

January 25, 2019



Nathaniel Aguda
Environmental Policy Branch
40 St. Clair Avenue West
10th floor
Toronto ON M4V

Dear Mr. Aguda,

RE: 013-4208 Preserving and Protecting our Environment for Future Generations: A Made-in-Ontario Environment Plan

Climate change is no longer a subject of debate - the science is settled, and the overwhelming consensus is that we as a society cannot afford to defer significant actions to preserve our way of life. We are already seeing the effects of climate change; effects which will continue to get worse in the absence of significant action, threatening everything around us.

As you know, in October, the Intergovernmental Panel on Climate Change (IPCC) released an alarming report. In the report, the IPCC called for a rapid and profound reduction of greenhouse gas emissions to limit global warming to 1.5 degrees above pre-industrial levels. The report stated that there is a twelve-year window for countries to slow down global warming sufficiently to achieve this.

The Made-in-Ontario Climate Change Plan was released in the shadow of the IPCC report—the report should have been more than enough to demonstrate the need to a more aggressive plan than the previous one, not less aggressive. The Province's previous plan committed to a 37% reduction in greenhouse gases emissions by 2030 (1990 baseline). The new plan only commits to a 30% decrease by 2030, relative to 2005. According to Dianne Saxe, the provincial Environmental Commissioner, the plan is approximately 1/3 as ambitious as the prior plan¹.

In order to make headway against this existential threat, we need to set aside partisan politics and have all levels of government work together. The federal, provincial and municipal governments need to work in a harmonized manner and should make public policy changes that will not only address climate change on a macro level, but to also provide the general public and businesses with the tools to make decisions to reduce their environmental impacts.

¹ [CBC, Environment Commissioner says Ontario's new climate plan is "nowhere near strong enough", 2018](#)

Due to the cancellation of Cap and Trade, the Federal Government has imposed a carbon tax in Ontario. Experts agree that a price on pollution is a critical piece of a climate change strategy. For example, last year the Nobel prize in economics was won by William Nordhaus, who has been writing for four decades about climate change and how carbon pricing could reduce carbon emissions. His research showed that carbon pricing is a more effective and efficient mechanism to lower carbon emissions than government controls.

Despite the political dialogue, according to research, the federal backstop carbon tax will benefit the majority of Ontarians. According to Canadians for Clean Prosperity, a group led by Mark Cameron, a former policy director to Stephen Harper, most citizens will get more money back than they pay². In terms of impacts on the economy, using British Columbia as an example, there is no reason to think that a carbon tax would pose a threat to jobs. In fact, despite the fact that BC has now had a carbon tax for a decade, and the carbon tax is set higher than the federal backstop (\$35/Mt vs. \$25/Mt), BC has the lowest level of unemployment of all Canadian provinces³.

Plan feedback

We support the introductory language in the climate change plan about the significance of the risk posed by climate change and the need to deal with its impact on the province. That said, we question the fact that, if by the government's own admission, this is a significant threat, why are we moving to a less ambitious plan than was in place before? We also question the funding mechanisms being proposed to fund further greenhouse gas emissions reductions, lack of accountability for polluters, and the impact this plan will have on municipal climate action plans.

Path to meeting Ontario's 2030 emission reduction target

We are disappointed to see that while the plan, as written, is designed to meet the federal target from the Paris Accord, the plan includes much weaker targets than were previously in place. As stated before, at a time when we should be setting more aggressive targets, the opposite is occurring.

The plan notes several different strategies for achieving the emission reduction target, but lacks specifics. For example, there is reference to "The Low Carbon Vehicles uptake portion", but it makes no mention of how this will occur, and it is not reasonable to assume that a 16% reduction of greenhouse gases emissions will come from the adoption of electric vehicles in the Province when the electric vehicles incentive has been cancelled. In order to smooth the transition to electric vehicles, subsidies should be available for chargers, investments should be made in charging infrastructure, and a provincial zero-emission vehicle standard should be introduced.

