THE HILL TIMES POLICY BRIEFING

ENERGY AND THE GREEN ECONOMY

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Walk this way: Environment Minister Peter Kent and fellow Cabinet ministers Keith Ashfield, Leona Aglukkaq, and Denis Lebel, pictured in this file photo. Mr. Kent reiterated the federal government's position on future international climate change agreements at last week's UN conference in Doha, Qatar.

Canada sticks to its guns on climate policy at Doha

Environment Minister Peter Kent touts 'sector-by-sector' regulations, ties future climate financing to new international agreement.

By CHRIS PLECASH

The United Nations 18th annual climate change conference ended on Friday with little evidence that Canada's position on climate change has changed.

Environment Minister Peter Kent (Thornhill, Ont.) reiterated Canada's position on the need for new international climate change agreement in a country statement delivered to delegates at the COP 18 meeting in Doha, Qatar on Dec. 5.

"On behalf of the Government of Canada, I want to re-iterate our support for a single new international treaty that includes all major emitters, that is both fair and environmentally effective, to be implemented by 2020," Mr. Kent told representatives from the 194 participant countries.

This year's conference focused on new funding to finance climate change adaptation and mitigation in developing countries and establishing a new, binding climate change agreement that includes non-Kyoto countries including China and the U.S. Canada withdrew from the Kyoto Protocol following COP 17 in Durban, South Africa last December.

Canada also previously committed $1.2-billion to international climate financing for developing countries between 2010 and 2013, but made no announcement of additional funding at the conference. Mr. Kent instead touted Canada's previous contribution in his statement.

"This is Canada's largest ever contribution to support international efforts to address climate change and we are focused on ensuring these funds are put to work effectively in developing countries," he stated. "To maximize the impact of our contribution, Canada has structured its fast-start financing investments in a way that encourages private investment and innovation. This will be a critical component of longer term climate change financing."

In addition to restating Canada's position on climate financing and a universally binding climate change agreement, the Environment Minister also touted the federal government's current approach to reducing emissions through industry-specific regulations.

"Through this approach, we have already taken action on two of Canada's largest sources of emissions—transportation and electricity. The final regulations for coal fired electricity plants that we announced this past September make Canada the first country in the world to effectively ban the construction of traditional coal plants," he told delegates. "We are also moving forward to develop regulations for the remaining sources of emissions in our country, including oil and gas."

While Mr. Kent gave a positive account of Canada's environmental record to the UN conference, his statement was panned in Ottawa.

Liberal MP Kirsty Duncan (Etobicoke North, Ont.) told *The Hill Times* that Mr. Kent "should be embarrassed" for exaggerating the federal government's commitment to climate change and downplaying the urgency of climate change.

"This government repeatedly pits the environment against the economy. There's no understanding that the environment and the economy are tied, they are two sides of the same coin," she said.

Ms. Duncan also criticized Mr. Kent for promoting the government's sector-by-sector approach as an effective way of dealing with greenhouse gas emissions.

"The sector-by-sector approach is a delay tactic. They've looked at two sectors in six years and they've failed to look at oil and gas, which is the second [largest emitting] sector," she said. "We keep asking for timelines—when are they coming?"

Canada appointed a new climate change ambassador to the UN at the conference. Environment Canada assistant deputy minister Dan McDougall will now serve as Canada's lead international envoy on climate change issues after Guy Saint-Jacques was appointed Canada's ambassador to China in September.

Mr. Kent also met with members of Climate Action Network Canada—an organization that represents 85 non-govermental organizations from across Canada at international climate talks, for the first time since he was appointed environment minister early in 2011, according to network spokesperson Hannah McKinnon, who described the meeting as a "respectful exchange."

"Given that this was the first time the minister has met with climate-focused civil society, we're hopeful that it's something that will happen more frequently in the future," said Ms. McKinnon, who is cautiously optimistic that relations between the federal government and environmental groups will improve.

"Ten months ago one of his colleagues was blanketing us with terms like 'radicals trying to ruin Canadians' lives' or what have you," said Ms. McKinnon, referring to statements made by Natural Resource Minister Joe Oliver last January. "This is clearly better than that, but actions speak louder than words in these cases, so we'll be encouraged when we start to see meaningful policy action more than anything."

"Climate action is a lot more than lip-service and consultations. It's meaningful policies that will close the gap between where we are and where we say we're going to be. That's a huge gap right now," she added.

University of Concordia political scientist Peter Stoett was skeptical that Canada would change its position on international cooperation on climate change in the near future, but downplayed suggestions that Canada is responsible for undermining international climate efforts. He identified the U.S. and emerging economies like Brazil and China as major obstructionists.

"The main reason [Canada is] citing for not participating in a further extension of Kyoto is that the major emitters are not there," said Prof. Stoett, author of the book *Global Ecopolitics: Crisis, Governance, and Justice*. "I do think it's time that we really need a commitment from China, from India, from Brazil, beyond some vague commitment to one day commit."

