

Supplemental submission on Climate Action and a Green Economy from Green Action Centre

February 9, 2015

Peter Miller, Acting Chair, Green Action Centre Policy Committee

Our brief to the Finance Minister on [Budget 2015: A Green Budget for a Green Economy](#) focuses on fiscal and structural measures to advance a green economy in Manitoba. Our earlier indicator brief focused on the assembly and presentation of information needed to diagnose and monitor the sustainability of Manitoba's economy. In this supplemental note, we list some further thoughts on the topic.

Leadership. First, we agree with the position voiced at the last workshop that we expect leadership in the adoption of best practices across all sectors, not just the adoption of a few green initiatives, in keeping with the *TomorrowNow* goal for Manitoba "to be one of the most sustainable places to live on earth." We must avoid the situation of Alberta, which has many green initiatives that are drowned by an overwhelming dependence on and continued expansion of a fossil fuel economy without securing carbon sequestration first. As noted previously, in Manitoba, at a much lesser scale, the transportation sector functions similarly to offset green accomplishments in other sectors.

Make brown jobs greener, not just new green jobs. This means that as much or more effort needs to be devoted to greening the jobs and businesses that already exist as is spent on creating new green jobs. If Manitoba is to become one of the most sustainable places to live, the green economy cannot be limited to boutique green enterprises while the rest of the economy is business as usual. The enabling conditions discussed in our budget brief can foster both types of job greening and should be guided by a robust set of green economy indicators capable of revealing positive and negative conditions and trends relative to green economy goals.

In our indicator submission we gave the example of a car salesman, whose job becomes greener to the extent that new fleet emissions are reduced. It becomes greener still if they sell an electric bike with a car and encourage the purchasers to leave the car in the garage whenever possible; or if they sell cars right-sized for the most common use with the provision of a rental truck when needed; [or if they sell electric cars with the promise of a free ICE loaner for longer trips](#); or if they change their business model to support car-sharing ahead of individual car ownership. [Ford is engaged in multiple pilots in support of car-sharing. As Henry Ford's great-grandson, Bill Ford Jr. \(Chair, Ford Motor Co.\) said recently, "If you live in a city, you don't need to own a car."](#) Other manufacturers also have initiatives along these lines. We need to see them reflected in local dealerships.

There is no Manitoba green economy without a green Winnipeg. Work closely with, support and empower Winnipeg and other municipalities to green their jurisdictions. See the addendum at the end of these notes of an email exchange with Sean Madden, Climate Change Coordinator for Winnipeg. We recommend that the provincial action plan should include or reference the City's analysis and recommendations and identify measures to support the City in the implementation of its plans.

Engage in systematic screens to identify issues and generate solutions. [50 by 30 offers an excellent example for energy consumed and produced in Manitoba.](#) They have created a matrix for three energy

sectors: Heating and Cooling, Transportation and Electricity. Each is analyzed under current realities, and opportunities for demand reduction, efficiency increase, and substitution of renewables with examples from Manitoba and elsewhere. By reference we include their analyses and approach in our recommendations.

We also include by reference the many excellent ideas presented by Pembina Institute's [Green Energy Futures](#). It is our view that green economy leadership requires a continuing process of research into, evaluation of and publicity about measures like these for adoption by private and public sector actors and the creation of appropriate enabling conditions rather than stopping at what participants were able to think of at a moment in time.

Transportation - enable and incent lower vehicle ownership, driving and emissions and enhanced efficiency of vehicles and their use.

- Support Winnipeg's sustainable transportation management plan initiatives, especially city and regional public and active transportation.
- Support compact, mixed use, walkable urban design initiatives such as complete streets and continue efforts to build up, not out and strengthen the livability of the city's older and core neighbourhoods.
- See our budget brief on implementing user pay, polluter pay, and fair contribution to general revenues from vehicles through higher fuel tax and implementation of a carbon tax and sales tax. Note for comparison that Winnipeggers pay 14 cents/litre provincial excise tax on gasoline. Drivers in Vancouver and Montreal, two cities noted for their commitment to sustainability and public transportation systems, pay over twice that. Vancouverites pay 14.5 cents excise + 6.67 cents carbon tax + 11 cents city transportation tax or 32.17 cents/litre for local gasoline taxes. Montrealers pay 19.2 cents excise + 3 cents urban tax/litre + 9.975% Quebec sales tax on top, which amounted to an average 33.9 cents/litre for 2014. See data in Addendum 1 below.

