

Greenpeace Canada submission to the Ontario Environmental Bill of Rights consultation on *Bill 4: The Cap and Trade Cancellation Act*

Summary

The recent report from the Intergovernmental Panel on Climate Change found that limiting global warming to 1.5°C compared to 2°C would have “clear benefits to people and natural ecosystems,” yet we are currently on track to raise global average temperatures by 3°C this century.

There are only three possible policy options for responding to the threat posed by climate change: mitigate (reduce greenhouse gas emissions to limit the rise in temperature), adapt (increase resilience to those climate impacts from the temperature increase we can't avoid), or suffer from the climate impacts that we do not avoid or are able to manage.

The policy choices we make will determine the relative mix: the more we do to reduce our greenhouse gas emissions and build more resilient communities, the less we will suffer. Conversely, a choice to abandon or delay action on mitigation and adaptation – as embodied in the current version of *Bill 4: The Cap and Trade Cancellation Act* - is a decision to maximize suffering.

Therefore, Greenpeace Canada urges Ontario legislators from all four parties to work together to amend *Bill 4* in order to:

1. Enshrine long-term greenhouse gas (GHG) reduction targets in law, as was the case under the 2016 *Climate Change Mitigation and Low-carbon Economy Act*.
2. Set those GHG reduction targets at a level consistent with Ontario doing its fair share towards achieving the Paris climate agreement target. To avoid overshooting the Paris agreement goal of limiting warming to 1.5° Celsius would entail a minimum 50% reduction in GHG emissions by 2030 and achieving net-zero emissions by 2050.
3. Establish an independent, non-partisan and evidence-based expert committee to propose consecutive 5-year carbon budgets which lead to compliance with the long-term emission reduction targets.
4. Drop the Government of Ontario legal challenge of the federal carbon pricing program.
5. Commit to spending all of the revenues from the federal carbon pricing system on climate mitigation and adaptation programs.

Greenpeace Canada submission to the Ontario Environmental Bill of Rights consultation on *Bill 4: the Cap and Trade Cancellation Act*¹

“Climate change is a clear and present danger. It threatens Ontario’s natural environment, human health and safety, and economic productivity. To protect our way of life, it is the provincial government’s responsibility to adopt laws and policies that will reduce Ontario’s greenhouse gas emissions and prepare the province and its people for what’s to come.

“Taking action on climate change will not be cheap, but the costs of delay and inaction will be far greater – and Ontario risks losing out on other benefits of climate action, such as cleaner air, lower health costs and good jobs.”

Environmental Commissioner of Ontario²

Climate policy choices: Mitigate, adapt or suffer?

Ontario, like every other jurisdiction, has three options for responding to the threat posed by climate change: mitigate, adapt and/or suffer.³ The policy choices we make will determine the relative mix: the more we do to reduce our greenhouse gas emissions and build more resilient communities, the less we will suffer. Conversely, a choice to abandon or delay action on mitigation and adaptation – as embodied in the current version of the *Cap and Trade Cancellation Act* - is a choice to maximize suffering.

Greenpeace Canada urges Ontario legislators from all four parties to work together to amend *Bill 4* and reverse this prioritization.

Our first priority should be what scientists call mitigation: enacting measures which seek to limit the overall rise in temperature, and hence the extent of the damage, by reducing greenhouse gas emissions. At the 2015 Paris climate conference, the global community (including Canada) pledged to reduce emissions sufficiently to keep warming well below 2°C, with an aim of limiting it to 1.5°C.

To help them understand what this would entail, and what benefits it might bring, world leaders asked the Intergovernmental Panel on Climate Change (IPCC) to assess the impacts of a global warming of 1.5°C above pre-industrial levels and related greenhouse gas emission pathways in the context of strengthening the global response to the threat of climate change, sustainable development and efforts to eradicate poverty. The IPCC found that limiting global warming to 1.5°C compared to 2°C would have “clear benefits to people and natural ecosystems”, but “would require rapid, far-reaching and

¹ This submission was prepared by Greenpeace Canada senior energy strategist Keith Stewart, Ph.D.

² Environmental Commissioner of Ontario, *Climate Action in Ontario: What’s Next? 2018 Greenhouse Gas Progress Report*, page 202. Available at www.eco.on.ca.

³ Drawn from “Text of remarks by Obama science adviser John Holdren to the National Climate Adaptation Summit”, 28 May 2010, available at <<http://www.climate-science-watch.org/2010/05/28/text-of-remarks-by-obama-science-adviser-john-holdren-to-the-national-climate-adaptation-summit/>>.

unprecedented changes in all aspects of society.”⁴ To hold global temperatures to 1.5°C above preindustrial levels without significant overshoot, the world must cut greenhouse-gas emissions at least 50 per cent below 2010 levels by 2030 and become zero-carbon by 2050.⁵

Based on the policies that have been adopted or promised globally, the world is currently on track for average global warming of approximately 3°C⁶, which means that the Government of Ontario cannot afford to rest on its laurels by saying that the 2014 coal phase-out means we’ve done our part.