However, Prof. Stoett also acknowledged that there was "a kernal of truth" to the international perception that Canada is resisting a new climate change agreement because it is "hell bent" on developing the oil sands as quickly as possible.

"It seems to me that Canada's set its course at these events. We will be known for being in the obstructionist camp. Canada doesn't seem too good at the public relations in terms of making its points. Frankly, that might be because they don't have strong points," he said.

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ENERGY: THE GREEN ECONOMY

NRTEE REPORT

Climate 'policy delay' could cost Canada billions in trade opportunities: NRTEE

Experts say carbon pricing and smart grid infrastructure needed for Canada to transition to green economy.

By CHRIS PLECASH

Canada risks losing billions of dollars in exports if its trading partners begin to adopt low-carbon fuel standards, and billions more in infrastructure upgrade costs if the federal government continues to delay comprehensive policies aimed at laying the groundwork for the emerging green economy, according to the National Round Table on the Environment and the Economy's final report to Environment Minister Peter Kent.

The NRTEE report, *Framing the Future: Embracing the low-carbon economy*, urges federal and provincial governments to develop a "low-carbon growth plan" to encourage green innovation and investment in low-carbon infrastructure. The report identifies certainty around climate, energy, and innovation policy and "economy-wide, long-term" carbon pricing as "essential conditions for low-carbon growth."

"Governments should build on the current discussions about a Canadian energy strategy and put in place stringent climate policy that would affect the country's economic make-up," the report recommends, warning that continued "policy delay" could result in billions of dollars in lost economic opportunities.

Failure to adapt to emerging green economic trends could be a significant setback to Canada's export-oriented natural resource industries over the coming decades. Border carbon adjustments and low-emission fuel standards like those currently being implemented in Europe and California pose a "conceivable" risk to the oil and gas, and steel and iron manufacturing sectors in Canada.

The Round Table report found that 25 per cent of Canadian exports to the U.S. would be subject to carbon tariffs if the United States were to implement such policies—$67-billion worth of U.S-bound exports in 2009. The report also strongly advises against the federal government relying on World Trade Organization dispute tribunals to address potential carbon penalties imposed by our trading partners.

Infrastructure retrofits and refurbishments to meet domestic and foreign emissions standards may impose billions more in costs to Canadian governments and the private sector. If Canada waits until 2020 to implement a comprehensive carbon strategy aimed at cutting emissions to 65 per cent of 2005 levels by 2050, it will result in $87-billion in additional infrastructure upgrade costs—nearly $3-billion a year—between 2020 and 2050.

To take advantage of the worldwide shift to a low-carbon economy, Canada requires a "low-carbon growth plan" to address innovation, investment, market access, and labour market demands.

In addition, "widespread carbon-pricing policy" is needed to reduce domestic greenhouse gas output and encourage low-carbon innovation by the private sector.

While the federal government has yet to produce a comprehensive plan to address climate change and compete in the green economy, countries including Australia, the United Kingdom, China, South Africa, Bangladesh, and Indonesia already have such long-term plans in place.

The recommendations are also at odds with the federal government's strong opposition to carbon pricing. The Conservatives have warned that such a policy would be a setback for Canada's post-recession economic recovery.

Despite federal opposition to carbon pricing, the province of British Columbia has had a revenue neutral carbon tax in place since 2008. The province also boasts one of the lowest corporate tax rates in Canada at 10 per cent, and a competitive progressive income tax rate maxing out at 14.7 per cent.

A recent study by environmental and economic think tank Sustainable Prosperity found that B.C.'s fossil fuel consumption has declined by 15.1 per cent since the tax was introduced, while GDP growth has kept pace with the national average.

Alex Wood, senior director of policy and markets at Sustainable Prosperity, said that carbon pricing was an "absolute necessity" to send a price signal to consumers to reduce their carbon output, but also to generate public funds to invest in major green infrastructure projects like smart grid technology and carbon capture and storage.

"You need public investment in this kind of stuff to make it happen. Where is the money going to come from? Well, carbon pricing is probably a pretty good source of that," he explained. "Over time, as you increase the level of the carbon price, you're probably able to back out of straight public investment as the economics become more and more compelling for private investment."

The federal government has funded some research and development of smart grid technologies through Natural Resources Canada's CanmetENERGY division and Sustainable Development Technology Canada's (SDTC) technology fund.

CanmetENERGY is currently conducting research into integrating renewable energy into existing electrical grids and managing the supply and demand of "intermittent" energy sources such as wind and solar power. In recent years SDTC has funded research and development of smart meter technologies and smart grid electricity management systems.

Such technologies will provide consumers with a greater supply of renewable energies to reach the market, as well as the information to manage their own consumption, Mr. Wood said.