Other measures justified by the same principles include the following.

- Implement in full the Recommended Complementary Programs and Measures of the [Vehicle Standards Advisory Board report](#), pp. 18-19, including the introduction of feebates into annual vehicle insurance renewals and registrations based on GHG efficiency ratings.
- MPI should implement Pay As You Drive (PAYD) auto insurance as a complement to other rating factors. Otherwise low-kilometrage drivers (with lesser risk exposure because of fewer kilometers on the road) subsidize drivers with greater risk exposure from more time on the road. <http://greenactioncentre.ca/content/pay-as-you-drive/> , <http://greenactioncentre.ca/2011/pay-as-you-drive-insurance/>
- Initiate a sustained campaign for increased electrification of government and courier fleets through educational workshops, assessments and mandates. See examples at <http://pluginbc.ca/fleets/>. Secure leadership from the Provincial, City and Canada Post fleets and those with a corporate commitment to green vehicles such as [Fed Ex](#) and [Purolator](#) beginning with a 10% EV target for fleets.

- Extend Manitoba Hydro's pay as you save (PAYS) financing to the cost differential of an EV and/or provide a partial or complete subsidy to the interest. This is more affordable to government than large grants and levels the playing field for vehicle purchase costs.
- Make provision for lower-cost neighbourhood electric vehicles on streets with a [50 kmh speed limit as in BC](#). Promote electric bikes.
- Promote further car-sharing to displace car ownership or leasing to individuals and departments. Consider car-sharing arrangements between government fleets and [Peg City Car Co-op](#).
- Consider measures summarized and analyzed at [Victoria Transportation Policy Institute \(VTPI\)](#) and other sustainable transportation think tanks.

A more detailed summary of green transportation initiatives can be found in "Vision for Sustainable Transportation" on pp. 62-65 of Green Action Centre's [TomorrowNow submission](#).

Green buildings

In a recent op-ed [Energy efficiency not cheap](#), Brent Bellamy, normally a supporter of sustainable design, expressed a caution that Manitoba's recent adoption of the new National Energy Code for Buildings could make urban infill development non-competitive with stick frame houses not subject to the Code, thus encouraging sprawl.

Green Action Centre believes that improved codes and standards are a crucial for meeting energy efficiency and emissions targets in the longer term future. If the building shell is not built well at the outset, it becomes difficult, costly or impossible to remedy fully later on. Better to save on cupboards and countertops than compromise on a heat-retentive shell.

Rather than engage in a race to the bottom in competition with lower standards for stick frame houses, a number of responses present themselves.

- Make stick frame home builders adhere to an equally strict building efficiency standard.
- When sales of existing buildings take place, require an energuide audit and set a target for improvement before the sales transaction is completed.
- Adopt a [growth development charge](#) for buildings that spread the urban footprint to internalize the costs to the city of sprawl. Let growth pay for growth.
- Encourage builders to develop cost-efficient building techniques for green buildings either locally or by bringing in competitive green builders from other jurisdictions like [Landmark Homes in Edmonton](#), who are committed to making all their homes net zero ready and have developed panelization techniques to lower the environmental footprint of construction and save money.
- Encourage pay as you save financing (PAYS) for any incremental building costs of super-efficient homes.

All of these measures should level the playing field for green builders and even, hopefully, give them an advantage.

Solid waste and composting

Green Action Centre thinks the Province is on the right track with its [draft solid waste plan](#) with an ultimate goal of zero waste. Our advice is to follow through and also rekindle the next phase(s) of Winnipeg's [Garbage and Recycling Management Plan \(GRMP\)](#) including green cart collection of compostables.