Nor is 1.5°C a ‘safe’ level as it will still result in widespread impacts and losses. Globally it could be enough to destabilise the Greenland and/or Antarctic ice sheets, kill up to 90% of warm water corals, cause severe problems to marine life and the Arctic, and to vulnerable populations such as seniors who are disproportionately affected by heat waves.

While global average temperatures have risen by 1°C relative to pre-industrial times, Ontario has already warmed by up to 1.6°C as warming is higher closer to the poles, and some additional increase is inevitable.⁷ This means some climate change impacts are unavoidable, so we must attempt to manage them as best we can by investing in measures that make our communities more resilient and reduce the harm from the climate change impacts we do not avoid (adaptation).

Ontario’s 2011 climate adaptation strategy has made a good start on preparations “to face the difficult challenges and embrace the opportunities that come with a changing climate” including proposals to:

- Minimize damage by amending the Ontario Building Code and undertaking infrastructure vulnerability assessments to determine vulnerabilities due to the impacts of climate change and sharing the results with the broader public sector.
- Increase the climate resilience of our ecosystems by developing the Lake Simcoe Adaptation Strategy and creating a model to advance adaptation planning in other watersheds.
- Support the development of risk-management tools to manage heat-related illnesses and working with Public Health Units to raise public awareness of health hazards, such as the increased risk of Lyme disease.
- Obtain a better understanding of the impacts of climate change by continuing to partner with experts to create climate projections throughout the province that will assist in decision-making.

⁴ Intergovernmental Panel on Climate Change (October 8, 2018). “Press release: Summary for Policymakers of IPCC Special Report on Global Warming of 1.5°C approved by governments”. Available at http://www.ipcc.ch/pdf/session48/pr_181008_P48_spm_en.pdf.

⁵ Intergovernmental Panel on Climate Change (2018). *Global Warming of 1.5°C: Summary for Policy Makers*, Figure SPM3.b. Available at <http://www.ipcc.ch/report/sr15/>.

⁶ See <https://climateactiontracker.org/global/temperatures/>.

⁷ Government of Ontario, *Climate change projections for Ontario: An updated synthesis for policymakers and planners*, Climate Change Report CCRR-44 by Jenni McDermid et al. (Peterborough, Ontario: Queen’s Printer for Ontario 2015).

- Work with others through Ontario's Regional Adaptation Collaborative to improve decision-making on adaptation throughout the province.⁸

There is still more to do, but we also need to recognize the limitations of adaptation in a world that isn't radically reducing greenhouse gas emissions. Adaptation becomes more difficult and expensive the larger the changes in climate, with some changes being impossible to manage. As the IPCC notes, even if we limit warming to 1.5 degrees Celsius, some human and natural systems will be unable to adapt and hence will incur significant losses.⁹

Which brings us to the third, usually unstated, option facing policy makers: allow individuals, communities and ecosystems to suffer. In Ontario, this could take the form of increased deaths due to longer and stronger heat waves, the introduction of new diseases as warming expands the range of tick- and mosquito-borne illnesses, increased damage from localized heavy rainfalls resulting in flooding and overwhelmed sewage systems, the destruction of electricity and other infrastructure from more extreme storms, and more intense wildfires devastating Ontario's forests.¹⁰

Ontario also won't be immune to climate change impacts which destabilize other states or regions. The U.S. Department of Defense has described climate change as a "threat multiplier", as rising global temperatures, changing precipitation patterns, climbing sea levels and more extreme weather events intensify the challenges of global instability, hunger, poverty, and conflict.¹¹

Climate impacts are unevenly distributed, with poor, Indigenous and racialized communities generally bearing a disproportionate share of the damages, but no one is immune and it would be dishonest to pretend that increased suffering isn't the intentional outcome of a climate plan that fails to aggressively reduce greenhouse gas emissions and invest in adaptation.

The IPCC has shown that solutions exist that will enable us to halve global emissions by 2030 in ways that support development goals, build climate resilience and deliver us healthier and more prosperous societies.

Bill 4, as currently written, doesn't do this.

⁸ Government of Ontario, *Climate Ready: Adaptation Strategy and Action Plan 2011-2014*. Available at <https://www.ontario.ca/document/climate-ready-adaptation-strategy-and-action-plan-2011-2014-0>.

⁹ Intergovernmental Panel on Climate Change (2018). *Global Warming of 1.5°C: Summary for Policy Makers*, Section B6. Available at <http://www.ipcc.ch/report/sr15/>.

¹⁰ See part 1 of Environmental Commissioner of Ontario, *Climate Action in Ontario: What's Next? 2018 Greenhouse Gas Progress Report*. Available at www.eco.on.ca.

