



**Manitoba Climate and  
Green Plan**

**Federal Benchmark Assessment Report**



**Manitoba** 



## Information Requested regarding the Made-in-Manitoba Carbon Pricing System as part of the Federal Government's Benchmark Assessment

### Background

On October 27, 2017 the Made-in-Manitoba Climate and Green Plan was released, setting a bold vision for Manitoba to become Canada's cleanest, greenest, and most climate-resilient province (see [Attachment A](#)).

The release of the Made-in-Manitoba Plan was followed by the tabling of *Bill 16: The Climate and Green Plan Implementation Act* on March 15, 2018 (see [Attachment B](#)). Manitoba's Climate and Green Plan and Legislation enables the introduction of a carbon price set at a flat rate of \$25 per tonne of carbon dioxide equivalent.

On July 30, 2018, Manitoba released the Draft Regulatory Framework for a Made-in-Manitoba Output-based Pricing System, a document that sets out draft guidance on key OBPS design and implementation details for consideration and consultation with affected companies, sectors, and stakeholders (see [Attachment C](#)).

In December 2017, the Honourable Catherine McKenna, Minister of Environment and Climate Change Canada, and the Honourable Bill Morneau, Minister of Finance, asked each province and territory that is establishing and maintaining its own carbon pricing system to provide written information by September 1, 2018 on how its system meets the pan-Canadian benchmark.

On May 4, 2018 the federal Deputy Minister of Environment and Climate Change Canada sent a letter to provincial and territorial Deputy Ministers, outlining additional information requested for this assessment.

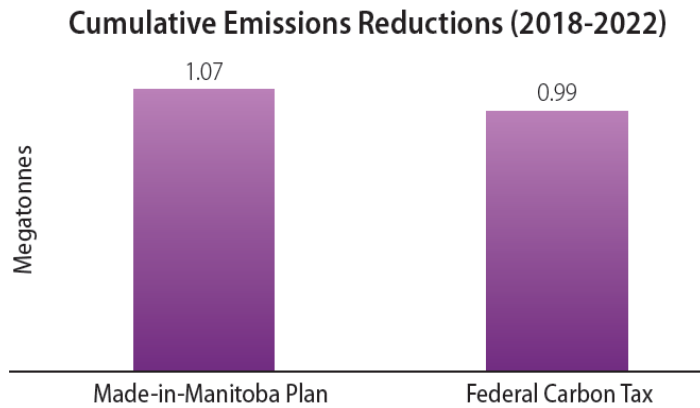
The information below outlines Manitoba's response to the federal government's request for information as part of its formal benchmark assessment.

### Made-in-Manitoba Carbon Price Works Better

Manitoba's legislated carbon price of a flat \$25 reflects the province's unique emissions profile and the billions of dollars of public investments into clean hydro-electricity, as well as into climate mitigation and adaptation measures, over the past decades. Manitoba has done its homework in designing a carbon pricing system that fits Manitoba's needs and carefully balances environmental and economic outcomes.



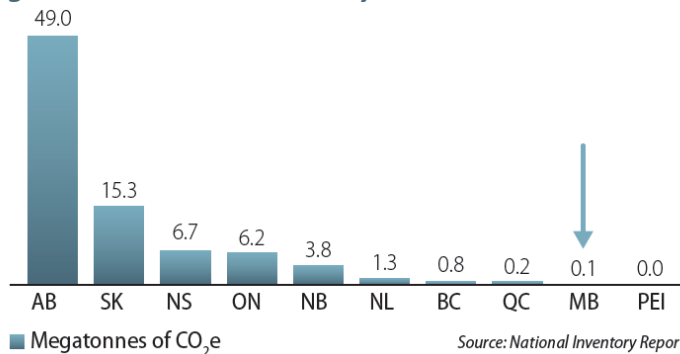
Manitoba’s carbon price will reduce emissions by more than the federal price schedule. This is important as the goal of any climate plan must be to reduce GHG emissions in a cost-effective manner. Manitoba’s plan does that.



A higher carbon price in Manitoba would simply be punitive and ineffective in reducing emissions. The results of extensive carbon pricing modelling and analysis show that the opportunities to cost-effectively reduce carbon emissions in the province stop at below \$30 per tonne charge on carbon. Anything beyond this price is punitive because it results in rising costs to households and businesses with diminishing emissions reductions. This finding is largely due to two unique Manitoba features that impact the efficacy of higher carbon prices in our province compared to other jurisdictions: our clean electricity grid and large agriculture sector.

