

November 15, 2018

Dear Minister Phillips,

Climate change is here, and we worry about time wasted as people continue to debate what scientific consensus has already determined to be irrefutably real. Its effects will continue to be more frequent, and severe, as it threatens everything around us; our homes, our infrastructure, even our health and well-being.

To mitigate the risks of climate change, we need a true, multi-stakeholder approach, with all levels of government setting aside partisan politics and ideology to create mitigation plans that work cohesively together.

Mitigating climate change is also the responsibility of the general public, organizations, businesses and industries at large, but they must be given sufficient tools from government in order to make more sustainable choices; choices which may not be easier and may be more costly, but are truly in the interest of a more sustainable future for our planet.

Truth be known, we are supporters of the Cap and Trade plan that Ontario briefly had in place with Quebec and California, and disagree with the political discourse which drove the plan to be labelled a carbon tax, even though it was fundamentally different from a tax. Cap and Trade put an upper limit, or "cap", on greenhouse gas (GHG) emissions and lowered the cap over time, creating a market for businesses to buy and sell GHG allowances based on whether they were over or under their permitted emissions threshold (the "trade"). The revenue did not come from the general public. In fact, the majority of the revenue came from large polluters, including electricity importers; a facility or natural gas distributor that emits 25,000 tonnes or more of greenhouse gas emissions annually; and, fuel suppliers that sell more than 200 litres of fuel per year¹.

The many economic benefits of the Cap and Trade program were seen in its short lifetime. The resulting revenue was distributed to further reduce GHG emissions across sectors, such as the cancelled \$100 million to Ontario schools for infrastructure improvements². It was also used to incentivize home energy efficiency retrofits, electric vehicle rebates, and so on, all of which create benefits to homeowners and society at large.

We understand that the Ontario Government is very concerned about pocketbook issues, and wants to put money back into the pockets of everyday Ontarians. The cancellation of the Cap and Trade program, and the stringent opposition to the federal carbon tax option, do the opposite of that:

- As stated above, Cap and Trade provided funding for home energy efficiency retrofits – this

¹ [Doug Ford to cancel Ontario's cap-and-trade program](#)

² [Ontario PC government cancels \\$100M fund allocated for school repairs](#)

funding made these retrofits attainable for some who would not otherwise be able to afford them. Beyond the initial, up-front, savings, these retrofits also provided Ontarians the benefit of reduced energy consumption, and therefore reduced energy costs.

- The Federal carbon tax option has been designed to provide more back to everyday Ontarians than it costs them – a family of four is estimated to receive a rebate of \$307 next spring, while the new system is expected to increase costs by \$240³. While the net impact will vary depending on the specific behaviour of each person, 8 in 10 people are expected to get more back in the rebate than they pay. While some have tried to discount the claim, and suggest that a carbon tax cannot work by virtue of the dividend being higher than the fee, that is flat-out incorrect.

When faced with a carbon tax, Ontarians will still endeavor to operate in a more environmentally friendly way, reducing their up-front costs, while still benefiting from the higher dividend.

While politics are always a part of the carbon tax discussion, it is worth noting that traditionally conservative publications have actually supported a carbon tax model in years past, before the Liberals government announced the model.

Every time a severe weather event happens, Ontarians are faced with expenses to repair damage to their homes, cars or businesses. We are already seeing severe weather events, including floods and windstorms, happen more often than ever before. If we continue on this path, repairs will continue to get more and more costly, leading to homeowners being faced with increasingly significant, and unexpected, out of pocket expenses. Even if they have insurance for the damages, more frequent and costly damages will cause insurance rates to go up, and could even restrict the availability of certain insurance products going forward.

As the Government of Ontario works to establish a new climate change plan, in addition to a price on carbon, we strongly recommend that it include the following policies:

Buildings

- Homeowners should be provided incentives to retrofit their homes to improve household energy efficiency. This will not only be a benefit to the environment, in terms of lower greenhouse gas emissions, but it will also be a benefit to the citizens of Ontario, by allowing them to save on utility costs in the long term. Rebates directed at upgrading to energy efficient solutions in home heating (heat pumps) are a priority, as are rebates to advance Low Impact Development (LID) storm water management features such as permeable surfaces for driveways and patios.
- Ontario Building Code – update to ramp up energy efficiency standards, and require new builds to incorporate low-carbon technologies (i.e. solar, geothermal, electric vehicle charging).
- Maintain programs to support net metering, rooftop solar, and other cost-effective options to build energy resilience – this provides opportunities for adaptation to and mitigation of climate change as well as cost savings for customers who produce their own energy.

³ [What Trudeau's new carbon tax will mean for Ontarians](#)

- Move to modernized clean fuel standard to lower GHG emissions from building and transportation fuels – this allows markets to innovate and choose lowest cost ways to implement low-carbon fuels rather than dictating which fuels to use in which quantity.
- Introduce an incentive-based "Smart Development Checklist" and monitoring process as part of the development permit process to encourage developers to shift to lower impact developments.

Transportation

- Implement a mandate to the auto industry similar to what Quebec has in place to spur the supply of zero-emission vehicles and low-emission vehicles. Electric vehicles have been in very short supply in Ontario which made it challenging for consumers to purchase them.
- Further investment in electric vehicle charging infrastructure across the province at public / commercial locations and workplaces.
- Implement policies to reduce GHG emissions from freight vehicles, i.e. encouraging switch to biodiesel blends with tax incentives, scrappage programs to replace old inefficient trucks, and support regional freight planning.
- Invest strategically in transit expansion (i.e. GO electrification) to reduce GHG emissions from passenger vehicles.
- Provide funding to electrify public transit.

Industry

- Support clean technology via an innovation fund to help business/industry shift to cleaner, more efficient, cost-effective technologies.

Forests and Green Space

- Strengthen tree protection by providing funding for municipalities to protect and grow urban tree canopies—in Burlington, the 17% urban tree canopy is alarmingly below the 30-50% minimum requirement to support a sustainable environment, as per Environment Canada, and 13% of our trees are at threat due to Emerald Ash Borer.
- Strengthen Green Belt Protection and ensure no development is allowed within its boundaries.
- Develop a forest carbon strategy to protect Ontario's forests, and to maximize Ontario forest's carbon storage capabilities.

Finally, we appeal to the Government of Ontario to set aside partisan politics and consider the future of this province: resisting a carbon pricing program will prove costly in the long term, both in economic and human impact terms, and will also cost us critical time that we don't have to slow down the impacts of climate change. The recently-announced Nobel Prize in economics, awarded to two American researchers whose work on the economic impacts of climate change and the innovation that can be driven by responding to it positively, rather than attempting to put short-term perceived savings ahead of what is best for all of us in the long term, demonstrates where the future lies. William Nordhaus of Yale University endorses a universal tax on carbon, while Paul Romer of New York University suggests that the necessity of reducing GHG emissions will drive industries to innovate, saying "I hope the prize

today could help everyone see that humans are capable of amazing accomplishments when we set about trying to do something.”

We appreciate the opportunity to participate in this consultation process, and hope that the Government of Ontario will think carefully about the legacy it will leave the citizens of Ontario, and consider that true leadership begins with the courage to take the long view. The cost of doing anything less is too great a price to pay.

We look forward to further opportunities for dialogue and to hearing about consultation on the new Ontario Government’s climate change plan. Meanwhile, please let us know if you have any questions.

Sincerely,

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