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IETA Welcomes the PM's Announcement on Carbon Pricing in Canada

The International Emissions Trading Association (IETA) applauds the announcement by Canada's Prime Minister that individual provinces will be able to decide how best to meet established national targets to reduce carbon emissions, whether that is achieved through a carbon tax or a cap-and-trade regime. The course the federal government has chosen is clear recognition of the hard work that has been undertaken to date in those provinces with carbon pricing.

For Canada to reach the emissions reduction goals it has committed to under the international Paris Agreement, clear and consistent political direction is vital. The provinces of Ontario and Quebec have provided that political resolve by legislating a cap on emissions and implementing a market-based system designed to achieve emissions reductions in the most cost-effective manner possible. Today's proposed decision assures continuity in these important markets, and it offers other provinces freedom to choose an approach that meets their unique circumstances.

The key metric in judging the effectiveness of any emissions reduction program is how well it delivers the environmental goals. Individual jurisdictions choosing the best path forward for their own circumstances makes good environmental sense.

The phase in of the pricing to start in 2018 allows those jurisdictions without carbon pricing to weigh the merits of adopting either a tax or a cap-and-trade system, and to make an informed choice. IETA looks forward to working with the provinces that have adopted a cap-and-trade system, and with all jurisdictions that have not yet determine how they will proceed.

"Cap and trade is favored by the majority of countries as a means of putting a price on carbon," said Katie Sullivan, IETA's Director of The Americas and Climate Finance. "We have seen time and again the effectiveness of cap and trade in delivering real reductions at prices that both drive innovation and ensure that all cost effective measures are implemented by those industries covered by the system."

About IETA:

IETA is a global nonprofit business organization created to support the establishment of emissions trading regimes that result in real and verifiable greenhouse gas emission reductions, while balancing economic efficiency with environmental integrity and social equity.