"It's a grid that's able to balance load in a better way and therefore integrate the kind of variability that renewables introduce into the system — that's the supply side," he said. "On the demand side, [the] grid is providing information to users, whether it's large industrial users or residential users, about what they're electricity load actually looks like… and allows for the use of technologies to manage that load in a way that essentially saves electricity."

"The payoff is that you generate a lot of information on how people are using energy. Think of all the interesting applications that big data can be used for," said Mr. Wood. "[I]t will basically give users the ability to tap into a suite of technology tools to manage their own electricity."

Matt Horne, director of climate change policy at the Pembina Institute, agreed that carbon-pricing and green infrastructure investment were necessary to transitioning to a low carbon economy.

"It's the sort of policy that if you come up with a solution that gets a house or business all the way to zero emissions, you're rewarded, whereas [with] command and control regulations there's a strong incentive to meet the regulations but limited incentive to go beyond that," he said. "We still don't know what many of these solutions are going to look like in the next 15 to 40 years, so an incentive for innovation is really important."

"It's certainly important in the Canadian context where we have such an export driven economy," Mr. Horne observed. "We're seeing pockets of this in terms of the clean tech sectors that are popping up across the country, but for the most part they're still relatively small compared to what they could be in a truly global green energy economy. The degree to which Canada's positioned to take advantage of those global opportunities will be an important factor in how big the green economy is in Canada."

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MUNICIPAL INFRASTRUCTURE

Municipalities seek green infrastructure commitment from feds in long-term funding plan

FCM says municipal governments are best positioned to implement sustainable infrastructure.

By CHRIS PLECASH

The Federation of Canadian Municipalities is looking to the federal government for a renewed commitment to develop green infrastructure in its next long-term public infrastructure plan.

"We need to have the federal government partner with us at a national level on both the environmental and economic goals of our country. Long-term predictable infrastructure planning and funding is integral to making that happen," FCM vice-president and Vancouver city councillor Raymond Louie told *The Hill Times*.

"We need federal and provincial money made available to us in order to make these sustainable infrastructure projects happen and meet federal regulations," said Mr. Louie.

The FCM, which represents nearly 2,000 municipalities across Canada, recently concluded a week of advocacy in Ottawa which saw municipal representatives meet with 150 MPs on the Hill. With the federal government's seven year, $33-billion Building Canada infrastructure plan set to expire in 2014, municipal leaders are asking the feds to make a 20-year funding commitment that recognizes the role of municipal governments in managing infrastructure development.

The organization also submitted a series of recommendations to Transportation and Infrastructure Minister Denis Lebel (Roberval-Lac-Saint-Jean, Que.) as part of the federal government's consultations on a successor plan to Building Canada.

In its report, *The Road to Jobs and Growth: Solving Canada's municipal infrastructure challenge*, the FCM urges the federal government to promote "innovative infrastructure" by partnering with municipal governments to establish a Centre for Municipal Infrastructure Innovation and Sustainability and re-establish the defunct InfraGuide program, which developed best practices and advised FCM members on sustainable infrastructure projects.

The report also recommends that the federal government partner with the FCM to expand the organization's Green Municipal Fund by establishing a new Innovative Infrastructure Fund that provides loans and grants to municipalities for sustainable infrastructure pilot projects.

The self-sustaining $550-million Green Municpal Fund has supported 940 green municipal projects since it was established in 2001. Eligible projects deal with brown fields reclamation, energy, transportation, waste management, and water treatment and conservation.

Although the fund was established through a federal endowment, it has not received further federal support since 2005.

Mr. Louie, who chairs the council responsible for managing the fund, said that the program is helping to reduce municipal energy costs by improving energy efficiency, which is in the interests of higher levels of government.

"It's saving taxpayers and municipalities tens of millions of dollars as a result. These are newer technologies and upgrades to energy. As a result, taxpayers win and ultimately the federal government's goals of more efficient government and a more efficient country are met as well," he said.

Mr. Louie is also concerned at the cost that Ottawa's recent Wastewater Systems Effluent regulations will download on municipalities that will be required to establish secondary wastewater treatment systems between 2020 and 2040.

"In Metro Vancouver we have two wastewater treatment plants that are now required to be brought into compliance by 2020 and 2030. Together, that's a $1.5-billion expenditure that's necessary," he said.

Ottawa has offered little indication of how long the next infrastructure plan will last, or how much focus will be put on issues such as energy efficiency and low-carbon technology. Following a Nov. 23 meeting with the FCM board of directors, Mr. Lebel's office issued a press release that welcomed the federation's contribution, but also noted that the next long-term infrastructure funding plan would be "realistic."

"It will balance the need for strong, sustained investment with our government's ongoing work to cut taxes, balance the budget, reduce the deficit and maintain fiscal responsibility," Mr. Lebel stated.

Photograph by Jake Wright, *The Hill Times*

Life is a highway: The Federation of Canadian Municipalities is looking to the federal government for a renewed commitment to develop green infrastructure in its next long-term public infrastructure.

