

**Ozone Protection Regulatory Instruments
Action Plan**

Proposed Regulatory Amendments

**Manitoba Ozone Depleting Substances
Regulation Amendments**

MR 103/94 – 178/2005



**The
Manitoba Ozone Protection Industry Association (MOPIA)**

Draft #3
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A. Regulatory Actions

The process to review and propose amendments to the Manitoba Ozone Depleting Substances Regulation and Other Halocarbons Regulation 103/94 is underway.

Manitoba Sustainable Development and MOPIA are supportive to engage stakeholders in a regulatory review in an effort to improve Manitoba's ODS Regulation.

B. Background

With the 1987/89 implementation of The Montreal Protocol, Canada's international commitment to protect the stratospheric ozone layer was entrenched. Subsequently, The Province of Manitoba, along side each province, initiated the development and implementation of new provincial legislation (Manitoba Ozone Depleting Substances Act CCSM 080 and Regulation) aimed at protecting the stratospheric ozone layer. Manitoba was among the first Canadian jurisdictions to involve industry stakeholders in the implementation of the regulation (103/94). Since 1992, over 15,000 individuals (within Manitoba) have participated in environmental and regulation awareness technician training program which provides provincial certification under MR 103/94.

The Manitoba Ozone Protection Industry Association (MOPIA), a not-for-profit, multi-stakeholder, volunteer based association, was originally appointed in 1994 through the signing of an Appointment Agreement with the Government of Manitoba (Minister of Sustainable Development). MOPIA's role was to assist the department in the administrative affairs of the ozone protection initiative which have grown since inception. An internal audit, first commissioned in 1998/99 and conducted by the Manitoba Government (released in January 2000), proved the partnership between MOPIA and the Pollution Prevention Branch was a valuable collaboration. The audit suggested certain new program responsibilities which have been implemented.

MOPIA has demonstrated extraordinary leadership in coordinating stakeholder participation with the goal of phasing-out ODSs throughout Manitoba. MOPIA has embraced many new responsibilities as the program has evolved over the past nine years.

The existing financial structure and remittances to MOPIA have been in place since originally appointed and constant for over twenty five years since the initial implementation of the Ozone Depleting Substances Regulation (MR 103/94) back in 1992. MOPIA operates on an effective self-sustaining model and does not require any provincial government funds in operation of all its activities.

The Kigali Amendment to the Montreal Protocol takes effect January 2019. This sets a new standard in controlling the phase-down of HFCs internationally.

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C. MOPIA's Role in Fostering Strong Industry Compliance

With the implementation of amendments to the Manitoba ODS Regulation 103/94, the following key actions are underway with MOPIA.

Outreach

- a) **Stakeholder Outreach** proposed and solicited comments/input on the proposed amendments.
- b) MOPIA's **website** soliciting stakeholder input for amendments.

Community outreach sessions have taken place:

Thompson
The Pas
Flin Flon
Winnipeg (2)
Steinbach
Brandon (2)
Winkler
Dauphin
Gimli

- c) Active **participation at related industry events**, meetings and forums.
- d) **Press Release(s)** highlighting our actions
- e) Selected community newspaper **advertising** and or submission of **articles/updates** (for industry/consumer awareness).
- f) **The Manitoba Halon Working Group** will be invited to convene and review their compliance requirements.

D. Proposed Manitoba ODS Regulation 103/94 Amendments

1. Technician Certification Period and Renewal Date

Personal certification period increased to 2 year period
Fee for two year term to be \$60

Renewal/epiry date to be March 1, instead of June 1 to be more consistent with ODS record submissions and prior to Manitoba's air conditioning season.

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- 2. Rename SD Permit to be called a Purchasing/Sellers Permit. Mandatory for all business enterprises purchasing any regulated products for use internally or destined for re-sale. Similar to New Brunswicks ODS Regulation.*
- 3. Include HFOs and PFCs (halon replacements) as regulated substances due to their environmental impact (acidification of rivers/streams)*
- 4. Mandate/reinforce the restriction on the sale of products attached to the refrigerant lines. This pertains to retail sale of refrigerants not regulated and kits that include hoses or instruments penetrating the closed refrigerant loop/line of a A/C or refrigeration equipment.*
- 5. Technician ODS Service records do not need to be submitted by technicians, but must be maintained and accessible for a period of three years.*
- 6. Update dates throughout the regulation (i.e. CFC chillers etc).*
- 7. Add Chiller permit for HFCs to ensure tracking is continued along with the phase-down justification*
- 8. Add in servicing deadlines (i.e. no re-charging) for HFCs for a variety of applications (i.e. auto 2030) echoing Federal legislation.*
- 9. Support energy efficiency choice of equipment by mandating a carbon tax methodology. (\$1,000 for every increase in GWP formula or EE).*

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E. Anticipated/Associated Project Costs

While projections have been made on the new “anticipated” revenue and expenditures, these figures must be represented as best assumptions as the industry is quickly evolving, new and unregulated products are coming on-stream and the compliance demonstrated by industry may waiver depending on the actual enforcement actions perceived, demonstrated or scene. Adjustments will likely be required throughout the period.

