



Manitoba Ethanol Regulations Ethanol Manufacturers

Q: I am intending to manufacture ethanol in Manitoba. Should I have a manufacturing licence?

A: Yes. Anyone intending to manufacture ethanol in Manitoba should have a manufacturing licence issued by the Minister of Innovation, Energy and Mines.

Q: How do I apply for a manufacturing licence?

A: A licence application form must be completed. The forms are available from the Energy Division of the Department of Innovation, Energy and Mines (IEM). Before a licence can be issued, the applicant must enter into a licence agreement, be able to produce ethanol that meets the requisite fuel quality standards and have obtained all applicable environmental permits for the ethanol manufacturing facility.

Q: Is there a fee for a licence?

A: There is no fee for a licence.

Q: Are there reporting requirements for licence holders?

A: Under the *Ethanol General Regulation*, manufacturers are required to submit quarterly reports to IEM containing information such as the volumes of ethanol produced, purchased, imported, sold in Manitoba and exported. The quarterly reports must be filed within 30 days after the end of each quarter. The reporting form is available from the Energy Division and the IEM Web site.

Q: Are there exceptions to the manufacturers' reporting requirement in the *Ethanol General Regulation*?

A: Yes. A manufacturer applying for a Manitoba ethanol production grant does not have to file quarterly reports under the *Ethanol General Regulation*.

Q: Is there an incentive available for producing ethanol in Manitoba?

A: The government of Manitoba offers a grant for ethanol produced in Manitoba and sold in Manitoba to fuel suppliers. Production incentives from the federal government may also be available.

Q: What are the details of the Manitoba ethanol production grant program?

A: *The Biofuels Act* provides that a portion of gas tax revenue will be credited to an Ethanol Fund for the purpose of paying the ethanol production grant. For 2008 & 2009, ethanol producers are entitled to receive 20¢/litre of ethanol produced and sold in Manitoba to fuel suppliers. For years 2010-2012, the incentive declines to 15¢/litre. The incentive moves to 10¢/litre for years 2013-2015. The total amount of money available for the grant program in a year is capped by amount of ethanol required to meet the denatured ethanol sales mandate at the 8.5% level and taxable sales of gasoline.

Q: What is Manitoba's denatured ethanol sales mandate and when does it begin?

A: Manitoba's ethanol mandate requires fuel suppliers in Manitoba to replace at least 8.5% of their gasoline available for sale with ethanol. This pool average will result in roughly 130 million litres of ethanol used in Manitoba each year. The mandate begins on January 1, 2008 with 5% denatured ethanol content for the first quarter of 2008, ramping up to 8.5% for the remainder of 2008 and subsequent years.

Q: How do I become eligible to receive a grant?

A: To be eligible to receive a grant, a person must hold a licence to produce ethanol issued under *The Biofuels Act* and be producing ethanol in Manitoba. The grant is payable for ethanol produced in Manitoba and sold in Manitoba to fuel suppliers.

Q: Who is considered to be a fuel supplier for the purpose of the mandate?

A: A fuel supplier is a registered collector under Manitoba's fuel taxation statute.

Q: Is there a grant application form?

A: Yes. An application form must be completed to receive a grant. Grants are payable on a quarterly basis. Grant applications have to be submitted within 60 days after the end of each quarter. The application form is available from the Energy Division and the IEM Web site.

Q: When does the grant program end?

A: The grant program expires on December 31, 2015.

Q: What regulations under *The Biofuels Act* apply to ethanol manufacturers?

A: Two regulations under *The Biofuels Act* apply to ethanol manufacturers: *The Ethanol General Regulation* and the *Ethanol Fund Grant Regulation*. The Act and the regulations can be found on the Manitoba Laws Web site. Links to the regulations are also located on the IEM Web site.

Further information on the licence requirements, the grant program, and the ethanol mandate may be obtained from:

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