² [CBC, Why Stephen Harper's former Policy Director is defending Trudeau's Carbon Tax, 2018](#)

³ [Statistics Canada, Unemployment Rate by Province, March 2018](#)

In addition, we recommend that any funds generated from industry from purchases of “offset credits and/or payment of an amount to achieve compliance” be directed to programs such as electric vehicle purchase incentives and home energy retrofits that are made available to Ontarians. Also, the plan should include projections and targets of how much these credits would generate and how the funds are to be used.

According to page 24 of the plan, "Ontario's economy has been growing, even as emissions are declining". Given that the Ontario economy continued to grow with the Cap and Trade program in place, we struggle to understand the rationale of such a drastic policy change—it would have been advisable to make any necessary modifications to the program, rather than a complete tear down.

Homeowner Incentives and The Ontario Carbon Trust (“OCT”)

We absolutely agree that it is important to help Ontarians understand the impacts of climate change. The focus of the plan seems to be on helping Ontarians adapt to climate change and become more resilient. We agree that this is important, but this is only one side of the equation. It is also essential that Ontarians are educated on how they can make changes in their lives, small or large, to reduce greenhouse gases and mitigate climate change. Demonstrating what Ontarians can do to become more efficient, for example switching to heat pump technology or buying an electric car, will provide concrete greenhouse gas emissions savings, but will also provide more long-term financial savings, which aligns well with the government's ambition of making life more affordable for Ontarians.

With respect to incentives for homeowners, the plan references a proposed action to "consult on tax policy options to support homeowners in adopting measures to protect their homes...". The plan lacks concrete information on what types of incentives will be available for these homeowners. Further to that, non-tax based incentives should also be used to encourage adoption of these measures.

The Environment Plan does not sufficiently outline what supports will be provided to home and business owners to reduce their greenhouse gases emissions. Under the Cap and Trade system, the majority of the funding came from large polluters including electricity importers, facilities or natural gas distributors that are large emitters, and fuel suppliers selling more than 200 litres of fuel per year. The resulting revenue was distributed by the government to further reduce greenhouse gases emissions across sectors, such as to support the now cancelled \$100 million for Ontario school infrastructure improvements. The revenue was used to incentivize home energy efficiency retrofits, purchase of electric vehicles, fund public transit projects and social housing retrofits, and so on, all of which create benefits to homeowners and society.

We welcome improvements to the Ontario Building Code to better equip homes and buildings to withstand severe weather events. While the plan notes backwater valves as one example, it is essential to not only focus on adapting to our changing climate, but to also mandate efficiency requirements in the Ontario Building Code and randomly audit buildings to ensure compliance. It

is concerning that while the Ontario Building Code is already out of date, there is no mention of when the updates to the OBC will be implemented.

We feel that the \$400M that the government has committed to the OCT (over four years) is not enough to make sufficient changes in emissions. It is also unclear how the \$400M in this fund will provide access to \$1B in private capital.

The second paragraph in the OCT section begins "If Canada's federal government returns to the Pan-Canadian Framework agreement with the people of Ontario, the Ontario Carbon Trust could be increased by \$420 million through the Low Carbon Economy Leadership Fund. This would increase the fund to \$820 million and unlock more than \$2 billion of private capital". A key tenet of the Pan-Canadian Framework Agreement is carbon pricing, which the Government of Ontario cancelled when Cap and Trade was cancelled. By including this paragraph in the Plan, it appears to be partisan, pitting the Ontario governing party against the Federal governing party. We understand that there is an election in 2019 and that carbon pricing will be a hot topic, but maintain that this type of dialogue should not be included in the plan.

Further to the point on the OCT, we would like to understand where the \$400M is coming from. We understand that there is approximately \$1 Billion in unspent Cap and Trade revenue and expect that that money is not being used to fund the OCT, and that it will be used as intended. The Ontario Government cancelled energy efficiency programs, which absolutely benefitted Ontario homeowners and put money back in their pocket – we believe that the money raised in Cap and Trade should be used to support homeowners, and the OCT should be funded separately.

The plan states that the government will work with the financial sector to implement climate related financial disclosures, but it provides no detail as to what this means or how it will be implemented.

