

Leaping into the future

A comprehensive
strategy for reducing
Ontario's emissions



Leaping into the future:

A comprehensive strategy for reducing Ontario's GHG pollution

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Preamble

This document is a living document that was initially prepared in the fall of 2018 to mobilize public opinion to influence the government's climate plan. Our aim was to provide input to the Progressive Conservative Ontario government, who had cancelled Ontario's climate plan and had promised a replacement. Sadly, the government put forward a "plan" that experts agree is made-to-fail.

Greens will keep fighting for credible, just solutions to the climate crisis.

Updates have been made to reflect our ongoing efforts to provide positive, evidence based solutions to the climate crisis. Before the scheduled 2022 election, we will also be delivering a costed, comprehensive climate plan with a path for a just transition that focuses on strengthening laws, leveling the playing field, disrupting the fossil fuel lock in, protecting nature, creating new careers with good paying jobs, and better, more affordable low carbon living for all.

Climate Action. Now.

The impacts of climate change are increasing in size and intensity every year, profoundly challenging our economy, environment and quality of life.

Climate change is nature's tax on everything. In just the first five months of 2018 alone, damage due to extreme weather events in Ontario amounted to nearly \$750 million in insured losses.¹

Climate induced weather cost the average Ontario household \$350 in the first six months of this year. The cost of climate change is on track to cost families \$700 this year. This cost will only increase.

There is no Planet B.

Decades of inaction have put us in a race against time to prevent extreme floods, storms, drought, heat waves, forest fires and food shortages from becoming the new normal. According to the latest Intergovernmental Panel on Climate Change (IPCC) report, we have just a few years to drastically turn around the global emissions trajectory before unleashing irreversible, catastrophic climate breakdown.

Canada has one of the highest per-capita emissions rates in the world. We must do our part. That includes Ontario. We must reject morally bankrupt arguments that our contribution to the problem is negligible.

Making a difference requires bold action, not resistance to change. The Green Party of Ontario is offering solutions that will help everyone, including businesses and households, to make the transition that is happening whether we like it or not.

By embracing the \$26 trillion global clean economy,² we can build a more resilient province that protects people and the places we love, while ensuring Ontario generates jobs and prosperity.

¹ Environmental Commissioner of Ontario, 2018 Greenhouse Gas Progress Report

² The New Climate Economy: The 2018 Report of the Global Commission on the Economy and Climate

A credible strategy. The must-haves.

Ontarians expect us to lead, not follow, in addressing the climate crisis. Real leadership means including these essential components in a strategy for reducing GHG pollution:

- **Science-based commitments and legislated binding emission targets:** Ontario should do its part to limit global average temperature increase to well below 2C above pre-industrial levels, as close as possible to 1.5C. Ontario should also adopt binding emission targets and an annual carbon budget to do our fair share to reduce GHG pollution, including achieving Net Carbon Neutral by 2050 and reaching the maximum practical interim reductions in emissions. We must also restore the independent office of the Environmental Commissioner of Ontario.
- **Pollution pricing:** Ontario should accept the global consensus from academics, economists, and Nobel Prize winning experts who agree that a price on pollution is the most effective and efficient way to reduce emissions.³ It is the foundation upon which a credible climate plan is built.
- **Job creation in the clean economy:** Ontario should leap into the \$26 trillion global clean economy, supporting jobs and investment in the fastest growing sectors in the world, and ensuring a just transition for workers, with a focus on breaking down systemic barriers for women, Black, Indigenous and people of colour.
- **Affordable energy efficiency and conservation:** Ontario should prioritize energy efficiency and conservation as the first-step solutions for lowering our carbon footprint, while helping people, public institutions and businesses to save money by saving energy.

³ 81% of economists support pollution pricing as the most effective mechanism according to a 2015 survey by the Institute for Policy Integrity

A roadmap for reducing emissions

1. Pollution pricing. It's basic economics.

If something is free, people will do more of it. It's basic economics. Without a signal from the market to make pollution more costly, industry will always choose the cheapest, business-as-usual option, which usually means more pollution.

This is why economists, international organizations, banks, scientists, companies and even the oil industry agree that a price on GHG pollution is essential for fighting climate change. Conservative economists and politicians also favour pollution pricing as the least expensive and most market-friendly approach to reducing emissions.

A price on pollution drives the wholesale transformation we need to respond to the climate crisis by signaling in every corner of the economy that low-carbon alternatives are the way to go.

Carbon fee and dividend. Simpler than it sounds.

