

Green Action Centre submission for a Made-in-Manitoba Climate and Green Plan

Green Action Centre is a non-profit hub for greener living based in Winnipeg and serving Manitoba. Our many activities and areas of work are displayed at our <u>website</u>. We heartily endorse and share the ambition of the throne speech last November "for our province to become Canada's clean, green leader." We offer the following more detailed and strategic comments and recommendations to that end as a supplement to the online survey.

Designing a green economy

In our experience, Manitobans want to live greener lives and care about the world our children and grandchildren will inherit. But we must be wary about loading too much onto individual actions. A coordinated and integrated approach is needed, including infrastructure as necessary to make sustainable choices possible, along with education, price signals, regulations and incentives to encourage sustainable choices. Individuals are

more likely to make sustainable choices if those options are practical, convenient, safe, affordable, efficient, healthy and enjoyable. Some businesses may be guided by a commitment to corporate social responsibility and reputational concerns, but all are driven to maintain profitability within a system of regulations and incentives. The International Institute for Sustainable Development (IISD) describes government's task as creation of the enabling conditions for individuals and organizations to make sustainable choices, as depicted in their graphic on Designing a Green Economy.

Designing a Green Economy Government cannot enact or mandate a green economy. Enabling conditions must be put in place so the public and the private sector are motivated to act in a way that supports long-term transition to a green economy. Enabling Conditions make green investment and sectors attractive, and form the basis for green economic activity to become general economic activity. Traditional Economic No - Insufficient returns Development Public and Private actors Yes - Advantages to act Green **Economy** Government can use the GE toolbox to create enabling conditions: Regulation Policies, Financing, Fiscal Mechanisms Development Courtesy of the International Institute for Sustainable Development

Strategic planning and climate governance

It is important to collect ideas from Manitobans on desirable features of a green decarbonized, resilient and prosperous economy. However, a collection of ideas is not a design or a plan, much less a successful plan. Green Action Centre believes that the province needs a framework and resources for effective strategic planning and climate governance. Manitoba's greatest climate success, the creation of our hydroelectric system, which supplies low-carbon power at home and in export markets, is the product of long-range strategic planning and investments. We need similar strategic planning and investments to put us on track for a decarbonized green economy in other sectors such as transportation, agriculture, heating and the diversion of organic waste.

Such a regime should include

- 1. <u>Leadership from the top</u>. Provide clear, unequivocal and determined support from the Premier and government consistent with the ambition of November's throne speech "for our province to become Canada's clean, green leader." Make climate leadership a key component of the commitment to "making Manitoba the most improved province in all of Canada."
- 2. <u>Capacity to track, model and report Manitoba's emissions and their drivers</u>. Harvey Stevens' submission Getting from Here to There provides an example with Manitoba data. But Manitoba needs ready access to a model or set of models that also capture interactive and economic effects (including climate risks) and permits backcasting from policy targets through an iteration of scenarios.
- 3. Strategic planning and oversight for all sectors. Manitoba Hydro is prominently in the news and it is tempting to double down on improving upon Hydro's efficiency performance as The Efficiency Manitoba Act aims to do. While improving performance where Manitoba has had some success is important, even more important is to ensure that relatively neglected sectors such as transportation, agriculture and organic wastes curtail emissions and move to greener practices. If the PUB's level of scrutiny was applied to these areas, they would be found to be sorely lacking. Let's not wait further to initiate strategic planning and oversight in all sectors.
- 4. Ambitious targets. The minimum threshold target needs to be Manitoba's share of Canada's emission targets and timelines that follow from the Paris agreement. We would prefer to go beyond this minimum, as a way to inspire and encourage Manitobans to do more than what they have been legislated to do and encourage innovation. Many climate planning exercises select goals qualified as carbon-neutral, zero-emission, net-zero-emission, 100% renewable and the like to signify an end-point for emissions mitigation for a family, sector, organization or economy. In recognition that we are already in a state of climate overshoot, we also need to entertain regenerative and restorative goals to undo the damage, such as carbon-negative sequestration, offsets and fossil displacement (like Manitoba Hydro's electricity exports). We need to encourage Manitobans, their institutions and governments, to entertain scenarios of transformative change with such ambitious targets, and create a future in which they are realized.
- 5. Readiness to use the variety of tools available to government, including a carbon tax and strategic investments, but also regulations, incentives, local and national partnerships, education, example, procurement, contractual requirements and the like. All these tools need to be understood in the context of leveraging change; a carbon levy by itself will not accomplish the goal of a significant reduction in GHG emissions, but it would be used as part of a suite of policies and initiatives that together should accomplish this goal by leveraging changes in how we live and work together.
- 6. <u>Effective agency</u>. There need to be one or more agencies with the capacity, resources, mandate and influence to drive the changes needed to realize or surpass Manitoba's climate and green economy goals. Agencies require (access to) research, policy and strategic planning expertise.



