



Fast

# FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

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## Manitoba's Climate Plan Insufficient: new report

**A**t the Paris Climate Change meetings in late 2015, Canada committed to reducing green house gas (GHG) emissions by 30 per cent below 2005 levels by 2030.

Applying this commitment to Manitoba means that by 2030, the GHG emissions for that year have to be 14,158 kt of CO<sub>2</sub>e instead of the 20,225 kt they were in 2005 and the 20,935 kt they were in 2016.

Rather than state its GHG reduction target as a fixed amount by 2030, the provincial Made in Manitoba Climate and Green Plan prefers to talk in terms of cumulative reductions over time and sets no cumulative emissions target. Instead, the plan presents five illustrative cumulative emissions pathways, the most aggressive of which results in a fixed level of 15,500 kt by 2030, some 1,400 kt more than the target. The plan also states that the government's proposed flat \$25 per tonne carbon price will result in cumulative reductions (from the Business-as-Usual option) of 1,071 kt between 2018 and 2022, compared to cumulative reductions of 991 kt under the federal phased in carbon pricing rate of \$10 per tonne in 2018 to \$50 per tonne by 2022.

However, the discussion document fails to show that the "R-GEEM" modeling exercise it commissioned to produce these results also indicates that by 2021, the federal carbon pricing plan will result in GHG emissions levels that are 13 kt lower than the flat \$25 per tonne price and, by 2022, the federal plan

will result in emissions that are 76 kt lower. Projecting the R-GEEM model results out to 2030 shows that the federal carbon price will result in 608 kt fewer emissions than the provincial carbon price between 2023 than 2030. So, on both a fixed and cumulative emissions basis, the federal pricing plan out-performs the proposed provincial flat carbon price by 2030.

The province also commissioned a second GHG modeling exercise (EC-PRO), the results of which it did not include in its plan. Two main carbon pricing options were compared – the current federal plan of a \$10 per tonne per year increase between 2018 and 2022 with no further increases and one that featured a continuously increasing carbon price up to \$130 per tonne by 2030. The results showed two things – that neither plan produced substantial decreases in GHG emissions and that, without continuously increasing the price of carbon, GHG emissions will rise. An analysis of the EC-PRO results indicates that the price of carbon has to rise by an average of \$6.78 per tonne per year to prevent an increase in GHG emissions. Thus, vigorous complementary measures are required to substantially reduce GHG emissions in Manitoba.

The province's Manitoba Climate and Green Plan document does propose a set of complementary measures which could lead to cumulative reductions in

there is an alternative.

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emissions of between 1,300 to 1,500 kt between 2018 and 2022. However, even in combination with the effect of the \$25 per tonne carbon price, the impact would fall far short of the reductions needed to achieve the targeted emissions levels by 2030.

What is worse is that the document completely ignores a review of the effects of proposed provincial plans for increasing the economic activity of the province. For example, in late 2016, the Minister of Agriculture talked about wanting to increase the number of cattle in the province from the current herd size of 400,000 cows to its previous all-time high of 750,000, an increase of 350,000 head. According to National Inventory Report data, each head of non-dairy cattle emits 2.255 kg of CO<sub>2</sub>e per year, with the result that an increase of 350,000 head of cattle would lead to GHG emission increases of 789 kt per year. The hog industry is also calling for an additional 1.2 million hogs being produced in Manitoba over the next 5 to 10 years. That increase would add 251 kt of CO<sub>2</sub>e per year. Thus, if the provincial government allows these increases to livestock in Manitoba, it will have to find additional reductions of 1,000 kt of CO<sub>2</sub>e just to prevent an overall increase.

Given the woeful inadequacy of the proposed complementary measures, far more aggressive measures are required for all sectors of the economy and not just those covered by the federal carbon pricing backstop legislation. The transportation fleet needs to be switched to electricity, existing natural gas household and industrial customers need to switch to net emission-free heat (hydro-electric, geothermal, solar or biomass) or solo drivers to switch to using the bus to commute to work and farmers need to reduce the intensity of inorganic fertilizer application to their crops and switch to less GHG intensive livestock production.

To properly implement the proposed

carbon savings account process, the Province must commit to robust modeling and program design that uses best information to design the most cost effective programs and estimate their impact on GHG reductions.

*An Analysis of Manitoba's Proposed Plan to Reduce Greenhouse Gas Emissions as Contained in the Manitoba Climate and Green Plan* by Harvey Stevens. Full report available online: <https://www.policyalternatives.ca/publications/reports/analysis-manitobas-proposed-plan-reduce-greenhouse-gas-emissions>

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References available upon request.