

### Delivering on climate change action: An agenda for the premiers' meeting

Climate change is an important issue that needs to be tackled by governments at all levels: municipal, provincial and federal. The impacts of climate change on the global environment, society and economy continue to mount, but our governments have failed to adequately address this threat to the country's future. In fact, our global warming pollution continues to rise (though the recent recession put the brakes on temporarily).

The provincial and territorial premiers' meeting in Winnipeg (called the Council of the Federation) from August 4 to 6 presents a great opportunity for more provincial cooperation and action. The Council decided a few years ago to make climate change a permanent agenda item for this annual meeting, and it is clear that some premiers are interested in making sure that progress occurs.

It is no secret, of course, that different provincial governments have taken differing approaches to addressing their impact on the environment. Leaders have emerged, including B.C., Quebec and Ontario. These provinces have made good commitments and implemented good policies. Probably all would agree that they can and should do more. Manitoba remains a question mark, though past commitments have often been impressive. And some provinces are emerging as potential leaders, including Nova Scotia and New Brunswick.

But some provinces have been reluctant to adopt policies to ensure that polluters pay for the costs they are imposing on the environment, thus extending "business as usual" conditions. Alberta and Saskatchewan are in this camp. It is not always a policy of inaction: Alberta proudly and repeatedly tells its citizens that it was the first in North America to put into place regulations on industrial carbon pollution – and it was. However, Alberta's regulations are so weak that they enable the province's emissions to continue to rise until 2020 or beyond. It is not surprising, then, that Alberta has been responsible for 52 per cent of the increase in Canada's greenhouse gas pollution over the past 20 years, despite generating only 14 per cent of Canada's economic activity. Together, Alberta and Saskatchewan make up an astounding 74 per cent of the increased pollution.<sup>1</sup>

### The need for provincial action

Much has been said about the difficulty that businesses in particular have in dealing with the "patchwork quilt" of climate change regulations and programs across the country. It is not ideal but it is an approach that works and drives Canada forward.

<sup>&</sup>lt;sup>1</sup> Environment Canada. 2010. National Inventory Report, 1990-2008.

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The best case scenario involves the federal government showing leadership and establishing a common set of rules and a level playing field for all provinces and industries that operate with them. The federal government could thereby support and bolster provinces that want to take action, ensure that less enthusiastic provinces do their fair share of the work (while protecting against regional equity concerns) and spur on inter-provincial cooperation where it makes sense (investment in an east-west electricity grid is one good example).

However, we are not seeing federal leadership on climate change. The Conservative government has promised regulations to address global warming pollution from Canadian industries. We are still waiting for them. In 2006 and 2007, the federal government claimed we needed a Made in Canada plan. Now the government's excuse for inaction is that Canada needs to wait for the U.S. to act first, a rationale that is rejected by two-thirds of Canadians, according to a recent poll.<sup>2</sup>

The admittedly second-best scenario is for willing provinces to move forward with action, cooperate where they can, and reach out to reluctant, even oppositional, provinces. Nobody doubts that Canada as a whole will have to eventually take strong action, reduce our pollution and, in the long run, move to an energy and transportation system that is virtually free of carbon emissions. Economic analysis has shown that Canada can cut its emissions almost in half in the next decade while having a strong economy and vigorous job growth.<sup>3</sup> The longer we wait, the more it will cost.<sup>4</sup> And so it is in the interest of our environment and our economic prosperity for provinces to do what they can with willing partners.

Provinces also have jurisdiction to address just about every source of greenhouse gas pollution. In most cases, this authority overlaps with that of the federal government. The federal government can regulate greenhouse gases and other pollution through the Canadian Environmental Protection Act, but provinces must manage natural resources such as the oil and gas sector, including granting permits for pollution that is released by these operations. They also control how electricity is generated and distributed, so they can mandate emission reductions from polluting power plants.

In some cases, the provinces have sole jurisdiction. The most important example is setting building codes so that new home and office construction maximizes their energy efficiency. (The federal government can and should capitalize on its national coordination role by setting high national standards and encouraging provinces to adopt them.)