- 7. Enhancing a culture of sustainability. Government leadership and agency should not be in the business of removing responsibilities for climate planning and action from other agencies, like city and municipal governments, provincial departments, and crown corporations especially Manitoba Hydro. On the contrary, they should enhance them and ensure that they are on target to meet Manitoba's responsibilities within the Pan-Canadian Framework. Indeed, a sign of effectiveness would be for all Manitoba institutions, corporations and households increasingly to integrate climate planning and action into their activities and collaborate to achieve ambitious climate and green economy goals.
- 8. Creating new green jobs and turning brown jobs green. Shifting to a low-carbon economy will create new green jobs in recycling and composting, green building and home renovations, green energy, green tech and the like. But we'll never achieve our goals if we just layer these on top of the old brown economy. Instead we must turn brown jobs green in every sector. E.g., a car salesman's job becomes greener if 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 carsharing 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 have similar initiatives. We need to see them reflected in local dealerships, which don't even stock EVs.
- 9. <u>Mitigation of economic impacts and enhancement of benefits for lower-income</u> households in ways compatible with green objectives, such as deeply discounted bus passes, affordable energy investments to lower heating costs, and an income-tested carbon-tax dividend. Manitoba social enterprises have demonstrated that environmental, economic and social benefits can be jointly created through investments in green housing, energy and recycling.

Ecofiscal tools

"An ecofiscal policy corrects market price signals to encourage the economic activities we do want (job creation, investment, and innovation) while reducing those we don't want (greenhouse gas emissions and the pollution of our land, air, and water)" (Canada's Ecofiscal Commission).

Green Action Centre has identified three crucial elements that should be part of the formulation and structure of Made-in-Manitoba carbon-pricing policy:

- 1) However formulated, the carbon levy must be directed at all sectors of the province, to ensure everyone is involved in the efforts to reduce, mitigate or offset GHG emissions, and (given the urgency of the problem) increase significantly over a short period of time;
- 2) The monies collected through a carbon levy must be kept separate from all other government revenue streams, accounted in a clear and transparent manner, and managed by an agency at least at arm's length from



a government department. This agency would be responsible for collating data streams on GHG levels in the province and the progress being made toward whatever goals are set;

3) Carbon revenues should be specifically targeted toward research, development and deployment of technologies and infrastructure that reduce or mitigate GHG emissions directly or provide alternatives to current practices. Further, the first call on these monies would be to alleviate the effect of the carbon levy on the lowest income groups in Manitoba by some form of subsidy or direct payment, in order not to increase provincial poverty levels. We do not support the use of a carbon levy for general corporate or personal tax cuts nor for subsidizing Hydro ratepayers in general. Targeted subsidies to address energy poverty or promote efficiency, conservation and a switch to renewable fuels are proper expenditures for the proceeds of a carbon levy.

Other revenues and expenditures of the province and municipalities should also be brought into alignment with equitable ecofiscal policy. For example, motor vehicle usage is heavily subsidized in multiple ways: (a) the fuel tax pays only a fraction of costs of road infrastructure; (b) atmospheric carbon pollution is costless to emitters despite their contribution to enormous damages; (c) fuel sales pay no sales tax to contribute to public goods like health, education, welfare and government thereby imposing a heavier tax burden on other revenue sources and/or starving other public investments; (d) likewise city property taxes used to build and repair streets are imposed on our homes but not on the motor vehicles in the driveway. These perverse subsidies have a distortive effect on both city and provincial budgets. Let's get cars and trucks off welfare!