We particularly note the green jobs potential from collecting and processing waste. We should seek the greatest local value added in the collection and processing chain to create local economic and other community benefits. Indeed this is, and can become more so, a key component of community economic development that manages to create community wealth and resilience while decreasing environmental impacts.

Green Action Centre intends to pursue a compost pick-up service based on a recent feasibility study and pilot project.

New jobs may also be found in the management and processing of other waste streams such as e-waste.

Poverty reduction and social inclusion in a green economy

Sustainability includes social equity, i.e. meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. Poverty reduction and social inclusion are central goals of the provincial government as is, according to *TomorrowNow*, the goal for Manitoba "to be one of the most sustainable places to live on earth." Given the limited resources of government, it is important to look for synergies in the pursuit of these two goals. As we stated in [The View from Here 2015](#), "A comprehensive and coordinated approach to poverty reduction and social inclusion must also fit with the principles of a green economy. *** Green jobs, low energy and water bills through greener housing, affordable and eco-efficient public transportation, and prevention and mitigation of environmental impacts on vulnerable persons are parts of a socially inclusive and environmentally sustainable economy" (22).

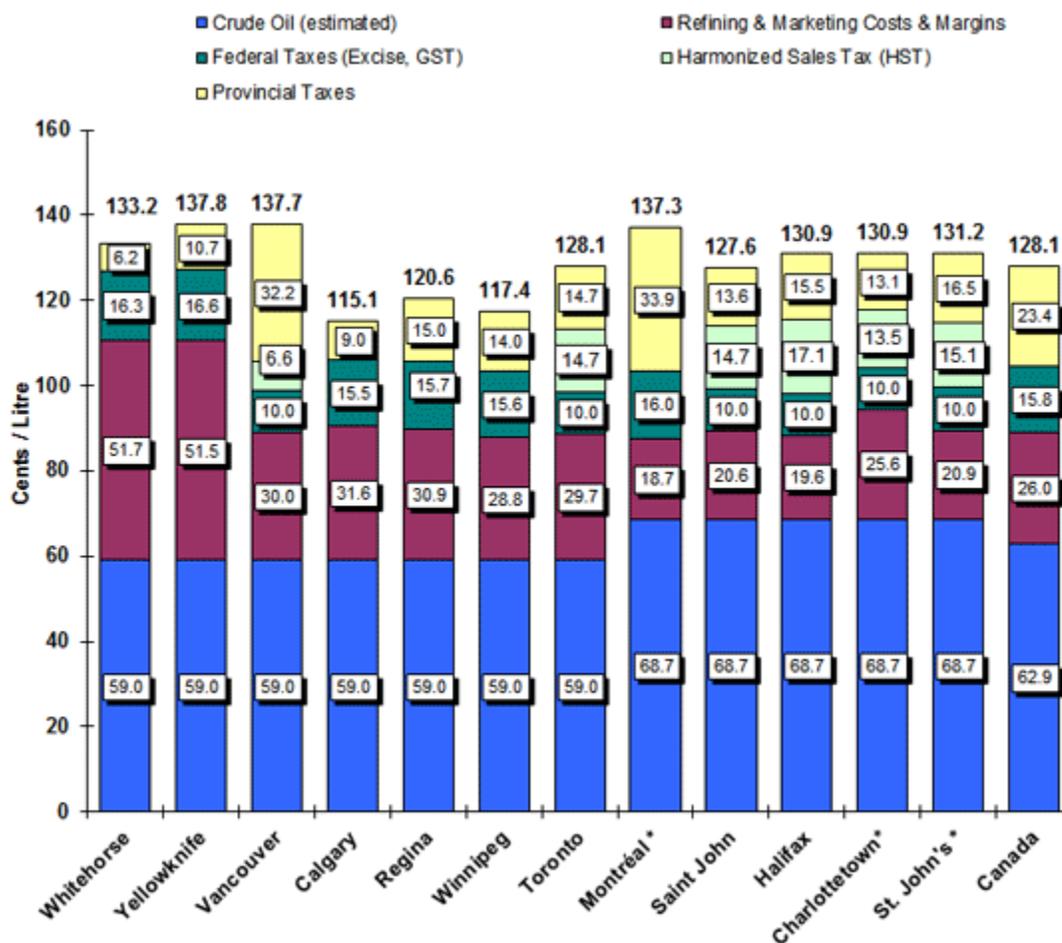
Manitoba has a number of social enterprises that embody these synergies by creating development, job training, and employment opportunities that meet social needs such as better, more efficient housing and the collection and processing of recyclables. An increased focus on social enterprise business development can combine environmental and social benefits, as does, for example, Mother Earth Recycling.