<sup>&</sup>lt;sup>2</sup> De Souza, Mike. 2010. "Interest high in fossil fuels: poll." Canwest News Service. (June 26). <u>http://www2.canada.com/topics/news/story.html?id=3205402</u>

<sup>&</sup>lt;sup>3</sup> Bramley, Matthew, Pierre Sadik and Dale Marshall. 2009. "Climate Leadership, Economic Prosperity: Final report on an economic study of greenhouse gas targets and policies for Canada." Pembina Institute and David Suzuki Foundation.

<sup>&</sup>lt;sup>4</sup> According to the International Energy Agency, delaying action on climate change will cost the global economy US\$500 billion. See <u>http://www.reuters.com/article/idUSTRE5A91U420091110</u>

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In some cases, both the federal government and the provinces can take similar policy actions. Both levels of government can regulate fuel efficiency standards for vehicles. Both have powers of taxation, including making industrial polluters pay for their greenhouse gas pollution.

### So, what can the premiers' meeting deliver?

When government leaders at the highest level get together, there is always the possibility of progress being made, agreements being signed and action being taken. After all, premiers don't have to get permission from higher-ups. And due to its importance, our premiers decided three years ago in Moncton to make climate change a permanent agenda item for the Council of the Federation.<sup>5</sup> With that kind of signal, Canadians should expect progress on climate action in Canada. But what can be realistically expected?

First, while they've already shared their "best practices",<sup>6</sup> some premiers could still learn a thing or two from provinces that have taken action over the past several years. B.C. now has a carbon tax, and the government that implemented it was reelected within a year of its introduction. Ontario's 2009 Green Energy Act is transforming the prospects for renewable energy in Canada's largest province. Even Alberta has a success story to share, in its record of reducing emissions from government operations.<sup>7</sup>

Second, the meeting in Winnipeg is an opportunity to revisit past commitments on climate change. Three years ago, premiers agreed to collectively generate 25,000 MW of additional renewable energy (by 2020) and develop a consistent way of measuring greenhouse gas emissions.<sup>8</sup> A year later, they agreed to increase energy efficiency across the country by 20 per cent by 2020, including improving the Model National Energy Code for Buildings by 25 per cent by 2011.<sup>9</sup> That's next year. What are provinces and territories doing to meet this deadline? Are provinces on track to achieve their medium-term commitments? Do the lessons learned and experience gained allow for a strengthening of these goals? It would be good to have a transparent accounting of these so that progress can be assessed and corrections made.

Third, and most important, premiers need to decide where there are opportunities for provinces and territories to further their collaborative efforts. Already, regional coalitions are working on energy and climate change issues: the Western Climate Initiative to develop common regulations for industrial pollution; collaboration between eastern

<sup>&</sup>lt;sup>5</sup> Council of the Federation. 2007a. "Council of the Federation Commits to Reduce Greenhouse Gas Emissions." Communiqué. Moneton.

<sup>&</sup>lt;sup>6</sup> Council of the Federation. 2007b. "Climate Change: Leading Practices by Provincial and Territorial Governments in Canada." Moneton.

<sup>&</sup>lt;sup>7</sup> Government of Alberta. 2007. "Albertans and Climate Change: Moving Forward." Edmonton.

<sup>&</sup>lt;sup>8</sup> Council of the Federation. 2007a. "Council of the Federation Commits to Reduce Greenhouse Gas Emissions." Communiqué. Moncton.

<sup>&</sup>lt;sup>9</sup> Council of the Federation. 2008. "Climate Change: Fulfilling Council of the Federation Commitments." Communiqué. Quebec City.

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provinces and states on a low-carbon fuel standard; an increasing number of provinces agreeing to use the Energuide 80 standard in their building codes for new residential construction, etc. Inevitably, there will have to be much greater coordination between provinces on regulating industrial facilities, setting energy efficiency standards for buildings and appliances, and implementing adaptation strategies.

Discussions at this meeting that can increase the sizes of each of these coalitions can make them stronger and more effective. To enable these cooperative endeavours, the premiers need to establish a provincial-territorial climate change secretariat to work through the important decisions that need to be made and figure out how collaboration can be best coordinated.

Premiers have the opportunity to deliver real progress on climate change at this meeting. That must have been the premiers' expectation when they made climate change a "central and ongoing" agenda item at the Council of the Federation. It certainly is our expectation.

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