



MANITOBA ORDER IN COUNCIL

DATE: **November 16, 2022**

ORDER IN COUNCIL NO.: **402/2022**

RECOMMENDED BY: **Minister responsible for The Manitoba Hydro Act**

ORDER

1. Approval is given to the minister responsible for *The Crown Corporations Governance and Accountability Act* (the “Minister”) to issue a directive to The Manitoba Hydro Electric Board in the form attached at Schedule “A”.
2. This Order comes into effect on the day that it is made.

AUTHORITY

The Crown Corporations Governance and Accountability Act, C.C.S.M. c. C336, states:

Directives

13(1) The minister may — with the approval of the Lieutenant Governor in Council — issue a directive to a corporation

(a) respecting matters of policy;

(a.1) requiring the corporation to conduct an organizational review as specified in the directive;

(a.2) requiring the corporation to do something in accordance with its approved annual business plan or prohibiting it from doing anything inconsistent with that plan;

(b) to ensure that practices of two or more corporations are consistent; and

(c) to ensure that two or more corporations act in concert with each other or with government departments or agencies when doing so will further efficiency and effectiveness.

...

Compliance

13(3) A corporation must comply with a directive given under this section.

Directives to be made public

13(4) The minister must make a directive public, in a manner he or she determines reasonable, within 30 days of the directive being given to the corporation.

BACKGROUND

1. The Minister recommends that the attached directive be issued to The Manitoba Hydro Electric Board.

**A Directive to
Manitoba Hydro Electric Board
Respecting Electric Service to Cryptocurrency Operations**

Issued by: Honourable Minister Cameron Friesen

Effective: November 16, 2022

BACKGROUND

The *Crown Corporations Governance and Accountability Act* provides for the issuing of directives to one or more Crown corporations as follows:

Directives

13(1) The minister may — with the approval of the Lieutenant Governor in Council — issue a directive to a corporation

- (a) respecting matters of policy;
- (a.1) requiring the corporation to conduct an organizational review as specified in the directive;
- (a.2) requiring the corporation to do something in accordance with its approved annual business plan or prohibiting it from doing anything inconsistent with that plan;
- (b) to ensure that practices of two or more corporations are consistent; or
- (c) to ensure that two or more corporations act in concert with each other or with government departments or agencies when doing so will further efficiency and effectiveness.

PURPOSE

Manitoba Hydro is expecting unprecedented demand for electricity from persons intending to engage in cryptocurrency operations.

This directive instructs Manitoba Hydro to temporarily suspend the processing of requests for electric service intended to be used for the purpose of operating computer equipment dedicated to cryptographic calculations which, in particular, serve to validate successive transactions made by users of a blockchain, known as “cryptocurrency operations”, pending the implementation of this directive.

APPLICATION AND SCOPE

This directive applies to:

- requests for electric service received by Manitoba Hydro which have not resulted in the execution of either an agreement to construct infrastructure or an agreement to supply electric service; and
- new requests for electric service;

from persons intending to engage in cryptocurrency operations.

The suspension shall be applied until April 30, 2024.

DIRECTIVE

Manitoba Hydro is directed:

- (a) to suspend processing of requests for electric service previously received from persons intending to engage in cryptocurrency operations until April 30, 2024;
- (b) to suspend processing of any new requests for electric service from persons intending to engage in cryptocurrency operations until April 30, 2024;
- (c) to provide a refund of any deposits held by Manitoba Hydro to any persons whose request for electric service is subject to the suspension;
- (d) to maintain a record of the dates upon which each of the persons whose request for interconnection is subject to the suspension submitted their request for interconnection;
- (e) to undertake a review of the impact on the hydroelectric system of the anticipated demand for electricity from persons intending to engage in cryptocurrency operations, including consideration of:
 - i. potential effects of the anticipated demand for electricity from persons intending to engage in cryptocurrency operations on Manitoba Hydro's ability to serve other customers and fulfill Manitoba Hydro's legislated mandate; and
 - ii. potential need for new generating resources to meet demand for electricity, including from persons intending to engage in cryptocurrency operations;
- (f) in undertaking the review, to consult with stakeholders, including persons intending to engage in cryptocurrency operations;
- (g) to collaborate with government, through Manitoba Finance, with respect to the development of Manitoba's energy policy and economic development policy as it relates to cryptocurrency operations;
- (h) to engage with The Public Utilities Board regarding regulatory perspectives, if any, on appropriate mechanisms to address the anticipated demand for electricity from persons intending to engage in cryptocurrency operations;
- (i) to provide to government options and recommendations to address anticipated unprecedented demand for electricity from persons intending to engage in cryptocurrency operations.