

Québec 

Manitoba 

 Ontario

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE GOVERNMENT OF QUÉBEC,
THE GOVERNMENT OF MANITOBA AND
THE GOVERNMENT OF ONTARIO

CONCERNING

**CONCERTED CLIMATE CHANGE ACTIONS AND
MARKET-BASED MECHANISMS**

2015

Concerted Climate Change Actions and Market-Based Mechanisms

Memorandum of Understanding

WHEREAS climate change is a significant threat to the development and the security of individuals, communities and states and there is an urgent need to act in order to preserve and enhance, for future generations, the economic, social and environmental conditions that we enjoy.

WHEREAS the Intergovernmental Panel on Climate Change has concluded that warming of the climate system is unequivocal and that human influence on the climate system is clear.

WHEREAS a consensus exists on the need to limit global warming to a level that would prevent dangerous interference with the climate system and that the "window of opportunity" to achieve this is shrinking rapidly.

WHEREAS the impacts of climate change are affecting and will continue to affect the sustainable development of our societies in areas such as health, public safety, natural environments, infrastructure and economic development, and thus require significant, immediate and sustained long-term action.

WHEREAS the fight against climate change has positive impacts on the health and safety of citizens, their lives and their environment, as well as on the economies of Québec, Manitoba and Ontario.

WHEREAS a collaborative response to the challenges of climate change will create new and competitive economic opportunities in areas such as renewable energy, energy efficiency and clean technologies that promote a transition to a more resilient low carbon economy.

WHEREAS it is necessary to develop a vision and long-term objectives in the fight against climate change to shift, as required, the means of production and consumption.

WHEREAS cooperation and sharing knowledge and experience between the governments of Québec, Manitoba and Ontario helps to reduce uncertainties about climate change impacts and may develop innovative solutions for reducing greenhouse gas emissions and supporting adaptation to promote the transition to a low carbon economy.

WHEREAS Québec, Manitoba and Ontario have worked together with California and other American States to develop the design for the Western Climate Initiative Regional Cap and Trade Program.

WHEREAS Québec is working toward reducing its greenhouse gas emissions through the 2013-2020 Climate Change Action Plan and through the implementation of a cap-and-trade system, linked with California in accordance with the methods established by the Western Climate Initiative Partnership and Western Climate Initiative Inc., which is the largest carbon market in North America.

WHEREAS Manitoba worked with the International Institute for Sustainable Development to undertake consultations on climate change and the green economy, and will be leading further public and stakeholder dialogue sessions on a new provincial Climate Change and Green Economy Action Plan that will chart a pathway toward a low carbon economy and ensure creation of green jobs.

WHEREAS Manitoba intends to develop a cap-and-trade system for greenhouse gas emission allowances for large emitters,

WHEREAS Manitoba will work with Québec and Ontario with the intention of developing a market-based mechanisms that will be compatible with Québec, Ontario and California carbon market and that the provinces intend to link their cap-and-trade systems in accordance with the methods established by the Western Climate Initiative Partnership and Western Climate Initiative Inc.

WHEREAS Ontario led a public consultation on the development of its long-term climate change strategy and announced it will work with Québec to develop a cap-and-trade program for greenhouse gas emission allowances as well as its intention to link its cap-and-trade program with the Québec and California systems in accordance with the methods established by the Western Climate Initiative Partnership and Western Climate Initiative Inc.

WHEREAS Québec, Manitoba and Ontario signed the Declaration of the Premiers of Canada at the Québec Summit on Climate Change on April 14, 2015 and the Climate Action Statement at the Climate Summit of the Americas on July 9, 2015 recognizing the importance of carbon pricing as a key measure that can be taken by Federated States and regions.

WHEREAS Québec, Manitoba and Ontario are members of The Climate Group, and have signed The Compact of States and Regions, which will provide the first ever single, global account of greenhouse gas (GHG) reduction targets made by Federated States and regional governments.

WHEREAS Québec, Manitoba and Ontario are members of the International Climate Action Partnership (ICAP), which aims to facilitate cooperation between countries, sub-national jurisdictions and supranational institutions that have implemented or are considering implementation of emissions trading program.

WHEREAS Québec, Manitoba and Ontario acknowledge the necessity for the development of a coherent and integrated vision for the fight against climate change,

including approaches to carbon pricing, in order to sustain a fair and competitive economy and provide economic certainty to business, while achieving net reductions in greenhouse gases.