In addition to requesting long-term, predictable funding for sustainable municipal infrastructure, the FCM has also sought to have the annual $2-billion Gas Tax Fund adjusted for inflation. The fund supports municipal infrastructure projects that contribute to cleaner air and water, and reduce greenhouse gas emissions.

The federal government has stated that it will continue the transfer beyond 2014, but Mr. Lebel was non-committal on increasing the transfer following his recent meeting with the FCM.

"We heard their message but I come back to the message I've had since the beginning... We understand they ask for more, but at the moment they have $2-billion [in annual Gas Tax revenues]. I can't promise they will have more or less," Mr. Lebel told Bill Curry of *The Globe and Mail*.

Josha McNab, director of the Pembina Institute's sustainable communities group, said that senior levels of government should be encouraging communities to develop green infrastructure.

"Local governments are uniquely positioned to be able to help develop very localized green economies," she said. "They have a clear role in identifying what specific opportunities might be in their communities."

Ms. McNab noted a number of initiatives being taken by municipal governments in British Columbia to improve energy efficiency and conservation.

Since 2011 the municipal government of Dawson Creek, B.C. has invested $100 into a carbon fund for every tonne of greenhouse gas emissions from municipal activities. The fund will be used to improve energy efficiency and deploy renewable energy technologies within the municipality.

In Vancouver the municipal government recently concluded a one-year pilot project called the Home Energy Loan Program (HELP), which provided residents with up to $7,000 in government rebates and $16,000 in loans to improve home energy efficiency.

Ms. McNab said that it was important for federal and provincial governments to not only remove obstacles to municipalities looking to develop sustainable policies, but also encourage their efforts.

"There's this balance between the desire not to have this patchwork of different policies and different programs in each community, different standards in each community. At the same time though, that has to be balanced against the need to allow local governments the space to innovate and the space to respond to the needs of their community specifically," she said.

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ENERGY EFFICIENCY

Energy efficiency is key to our energy future

BY NATURAL RESOURCES MINISTER JOE OLIVER

Many Canadians are aware of our abundant natural resources and, in particular, our immense oil and gas reserves. In fact, we possess the world's third largest oil reserves and are the world's third largest producer of natural gas.

Fewer Canadians realize that Canada is also a global leader in renewable energy and has made great strides to improve energy efficiency on the roads, in our homes and in the workplace.

Consider these facts: Canada is the world's third largest producer of hydro-electricity, and three-quarters of the electrical power we produce generates no greenhouse gas emissions (GHGs). At a time when the economy grew 6.3 per cent, total emissions declined in almost all sectors since 2005. Canada is already halfway to meeting its GHG emissions targets under the Copenhagen Accord.

The International Energy Agency released its World Energy Outlook in late November and highlighted Canada's need for infrastructure to export our natural resources to new markets.

Creating new markets for our natural resources is critical for Canadian jobs, economic growth and long-term prosperity across our country.

That is why we are supportive of proposals for pipelines to transport Canadian oil and gas west, south, and east.

At the same time, the government continues to make significant investments in clean energy technologies—more than $10-billion since 2006 to reduce GHGs and protect our environment. This includes investments in green infrastructure, energy efficiency, clean energy technologies, and the production of cleaner energy and cleaner fuels.

Behind the numbers are some innovative and cost-effective programs that stand up to the best in the world. Under its ecoENERGY Efficiency program ($195-million over five years), the Government of Canada has improved energy efficiency in our homes, industries, buildings, vehicles, and equipment.

We have developed tools like the Energuide Rating System to provide homeowners with accurate and easy-to-understand measures of energy efficiency as an important first step towards smart home renovations. To date, more than one million Canadian homeowners have obtained an evaluation using this system.

We will continue to invest in research and technology and adopt innovative ways to keep on the forefront of energy efficiency for a greener Canada.

Natural Resources Minister Joe Oliver also represents Eglinton-Lawrence, Ont.

The Hill Times

Ontario Needs a Better Plan for the Economy and Environment

By Don MacKinnon
President
Power Workers' Union

The United Nations defines a "green economy" as one where public and private investments that reduce greenhouse gas (GHG) emissions and pollution, drive employment and income growth; enhance energy security and resource efficiency; and protect the environment. The role of government involves policy, regulatory reforms and targeted spending.

Ontario has employed a range of aggressive energy policy directives in the pursuit of creating a green economy however, many of the anticipated benefits remain elusive.

Natural gas generation is being used to replace coal generation for peak needs and, although the price is volatile, it can technically fill that role and with lower-carbon emissions. However, natural gas generation will also provide back-up for intermittent wind and solar generation, a requirement over 70 percent of the time. An unintended consequence could well be a net increase in Ontario's electricity generation from carbon-emitting fossil fuels.

This shift to natural gas has resulted in some unanticipated risks for Ontario: increased dependency on imported natural gas, including environmentally questionable US shale gas; greater home heating and electricity cost volatility for consumers; and according to Ontario's Environment Commissioner, even with the coal station closures, the province's ability to meet its 2014 and 2020 GHG targets may be compromised.