First, as Figure 1 below demonstrates, Manitoba has one of the cleanest electricity grids in Canada with over 99 percent of our electricity generated from non-emitting renewable resources. There are almost zero opportunities to achieve emissions reductions in this sector, unlike other provinces.

**Figure 1: Provincial Electricity Production Emissions Profile**

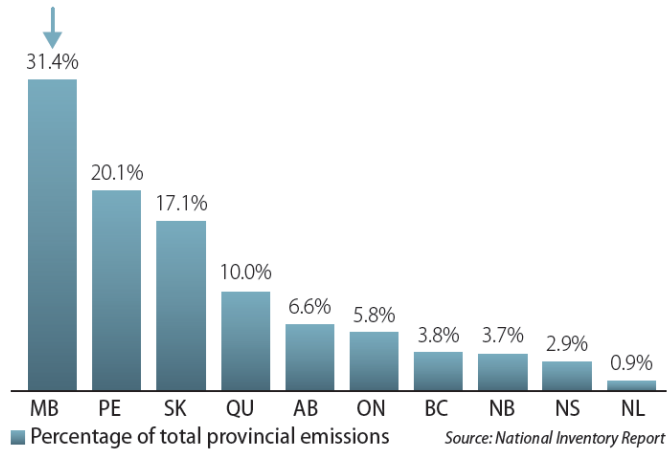


Second, as Figure 2 below demonstrates, Manitoba has the highest proportion of agriculture emissions relative to all other Canadian provinces. This reality



requires special recognition because the majority of agriculture emissions are not due to the burning of fossil fuels but rather to biological processes such as the release of greenhouse gases (GHGs) from soils and animal digestion which cannot be reduced via carbon pricing. Accordingly, Manitoba will exempt marked fuel used in farming operations from any carbon price.

**Figure 2: Provincial Agriculture Emissions as a Percent of Total Provincial GHGs**



Our modelling shows that application of the federal \$50 per tonne carbon price in 2022 would result in additional emissions reductions of just over 76,000 tonnes of CO<sub>2</sub>e (see Table 1 below). At double the carbon price and at a cost of approximately \$250 million more to Manitobans in that year alone, Manitoba would only reduce emissions by one third of one percent more. On a per tonne basis, the actual cost of achieving those additional emissions reductions in 2022 would be over \$3,250 per tonne. This is not cost-effective carbon pricing policy.

**Table 1: Costs of Incremental Emissions Reductions to Manitoba Economy from Federal Backstop in 2022 (MtCO<sub>2</sub>e)**

Scenario	2022 MB Emissions (MtCO <sub>2</sub> e)	Incremental Emissions Reductions (MtCO <sub>2</sub> e)	Costs to MB economy in 2022
<b>Reference</b>	22.89		0
<b>MB Flat \$25 carbon tax &amp; OBPS</b>	22.5815	- .3085	\$250 million
<b>Federal Backstop</b>	22.5052	-.0763	\$500 million

Due to the combination of Manitoba’s decarbonized electricity and large agriculture sector, carbon pricing in Manitoba covers fewer emissions compared to other provinces, and therefore has a more limited application as a one-size-fits-all tool in reducing greenhouse gas emissions (see Table 2 below).



*Table 2: Percent of Provincial Emissions Covered by Provincial Carbon Prices*

Province	% of provincial emissions covered by carbon price
Quebec	85
British Columbia	70
Alberta	70
Manitoba	50

All of these factors were carefully considered in designing our Made-in-Manitoba Plan.

It is also worth noting the following in terms of Manitoba's commitment to climate action:

- Manitoba's carbon price is set at a flat fixed rate of \$25 per tonne of carbon dioxide equivalent as of year one.
- Manitoba is the furthest advanced of any new jurisdiction that signed the PCF and did not have carbon pricing in effect at the time and has committed to an economy-wide carbon levy and an output-based pricing system for large industrial emitters.
- Manitoba is the only province that has brought in legislation creating independent advisory mechanisms to set carbon reduction targets and measure progress on an annual basis.
- Recently, Manitoba launched Efficiency Manitoba, a new stand-alone crown corporation with ambitious legislated targets to reduce electricity and natural gas consumption in the province by 1.5 and 0.75 percent annually, respectively. Efficiency Manitoba will deliver a variety of demand-side management of electricity and natural gas programmes and services, helping households and businesses save money, reduce energy consumption and cut carbon emissions. Efficiency Manitoba is forecasted to achieve approximately 2.7 million tonnes of cumulative emissions reductions over a fifteen-year period.
- Manitoba is a leader in clean energy and transportation fuels. We were the first Canadian jurisdiction to introduce a renewable fuels mandate for diesel fuel. Additionally, our provincial ethanol mandate is the highest blending requirement in the country at 8.5 percent. Combined, these two actions will result in 2 million tonnes of fewer carbon emissions over the next five years. This is equivalent to removing 500,000 passenger cars off the road for a year.