Finally, as we noted in our Budget 2015 brief, cars and trucks fall far short of paying for the social costs they impose. Funds available for social expenditures on people would be much greater if we reduced the welfare rolls by [getting cars and trucks off welfare](#).

Addendum 1 – Comparative tax rates in Canadian cities

<http://www.nrcan.gc.ca/energy/fuel-prices/gasoline-reports/16997#supsup>

Figure 3: Regular Gasoline Pump Prices in Selected Cities Annual Average for 2014



Supplement

Federal and Provincial Consumption Taxes on Petroleum Products (In Cents/Litre or in %, as indicated, as of December 31, 2014)

	Gasoline	Diesel	Propane (motor vehicle)	Furnace Oil/ Natural Gas (for heating)
Federal Taxes				
Excise Tax	10.0	4.0	-	-
Goods and Services Tax	5%	5%	5%	5%
OR:				
Harmonized Sales Taxes (1) (in most provinces):				
Newfoundland and Labrador, Ontario, and New	13%	13%	13%	13%

Brunswick				
Nova Scotia(2)	15%	15%	15%	5%
Prince Edward Island	14%	14%	14%	5%
Provincial Taxes				
Newfoundland and Labrador	16.5	16.5	7.0	
Prince Edward Island (3)	13.1	20.2		
Nova Scotia	15.5	15.4	7.0	
New Brunswick	13.6	19.2	6.7	
Quebec(4)	19.2	20.2		
Quebec Sales Tax (QST)	9.975%	9.975%	9.975%	9.975%
Ontario	14.7	14.3	4.3	
Manitoba	14.0	14.0	3.0	
Saskatchewan	15.0	15.0	9.0	
Alberta	9.0	9.0	6.5	
British Columbia plus Carbon Tax (5)	14.5	15.0		
	6.67	7.67	4.62	7.67/5.70
Yukon	6.2	7.2		
Northwest Territories (6)	10.7/6.4	9.1		
Nunavut(6)	10.7/6.4	9.1		
Transportation Taxes (in addition to federal and provincial taxes)				
Montréal(4)	3.0			
Vancouver(5)	11.0	11.0		
Victoria(5)	3.5	3.5		

Notes:

1. Where the HST is in place, the federal portion of the tax is 5%. GST or HST applies to the retail price before GST/HST.
2. Nova Scotia has a point of sale tax rebate of the provincial portion of the HST (8%) on furnace oil.
3. In Prince Edward Island (PEI), gasoline and diesel taxes are calculated based on volume and a fixed rate tax is applied to every litre of product sold. More detailed information is available on PEI's website at <http://www.taxandland.pe.ca>
4. In Quebec, gasoline, diesel and propane taxes are reduced by varying amounts in certain remote areas and within 20 kilometres of the provincial and U.S. borders. The Quebec provincial sales tax (QST) applies to all petroleum products at a rate of 9.975%. The QST is calculated on the retail price, which includes the Quebec per litre tax, federal excise tax and an urban tax of 3.0 cents per litre that is also added to gasoline sold in Montréal and surrounding municipalities.
5. British Columbia applies a carbon tax on all fuels. In the Greater Vancouver and Victoria areas, there are additional transportation taxes of 11.0 and 3.5 cents per litre, respectively, on gasoline and diesel. More information is available on the Government of British Columbia's website at http://www.sbr.gov.bc.ca/business/Consumer_Taxes/consumer_taxes.htm
6. In the Northwest Territories and Nunavut, gasoline is taxed at 6.4 cents per litre in communities not served by a highway system.