Under this approach, a fee is levied at the source on all goods and services that result in greenhouse gas pollution - i.e., when the coal, oil or gas comes out of the ground or into the province. This would give businesses an incentive to reduce pollution in order to reduce their costs and have a competitive advantage.

All of the pollution revenue collected is returned to citizens through dividend cheques. This ensures that low and modest income households are no worse off. In fact, according to a 2018 report from Canadians for Clean Prosperity, all households in Ontario would benefit financially from fee and dividend, with low and middle income households benefitting the most.⁴ The more a household reduces pollution, the more money it saves.

Key elements of this plan include:

Baseline pollution fee of \$40/tonne that increases every year by at least \$15/tonne.

No exemptions or free allowances for companies or large emitters.

Border adjustments to create an even playing field for energy-intensive, trade-exposed industries and their workers.

Dividend cheques to help people invest in solutions that lower their carbon footprint, and therefore reduce the pollution fees they pay.

⁴ Read more at www.carbon-dividends.ca/

2. Conserving Energy. Good for everyone's bottom line.

Buildings account for 21% of Ontario's emissions, second only to transportation, and have steadily risen to 23% above 1990 levels.⁵ We need to drastically reduce the energy consumed by our homes and buildings through a focus on conservation and energy efficiency, electrification, and low-carbon heating.

Energy efficiency makes financial sense. Paying to save electricity costs the government on average 2 to 3 cents for every kilowatt-hour saved, compared to up to 18 cents for new nuclear energy. Investments in energy efficiency also create jobs. According to Clean Energy Canada, energy efficiency measures alone could add 118,000 jobs to the Canadian economy by 2030.⁶

Green Building and Retrofit Program

The Green Party of Ontario would introduce and fund a Green Building and Retrofit Program to improve energy performance in all public sector buildings, homes, and businesses and reduce climate pollution. This would help all public sector buildings, homes, and businesses save money by saving energy. The Program would provide grants, tax credits and interest-free loans for retrofits to improve insulation, conserve energy, and install energy efficient heating and cooling systems. Lower costs would mean higher profits and greater competitiveness for business, as well as lower bills for public sector institutions, non-profits, tenants and homeowners. The Program would also facilitate the delivery of green job training with a focus on providing more opportunities for women and racialized people in the trades.

Additional energy efficiency and conservation measures:

Prioritize investments in reducing demand through energy efficiency and conservation efforts before turning to new sources of generation as the lowest cost and most effective way to achieve a 100% renewable energy goal.

Set aggressive GHG targets for provincial government operations and expand reduction programs to include hospitals, schools, universities and other public institutions.

Pursue the development of a smart grid, which will modernize and streamline Ontario's electricity generation and distribution system, making it more efficient and lowering in GHG emissions

⁵Environment and Climate Change Canada, National Inventory Report 1990-2016.

⁶The Economic Impact of Improved Energy Efficiency in Canada, Dunsy Energy Consulting, 2018

Establish a green revolving fund to use savings from energy conservation to invest in additional GHG reduction efforts.

Increase the HST rebate allowance on new homes that are net zero, and establish a Green Mortgage program to ensure mortgage providers offer low interest mortgages for energy efficient homes.

Work with utilities to create effective building upgrade programs including financing and incentives for “green heat” sources like geothermal, district energy, solar thermal, waste heat recovery and air source heat pumps.

Accelerate the targets for net zero buildings and revise the Ontario Building Code to mandate that all new buildings meet net zero or passive house standards.

Create a **dedicated funding stream for green infrastructure** within existing infrastructure funding, which includes funding for municipalities to invest in affordable green infrastructure projects.

Phase out funding for infrastructure that relies on fossil fuels and increases Ontario’s GHG emissions.

Create incentives to transition all natural gas heating in homes and buildings to geothermal, air source heating or renewable natural gas.

3. Let's get moving. Cleanly.

At 35%, transportation accounts for Ontario's largest share of emissions.⁷ Yet, the province continues to go in the wrong direction. We must align our transportation priorities with our climate strategy by focusing on emissions-free, affordable, and rapid movement of people and freight. This will save time and money.

Electrifying Transportation. Everywhere.

Bringing our transportation system onto the grid is crucial for unlocking emission reductions. Our strategy focuses on two key areas: 1) rapid electrification of municipal transit systems and regional services; and 2) drastic escalation of electric vehicle infrastructure and incentives across the province.

- **Cleaner Mass Transit**

⁷ Environment and Climate Change Canada, National Inventory Report 1990-2016.