While Manitoba signed the PCF and supports its goals for Canada, it did so explicitly rejecting the one-size-fits-all carbon pricing schedule. That remains Manitoba's position.



## Tax Relief for Manitobans

The Manitoba government will recycle all of the carbon tax collected back to Manitobans in the form of lower taxes. We will not add to the tax burden on families through a carbon tax. Budget 2018 made this commitment clear as can be seen in this statement by the Minister of Finance in the Budget Speech:

“The federal government has mandated that carbon emissions must be taxed, and that it would impose a tax in provinces that did not do so.

Our Climate and Green Plan is a Made-in-Manitoba approach that respects our clean energy investments, supports our economy and reduces emissions.

It is better for the environment, and better for our economy, than the federal approach.

As part of our Climate and Green Plan, we have designed a carbon pricing system that carefully balances Manitoba’s unique environmental and economic realities.

In order to ensure that the economic impact of meeting our climate change goals is sustainable, our government is committed to achieving meaningful emissions reductions while also reducing other taxes.

To this end, all carbon tax revenues received over four years will be returned to Manitobans through tax reductions.”

Specific tax relief for Manitobans include the following:

- Budget 2018 announces the largest ever enhancement to the Basic Personal Amount (BPA) over the coming two years. Effective for the 2019 tax year, the BPA will be increased from \$9,382 to \$10,392, equal to \$109 tax savings for an individual. Effective for the 2020 tax year, the BPA will be increased from \$10,392 to \$11,402, equal to another \$109 tax savings for an individual. This increases the BPA by a combined \$2,020 by 2020.
- This measure will remove over 31,000 taxpayers from the tax rolls and save Manitobans over \$77 million in 2019 and an additional \$78 million in 2020

More information on Budget 2018 can be found in [Attachment D](#).



## 1.0 Timely Introduction

Legislation or regulations establishing economy-wide carbon pricing, with clarity on the following:

### 1.1 Timing for entering into force / application

#### 1.1.1 Made-in-Manitoba Economy-wide Carbon Price

On March 15, 2018, government tabled Bill 16: *The Climate and Green Plan Implementation Act*, which is anticipated to be proclaimed by the end of the fall 2018 legislative session. The Bill provides the legislative authority to implement the mandate item of a Made-in-Manitoba Climate and Green Plan, and the fiscal tools to achieve carbon emissions reductions, including the introduction of Manitoba's economy-wide carbon price.

Bill 16 passed first reading, but was held up by the opposition so that further debate on the bill can now only take place during the fall session beginning October 3, 2018. The bill is expected to become law in its entirety by December 1, 2018.

#### 1.1.2 Made-in-Manitoba Output Based Pricing System

Bill 16 also establishes *The Industrial Greenhouse Gas Emissions Control and Reporting Act* that enables Manitoba to introduce a separate output-based pricing system (OBPS) for large industrial facilities in the province competing in sectors of the economy that are high risk of carbon leakage.

### 1.2 Carbon Price

#### 1.2.1 Made-in-Manitoba Economy-wide Carbon Tax

Bill 16 amends *The Fuel Tax Act* to add a flat, economy-wide tax on carbon-based fuels of \$25 per tonne of carbon dioxide equivalent (i.e. carbon tax). The amendments revise the name of the act to *The Fuel and Carbon Tax Act*. Pending the outcome of the upcoming fall 2018 legislative session, *The Fuel and Carbon Tax Act* is expected to come into force on December 1, 2018.

#### 1.2.1 Made-in-Manitoba Output Based Pricing System (OBPS)

*The Industrial Greenhouse Gas Emissions Control and Reporting Act* will come into force two weeks after Bill 16 receives royal assent, which is expected for November 8, 2018. Recognizing that the OBPS will not be operational when *The Industrial Greenhouse Gas Emissions Control and Reporting Act* comes into force, the first OBPS compliance period is planned to begin on January 1, 2019, subject to consultations now beginning with industry and other stakeholders.