Notes:

The order in which taxes are applied is as follows: a) consumption and excise taxes (municipal, provincial and federal) are added to the ex-tax price, then b) the GST/HST are calculated and added onto the sum from a).

Addendum 2 - email exchange with Sean Madden (City of Winnipeg Climate Change Coordinator)

From: [Peter Miller](#)

Sent: Monday, February 02, 2015 4:03 PM

To: [Madden, Sean](#)

Cc: [Beth McKechnie](#) ; [Philip Gass](#) ; [Scott Vaughan](#) ; [Angela Marceniuk](#) ; [Juliane Schaible](#) ; [Neil Cunningham](#) ; [Peter Miller](#)

Subject: Re: Sharing information between City and Province re Climate Action

Thanks for the great reply Sean.

From: [Madden, Sean](#)

Sent: Monday, February 02, 2015 3:53 PM

To: [Peter Miller](#)

Cc: [Beth McKechnie](#) ; [Philip Gass](#) ; [Philip Gass](#) ; [Scott Vaughan](#) ; [Angela Marceniuk](#) ; [Juliane Schaible](#) ; [Neil Cunningham](#)

Subject: RE: Sharing information between City and Province re Climate Action

Good afternoon Peter,

Concerning updates to the City's community climate change inventory and forecast analysis, subject of the workshop last spring: This month, the City received a draft Consultant technical report including an emissions inventory update and three emissions forecast scenarios to 2031 and 2050. The scenarios consider the municipal impact of approved/targeted/legislated actions as well as the potential emission impact of additional, measureable action in discreet sectors, most of which were derived in consultation on May 30th. We are compiling internal feedback to finalize this report. The release of the final report will be subject to internal approval. As I'm sure you are aware, *A Sustainable Winnipeg* includes the creation of a community climate action plan, and we see this technical work as an important step towards a measureable and achievable approach to meeting Council targets.

Members of the City's public service have made a point of participating in the Province's consultation process upon invitation. At each of these occasions, I have made an effort to contextualize Winnipeg's municipal impact on each sector, and the anticipated impact of proposed Provincial actions on Winnipeg's emission portfolio. Neil's team has similarly participated in our previous consultant exercise. As such, they should already be in possession of the information that was shared with Beth McKechnie in the summer of 2014.

The Province's climate branch is well aware of the nature of our efforts. Should the project or consultant team wish to discuss our draft Consultant findings to align with their own approaching plan deadlines, I would be pleased to consider such a request from them in the spirit of cooperation.

Regards,
Sean

From: Peter Miller [mailto:p.miller@mymts.net]

Sent: Monday, February 02, 2015 2:50 PM

To: Madden, Sean

Cc: Beth McKechnie; Philip Gass; Philip Gass; Scott Vaughan; Angela Marceniuk; Juliane Schaible; Neil

Cunningham

Subject: Sharing information between City and Province re Climate Action

Hi Sean,

Beth shared material from your low-carbon workshop last spring, for which we provided some feedback. Can you please advise if there has been a further compilation of the presentation material and subsequent feedback? I hope that either the updated material or the earlier material and feedback can be shared with IISD and Climate Change Branch who are developing recommendations for a provincial climate action plan and green economy plan. I understand that IISD and Climate Change Branch are working towards a March deadline for their recommendations, so time is short.

Green Action Centre has repeatedly argued that neither the City nor the Province can succeed in their climate action objectives without mutual cooperation, since greater Winnipeg has more than half the provincial population and the city represents some of the greatest prospects for GHG reduction. A key recommendation to both levels of government has been COOPERATE.

I hope that a full information exchange can be arranged, if it has not already occurred. Alternatively, I can forward the earlier workshop materials and outcomes if you have no objection. Let me know either way.

Thanks,

Peter Miller, Acting Chair
Green Action Centre Policy Committee