

Note: Comments were submitted via the comment sections in the Canada Gazette entry for these Regulations, which is why comments are not formatted in our usual formal letter structure:

<https://www.canadagazette.gc.ca/rp-pr/p1/2023/2023-08-19/html/reg1-eng.html>

General Comment section:

The Manitoba Eco-Network does not think the Regulations, as currently drafted, will achieve its objectives of: 1) helping Canada achieve its climate change commitments towards achieving net-zero GHG emissions economy-wide by 2050 by constraining emissions from unabated thermal power generation; and 2) Reducing GHG (i.e. CO₂) emissions from emitting electricity generation beginning in 2035.

This is particularly true for Manitoba, as the proposed scenarios and other data on which the regulations are based, does not reflect the reality of Manitoba's energy situation. As a result, we recommend a number of updates be made to the Regulations before they are approved. This includes:

- Fixing gaps in the information about Manitoba in the baseline data and energy modelling scenarios.
- Addressing potential problems with applicability of the Regulations due to the reliance on MW capacity.
- Including provisions that provide support to off-grid communities that will need to undergo an energy transition.
- Limiting reliance on carbon capture technology.

Regulatory development section comments:

Exclusion of "industrial emitting electricity generation"

It appears that the exclusion of "industrial emitting electricity generation" could apply to off-grid communities, for example, First Nation communities in northern Manitoba. This potential gap should be addressed as off-grid communities should have access to government support at all levels to assist with their transition to sustainable energy sources.

The Manitoba Eco-Network recommends specifically addressing such off-grid communities and creating an opportunity for these communities to access government funding programs to support community-based energy projects that contribute to the energy transition. Such projects should be community-led, locally relevant, and ensure any economic or other benefits remain within the community. A commitment such as this from the federal government would align with other commitments discussed in the "modern treaty obligations and Indigenous engagement and consultation" section.

Regulatory Analysis section comments:

Baseline Information & Energy Scenarios:

The baseline information and modelling scenarios are too generalized and do not project a realistic picture of Manitoba. It appears that limited baseline information was used to develop the Regulations. The baseline data relied upon should have included forecasting forward to 2035 baseline +40%. For example, the ECCC should have used data from the Canada Energy Regulator Canada's *Energy Future Data Appendices*. DOI: <https://doi.org/10.35002/zir8-8x75> This document has recently be used by Manitoba Hydro to develop plans for Manitoba's energy future.

The modelling scenarios relied upon are too generalized to reflect the existing energy options available for each region in Canada. There seems to be unnecessary emphasis on the pathway that includes the development of nuclear energy, which is not renewable or a realistic focus for jurisdictions like Manitoba.

Other identified problems with scenarios include:

- The scenarios are based on air pollutant emissions staying at zero (e.g., Table 12). This is not realistic or reasonable.
- It is unclear why the default for fixed O&M costs is zero for Manitoba (Table 20). As noted in the Regulatory Impact Analysis Statement: "A detailed example of how fixed O&M costs were calculated will be made available upon request by the Department in the coming months." We would appreciate more information about the method used to calculate zero for Manitoba.
- Table 26 and 29 – not realistic for Manitoba.

The energy scenarios, as described for Manitoba, are unrealistic and highlight problems with the models on which these regulations are based. There is a way to get to net zero in Manitoba, but a more nuanced, regional analysis is required. This regulation basically skips over Manitoba, a jurisdiction that could be model for achieving net zero. Instead, the Regulations as currently drafted, sets us up to be a larger emitter. The Regulations also do not take into account plans to address an increase of 40% in electricity demand by 2035 and an 80% increase in demand by 2050.

Overall, the Regulations and associated baseline data do little to reflect the realities of Manitoba's energy situation or support a transition to increased use of renewable energy sources Manitoba. The assumptions do not reflect our energy needs, or weather reality. And much of the data in the baseline models for Manitoba is blank (lots of zeros in tables in the modelling section). With such poor understanding of Manitoba in the models, we have little faith in the supposed benefits of these Regulations will have in our province.

Carbon Capture and Storage:

In the section "Readiness of emerging non-emitting technology to supply reliable electricity by 2035" the discussion of carbon capture and storage approaches seems to imply CCS projects exist, work, and are relevant. We are not sure the technology is developed as far as the discussion in the gazette seems to imply. As a result, it has been difficult to critique the role of CCS in the proposed regulatory regime as the background info and analysis makes it seem like a

proven technology. This is another assumption on the part of ECCC with the potential to impact the success and applicability of the Regulations.

Application section comments:

The Manitoba Eco-Network is concerned by the use of MW capacity as one of the triggering criteria: “has a capacity of 25 MW or greater”. It appears that this MW threshold is the basis for reporting, rather than GHGs, which is confusing when the regulation is supposed to focus on reducing GHGs. Small MW projects may have large impacts, and large MW projects may have less. For example, when this approach is applied to a hydroelectric dam, the generation output can be irrelevant with respect to potential emissions, environmental, and social impacts. Some small dams have had very significant impacts and some large dams have had relatively low impacts. There is also the possibility that new proposed developments will seek to build just below the regulatory threshold so as not to trigger the Regulations. MbEN recommends seeking a better mechanism for determining the applicable scope of the proposed Regulations.

MbEN also recommends that the federal government consider aligning the triggers for this Regulation with the updated triggers of the Impact Assessment Act (currently being reformed after the SCC decision) to ensure the constitutionality of these Regulations.