Electricity prices for Ontario families and businesses are on the way to being among the highest in North America. To hide the sticker shock, consumers are receiving a taxpayer-supported Clean Energy Benefit while Ontario's industries are receiving electricity subsidies to keep them competitive. Meanwhile, promised green job numbers are hard to verify. The real winners are the big multi-national wind and solar developers receiving huge ratepayer supported incentives.

Regrettably, the final price tag for these investments in wind, solar and natural gas generation is not known, including the costs of: new enabling transmission and distribution lines; smart control technologies; new operating procedures; and the compensation to be paid for two cancelled natural gas plants.

Ontario's energy plan recognizes that low-carbon hydroelectric, nuclear and biomass generation must play a critical role meeting the province's future electricity needs. While Ontario's hydroelectric facilities are being renewed and expanded, more should be done to accelerate investments in the refurbishment and expansion of Ontario's nuclear and biomass resources.

Refurbishing Ontario's nuclear fleet and building two new nuclear reactors at Darlington are important investments for the clean, affordable power they provide and the jobs they create. Nuclear energy currently provides about half of Ontario's electricity but 3,000 megawatts of that GHG emission-free, low-cost power will disappear in 2020 when the Pickering Nuclear Station goes off line. Ontario's nuclear investments can help sustain Canada's multi-billion dollar industry and the 60,000 direct and indirect jobs it supports while driving an estimated 40 percent growth in its Canadian employment levels over the next 5 years.

Further GHG reductions and more jobs and economic benefits could be realized by converting Ontario's coal stations to domestically sourced, renewable carbon-neutral biomass and natural gas. Investments in biomass fuel supply chain infrastructure are estimated to create about 3,500 jobs and contribute about $600 million annually to Ontario's GDP. As well, valuable and already paid for publically owned generation and transmission assets would be recycled.

It is time for Ontario to move forward with an energy plan that can deliver results: select Enhanced CANDU 6 technology for the new Darlington reactors; improve Ontario Power Generation's (OPG) financial capability to invest in the new build project (OPG receives almost 70 percent less (cents/kilowatt hour) for the electricity it generates compared to private sector generators); engage the federal government's help in securing project financing; and, reinvest in the conversion of Ontario's coal stations to ensure continuing financial and social benefits for all Ontarians.

Creating a greener economy requires decisive leadership and an investment strategy that focuses on what works best for Ontarians.

STRATEGIC ENERGY INVESTMENTS WILL IMPROVE ENVIRONMENTAL AND ECONOMIC PERFORMANCE

Ontario is spending billions on wind turbines and solar panels to reduce greenhouse gases and create a green economy.

But over 70% of the time this intermittent generation doesn't produce and requires back up from price volatile, carbon-emitting, import dependent natural gas plants.

While Ontario's publicly owned electricity assets are being gutted, electricity prices are approaching the highest in North America and our industries are clamouring for electricity subsidies to stay competitive.

Leveraging Ontario's clean energy advantages is a better way to create a low-carbon, resource efficient, socially inclusive economy.

Refurbishing and building new CANDU nuclear reactors supports Canada's $6 billion a year nuclear industry and 60,000 high value jobs.

Recycling Ontario's coal stations to use renewable, carbon-neutral biomass along with natural gas provides: peak electricity; lower GHG emissions; better energy security; and, more jobs in agriculture, forestry, and transportation.

A secure role for Ontario's electricity assets ensures continuing financial and social benefits for all Ontarians.

Ontario needs decisive leadership and an investment strategy that focuses on what works best for Ontarians.

For more information please go to www.abetterenergyplan.ca

FROM THE PEOPLE WHO HELP KEEP THE LIGHTS ON

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ENERGY: THE GREEN ECONOMY

ENVIRONMENT MINISTER

Canada halfway to achieving Copenhagen target

The following is Environment Minister Peter Kent's speech on Dec. 5 at the UN climate change conference in Doha, Qatar, the 18th Conference of the Parties to the United Nations Framework Convention on Climate Change.

BY ENVIRONMENT MINISTER PETER KENT

DOHA, QATAR—I am proud to be here representing Canada in these important negotiations towards a new, more effective, international climate change agreement.

As an Arctic nation, we profoundly understand the impacts of climate change. But we are not alone. Canada recognizes the impacts that climate change is having, and will continue to have, on countries around the world.

The Government of Canada is committed to working with our partners to find global solutions to the global climate change problem. In fact, Canada is taking action on all fronts—domestic, continental, and international—to address the challenges of climate change.

Domestically, we are implementing a sector-by-sector regulatory approach to reducing greenhouse gas emissions to meet our United Nations commitments under the Copenhagen Accord—a 17 per cent reduction in emissions from 2005 levels by 2020.