1. Financial Projections

This Action Plan is a “living document”. Decisions regarding the scope and mandate of proposed MOPIA programs may impact financial projections. As well, other events, outside the control of MOPIA, if they were to occur, could impact financial results.

Based on amendments to the MR ODS 103/94 implemented:

- certification revenue may increase as much as \$25,000 (5,000 x \$5) per annum based on current certifications issued, but due to the implementation of HFC controls and unregulated alternatives, these numbers may decrease over time.
- one time permits will increase revenue in harmony with related admin expenses

2. Routine Expenses - Services Outpacing Revenue

MOPIA continues to demonstrate cooperative leadership. An enormous and increasing amount of volunteer time and cooperation has been dedicated towards the on-going success of the initiative. MOPIA has relied more heavily on the expertise of volunteers instead of outsourcing, to maintain the level of service and innovation required for the complement of service rendered.

In addition, innovative partnerships (i.e. On-Site, Urban Green Team) have been employed to maintain the high level of standard services to our stakeholders. These have been used in view of rising costs for supplies and services (i.e. postage, printing, wages, office rent, insurance, etc.) which have occurred over the last ten years. MOPIA has found that the expectations of our stakeholders, and the new program responsibilities have risen quicker than our fee base and revenue sources. Based on a cost of living indexes for the last ten years, 2.2 % x 10 years equates to an approximate 24% rise in expenses with no increase in operating income from normal sources.

Ultimately, the new revenue will be used for offsetting current operating shortfalls and maintaining services with the goal of enhancing stakeholder awareness and compliance.

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3. *New Revenue Sources*

- i) **Trained service technician fee increase** - new revenue will be derived from an additional \$5 fee on the existing (1992) \$25 annual technician certificate for a yearly new (potential) revenue projection of \$25,000 (5000 certificates x \$5).
- ii) **Secondary Distributor Permit fee increase** – new revenue will be obtained to support increased awareness and support to purchasers and sellers of regulated products. The current fee of \$50 is minimal and does not support any stakeholder support. The proposed fee is \$100 for companies purchasing/selling regulated products. Potential new revenue is \$50 x 600 companies \$30,000/annum.

The new revenue will offset the approximate 24% increase in operating expenses since 1994 and allow MOPIA to continue in a self-sustainable model and provide better stakeholder awareness and support initiatives.

New project costs and expenses will be associated with the implementation of the amendments to MR 103/94. MOPIA is committed to a comprehensive industry awareness initiative including advertising and awareness sessions, development, printing and distribution of a new compliance guide and updating the certification training manual. These efforts are designed to compliment and strengthen industry and public compliance.

Permits:

- iii) **ODS Purchasers/Sellers Permit (aka. Secondary Distributor Permit)** – There maybe slightly more companies coming into compliance. It has been an effective mechanism for tracking companies who import into the province regulated halocarbons. Estimated at 50 x \$50 (\$2,500).
- iv) **Chiller HFC Permit Class 3 HFC- Section 15** – A new one-time revenue stream will be derived from the introduction of Chiller Class 3 (CFC containing) permits. Best assumptions suggest an estimated \$35,000 (\$10 each at 350 units) will be generated. The permit will be used to identify all class 1 ODS chillers in the province with the motive to track and monitor decommissioning of the systems. This new information will assist the Climate Change Branch to track and report on provincial efforts at the Federal/Provincial Working Group on Halocarbon Controls.

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Services Provided:

The implementation of the chiller permitting system is a new initiative. It will require additional services including permit development/coordination, database management, stakeholder coordination/awareness and new informational infrastructure.

Anticipated Revenue: \$100 permit x 350 units (estimated) \$35,000

- ii) **Halocarbon Fixed Fire Extinguishing Equipment Permit – Section 13.2(1)** – A new permit will be issued (90 days after implementation) to identify all PFC fixed fire equipment in the province of Manitoba. The permit is valid until 2025. This permit is designed to register all systems, log halon consumption and monitor decommissioning efforts. This new information will assist MOPIA in reporting to the Minister of Sustainable Development on provincial halon initiatives at the Federal/Provincial Working Group on Halocarbon Controls.

Anticipated Revenue: \$100 permit x 100 units (estimated) \$10,000

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