¹¹ Department of Defense (2014). "Hagel to Address 'Threat Multiplier' of Climate Change". Available at <https://dod.defense.gov/News/Article/Article/603440/>.

Improving Bill 4

The proposed *Cap and Trade Cancellation Act* replaces Ontario's 2016 *Climate Change Mitigation and Low-carbon Economy Act*. The 2016 Act did three things:

1. **Set goals:** The Act legislated greenhouse gas (GHG) reduction targets:
 - a. 15% below 1990 levels by 2020
 - b. 37% below 1990 levels by 2030
 - c. 80% below 1990 levels by 2050
2. **Implemented the polluter-pay principle:** Ontario put a price on carbon pollution through the cap and trade program.
3. **Funded solutions:** The revenues raised via cap-and-trade were earmarked for funding programs to further reduce GHG emissions.

Bill 4, the proposed *Cap and Trade Cancellation Act*, does none of these things. It eliminates the GHG targets and the polluter pay mechanism along with the programs it funded, with no substantive measures to replace them. The recent review of progress on achieving GHG reductions prepared by the Environmental Commissioner of Ontario (ECO) and tabled in the Legislature last month summed up the situation this way:

“No climate policy, no emissions targets, no money for solutions. Climate polluters pollute for free. Good conduct is punished and bad conduct is rewarded.”¹²

As the legislature considers amendments to Bill 4, we hope it will adopt the framework for addressing the climate crisis laid out in the Commissioner's *2018 Greenhouse Gas Progress Report*. That framework has the following central features:

1. A **climate law** that commits the provincial government to a credible, long-term program to achieve statutory emission reductions that meets Ontario's fair share of Canada's emission reduction obligations under the Paris climate agreement and meets the requirements of the Pan-Canadian Framework to unlock federal funds. This should include **legally-binding carbon budgets** that are set well in advance, based on non-partisan, expert advice, coupled with rigorous progress reporting and independent evaluation.
2. A transparent, achievable, cost-effective **pathway** to each carbon budget.
3. Implementation of **effective policy tools** that can achieve the necessary emission reductions, with priorities chosen to achieve a low-cost pathway that protects public health and ecological integrity.
4. **Monitors and reports progress** to the public, with third-party validation, in order to **revise the plan and actions** as needed to stay on track for targets.

At a minimum, Bill 4 should meet the standards set out for a climate law. This includes:

¹² Environmental Commissioner of Ontario, *Climate Action in Ontario: What's Next? 2018 Greenhouse Gas Progress Report*, page 11. Available at www.eco.on.ca.

Long-term climate targets enshrined in law:

Bill 4 currently states that the government will set targets, which it can change at any time. Legislated targets provide greater certainty to investors and partner organizations regarding investments in a low-carbon future.

Greenhouse gas reduction targets that are consistent with Ontario doing its fair share towards achieving the Paris climate agreement goal:

Ontario's previous GHG reduction targets (37% below 1990 levels by 2030 and 80% below 1990 levels by 2050) were established to be consistent with limiting warming to 2 degrees Celsius. Greenpeace recommends that Ontario's new targets be set at a level consistent with the new Paris agreement target of keeping warming *well below* 2 degrees. They should therefore be informed by the Intergovernmental Panel on Climate Change's *Special Report on 1.5 degrees Celsius*, which found that global emissions must be halved by 2030 before falling to net zero by mid-century to avoid overshooting the 1.5 degree limit.

Legally-binding carbon budgets:

Greenpeace supports the ECO's recommendation to follow the UK model of establishing consecutive 5-year carbon budgets which lead to compliance with the long-term emission reduction targets. These budgets should be informed by the work of an independent, expert, non-partisan evidence-based committee to ensure that the budget is economically and technologically reasonable, given the the costs of failing to limit warming. The legislation should also include regular, independent reports on progress.

Meets the criteria of the Pan-Canadian Framework on Clean Growth and Climate Change:

In order to access federal funding under the Pan-Canadian Framework on Clean Growth and Climate Change, participating provinces are to have an economy-wide carbon pricing system that meets the minimum requirements set out by the federal government or accept the federal backstop carbon pricing system.

The new Government of Ontario has eliminated the provincial cap and trade carbon pricing system and launched a legal challenge of the federal backstop carbon pricing legislation. By dropping its legal challenge and accepting the federal backstop carbon price, Ontario could access federal climate program funding and have a say in how the money raised by the federal carbon pricing system is spent.

Greenpeace recommends that Ontario accept the federal carbon pricing regime and amend Bill 4 to commit to spending all carbon pricing revenue on climate mitigation and adaptation programs.

Summary of Recommendations

Greenpeace Canada urges Ontario legislators from all four parties to work together to amend *Bill 4* in order to:

1. Enshrine long-term greenhouse gas (GHG) reduction targets in law, as was the case under the 2016 *Climate Change Mitigation and Low-carbon Economy Act*.
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