THEREFORE the signatories to this Memorandum of Understanding agree to collaborate on concerted climate change actions and market based mechanisms including, but not limited to, the following:

1. Harmonize methods of data collection and inventory of greenhouse gas emissions

- Harmonize appropriate reporting requirements and measurement systems to facilitate the implementation of joint initiatives to reduce greenhouse gas emissions including the design of the cap-and-trade system for greenhouse gas emission allowances supported by the services provided by the Western Climate Initiative Inc.;
- Explore approaches to measure and report on greenhouse gas emission reductions and removals;
- Ensure reporting of greenhouse gas emissions is rigorous, transparent and public;
- Work together to exchange information on boreal forest carbon, considering international best practices and accounting standards;

2. Collaborate on the development of cap-and-trade system for greenhouse gas emission allowances that is consistent with the design of the Western Climate Initiative Partnership with the intent to link

- Exchange information and learnings on market based approaches to reduce greenhouse gas emissions, including building on Québec's experience implementing a cap-and-trade system for greenhouse gas emission allowances and linking with other systems;
- Québec, Manitoba and Ontario work together as needed to facilitate the intent to implement a regional cap-and-trade system for greenhouse gas emission allowances that is consistent with the design of the Western Climate Initiative Partnership;
- Work together regarding the development of Manitoba's and Ontario's cap and trade system and the development of offsets protocols, including forming specific working groups to share information and experience related to designing, implementing and linking to the systems implemented by Québec and California;

- Collaborate on an approach that recognizes the benefits of Western Climate Initiative's regional cap-and-trade system design that improves market stability, minimizes implementation costs, and provides fair treatment for emitters in the region;
- Collaborate on the implementation of effective and integrated monitoring and oversight mechanisms of carbon markets to ensure reliability, confidence and effective linking of markets;

3. Accelerate the transition to a low carbon economy

- Exchange processes and approaches with the aim to establish greenhouse gas emission reduction targets for post-2020, particularly in view of the results of the 21st Conference of Parties of the United Nations Framework Convention on Climate Change held in Paris, and to promote harmonization of long-term targets;
- Collaborate to ensure aligned post-2020 regulation development to foster a stable planning environment for business and industry;
- Collaborate with other jurisdictions on mid-term greenhouse gas emission reductions to maintain momentum toward 2050 targets consistent with achieving our shared goal to prevent dangerous human interference with the climate system;
- Work together to reduce the use of hydrofluorocarbons in Québec, Manitoba and Ontario in aerosols, fire suppression systems, refrigeration and air conditioning equipment, among other uses, and explore the viability of alternative substances necessary to replace hydrofluorocarbons in such common uses;
- Promote the transition to a low carbon economy through initiatives such as setting a price on carbon, the adoption of cleaner fuel standards, energy efficiency and conservation measures including co-generation and demand management, product standards, support for low-carbon innovation, and fuel-switching to lower carbon energy sources such as electricity generated from renewable sources, bioenergy/biofuels, heat pumps, solar and thermal;
- Join forces to advocate and promote the role and recognition of Federated States, regional government and local authorities in global efforts aimed at accelerating the transition to a low carbon economy and to share best practices and expertise through joint participation in international fora such as The Climate Group and the International Carbon Action Partnership;
- Collaborate to advocate for strong national action and promote the role of Federated States and regional governments on climate action at meetings of the Conference of the Parties to the United Nations Framework Convention on Climate Change and other international events;

- Work together to ensure that climate change considerations are an integral part of discussions related to energy issues;
- Promote research, development and deployment of clean technologies in Québec, Manitoba and Ontario, share best practices and explore opportunities to develop regional clean-tech cluster partnerships;
- Collaborate and share knowledge and experience regarding the implementation of approaches to reduce greenhouse gas emissions in different sectors, such as transportation and buildings;
- Promote expansion and market support of zero emission vehicles including plug-in electric, and plug-in hybrid electric vehicles through joint initiatives and support for market incentives to expand access to charging infrastructure, ensure sufficient customer choice and public education and awareness;
- Collaborate and work closely to support international and national events on environmental issues, including the World Electric Vehicles Symposium and Exhibition in Montreal in June 2016;
- Consider opportunities to leverage shared purchasing power through joint green procurements;

4. Offsets

- Work in collaboration to develop, adapt, harmonize and adopt offset protocols applicable in Québec's, Manitoba's and Ontario's territories, as well as in the rest of Canada, that will allow a lower compliance cost for emitters while ensuring a net decrease in global greenhouse gas emissions by covered entities and sources and creating business and investment opportunities in the region for the economic actors of Québec, Manitoba and Ontario;
- Encourage the development of a supply of offsets by prioritizing the adaptation of Québec's protocols for Mine Methane Capture and Destruction, Landfill Gas Capture and Destruction, Ozone Depleting Substances Capture and Destruction;
- Work to adapt other protocols including but not limited to: Nitrous Oxide Reductions from Fertilizer Management in Agriculture Protocol, Emission Reduction from Livestock Protocol, Organic Waste Digestion Protocol, Organic Waste Management Protocol, Forest Project Protocol, Afforestation Protocol, Urban Forest Project Protocol, Grassland Protocol, Conservation Cropping Protocol and Refrigeration System Protocol;