Immediately **improve intercity bus services with electric buses**, especially in underserved areas.

Electrify GO train services as quickly as possible and replace bus service with electric buses where feasible.

Support rapid electrification plans for all transit systems.

Prioritize **low-cost high-performance rail in the short-term** as the province plans long-term for higher-cost, high-speed rail projects.

Permanently fund 50% of **operating costs for municipal transit services** in order to reduce fare increases for users.

Dedicate 5% of the Transportation budget to cycling and walking infrastructure.

Establish commuter cycling networks across Ontario, including paved shoulders on all non-400 series provincial highways.

Revise land use planning rules to incentivize connected, transit-oriented communities.

Cancel Highway 413.

- **The Electric Vehicle Revolution**

Immediately raise the average fuel economy emission standards for all cars and trucks to encourage the market for more fuel efficient and less polluting vehicles, as we transition to fully electrified transport.

Phase out internal combustion engines in Ontario by 2035 so that Ontario can meet a carbon neutral target by 2050.

Support the purchase of electric vehicles through a **rebate program for purchasing electric vehicles** with a cap on the vehicle purchase price and by **eliminating HST on zero emission vehicles.**

Add **more EV charging stations along 400 series and provincial highways** as quickly as possible.

Install EV charging stations at all public buildings; work with municipalities to invest in charging infrastructure; and require charging stations in new commercial and residential

developments.

Implement a tax credit for businesses installing EV charging stations.

4. Tomorrow's jobs are green jobs. A just transition that benefits everyone.

The global clean economy will be worth at least \$26 trillion by 2030. That's a lot of opportunity for Ontario businesses to generate jobs and prosperity.

Around the world, renewables are growing faster than any other source of energy, and the costs are plummeting. And it's not just energy. Everywhere you look, industries are evolving to eliminate waste and free themselves of the dependence on fossil fuels.

Let's turn towards these opportunities, not away from them.

Open for business through a just transition: Investing in the new green middle class

The irreversible global shift towards clean technology means the manufacturing jobs of the last century are being replaced by jobs in advanced manufacturing, clean tech innovation, bio-products, waste reduction, design, and other sectors that are trending upwards.

To open Ontario for business, we must support jobs and investment in these booming industries and grow a new generation of well-paying, middle class jobs. That's why Ontario should make historic investments and adopt a series of measures to leap into the economy of tomorrow now.

Redirect the \$3.1 billion per year in existing business support programs to provide incentives for businesses to innovate and invest in low-carbon equipment, products and processes.

Redirect existing business development programs to **target the scale up of cleantech companies and innovation**, while changing criteria to eliminate support for proposals that increase GHG pollution.

Develop **investment tools** such as Green Banks, Green Bonds and RRSP eligible green funds to make it easier for people to invest in clean companies.

Modernize government regulations to **reduce barriers to the adoption of green technologies, practices and businesses.**

Establish government procurement rules with criteria to purchase low-carbon products and services and facilitate the commercialization of made-in Ontario green innovation.

Support **public funding of and tax credits for research and development** in order to incubate innovation, particularly in clean technology and knowledge services.

Establish an Ontario Youth Green Corps to provide summer job experience and foster a culture of stewardship and cleantech skills in the next generation of Ontarians.

Offer meaningful **incentives for businesses involved with green retrofit, reforestation, and other forms of green economic activity** to provide Ontario youth with valuable job experience.

Implement **incentives for businesses that participate in training and certification programs** in areas such as green building, biomedical technology, renewable energy and sustainable transportation.

Provide funding for Black and Indigenous owned businesses and organizations pursuing low carbon economic development.

Ensure that the transition to a low carbon, clean economy is just and benefits workers, through retraining, living wages, benefit plans, unionized jobs and new career opportunities.

Establish a green jobs training program with a focus on providing more opportunities for women and racialized people in the trades.

Carbon neutral by 2050. It's doable. It's essential. [Pillar 5]

According to the world's top scientists, we must drastically wind-down our fossil fuel use and approach zero net emissions by 2050. Ontario should join the ranks of the one thousand cities and regions that have committed to being powered by 100% renewable energy by this date.

This shift will mean bringing on-line tremendous amounts of wind, solar, water, geothermal, biomass, and other clean sources of power to meet the energy demand from buildings, transportation and industry. It will require us to use energy more efficiently.