Regulated facilities under *The Industrial Greenhouse Gas Emissions Control and Reporting Act* will be required to compensate for each tonne of emissions above an emissions limit at a marginal carbon price rate of \$25 per tonne of CO<sub>2</sub>e.

### 1.3 Enforcement Mechanisms

Fuel and carbon tax collectors are subject to the administration and enforcement provisions found under Part I of *The Tax Administration and Miscellaneous Taxes Act*. It is under this Act that the record keeping, licensing, penalties, audit, collections and offences for provincial taxes (including the fuel and carbon tax) are located. As part of Manitoba's regular audit process – fuel and carbon tax collectors will be audited to ensure the proper amount of fuel and carbon taxes have been reported and remitted to the province.

*The Industrial Greenhouse Gas Emissions Control and Reporting Act* contains administrative and enforcement provisions. Regulated entities that contravene a statutory requirement of the Act could face strict penalties upon conviction. Guilty individuals are liable for a fine of up to \$50,000 for a first offence and up to \$100,000 or six months in prison for second and subsequent offences. Guilty corporations are liable for a fine of up to \$250,000 for a first offence and up to \$500,000 for second and subsequent offences.

## 2.0 Scope

The Made-in-Manitoba carbon price consists of two complementary elements;

- An economy-wide carbon tax on liquid, gaseous, and solid fuels equal to \$25 per tonne of carbon dioxide equivalent (CO<sub>2</sub>e)
- A separate OBPS for large industrial operations competing in emissions-intensive trade-exposed sectors of the economy.

Details on the greenhouse gas emissions and fuels covered by these two complementary systems are outlined below. Please note that the OBPS system features are the subject of consultations beginning with industry and stakeholders and could be adjusted in some of the specific details accordingly.

### 2.1 Greenhouse gases covered under Made-in-Manitoba Economy-wide Carbon Tax

Manitoba's economy-wide carbon tax applies to the following greenhouse gases:

- Carbon dioxide
- Methane
- Nitrous oxide





## 2.2 Fuels and Emissions Sources covered under Made-in-Manitoba Economy-wide Carbon Tax

The economy-wide carbon tax applies to a wide-range of liquid, gaseous, and solid fuels and emissions sources, including but not limited to:

- Gasoline
- Diesel
- Natural gas
- Coal

For a complete listing of fuels and emissions sources subject to the carbon tax, see Section 5 of *The Climate and Green Plan Implementation Act* (see [Attachment E](#)).

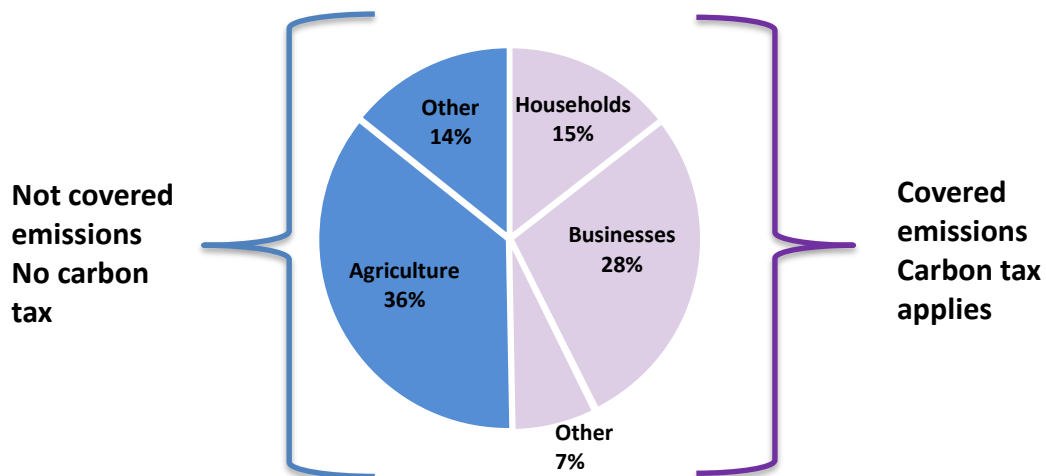
Select fuels and emissions sources are not subject to the carbon tax. Exempt fuels and emissions sources include:

- Marked fuels and other exempt fuels as designated under the Fuel Tax Act
- Biofuels
- Fuels used in inter-provincial and international flights
- Direct emissions from landfills
- Direct agricultural emissions from biological sources such as livestock and soils
- Emissions from fixed, chemical processes
- Industrial operations covered under the Made-in-Manitoba OBPS

As shown Figure 2.2 below, in total, approximately fifty percent of Manitoba's total provincial emissions are covered by the economy-wide carbon tax.