5. Promote knowledge sharing and cooperation for adaptation to climate change

- Share knowledge and experience regarding the implementation of Québec, Manitoba and Ontario governments' policies that address climate change adaptation, such as Manitoba's new Climate Change and Green Economy Action Plan, Climate Ready: Ontario's Climate Change Strategy and Québec's 2013-2020 Government Strategy for Adapting to Climate Change;
- Facilitate cooperation between climate change and adaptation researchers and practitioners, with the aim to enhance research capacity and explore opportunities for joint projects on adaptation, focusing on coordinated efforts to evaluate the socio-economic impacts of climate change and the benefits of adaptation, and knowledge products that can be used at the local level;

6. Enhance public awareness

- Facilitate cooperation between communications representatives and networks to strengthen communication to the public, business, industry and environmental organizations;
- Exchange information and approaches to engage citizens to take action on climate change;
- Share evaluation results of communication initiatives to improve and strengthen ongoing public engagement;
- Work together to provide consistent branding and information to the public, business, industry and environmental organizations on the functioning and benefits of carbon pricing systems, and consumer opportunities to reduce energy costs through conservation and efficiency;

7. Promote intergovernmental collaboration on climate change

- Québec, Manitoba and Ontario, recognizing that intergovernmental collaboration is vital to realize these actions, will continue to promote strengthened cooperation with all governments, as well as with municipalities, stakeholders and the public;
- Québec, Manitoba and Ontario will cooperate to advance a concerted climate change agenda nationally by working with Federal, Provincial and Territorial governments;
- Québec, Manitoba and Ontario will strengthen joint efforts to increase collaboration with the Canadian federal government and Provincial and Territorial governments, based on the principles of this Memorandum of Understanding and through linkages

to other forums including the Canadian Council of Ministers of the Environment and the Council of the Federation to take concerted actions on climate change and to promote the transition to low carbon economies;

- This Memorandum of Understanding is consistent with the commitments adopted by Canada's Premiers in the Canadian Energy Strategy (July 2015);
- Québec, Manitoba and Ontario will cooperate to advance a concerted climate change agenda internationally through working with other Federated States and regional governments to support and expand low-carbon opportunities, to advance their participation in the development and implementation of ambitious Nationally Determined Contributions submitted to the United Nations Framework Convention on Climate Change, and to ensure that their actions will be recognized in future Conferences of the Parties.

8. Implementation

The Signatories charge their Minister responsible for climate change issues, with ensuring the effective implementation of this Memorandum of Understanding.

The Signatories establish a Québec-Manitoba-Ontario working group specifically focused on the fight against climate change, co-chaired by the Deputy Ministers responsible for climate change issues.

The working group will facilitate the implementation of the objectives of this Memorandum of Understanding. A work plan will be established for this purpose.

9. General provisions

This Memorandum of Understanding does not create legally binding obligations on the signatories.

The Signatories confirm their intention to preserve the confidentiality of commercially sensitive business information of third parties, and not to disclose such information other than as required or permitted by law.

Nothing in this Memorandum of Understanding derogates from the powers, rights or privileges of the legislatures or governments of Québec, Manitoba and Ontario, including any powers, rights or privileges relating to language, nor can it affect the interpretation of legislation or any regulation, by-law or order made under an Act.

The signatories may amend this Memorandum of Understanding by a written document signed by each signatory.

Either Québec, Manitoba or Ontario may terminate this Memorandum of Understanding by providing at least two (2) months written notice to the other signatory.

This Memorandum of Understanding is produced in four copies, each with one in French and the other in English, both versions being regarded as equally authentic.

FOR THE GOVERNMENT OF QUÉBEC

At _____, on the ____ day of _____ 2015

Philippe Couillard
Premier ministre

David Heurtel
Ministre du Développement durable, de l'Environnement
et de la Lutte contre les changements climatiques

Jean-Marc Fournier
Ministre responsable des Affaires intergouvernementales
canadiennes et de la Francophonie canadienne

At _____, on the ____ day of _____ 2015

FOR THE GOVERNMENT OF MANITOBA

At _____, on the ____ day of _____ 2015

Greg Selinger
Premier

Tom Nevakshonoff
Minister of Conservation and Water Stewardship

FOR THE GOVERNMENT OF ONTARIO

At _____, on the ____ day of _____ 2015

Kathleen Wynne
Premier

Glen Murray
Minister of the Environment and Climate Change