HEATING UP, BACKING DOWN
EVALUATING RECENT CLIMATE POLICY DEVELOPMENTS IN CANADA

Hadrian Mertins-Kirkwood, Canadian Centre for Policy Alternatives
ACW All-Team Meeting, York University
November 10, 2018
What policies are Canadian governments putting in place in 2017 [and 2018] to transition toward a low-carbon economy?

• How do the likely emission reduction impacts of new policies compare to governments’ emission targets?

• How do new policies compare to similar policies in other jurisdictions?

• Do new policies address the need for a just transition for vulnerable workers and communities?

• Do new policies augment or undermine existing policies, including at the international level (e.g. Paris Agreement)?

• Are new policies as ambitious as called for by the scientific and economic communities?
SUMMARY OF FINDINGS

Most individual provinces and Canada as a whole are not on track to meet emission reduction targets.

Implementation of previously-announced climate policies is slow and incomplete across Canada.

Few new climate policies were introduced in 2017/2018 commensurate with the scale of the climate change challenge.

The Canadian climate policy conversation continues to overlook key issues.
Current Canadian Climate Policy is Inadequate for Meeting Emissions Targets

- The Pan-Canadian Framework on Clean Growth and Climate Change alone will not achieve Canada’s Paris Agreement target
- No major new climate policies introduced in 2017/2018 to close the gap
- Ongoing subsidization of fossil fuel infrastructure undermines climate policies
Since 2005, every province except AB, SK and MB has decreased overall emissions…

…but only NS is clearly on track to meet future emissions targets

New climate plans released in SK, MB, PEI, NWT in 2017/18

New plans expected soon in BC, ON, N&L

Implementation of many policies has been delayed or watered down and some policies have been reversed
Carbon Pricing will be in Effect Across Canada in 2019

- Federal backstop policy will be imposed in SK, MB, ON, NB
- Court challenges from SK and ON are ongoing
- Carbon price of $10-50 / tonne is too low to drive deep emissions reductions
- Federal government will recycle 90% of backstop pricing revenues directly to households in each province
- Carbon dividends are not a climate policy
KEY ISSUES IN CANADIAN CLIMATE POLICY

2016
Baseline Report on Domestic Policy
• Most governments have made climate action a rhetorical priority
• Provincial climate policy lacks cohesion and cooperation
• Fossil fuel subsidies are a major barrier to progress
• Climate policies target the low-hanging fruit, rather than making structural changes

2017
Tracking Progress
• An ambition gap exists between government climate policies and official emission targets
• Canada has a deep economic dependence on fossil fuel production and consumption
• Climate plans lack workforce transition policies

2018
Heating Up, Backing Down
• Carbon pricing is increasingly and problematically viewed as synonymous with climate policy
• A focus on demand-side climate policies distracts from the need for supply-side energy policies
Carbon pricing is increasingly and problematically viewed as synonymous with climate policy

- Partisan divide over carbon pricing risks alienating conservative voters who otherwise support climate action
- Battle over provincial autonomy risks alienating sub-national governments that retain control over key policy areas (energy, transportation, etc.)
- Carbon pricing is the most economically efficient climate policy, but not necessarily the most effective policy for reducing emissions and ensuring climate justice

A focus on demand-side climate policies distracts from the need for supply-side energy policies

- Coal, oil and natural gas will remain economically productive even after we've switched to renewable energy
- Greenhouse gas emissions are only attributed to the end consumer, so fossil fuel exporters can effectively bypass domestic emission reduction targets
- Supply-side climate policies have practical advantages, including greater public support and more immediate impact on emissions