**Figure 2.2: Emissions Covered by Economy-wide Carbon Tax**

*Manitoba 2016 GHG Emissions = 20.9 MtCO<sub>2</sub>e*





### 2.3 Greenhouse gases covered under the Made-in-Manitoba OBPS

The OBPS will apply to industrial facilities (covered facilities) with annual emissions of 50,000 tonnes or greater of carbon dioxide equivalent (tCO<sub>2</sub>e). There are currently six facilities in the province that exceed the 50,000 tCO<sub>2</sub>e threshold. Combined, these six facilities account for 1.3 megatonnes of CO<sub>2</sub>e, contributing approximately 6% to total provincial emissions.

The OBPS applies to the following greenhouse gases:

- Carbon dioxide
- Methane
- Nitrous oxide
- Sulfur hexafluoride
- Hydroflourocarbons
- Perfluorocarbons
- Nitrogen trifluoride

### 2.4 Fuels and Emissions Sources covered under Made-in-Manitoba OBPS

The OBPS will cover emissions from the following on-site sources: stationary combustion, on-site transportation, industrial processes and product use, waste and wastewater, flaring, and some venting and fugitive sources. Emissions associated with electricity generation off-site and other indirect emissions sources will not be subject to pricing under the OBPS.

The OBPS will not apply to municipalities, universities, school, hospitals (MUSH), landfills, wastewater treatment facilities, or natural gas distribution networks. This exclusion is to recognize that the MUSH, waste, and natural gas distribution sectors do not compete in international markets and therefore, do not face a significant carbon leakage risk. These sectors will be subject to the flat \$25 per tonne carbon tax on all eligible fuels.

## 3.0 Stringency

Details in the stringency of the Made-in-Manitoba carbon pricing system are as follows:

### 3.1 Rates and background information

Table 3.1 below sets out the carbon tax rate for each fuel type. The carbon tax rate for each fuel type reflects a rate of \$25 per tonne of greenhouse gas emissions, on a CO<sub>2</sub>e basis, as determined according to the most recent version of the *National Inventory Report: Greenhouse Gas Sources and Sinks in Canada* published by Environment and Climate Change Canada and the *Emissions Factors for Greenhouse Gas Inventories*, as published by the United States Environmental Protection Agency.



The carbon tax rates for gasoline and diesel have been adjusted to reflect the renewable fuel content mandated by the provincial *Biofuels Act*. The Act requires gasoline sold in the province to contain a minimum of 8.5 percent ethanol. Diesel sold in the province must contain a minimum of 2 percent biodiesel or renewable diesel.

**Table 3.1: Carbon tax rate by fuel type**

types and uses of fuel		carbon tax rate
Aviation fuel	delivered directly into the fuel tanks of an aircraft for a commercial cargo flight	6.46 ¢/l
	other	6.46 ¢/l
Bunker fuel	used for heating	7.94 ¢/l
	other	7.94 ¢/l
Butane		4.45 ¢/l
		8.90 ¢/kg
Diesel <sup>3</sup>	used for locomotive operation	6.71 ¢/l
	marked and used for heating	6.71 ¢/l
	clear diesel (not for locomotive operations)	6.71 ¢/l
Ethane		2.55 ¢/l
Gas liquids		3.81 ¢/l
Gasoline <sup>3</sup>	marked and used for heating	5.32 ¢/l
	marked and used for any other permitted purpose	0 ¢/l
	clear gasoline	5.32 ¢/l
Heavy fuel oil		7.94 ¢/l
Kerosene		6.46 ¢/l
Methanol		2.71 ¢/l
Naphtha		5.64 ¢/l
Natural gas	pipel gas	4.74 ¢/m <sup>3</sup>
	used for motor vehicle operation	4.74 ¢/m <sup>3</sup>
	other	4.74 ¢/m <sup>3</sup>
Pentanes plus		5.11 ¢/l



types and uses of fuel		carbon tax rate
Propane		3.87 ¢/l
		7.74 ¢/kg
Solid fuel	lignite coal	30.53 \$/t
	sub-bituminous coal	35.78 \$/t
	bituminous coal	54.80 \$/t
	other grades of coal, including anthracite	59.73 \$/t
	coke (including petroleum coke)	79.48 \$/t
	combustible waste	49.93 \$/t
Other — any other substance that may be used to generate power by means of an internal combustion or turbine engine, or for heating		rate determined under s. 4

