



Made-in-Manitoba Climate and Green Plan

What it Means for *Large Emitters*

Made-in-Manitoba Carbon Price

Our plan sets out a low and level carbon price, so companies can plan future investments. The Manitoba Climate and Green Plan proposes a Made-in-Manitoba carbon pricing rate with a low, flat carbon price of \$25 per tonne – half the price of the federal government. It will start *and stay* at \$25 per tonne. It will not rise to \$50 per tonne, as proposed by the federal government.

By staying at \$25, the Made-in-Manitoba price will keep costs low for firms. In 2022, our price will be the *second-lowest* carbon price in Canada.

2018	2022	
BC = \$35	\$50	New BC government to raise by \$5/tonne each year
AB = \$30	\$50	Agreed to follow federal plan beginning in 2021
SK = \$10	\$50	Imposed federal backstop presumed
MB = \$25	\$25	Made-in-Manitoba Prairie Price
ON = \$18	\$22 floor price	Cap-and-Trade price forecasted*
QC = \$18	\$22 floor price	Cap-and-Trade price forecasted*
NB = \$10	\$50	Agreed to following federal plan beginning in 2018
NS = Under development		Federal equivalency for NS internal cap-and-trade plan
PEI = \$10	\$50	Agreed to following federal plan beginning in 2018
NL = \$10	\$50	Agreed to following federal plan beginning in 2018

*Ontario Energy Board Long Term Carbon Price Forecast Report (2017)

Output-Based Pricing (OBP)

Firms in emissions-intensive, trade-exposed sectors compete in global markets and often do not have the flexibility to pass on costs to consumers. To maximize competitiveness and minimize carbon leakage risks, Manitoba will introduce a separate, output-based pricing system. This form of carbon pricing has been recommended to the government by the companies involved.

How OBP works

OBP applies the carbon pollution price to that portion of a facility's emissions that exceed a designated emissions-intensity performance standard for that type of facility. Facilities that emit less than their emissions-intensity standard earn credits that can be banked or sold to facilities that have exceeded their standard.

OBP benefits

OBP keeps costs low, while retaining an incentive for firms to reduce carbon emissions. It means they can take steps to improve their emissions performance and avoid paying the carbon price. That helps their customers.

OBP Eligibility

OBP will apply only to large industrial emitters over the 50,000 tonne CO₂e threshold.

OBP Implementation

OBP will be transitioned into place during 2019 and will be developed in full consultation with affected firms.

What is Carbon Leakage?

Carbon leakage occurs when carbon emissions move from one jurisdiction with domestic climate policies in place to another jurisdiction without policies. The end result is no net reduction in national or global emissions.