operator of Regulated Operation" Holding Account: An account on the BCCR opened by a regulated operation's operator to receive, hold, and transfer compliance units (earned credits and offset units).

Payment contact: Individuals listed in a payment notification as contacts for the payment.

Payment notification: An email operators send before making a payment to the OBPS bank account. It includes required details such as operator name, payment date, amount, and invoice number, which CSNR uses to apply payments correctly.

Regulated operation: regulated operations are reporting operations that produce, or are designed and constructed to produce, a regulated product and will participate in the B.C. OBPS. Regulated operations have a compliance obligation to emit less than their annual emissions limit, or else pay for any excess emissions above their annual emission limit.

Reporting operation: industrial operations that emit 10,000 or more tonnes of CO2e in attributable emissions under section 3 of GGERR in a calendar year and will report their emissions to the Ministry.

Third-party users: Participants in the BCCR who are not operators of regulated operations under the B.C. OBPS but who hold accounts in the BCCR for other purposes.

Vintage (of Compliance Units): Refers to the compliance period (year) in which a compliance unit was earned.