### 3.2 Sectors included in the Made-in-Manitoba Output-based Pricing System

Table 3.2 below sets out a preliminary list of emissions-intensive trade-exposed sectors/sub-sectors of the economy. Products/activities within these sectors/subsectors will be covered under the OBPS.

**Table 3.2: Preliminary List of Emissions-Intensive Trade-Exposed Sectors/Sub-sectors**

Sector/Sub-sector	Proposed Covered Product/Activity	Proposed Metric(s)
Nitrogen Fertilizer	Ammonia	Tonnes CO <sub>2</sub> e/tonne ammonia
	Nitric acid	Tonnes CO <sub>2</sub> e/tonne nitric acid
Lime	High calcium and dolomitic lime	Tonnes CO <sub>2</sub> e/tonne lime
Chemicals (Ethanol)	Ethanol	Tonnes CO <sub>2</sub> e/cubic metre ethanol



Pulp & Paper	Kraft paper	Tonnes CO2e/air dried tonne finished product
Iron and Steel	Mini Mill	Tonnes CO2e/tonne melted steel and rolled steel
Mining	Overburden and ore	Tonnes CO2e/tonne overburden and ore
Base Metal Smelting and Refining	Base metals	Tonnes CO2e/tonne base metals produced
Natural Gas Transmission	Natural gas transmission pipelines	Tonnes CO2e/km throughput
Other Manufacturing	Food/Beverage Processing	Tonnes CO2e/unit product

Industrial facilities in alternate sectors/sub-sectors may also receive consideration if there is demonstrable evidence they are emissions-intensive trade-exposed.

### 3.3 OBPS Opt-in Provision

An opt-in provision for facilities that meet both of the following criteria is being considered:

- Have annual emissions between 10,000 and 50,000 tCO2e
- Compete in an emissions-intensive trade-exposed (EITE) sector/sub-sector of the economy

Industrial facilities that meet opt-in eligibility requirements will be able to voluntarily join the OBPS starting January 1, 2020. Once covered, opt-in facilities will be subject to the same reporting and compliance obligations as other regulated facilities.

### 3.4 OBPS Compliance Options

Covered facilities with a compliance obligation must compensate for excess emissions by:



- a) Remitting an emissions offset credit at a rate of one credit for each tonne of greenhouse gas emissions in excess of the limit
- b) Paying a levy at a rate of \$25 per tonne of CO<sub>2</sub>e in excess of the limit
- c) A combination of a) and b)

There are three types of emissions offset credits:

- 1) Performance Credits – Issued to an industrial operation whose emissions in a compliance period are below the limit that applies in that period
- 2) Manitoba offset credits – under the regulations, an emissions offset credit system may be established for projects in Manitoba that reduce emissions or remove emissions from the atmosphere
- 3) Agreements with other jurisdictions – the minister may enter an agreement respecting recognition of credits issued by the other jurisdiction

### 3.5 OBPS Carbon Offset System

Offsets will be considered as a potential compliance option for covered facilities. The Manitoba government is examining options for establishing offset protocols and an offsets registry that would recognize and track offset credits from Manitoba projects. Priority will be given initially to offset activities and protocols in the areas of agriculture, waste, and land use change and forestry as potential compliance options.

Manitoba will work with other jurisdictions to determine if existing or shared registry platforms can be utilized. Offset protocols will be developed to match current and anticipated design standards and criteria in other Canadian jurisdictions.

### 3.6 Carbon Pricing Modelling

Manitoba undertook two distinct modelling streams to ensure the most comprehensive and consistent data and analysis on a range of carbon pricing scenarios. A description of the models, including baselines, assumptions, results and limitations can be found in *Technical Backgrounder: Modelling Conducted for Made-in-Manitoba Climate and Green Plan* (see [Attachment F](#)).