Through this approach, we have already taken action on two of Canada's largest sources of emissions—transportation and electricity. The final regulations for coal fired electricity plants that we announced this past September make Canada the first country in the world to effectively ban the construction of traditional coal plants. Our efforts will achieve real environmental and health benefits for all Canadians.

Canada's transportation regulations similarly will generate tremendous benefits—for the environment, for consumers, and for the economy. We are also moving forward to develop regulations for the remaining major sources of emissions in our country, including oil and gas.

Canada is halfway to achieving our national effort to meet our Copenhagen target. The combined efforts to date of federal, provincial and territorial governments, of consumers and of businesses will generate half the greenhouse gas reduction required to meet Canada's greenhouse gas target by 2020.

Canada's environmental success flows from real and pragmatic action. We have a practical, effective approach that takes into account the environmental and economic realities that we face. This will ensure that our efforts are balanced and truly sustainable for Canadians. And it will continue to produce results—results of which we are proud.

Internationally, Canada recognizes the importance of climate financing to meeting global mitigation and adaptation goals.

We are doing our part. We are also supporting international action that will strengthen the capacity of countries that are vulnerable to the impacts of climate change. And to achieve this, climate financing is playing an important role in meeting global mitigation and adaptation goals.

Canada has committed $1.2-billion in fast-start financing. This is Canada's largest ever contribution to support international efforts to address climate change and we are focused on ensuring these funds are put to work effectively in developing countries.

Canada's support primarily focuses on three broad areas: adaptation by the poorest and most vulnerable countries; clean energy; and forests and agriculture.

To maximize the impact of our contribution, Canada has structured its fast-start financing investments in a way that encourages private investment and innovation. This will be a critical component of longer term climate change financing. The success we are seeing with our Canadian investments will yield key lessons for the global community.

Canada was also proud to help launch a new multinational initiative—the Climate and Clean Air Coalition to Reduce Short-Lived Climate Pollutants. This initiative has the potential to dramatically assist short term climate goals as well as improve the health of millions of citizens around the world.

Canada is also active in other initiatives including the Global Research Alliance on Agricultural Greenhouse Gases, the Global Methane Initiative, and the Global Alliance for Clean Cookstoves. We are also working under the Arctic Council to address both the mitigation of—and adaptation to—climate change, and look forward to continuing that work as Canada assumes the chair of the Arctic Council in 2013.

On behalf of the Government of Canada, I want to re-iterate our support for a single new international treaty that includes all major emitters, that is both fair and environmentally effective, to be implemented by 2020.

We stand behind an approach that truly reflects current global realities and one that effectively captures the full range of countries' capabilities and responsibilities now and in the future.

Environment Minister Peter Kent also represents Thornhill, Ont.
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The Hill Times

FEDERAL ACTION MISSING

Time for partisan politics long gone, time now for leadership and action on green economy

Without decisive action from the federal government, Canada will miss out on this critical opportunity in the green energy sector.

BY NDP MP MEGAN LESLIE AND NDP MP PETER JULIAN

Clean, sustainable energy isn't just good for the environment—it makes good economical sense. The green energy sector not only holds significant potential for Canada to reduce our carbon emissions and meet our domestic energy needs, but to also establish ourselves as key contenders in the manufacture of renewable energy technology.

However, without decisive action from the federal government, Canada will miss out on this critical opportunity.

As part of a long-term strategy to reduce carbon emissions, the ecoENERGY Retrofit-Homes program must not only be reinstated but expanded to include commercial, industrial and government buildings.

This highly-popular program supported job creation, was a boost to small businesses, and helped the environment. More than 640,000 Canadian households took advantage of this program which provided grants of up to $5,000 to assist homeowners to make their homes more energy efficient. On average most homeowners were able to reduce their energy bills by 23 per cent.

Despite the program's success, the Conservative government ended it abruptly in March 2012 leaving many homeowners who had not yet signed on to the program high and dry. It is incomprehensible that the government can claim to be committed to reducing carbon emissions then announce the sudden termination of a program which was successfully doing just that.

In 2007, the Council of Energy Ministers set a target of retrofitting every home in Canada by 2030.

Currently, only eight per cent of homes have had a retrofit, and many buildings are only operating at half their efficiency.

Canada was recently ranked second-to-last out of 12 major economies in terms of energy efficiency. Only $195-million has been pledged over five years for green energy initiatives and no new programs were identified in the 2012 budget. Long-term, stable funding would allow entrepreneurs to plan their own investments accordingly, thus providing the industry confidence needed to establish a green economy.

A serious federal plan would include financial incentives for energy production from solar, wind, water, biomass and other renewable sources.

Although Canada is above average in science and engineering education, the lack of crucial access to venture capital, business research and development expenditure is preventing us from reaching our potential. Development of this area would provide the materials to be used in retrofit programs for homes and businesses thus adding to the economic cycle.

