

A CALL TO ACTION

Glen Murray, Ontario's Minister of the Environment and Climate Change, writes about the growing sub-national momentum for cap and trade across North America – and how Ontario plans to play its part



At the Climate Summit of the Americas in July 2015, a clear and definite message was heard – the most significant progress in the fight against climate change is happening at the sub-national level.

Why is this? Sub-nationals – municipal, provincial, state and regional governments – have authority over important aspects of climate and energy policy, like energy regulation, public planning and public investment. In fact, according to The Climate Group, 75% of all public expenditure on environmental protection is made by sub-national governments.

Climate impacts also tend to be amplified at the local level, so sub-nationals are

more motivated and best placed to address local impacts.

As The Climate Group has said, these governments face the realities of climate change on a practical level. Their reaction is grounded in the need to protect communities, support businesses, diversify economies and create jobs.

The good news is that sub-nationals are showing that we don't have to choose between promoting economic growth and fighting climate change. At the Summit, Governor Jerry Brown told us how California is bringing down emissions while growing the economy. California's most recent statistics show that the economy produced approximately 6.6% fewer GHG emissions for every dollar of GDP, and GDP increased by more than 2% – breaking the link between emissions and economic growth.

Similarly, Felipe Calderón – former President of Mexico and Chair of the Global Commission on the Economy and Climate – told us that in 2014, for the first time in 40

years, global GDP grew by 3% while GHG emissions stayed flat.

And in the US, the Regional Greenhouse Gas Initiative (RGGI) is spurring innovation in the clean energy economy and creating green jobs in the nine RGGI states.

In other words, we're seeing proof that good environmental policy is good economic policy. And sub-nationals are taking the lead by making strong commitments to continue to reduce greenhouse gas emissions.

Ontario is part of California's Under 2 Memorandum of Understanding – known as the Under 2 MOU – which supports the principle of limiting global warming to 2°C to protect the planet from irreparable damage.

As of August 2015, 18 states and provinces had signed the Under 2 MOU. This represents a population of 130 million and more than \$5.3 trillion in gross domestic product. Combined, these signatories represent the third-largest economy in the world.

We are hopeful that even more jurisdictions will join us by signing the Under 2 MOU in the lead up to the Paris climate talks in December 2015.

In addition, there is also the Compact of States and Regions, an agreement that 20 international partners signed in 2014, which commits signatories to publicly report on GHG emissions every year.

And to show the growing Pan-American consensus on the urgency of fighting climate change, representatives from 22 provinces, states and regions joined Ontario to sign the first-ever Pan-American action statement on climate change at the Climate

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Summit of the Americas. It includes commitments to support carbon pricing, ensure public reporting, take action in key sectors and meet existing greenhouse gas reduction agreements.

The province of Ontario also joined the Western Climate Initiative in 2008, where we are building a framework to engage in carbon trading with the state of California and the province of Québec.

And in April 2015, we announced that Ontario would join Québec in its efforts to fight climate change by adopting a cap-and-trade system for GHG emissions. We believe that carbon pricing, including cap and trade, is an investment in the future – one of the steps we need to take for the next generation.

Cap and trade will help Ontario reach its mid-term target to reduce emissions to 37% below 1990 levels by 2030. This target puts us on a path to meet our 2050 target of 80% below 1990 levels.

Cap and trade will set an overall limit on the amount of GHG pollution that can be emitted from most sources in Ontario – but it will do so much more. It will reward innovative companies who are embracing the new green economy and creating more opportunities for investment.

At the Ministry of the Environment and Climate Change, we are hard at work with our ministry partners determining how the proceeds from cap and trade should be used. But we do know the money raised will be reinvested into projects that reduce GHG pollution, such as public transit, renewable energy, energy conservation and building retrofits.

Cap and trade will also encourage companies to find new ways to reduce their carbon footprint – and entrepreneurs and start-ups will be in demand to sell clean technology services.

Cap and trade is just one part of the Climate Change Strategy and five-year action plan that Ontario is releasing in 2015.

The strategy will look forward to 2050, guide our long-term approach to climate change and outline a path towards our province's transformation to a low-carbon, resilient economy. It will also help align economic signals, incentives and investment with climate change objectives, and support innovation in clean technology.

We have conducted public and stakeholder consultations with municipalities, industries, environmental groups and First Nations and Métis communities on climate change. More than 1,500 people have attended in-person consultations and we have received more than 300 ideas and 420 comments online.

The message is clear. Ontarians want immediate action on climate change and they want a price on carbon to encourage investment in a better future, including public transit and cleaner technology.

And we can't wait any longer.

By 2050, the average annual temperature in Ontario will increase by 2.5°C to 3.7°C. Our Far North winters are forecast to be around 7°C warmer in 2050, and around 4°C warmer in the south. Our Great Lakes are under threat from droughts and warmer waters.

We are also experiencing more frequent incidences of extreme weather. The

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Insurance Bureau of Canada reports that, in recent years, water and wind damage caused by severe weather has replaced fire as the top concern.

For example, in 2013 alone an ice storm in southern Ontario and eastern Canada resulted in C\$200 million (US\$151.9 million) in insured losses, and a flood in the city of Toronto became the most expensive natural disaster in Ontario's history. Two of the Great Lakes – Huron and Michigan – also hit the lowest water levels ever recorded.

The costs associated with climate change are adding up. It far outweighs the costs of taking action and investing in climate resilient solutions.

For the good of our present society and for tomorrow's generations, sub-national jurisdictions must continue to lead the way in the fight against climate change.

Together we are stronger and we must continue to find new ways to work together for a future where our environment is respected, protected and sustainable.

Glen Murray is the Ontario Minister of the Environment and Climate Change. He was first elected to the Ontario legislature in 2010 and re-elected in 2011 and 2014. He has had a lifetime of activism in urban planning, sustainable development and community health, and served as mayor of the City of Winnipeg, Manitoba from 1998 to 2004.