Make polluters accountable

The plan lacks specifics on what accountability will be in place for polluters. Given that the polluter pays model has been eliminated, and instead the province intends to lean on a "system that is tough but fair", there should be specifics on what this actually means. The plan proposes the introduction of industrial emissions standards, but provides no detail on this. It is difficult to assess the viability of such standards without details on how the standards would work, when they would come into effect, and which industries would be exempt. We are concerned that across the board exemptions will allow certain industries to pollute at will and not make investments in efficiency.

Additionally, with the emissions standard, there is no associated cap on emissions. This is concerning—we know the government is concerned about ensuring that the economy continues to grow, however, there are significant risks to not having a cap on emissions. If there is no cap

on emissions, the emissions in this province will be allowed to grow as long as there is an economic benefit. We believe that strong economic growth can occur with a cap on emissions.

The plan heavily leans on innovation for emissions reduction, specifically calling out "*potential advancements in energy storage and cost-effective fuel switching from high intensive fuels in buildings to electrify and power cars*". As stated elsewhere, there is little detail on how this will be accomplished. Innovation is critical in this fight, as given its importance, much thought and detail should be incorporated into the plan.

Impacts on municipalities

The Provincial government should support municipalities in doing their part to reduce Ontario's greenhouse gases emissions as well by providing clear guidance, enabling ambitious greenhouse gases reduction targets, and creating as well as supporting mechanisms for incentivizing change. The plan does not provide us with the confidence that this will happen.

We do support the Province undergoing a provincial impact assessment to use a risk-based approach to investments in our communities, however, it will be essential that not only is an impact assessment completed, the government must also be prepared to equip municipalities with funding so that they can act on the assessment.

The plan calls for local leadership on climate change from municipal governments, Indigenous groups, and associations such as ours. Local leadership is important, but the importance of provincial leadership cannot be understated. As stated above, we believe that this fight against climate change is one where all levels of government, business and the general public need to band together with a common goal. This plan does not provide the ambition and leadership that we seek from the Province, and in fact, it raises concerns regarding the impact it has on municipalities abilities to be resilient in the face of climate change, as well as their ability to reduce greenhouse gases.

The plan reduced the 2030 emissions target substantially from 37% to 19% (1990 baseline)⁴, which could create pressure to cities to also reduce their targets and focus on reducing emissions. Further to this, there is no 2050 emissions target, which is very concerning as without careful long-term planning towards 2050, we risk catastrophic changes that will undoubtedly threaten how we live our lives in the future.

Additionally, funding for urban climate solutions appears to have been significantly reduced. While the plan does include the OCT, it provides significantly less than the funding expected from the previously climate change plan (90% less according to the Atmospheric Fund). Many of our cities in Ontario need substantial investments in order to move to a low carbon future - investments in transit, building retrofits, and energy storage are just a few examples of where capital is needed, capital which is not accounted for in this plan.

⁴ [The Atmospheric Fund, Cities can't lead from behind: TAF reviews Ontario climate plan](#)

We appreciate the opportunity to respond to the Environment Plan, as we did with the Cap and Trade Cancellation consultation before. Given the amount of engagement from Ontarians, we believe that the Province needs to take the consultation process seriously and act in good faith based on its findings. Dianne Saxe, the Environment Commissioner, has publicly stated that less than 1% of respondents to the Cap and Trade cancellation consultation actually supported the cancellation⁵. If the government wishes to fulfill its mandate and truly act for the people, it must listen to the people who choose to engage.

Finally, we appeal to the Government of Ontario to set aside partisan politics and consider the legacy it will leave future generations. Climate change is the greatest threat facing us, and true leadership begins with the courage to take the long view. We appreciate the opportunity to participate in this consultation process, and we look forward to further opportunities for dialogue and collaboration.

Sincerely,

Marwa Selim

On behalf of the BurlingtonGreen Advocacy Team
Program Manager & Advocacy Coordinator
BurlingtonGreen Environmental Association

CC: Jane McKenna, MPP, Burlington

⁵ [CTV, Very few people want to scrap Cap and Trade: Ont. environmental watchdog](#)