Last year, the global market for clean technology was $1-trillion and is projected to grow to $3-trillion by 2020. This represents a tremendous economic potential. However, with a less than one per cent share of this market Canada is missing out. As world financial markets become increasingly unpredictable, the foresight to invest in green energy will help insulate Canada from future economic turbulence.

According to the International Energy Agency, renewable energy is now the fastest growing energy sector. Even in tough economic times, global investment in renewable energy has continued to grow, reaching $260-billion in 2011.

As analysts expect this to double by 2020, having the capacity to harness and this export this energy alongside renewable technology materials represents another source of economic growth.

We are the third largest producer of hydroelectricity in the world and have a considerable undeveloped capacity to generate wind and solar energy.

Although wind is the second most important renewable energy source in Canada it accounts for just 1.6 per cent of electricity generation in Canada.

Germany in contrast is among the most innovative and successful worldwide in terms of renewable energy.

They are currently one of the world's top three renewable energy economies. One in three solar panels and one in two wind rotors is made in Germany. They employ more than 380,000 people in the renewable energy sector and several world leaders in green energy technology are headquartered there.

Canada could achieve far more if greater priority was placed on developing our renewable resources.

For example, the estimated geothermal power could exceed one million times Canada's current electricity consumption, with the highest temperature resources in British Columbia, Alberta, the Northwest Territories, and Yukon. A coordinated plan could harness those resources for the benefit of the entire country—but we need federal leadership to move forward together on renewable energy.

Carbon emissions are having a direct and measurable impact on the environment—our climate is changing before our eyes. Canadians in the north are already living the consequences of decades of inaction on climate change by successive federal governments. The green energy sector represents a significant opportunity for Canada both in terms of reducing carbon emissions and supporting our economy.

Although it is unfortunate that the Conservative government has missed opportunities to show leadership with regard to the environment in the past, the steps outlined above represent an opening to remedy this. The time for partisan politics is long gone. Now is the time for leadership and action. Our collective futures depend on it.

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ENERGY: THE GREEN ECONOMY

GREEN ENERGY STRATEGY

Harper government must invest in new environmental technologies, put Canadians to work in jobs of the future

BY LIBERAL MP KIRSTY DUNCAN

Canada is often lauded as an energy superpower, yet this Conservative government's lack of an energy vision and national leadership, its fragmented government policies and programs, and slow development of clean technologies are preventing Canada from truly realizing its potential.

In order for Canada to lead the world and develop an economy that is built to last, Canada must do two things: first, develop a bold vision and action plan to transition to a green economy; and second, develop a national energy strategy, as the Canadian Council of Chief Executives, aboriginal groups, environmentalists, industry groups, and many provinces—including the premier of Alberta—have repeatedly recommended.

Governments worldwide are focused on making the shift to a green economy to stimulate growth, create new jobs, and limit humanity's ecological footprint. It is no longer a choice between enhancing our economy and saving our environment, but rather between being a producer and consumer in the old economy, and being a leader in the new economy.

Unfortunately in 2009, the Harper government missed a real opportunity to encourage the development of a green economy in Canada. While the government invested $3-billion in green stimulus spending, Germany invested $14-billion, the United States, $112-billion, and China, $221-billion, in green infrastructure, and in the process, created thousands of new green jobs.

Moreover, the Obama administration has taken bold action to double their use of renewable energy sources like geothermal, solar, and wind, and invested in energy-saving upgrades for businesses, homes, and public buildings. In so doing, the administration spurs innovation, makes American manufacturers more competitive, and saves families money on their energy bills.

The Harper government should build on provincial successes, such as Ontario's Green Energy Act, which spurred the development of local renewable energy companies, private sector investment of $9-billion, and created an estimated 20,000 new jobs.

Canada must lay the foundation for a green economy. Going forward, the Harper government should initiate discussions with the provinces, territories, municipalities, labour organizations, industry sectors, First Nations and others to develop a green economy strategy for Canada, with attainable goals for 2015, 2020, 2025 and 2030. This development strategy should include skills development, training programs, certification courses, and transitional policies for workers and communities.

Canada should also develop a national sustainable energy and economic growth strategy which will position Canada to succeed in the global economy. According to McAllister Opinion Research (2010), 69 per cent of Canadian thought leaders from academia, government, industry, institutions, and non-profit organizations viewed federal leadership as the key factor affecting implementation of sustainable energy solutions; and 84 per cent of Canadian thought leaders gave poor ratings to Canada's dependence on fossil fuels and carbon pricing.

Photograph by Jake Wright, The Hill Times

Energy files: Natural Resources Minister Joe Oliver, pictured recently on the Hill. Canada must develop a bold vision and action plan to transition to a green economy.

The government should therefore develop goals and targets for energy efficiency, renewable energy, and transportation for 2020, 2030, 2040, and 2050.

