State of Federal and Provincial Climate Policy

PROSPECTS FOR PARIS AND BEYOND

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Summary Observations

• Most gov’ts have made goal of transition to a lower-carbon economy a rhetorical priority.

• Lack of cohesion and cooperation at all levels of government.

• Carbon pricing efforts very weak.

• Direct subsidies favour clean energy. Hidden subsidies (tax) favour dirty energy.
Summary Observations (cont’d)

• Focus on most politically palatable sectors. Politically difficult sectors avoided

• Jobs: Bold promises, few tangible policies. *Most governments see the green jobs as a consequence of transitioning to a cleaner economy, rather than a policy target in and of itself.*

• Policies constrained by international trade and investment agreements.
Finance Department assessment of policies’ carbon impacts to 2020

• Federal measures expected to reduce emissions 40 megatons by 2020.
• Provincial measures to reduce emission by 90 megatons by 2020.
• Still leaves Canada 116 megatons over its Copenhagen target.
Liberal Platform

• Targets delayed until consultation with provinces. But Harper targets a floor.
• New Building Canada Fund.
• Low Carbon Economy Trust:
• Phase out subsidies for the fossil fuel industry over the medium-term.
• Canada Infrastructure Bank
• Invest in clean technologies in resource sectors
• Develop Canadian energy strategy
Leap Manifesto: It’s Affordable!
AFB Fiscal Measures

- End federal subsidies to the fossil fuel industry: $350 million a year
- A national financial transaction tax could raise $5 billion a year.
- End special tax treatment for capital gains: $7.5 billion a year.
- Return the corporate tax rate to 2006 level: $6 billion a year.
- Tackling tax havens: $2 billion a year.
- New federal upper-income tax bracket: $3.5 billion a year.
- Scale back military spending: $1-$1.5 billion a year.
- Eliminate the income splitting and other family-with-children tax cuts: $7 billion a year.
- And a national carbon tax of a mere $30/tonne: $16 billion a year.

TOTAL= $49 Billion
Targets

• Harper Paris target: reduce emissions 30% below 2005 levels by 2030—14% reduction compared with 1990 levels. Weakest pledge among industrialized countries.

• IPCC said to avoid the catastrophic consequences of global warming (< 2 degrees), a reduction of 25–40% below 1990 levels by 2020 necessary.
Acting on Climate Change initiative: What’s possible

• A 2025 target of 26-28% carbon emission reductions relative to 2005 levels;
• 100% reliance on low carbon electricity by 2035.
• A long-term target of at least 80% reduction in emissions by 2050,