An ecofiscal alternative could implement user pay, polluter pay and a fair contribution to general revenues from vehicles through higher fuel tax + carbon tax + sales tax + municipal taxes. Note for comparison that Winnipeggers pay 14 cents/litre provincial excise tax on gasoline, whereas drivers in Vancouver and Montreal, two cities noted for their commitment to sustainability and public transportation systems, pay more than 32 cents/litre in combined provincial and municipal taxes. Expected benefits would be to reduce the distortion that increasingly favors single occupancy vehicle use over other transportation modes and provide needed funding to support greener transportation alternatives.

Efficiency Manitoba

The provincial government has just tabled Bill 19, The Efficiency Manitoba Act, which aims to provide some of the aforementioned features of effective governance to the efficient use of electricity and natural gas. A great strength of the proposed crown agency is that it is structured to achieve ambitious efficiency targets over a fifteen-year horizon. Success will require extensive, effective coordination with Manitoba Hydro to provide access to its customer database, DSM potential studies, electricity and gas load forecasting, customer service representatives, billing and PAYS services, customer awareness and notifications, engineering services to industrial customers, conservation rate-setting and the like. Clearly a great deal of collaboration in pursuit of shared efficiency goals will be required to achieve success.

Can Efficiency Manitoba (EM) meet Manitoba's climate responsibilities? In its core function, promoting efficient use of electricity and gas, EM will directly affect only the 20% of Manitoba emissions from stationary consumption (primarily of natural gas) and will be able to reduce that quantum only to the extent that cost-effective efficiency permits.¹

¹ Note though that electric efficiencies create additional surplus power available to displace fossil fueled generation in export markets and fossil fuels in Manitoba by electrifying transportation.



Clearly, if Manitoba is to meet its climate responsibilities, additional agency is required. Some of this can occur through an expanded role for EM. Bill 19 contemplates the addition of water conservation, transportation fuel efficiencies, and the promotion of renewable energy. With these additions, the potential scope of action expands to approach 60% of Manitoba's emissions, a significant difference.

Sectors remaining out of scope for EM are agriculture (30%), waste (5%), industrial process and product use (4%) and fugitive emissions (2%). Not included in these sectors is land-use and land-use change outside of agriculture and additional resilience measures to adapt to a changing climate. Manitoba's new climate plan must ensure additional climate governance and strategic planning for these as well.

Sectoral climate plans

1. Green buildings

Vancouver, BC's <u>Greenest City Action Plan</u> has <u>three overarching goals</u>, Zero Carbon, Zero Waste and Healthy Ecosystems, and ten goal areas where these are to be realized. The plan is supported by additional sectoral and complementary plans, such as its <u>Zero Emissions Building Plan</u> and its <u>Renewable City Strategy</u>, which will eliminate emissions from all new buildings by 2030 and from all buildings by 2050. Vancouver provides an excellent model for strategic planning to achieve ambitious targets in all sectors, which should be instructive for Manitoba, Winnipeg, and the Capital Region. See also the Pembina Institute initiative to extend planning for zero carbon buildings to all of BC at http://www.pembina.org/docs/event/netzeroforum-backgrounder-2016.pdf.

This document addresses deep energy and emissions reductions from B.C.'s existing building stock. It describes the current state of major building types in the province, and illustrates targets and actions that could help achieve a near-decarbonization of B.C.'s existing buildings by 2050.

Efficiency Manitoba should be assigned comparable climate goals in conjunction with its efficiency mandate and conduct such a study at the outset to guide its activities.

2. Green transportation

By 2015, Vancouver had already met its 2020 target to make over 50% of trips by foot, bicycle, and public transit. Manitoba needs a comparable comprehensive transportation strategy, focused on redevelopment of transportation in the Capital Region (as this is where the bulk of Manitobans live). This would include alternatives to using personal vehicles and increased efficiency of freight delivery, emphasizing active transportation toward healthier people and communities. Transportation ecofiscal measures, as discussed earlier, would provide needed support.

Many initiatives could move Manitoba and the Capital Region towards more sustainable transportation by enabling and incenting increased public and active transportation, <u>lower vehicle ownership</u>, fewer vehicle kilometres traveled (VKT), enhanced efficiency of vehicles and their use, lower carbon fuels, and increased share of electric vehicles.

i. Support Winnipeg and Capital Region sustainable transportation management plan initiatives, especially city and regional public transit and active transportation.