Finally, we cannot forget the oil sands. Despite the rhetoric from the Harper government, economic growth does not have to come at the expense of the environment. There must be discussions with the province of Alberta, industry sectors, labour organizations, municipalities, aboriginal groups and others to develop a long-term plan for management of the oil sands, including, but not limited to, regulating the pace and scale of development; ensure that progress be made to protect air quality, boreal forest ecosystems, water, and other natural resources; ensure that appropriate scientific assessments be undertaken to investigate the potential environmental and human health impacts of oil sands development; and table solutions to protect and remediate the environment.

Not only would a sustainable energy strategy develop jobs, it would also help the government make progress on its 2020 greenhouse gas emission reduction target. More stringent actions to reduce greenhouse gas emissions cannot be postponed much longer. Otherwise the opportunity to keep the average global temperature rise below 2° C is in danger, and serious impacts are associated with this limit, including an increased frequency and intensity of extreme weather events, shifts in growing seasons and sea level rise.

A new World Bank-commissioned report warns we are on track for 4°C of warming; and a new United Nations Environment Program's Emissions Gap report shows that emissions are roughly 14 gigatonnes higher than they should be in order to maintain a "likely" chance of staying below the 2° C limit. This has serious consequences for the world as well as Canada.

Unfortunately, our country has a poor track record of technology innovation and a growing technology trade deficit. As a positive, practical step to address these challenges, the Harper government must invest in new technologies that put Canadians to work in the jobs of the future.

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CLIMATE CHANGE

It's the environment and the economy, stupid

The climate crisis is no longer an environmental issue. It is a security threat.

BY GREEN PARTY LEADER ELIZABETH MAY

One of the most persistent and confounding fallacies of political discourse is the idea that we must choose between environmental protection and a healthy economy. According to years of polling, Canadians reject the idea. Poll after poll shows that Canadians think that both can be achieved. Lest anyone assume this is based on an unreasonable desire to have our cake and eat it too, the empirical evidence is all in support of the good sense of Canadians.

Work at Harvard from Michael Porter made the case in 1995 that those countries with the toughest environmental laws and regulations also score highest in competitiveness. In the groundbreaking analysis, co-authored with Class van der Lindt, "Green and Competitive: Ending the Stalemate," Porter made the case that those countries with the toughest environmental regulations are those rated highest in competitiveness.

"Properly designed environmental standards can trigger innovations that lower the total cost of a product and improve its value."

Those types of "good" regulations and standards are those that Porter classifies as "innovation-friendly."

Put simply, pollution is a sign of market failure. It is waste—waste of energy, value, and resources. And it can create long-term liabilities. The most pressing of all issues (and this is not intended to be narrowly read as all "environmental issues") is the threat of the climate crisis. The dumping of pollution in the form of greenhouse gases into the global atmosphere is at no cost to polluters because the cost is not internalized.

However, that is not to say there are no costs. The costs to societies are real. Costs are felt in billions of dollars of insurable losses, and billions more uninsured in poorer regions, due to increasingly severe and frequent severe weather events.

A report of the now-shuttered National Round Table on Environment and Economy estimated that annual costs in Canada are already serious and could climb to a significant portion of GDP on an annual basis. If any other economic trend line suggested the economy would suffer, government would be expected to have taken action.

Tragically, the warnings appear to have no impact at all on the Prime Minister as he is so deeply rooted in the binary notion that we can either have the environment or the economy—not both.

The first step, carbon-pricing, is accepted as necessary by virtually all international agencies—from the World Bank to the International Energy Agency. Even CEOs from major oil multinationals, such as Shell and BP, have called for carbon-pricing, yet still the Prime Minister rejects the idea.

Carbon pricing has been consistent with increased economic growth. Sweden adopted a carbon tax and has reduced greenhouse gases to below its Kyoto target while, over the same period, experiencing substantial growth in its GDP.

As suggested above, the climate crisis is no longer an environmental issue. It is a security threat. As it is ignored year after year, the current warnings of scientists are for levels of global warming that put in doubt the survival of human civilization. Some scientists now speculate about the possibility— unimaginable a few decades ago—that inaction could result in human extinction.

British scientist Sir Martin Rees puts odds of *homo sapiens* surviving into the next century at 50-50. I think it is premature to talk about extinction of humankind, but it is not re-assuring that any scientists think the possibility is now open. Nevertheless, it is hard to imagine how human civilization, our institutions and rule of law, would possibly survive the chaos of a planet besieged with the events unleashed at 4 °C warming.

And that is the level of warming now projected based on the range of anemic actions of industrialized and hugely polluting developing countries. And we are told we cannot take the actions necessary to act on the climate crisis because it might hurt the economy.

It is totally false to say that we cannot reduce greenhouse gases and move to a low carbon economy without killing our economy, but the flip side is definitely true. If we do not act to move to a low carbon economy we could destroy our children's future. Inaction will cost our economy more than the prudent actions to address the crisis, but shouldn't we be motivated to act knowing that our failure could rob our own children of their future?

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