

VIEW FROM QUEEN'S PARK: Climate Change

Climate Change and the Carbon Market

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One-hundred year storms that seem to be hitting every year; more than 25 people drown in recent violent Texas storms; melting polar ice; and recent summers touted as the hottest on record. All signs of climate change.

For many years I worked in Canada's far north and witnessed the signs of climate change: from melting pingos, to bird and insect species appearing where they had never been recorded, to thunderstorms in areas where there was no local knowledge or words to describe thunder.

In its November 2014 report, the United Nation's Intergovernmental Panel on Climate Change, which reviews the work of thousands of scientists and analysts, concluded there is overwhelming scientific consensus that the earth's climate system is warming. It added the unprecedented increase in human-related greenhouse gas (GHG) emissions since the pre-industrial era ? driven largely by population growth, economic activity, energy use, land use changes, technology and climate policy ? is primarily responsible for this change.

The science support behind this conclusion is overwhelming and, to most people, irrefutable.

Ontario's response to climate change continues to evolve, incorporating initiatives intended to create an economy and communities that are low-carbon and resilient to the impacts of climate change.

In 2007, the government released Go Green: Ontario's Action Plan on Climate Change, which promised to cut GHG emissions to six per cent below 1990 levels by 2014; 15 per cent below 1990 levels by 2020 and 80 per cent below 1990 levels by 2050.

According to Environment Canada, Ontario's GHG emissions in 2012 were 167 megatonnes (Mt), the lowest annual level of emissions since the baseline year of 1990, when emissions were 177Mt.

Gord Miller, Environment Commissioner of Ontario, noted in his 2014 annual GHG progress report, ?the last several years have witnessed a significant decline from the peaks experienced between 2000 and 2005, when emissions from coal-fired electricity were at their highest.?

But the commissioner cautioned that while Ontario met its 2014 target, future projections show the province will miss the 2020 target by 28 Mt.

In response, government has identified a number of ?climate-critical? policy areas to help it achieve its GHG emission targets and transition Ontario to a low carbon society.

Critical to meeting our targets is the implementation of a cap-and-trade program. For several years, Ontario has indicated its intention to introduce a carbon pricing system as a means to reduce its GHG emissions. After a series of public consultations this winter, including Aurora, Ontario announced it will limit the main sources of GHG emissions through a cap-and-trade system.

A cap-and-trade system has been contemplated since at least 2008, when Ontario joined the Western Climate Initiative, a voluntary coalition of US states and Canadian provinces that have developed a common set of guidelines in order to reduce their collective GHG emissions to 15 per cent below 2005 levels by 2020.

Each member is to adopt its own GHG cap-and-trade regulation and to create its own local cap-and-trade system. These individual systems are intended to be harmonized at a later date as part of a wider market. Thus far, only California and Quebec have initiated their programs.

Ontario laid the foundation for a cap-and-trade system through Bill 185, the Environmental Protection Amendment Act (Greenhouse Emissions Trading).

Premier Kathleen Wynne announced this past April that Ontario's cap-and-trade system will link with that of Quebec and California, creating a carbon market of 61 million people and covering more than half of Canada's economy.

The basics of the program will include: a ceiling on the pollution allowed in each sector of the economy; a transparent process to reinvest the money raised through cap-and-trade back into projects that will reduce GHG emissions; a process to reward companies that work to reduce GHG emissions; and a long-term plan to join the Western Climate Initiative.

In a cap-and-trade system, the government limits how much carbon a company can emit. If the company needs to emit more carbon than permitted it buys carbon ?credits? from a company that has used less than its share permitted by the regulations. The law of supply and demand govern the price of a carbon permit. Some companies will make money by selling their extra permits while others will cut emissions to avoid having to buy permits.

When Ontario announced its cap-and-trade legislation, Premier Wynne said "Climate change is a problem that is both critically important and urgent. It is causing extreme weather events, which can increase insurance costs, hurt wildlife, damage our environment and affect farming. Climate change needs to be fought around the globe, and it needs to be fought here in Canada and Ontario. The action we are taking today will help secure a healthier environment, a more competitive economy and a better future for our children and grandchildren."

See you at the Aurora Chamber Street Festival, Sunday, June 7, 11 a.m. to 5 p.m. We're giving away milkweed seeds to help the monarch butterfly. If you would like to contact me on any issue, please call my community office at 905-750-0019, or visit my website at www.chrisballard.ca. I look forward to hearing from you.