- ii. 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.
- iii. Implement in full the Recommended Complementary Programs and Measures of the <u>Vehicle Standards Advisory Board report</u>, pp. 18-19, including the introduction of feebates into annual vehicle insurance renewals and registrations based on GHG efficiency ratings.
- iv. 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. See here and here.
- v. Initiate a sustained campaign for increased electrification of government and courier fleets through educational workshops, assessments and mandates. See examples at <u>Plug in BC</u>. Secure leadership from the Provincial, City and Canada Post fleets and those with a corporate commitment to green vehicles such as <u>Fed Ex</u> and <u>Purolator</u> beginning with a 10% EV target for fleets. Expand Winnipeg Transit's electric bus fleet. Promote electric bikes.
- vi. Extend Manitoba Hydro's pay as you save (PAYS) financing to the incremental cost 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.
- vii. Encourage other local trucking firms to follow waste and recycling hauler Emterra's lead to substitute compressed natural gas (CNG) heavy duty trucks for diesel trucks.
- viii. 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.
- ix. Consider measures summarized and analyzed at <u>Victoria Transportation Policy Institute (VTPI)</u> and other sustainable transportation think tanks.
- x. Implement the ecofiscal measures proposed earlier.

Since Efficiency Manitoba will spend its first year setting up and transitioning to a new division of responsibilities with Manitoba Hydro, Manitoba's new climate and green plan should designate an interim planning authority to gather information and evaluate options for sustainable transportation until such time as EM is able to take over.

3. Agriculture and land use

Manitoba's agricultural and forest lands and their use are important for climate action for at least five reasons – (1) agriculture is responsible for 30% of Manitoba's emissions, but also (2) agricultural and forest lands are able to sequester carbon from the atmosphere and (3) they both produce resources for bio-energy. In addition, (4) agricultural and forest lands bear and contribute to climate impacts (e.g. frequencies of fire and flooding), (5)



some of which can be mitigated by alternative land-use practices. Research, planning and implementation must address all five.

While agriculture is the second largest contributor to Manitoba's GHG emissions, it is harder to manage. Considering the suite of possible government tools, the Province could both ban some activities (like burning stubble) and use carbon levy revenues to enable the transition to other agricultural methods. We suggest the following:

- 1) Full carbon accounting of all agriculture-related activities at a producer level, to identify ways to reduce, mitigate and offset GHG emissions;
- 2) Encourage increased local procurement of food grown here, thereby reducing the overall carbon footprint from imports and exports and promoting growth in the Manitoba economy.
- 3) Explore better methods of manure management including the production of <u>renewable natural gas</u> to displace fossil gas.

Manitoba's climate and green plan should identify a lead agency to develop strategic options for agriculture and land-use including forests and wetlands.

4. Waste management

A significant aspect of Manitoba's GHG emissions profile is related to the production and disposal of wastes, particularly organic wastes, in landfills. Proponents of sustainable waste management like Vancouver and the Federation of Canadian Municipalities (FCM), promote a long-range zero waste policy with an initial threshold of 50% or beyond. Indeed Winnipeg's 2011 Comprehensive Integrated Waste Management Plan (CIWMP) does likewise (p. E.2), but Council has balked at implementing curbside organics collection or even listening to advice on fairer and more cost-effective collection and funding options when it shut down consultations last year.

We ask the province to use whatever means are necessary to ensure increased diversion of organics from landfills into composting, beginning with the city of Winnipeg. As the transportation of recyclables (like plastic bottles and paper) out of province increases our overall carbon footprint, ways need to be found to repurpose such materials here. We also ask that a robust strategy to reduce, reuse and recycle construction wastes be implemented. The Province has carrots and sticks through the WRARS levy and rebate, green infrastructure funds to help the City build larger composting facilities, and a ban on landfilling organics and recyclables <u>like</u> Metro Vancouver.

We particularly note the green jobs potential from collecting and processing organics and recyclables. Manitoba 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 has seized this opportunity to initiate a compost pick-up service Compost Winnipeg.

Finally, we call attention to a recent CCEDNet-Manitoba resolution advanced by Green Action Centre that calls the Province to implement an Organics Disposal Ban for Manitoba's Capital Region by 2020.

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