Fortunately, renewables are the fastest growing source of power, and advancements in storage are driving costs into a freefall. The latest North American analysis shows that energy from both wind and solar can be produced cheaper than even natural gas.⁸

⁸ Lazard's 2017 Levelized Cost of Energy Analysis

Going carbon neutral also requires us to protect the important carbon storage banks all around us - in forests, soils and green infrastructure.

Going carbon neutral makes good economic sense and Ontario should do the following:

Import clean waterpower from neighbouring provinces such as Quebec and Manitoba at one third the cost that Ontario Power Generation wants for new nuclear power.

Fully develop Ontario's hydro potential by supporting clean, low impact waterpower.

Ensure that individuals and groups can pursue micro-generation projects and sell excess clean energy back to the grid.

Put community interests over corporate profits by supporting clean energy projects that have local ownership and benefit-sharing models that follow international best practice, including funding support for Indigenous owned renewable energy projects.

Provide **community-based renewable energy projects**, initiated by non-profit groups, cooperatives and municipalities, with reliable know-how and long-term zero interest loans.

Support renewable energy projects initiated by Indigenous communities and ensure meaningful Indigenous participation in the development of renewable energy projects.

Provide incentives to help homeowners, renters and businesses **convert natural gas, electric, oil, and propane heating systems to more efficient, affordable and low carbon sources** such as heat pumps and geothermal.

Give incentives for the production of renewable natural gas from organic waste, farms and other renewable sources.

Phase out gas-fired power plants by 2030.

Ban fracking in Ontario and oppose oil and gas pipeline expansion.

End subsidies for fossil fuels and fossil fuel infrastructure and redirect these funds towards cleantech companies and low-carbon innovation.

Support Forest Ontario's tree planting goals and expand the Managed Forest Tax Incentive Program to reward landowners for planting trees.

Reward sustainable forestry and land management practices that protect the Boreal forest with an emphasis on maximizing the forest's ability to store carbon.

Develop policy on **forest carbon management** and/or carbon offset projects for the forestry sector while exploring the potential benefits with Indigenous peoples.

Implement stronger protections for **wetlands, grasslands and woodlots and permanently protect prime farmland.**

Reward farmers and landowners for stewardship practices that provide environmental services and climate mitigation, including soil carbon storage.

Recognize and address the importance of protecting the **vast intact carbon storehouse of Ontario's Far North** in land-use plans for the region.

Establish a robust individual producer responsibility framework to shift the financial burden of recycling and disposal away from citizens and municipalities and onto companies.

Ban single use plastics for non-medical purposes.

The Green Transition. How to pay for it.

We are already paying for the costs of climate inaction. Flooded basements, roofs blown off, infrastructure destroyed, ice damage, forest fires, crop losses - it all adds up and it is only getting worse as the climate crisis escalates.

Every province and every country faces the same question: Shift now and lessen the costs in the future, or ignore the problem and accept greater costs from climate catastrophe down the road.

Many of the actions proposed in this strategy are revenue-neutral and do not require any new funding. Instead, they are about re-orienting our economy and spurring growth in clean sectors.

But where new funding is required, the province has many options to find additional revenue and savings. The Green Party of Ontario would look at:

Canceling the UnFair Hydro Plan that artificially lowers hydro bills today by passing the debts onto future taxpayers. This would save Ontario between \$21 and \$69 billion overall.⁹

Following the advice of experts and implementing road pricing mechanisms such as tolls, congestion charges, parking levies and land value taxes. This would raise over \$3.9 billion per year for the construction of world-class clean transit.

Saving \$1.1 billion per year by closing the Pickering Nuclear Station on schedule.¹⁰

Stopping the fire sale of Ontario's natural wealth and increasing the fees and royalties that extractive companies must pay to withdraw Ontario's water, aggregates, minerals and other resources, so that Ontario no longer receives the lowest return on natural resource wealth in Canada.

Ontario would save \$6-10 billion alone by cancelling Highway 413

**Note on adaptation: Ontario will also need to develop a climate adaptation strategy so that we can plan and adjust to the impacts of climate change. Part of this plan should include legislation that holds fossil fuel companies legally liable for the damage they cause. The GPO's Vision Book includes a climate adaptation section that can be viewed at www.gpo.ca/vision.*

⁹Financial Accountability Officer, Fair Hydro Report, Spring 2017

¹⁰ Economists from the OCAA estimate that Ontario would save \$737 million per year by not selling excess power at a loss and \$407 million per year by purchasing low cost water power from Quebec at a price that is 4.2 cents per kWh lower than price currently being paid for electricity from Pickering.