Based on the modelling results obtained, Manitoba selected the most effective carbon price design that achieved the most emissions reductions at the least economic costs. A summary of carbon pricing impacts on key environmental and economic indicators follows:

Figure 3.6 below shows that over the period of 2018 through 2022, the Made-in-Manitoba carbon price will reduce cumulative emissions by 1.07 Mt CO<sub>2</sub>e more than the reference case. Over the same period, the federal benchmark applied in Manitoba would reduce cumulative emissions by 0.99 Mt. The Made-in-



Manitoba carbon price achieves 80,000 additional tonnes of emissions reductions, compared to the federal benchmark.

**Figure 3.6: Cumulative Emissions Reductions from Made-in-Manitoba Carbon Price over Five-year Period**

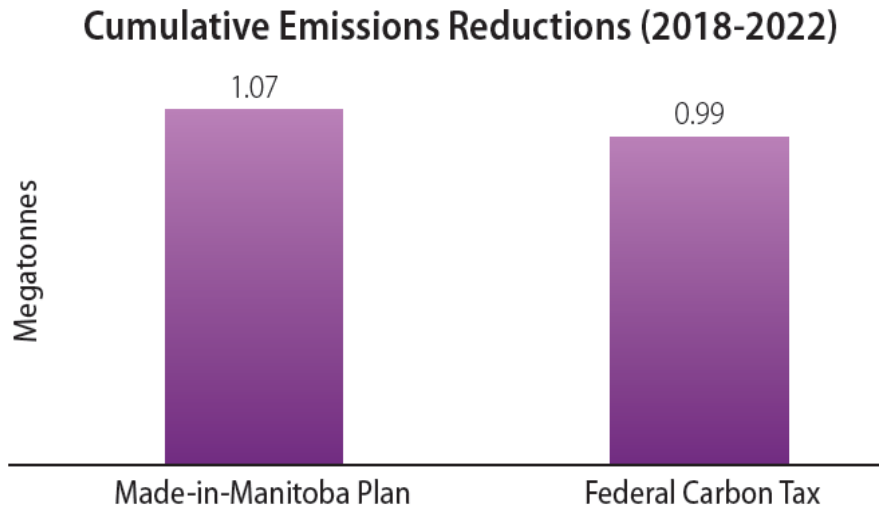
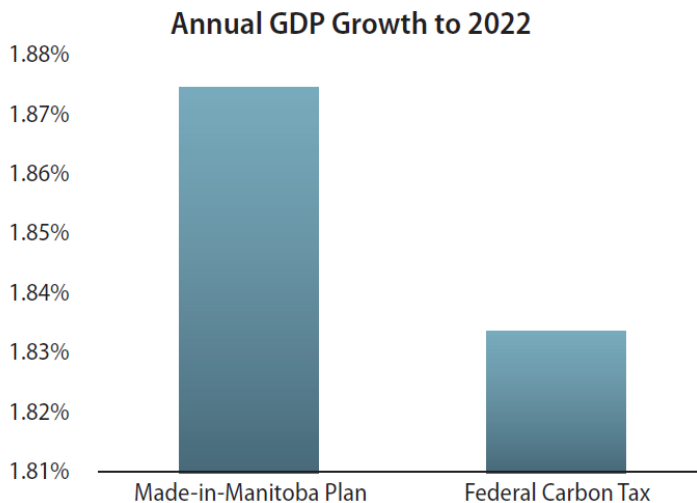


Figure 3.6b below shows the impact of carbon pricing on the provincial economy. Over the period of 2018 through 2022, under a flat \$25 per tonne carbon price, Manitoba’s economy is forecasted to grow by 1.87 percent annually. Under the federal benchmark, Manitoba’s economy is forecasted to grow by 1.83 percent annually. Baseline annual growth is forecasted at 1.89 percent.

