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Ontario, the Federal Government & the Kyoto Protocol

The federal government is currently negotiating a series of memoranda of understanding with provincial governments on implementing the greenhouse gas reduction initiatives required under the Kyoto Protocol.

The newly-elected Liberal government in Ontario, who supported the ratification of Kyoto while in opposition, could pursue such an MOU in order to:

- Make Ontario a leader on climate change;
- Protect citizens' health by delivering on clean air commitments;
- Meet Ontario's energy needs while enhancing the diversity and security of our domestic energy supply;
- Promote regional development, create jobs, and foster innovation;
- Access federal resources dedicated to Kyoto implementation.

The two key sectors for federal-provincial cooperation on climate change in Ontario are transportation and electricity. Together, they are responsible for over half of greenhouse gas emissions in the province and all of the net growth in emissions since 1990.

The Kyoto Protocol on climate change commits Canada to reducing greenhouse gas emissions to 6 percent below 1990 levels by 2008-2012. No specific provincial reduction targets have been established, but Ontario's greenhouse gas emissions 'gap' (the difference between current emission levels and 6 percent below 1990 levels) is somewhere between 37 and 59 megatonnes of greenhouse gases.¹

To put this in perspective, phasing out coal-fired electricity through energy conservation, increased efficiency and new green power sources would reduce greenhouse gas emissions by 38.4 megatonnes from 2000 levels.²

Step 1: Reducing Transportation Emissions through Transit, Cleaner Fuels and Stopping Sprawl

The transportation sector is the largest contributor to climate change, producing 31 percent of the province's greenhouse gas emissions. Emissions have increased by 29 percent since 1990 as vehicles have become larger and less fuel efficient, while being driven ever longer distances due to poor urban planning and under-investment in transit. In addition to the measures below, the province should work with the federal government to ensure that Ontario becomes a leader in designing and building cleaner and more fuel-efficient vehicles.

Provincial Liberal Policy to Phase out Coal	Potential Federal Assistance
<p>Public Transit Renewal: For every litre of gasoline purchased, two cents of the existing provincial gasoline tax will be dedicated to public transit, generating an additional \$312 million a year in funding for public transit infrastructure.</p>	<p>Seek matching funding for transit from the federal government's gas tax and the \$3 billion for ongoing investment in the nation's infrastructure announced in the 2003 federal budget.</p>
<p>Cleaner fuels: All gasoline sold in Ontario will be required to contain at least five per cent ethanol by 2007, rising to 10 per cent by 2010.</p> <p>Work with farmers and industry to develop and implement an Ontario Bio-diesel Strategy that includes a future mandatory bio-diesel content in diesel fuel.</p>	<p>The federal government has announced \$112M to promote the production of bio-diesel and cellulose-based ethanol. Co-benefits of these measures include cleaner air, ensuring sustainable, dependable farm incomes and developing new markets for Ontario farm products.</p> <p>These measures could also create good industrial jobs by converting the Oakville PetroCanada refinery to bio-fuel production.</p>
<p>Stop Urban Sprawl: Protect one million new acres of greenspace on the outskirts of our cities, ensure that developers play by the rules, and manage growth by encouraging good development and discouraging sprawl.</p>	<p>Ensure that the federal government's infrastructure programs promote compact development. While not explicitly sprawl-related, the province should work with the federal to develop policies to encourage the movement of freight off highways and onto rail.</p>

Step 2: Closing the Coal Plants through Energy Conservation and Green Power

The Liberal government has committed to closing Ontario's coal-fired electricity generating stations by 2007. This would be the single most significant action the province could take on climate change, as coal-fired electricity is responsible for 20 percent of greenhouse gas emissions in Ontario and has increased by 52 percent since 1990. Saving energy is the fastest, cheapest and cleanest way to address concerns over both the reliable supply of electricity and air pollution and would reduce greenhouse gas emissions by **38.4** megatonnes. Implementing the Liberal Parties' proposed energy conservation and green power targets, while replacing the rest of the electricity from coal with high-efficiency gas, would reduce emissions by approximately **27** megatonnes.

Provincial Liberal Policy to Phase out Coal	Potential Federal Assistance
<p>Boost renewable energy: Ontario electricity suppliers will be required to supply five per cent of their electricity from new clean, renewable sources such as wind, hydroelectric, and landfill methane by 2007, 10 per cent by 2010.</p> <p>Invest in Green Electricity: Invest over \$150 million a year in the development of new renewable electricity generators. Ensure that a portion of the price of electricity amounting to 0.1 cents/kWh is built into the retail price of electricity and dedicated to developing green power.</p> <p>More Hydro power: A third turbine will be added to the Beck Generating Station in Niagara Falls, boosting its output of clean, renewable electricity.</p> <p>Increase energy conservation: Ontario's electricity consumption will be decreased by five per cent by 2007. This could be achieved through:</p> <ul style="list-style-type: none"> • Subsidizing purchases of energy-saving thermostats, meters, appliances, lighting and equipment; • Offering incentives for energy-saving building renovations; • Increasing energy efficiency standards for appliances, equipment and buildings; • Educate citizens to reduce energy use and offer them incentives to do so. 	<p>Work with Federal government on development and implementation of Renewable Portfolio Standard as a policy measure which could be copied by other provinces. Budget 2003 items which can support this initiative include:</p> <ul style="list-style-type: none"> • \$250M Sustainable Development Technology Canada fund; • \$160M fund for Working with Provinces and Territories; • \$25M Renewable Energy Deployment Initiative; • \$30M Decentralized Energy Production incentive from Technology and Innovation Fund; • The Wind Power Production Incentive; • The \$3 billion for ongoing investment in the nation's infrastructure announced in the 2003 federal budget. • Create a one-window entry point for individuals interested in energy conservation by linking provincial programs to the federal government's • \$45M One Tonne Challenge and the \$80M home retrofit program; • Support ICI sector retrofits and new technology through \$56M Energy Innovators Plus and \$40M Advanced Energy Efficiency Technology programs; • Get federal support for training and incentives on new R2000 and C2000 building codes from \$47M Building Incentive Program.

This briefing note was prepared by Keith Stewart, Ph.D. of the Toronto Environmental Alliance for the **Climate Action Network/Réseau Action Climat - Canada**.

Endnotes:

¹ The 37 megatonnes is based on reducing Ontario-specific emissions (which increased from 181 to 207 Mt. between 1990 and 2000) to 170 megatonnes (i.e. 6 percent below the 1990 level). The 59 Mt. figure is based on a per-capita reduction, dividing the national emission gap for 1990 – 2000 of 156 megatonnes and allocating reductions based on Ontario's share of the population. Greenhouse gas emission figures are taken from Ken Olsen et al., *Canada's Greenhouse Gas Inventory 1990 – 2000*, (Environment Canada, June 2002).

² For a plan on how to achieve this in Ontario, see Jose Etcheverry, Keith Stewart and Steven Hall, *Bright Future: Avoiding Blackouts in Ontario*, (The David Suzuki Foundation, September 2003).