**Figure 3.6b: Annual GDP Growth to 2022 under Made-in-Manitoba Plan**





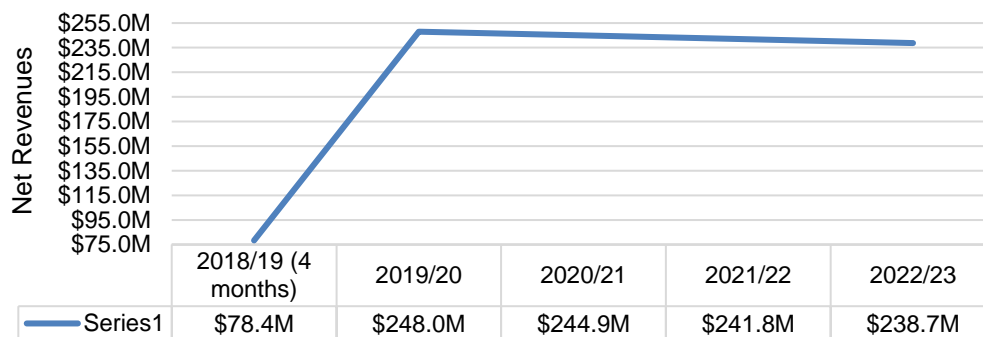
## 4.0 Reporting

Requirements for public reporting of outcomes and impacts of the Made-in-Manitoba carbon pricing system are as follows:

### 4.1 Carbon Revenue

At \$25 per tonne of CO<sub>2</sub>e, the Made-in-Manitoba carbon price is estimated to generate \$78.4 million in the 2018/19 fiscal year and \$248 million during the first twelve months in effect. Figure 4.1 below shows, revenue from the carbon price is forecasted to decline over time as the carbon price and other complementary climate measures drive future emissions reductions.

**Figure 4.1**  
Estimated Net Carbon Levy Revenues  
(20.85Mt GHGs in 2018)



*The Climate and Green Plan Implementation Act* requires that the Manitoba government report annually on all carbon tax revenue collected within six months after the end of each fiscal year. Each report must include the estimated amount of tax revenue reductions resulting from tax changes made to offset the carbon revenue collected. Reports will be included in the public accounts of each fiscal year.

### 4.2 Reporting on Outcomes

The Made-in-Manitoba Plan commits Manitoba to developing a series of five-year carbon savings accounts (CSA). In each carbon savings account period, Manitoba will establish a cumulative emissions reduction goal that reduces emissions in the province in a measurable and meaningful way.

Carbon savings accounts will be comprised of emissions reductions from at least three distinct streams:

- emissions reductions from the flat \$25 per tonne carbon tax;
- emissions reductions from output-based pricing; and





- emissions reductions from sector-specific complementary measures

Provision 4(3) of *The Climate and Green Plan Act*, which is a section in *The Climate and Green Plan Implementation Act*, requires the minister to establish the inaugural carbon savings account within one year of the Act coming into force.

*The Climate and Green Plan Act* also ensures transparent tracking and reporting of progress towards achieving each five-year target under the carbon savings accounts. Provision 6(2) of the Act requires the minister to report annually on all measures under the climate and green plan that achieve emissions reductions and each measure's contribution to the five-year carbon savings account. The minister must table a copy of the annual report within 15 days after it has been prepared if the Assembly is sitting or, if it is not, within 15 days after the next sitting begins.

Regulated facilities covered by the OBPS are subject to reporting obligations. For each compliance period, a regulated facility must submit a report that sets out:

- the operation's attributable greenhouse gas emissions;
- the prescribed GHG emissions limit that applies to the industrial operation; and
- any other prescribed information

Verification of reporting requirements for regulated facilities will be prescribed through regulations under the Industrial GHG Emissions Control and Reporting Act.

#### **4.3 Emissions Registry**

The Manitoba government will institute an emissions registry to track the issuance, trading, and use of emissions performance credits. Each registered facility will be required to create an account with the registry once it becomes available.

Offsets will be considered as a potential compliance option for covered facilities. The Manitoba government is examining options for establishing offset protocols and an offsets registry that would recognize and track offset credits from Manitoba projects. Priority will be given initially to offset activities and protocols in the areas of agriculture, waste, and land use change and forestry as potential compliance options.

In both instances, Manitoba will work with other jurisdictions, including Canada, to determine if existing or shared registry platforms can be utilized. Offset protocols will be developed to match current and anticipated design standards and criteria in other Canadian jurisdictions.



## Conclusion

The province's Made-in-Manitoba Climate and Green Plan is the right plan for Manitoba. It will reduce emissions by more than the federal plan. It costs less to Manitoban families than the federal plan. It will improve the environment while growing the economy, what sustainable development is all about.

Our focus is on reducing greenhouse gas emissions causing climate change not simply applying a one-size-fits-all federal carbon pricing system on Manitoba that will not work as well as our own. Our distinctive approach is right for Manitoba because it works better for Manitoba.

The federal backstop does not and should not apply to Manitoba.



[www.manitobaclimategreenplan.ca](http://www.manitobaclimategreenplan.ca)