
Ecology Action Centre Statement to Law Amendments Committee for Bill No. 15

Monday, October 16th, 2017

I would like to begin my statements today by acknowledging our presence on unceded, unsurrendered Mi'kmaq Territory.

Thank you to the Committee for the opportunity to speak, today on Bill No. 15, the proposed amendments to the Environment Act, and the proposed cap and trade carbon pricing system to be implemented in Nova Scotia.

My name is Stephen Thomas and I am the Energy Campaign Coordinator with the Ecology Action Centre. Founded in 1971, the EAC is Atlantic Canada's largest environmental advocacy organization, with over 5,500 members, 500 volunteers, 40 staff, and seven action areas.

Over the last ten years, Nova Scotia has done fantastic work on reducing greenhouse gas emissions by more than 30% below 2005 levels, building out the green economy and creating hundreds of green jobs. However, Nova Scotia remains among the most carbon-intensive regions in the world on a per-capita basis, and has not yet legislated greenhouse gas targets beyond what it has already achieved.

The EAC and its many partners have been engaging in discussions, research and advocacy on carbon pricing in Nova Scotia for more than three years. This work includes two Carbon Pricing Forums with dozens of stakeholders each, and a six-part panel series on the possible opportunities and challenges of cap and trade in Nova Scotia. In November 2016, when the Nova Scotia government chose a cap and trade system over a carbon tax, carbon levy or hybrid system, the EAC continued to engaged dozens of stakeholders to develop our analysis and position statements on Nova Scotia's cap and trade proposal.

The Nova Scotia government has signaled in its communications and design options that it will give carbon pollution credits away for free to polluters and create a system internal to Nova Scotia with only 20 participants providing Nova Scotia Power with a clear advantage. Whether or not greenhouse gas caps will represent an actual reduction in Nova Scotia's emissions remains to be seen. We still don't know what these caps will be.

To be clear, I feel that this legislation allows for a very ineffective and inequitable cap and trade system in Nova Scotia. However, I recognize that the legislation also builds a framework that leaves the door open to a number of effective policies such as collecting revenue, creating a Green Fund and linking to other cap and trade jurisdictions. I'm pleased to see these opportunities reflected in the legislation and I suggest that in the development of the regulations, the Nova Scotia Government takes these opportunities to build a robust cap and trade system that is fair, effective and equitable.

Specific Recommended Changes to Bill No. 15

Set Clear, Declining Emissions Caps

A strong cap and trade system must include greenhouse gas emissions caps that actually ensure greenhouse gas emission reductions. The caps must be declining, and must represent a reduction in greenhouse gases when compared with the business-as-usual case in Nova Scotia.

Specifically, under section 112B of Bill No. 15, we recommend that language be added to ensure that the greenhouse gas emissions caps are declining, and that they are more stringent when compared with Nova Scotia's business-as-usual case out to 2030.

We feel that this long-term increase in stringency better complies with the federal government's Carbon Pricing Benchmark, and gives Nova Scotian businesses more clarity for future planning. We hope that these emissions caps will also give Nova Scotians reassurance that the provincial government is committed to continuing a strong legacy of greenhouse gas reductions and leadership on climate action.

Recommendations for the Development of Regulations and Policy

Auction Carbon Pollution Credits and Collect Revenue

We applaud the creation of the Green Fund in this legislation, but I'm sure all will agree that the effectiveness of a Green Fund is severely limited if there is no money in that fund to support low-carbon programming.

For the proposed Green Fund to have any funding to administer programming and support, the cap and trade system must collect revenue from polluters by auctioning pollution credits and establishing a floor price for those auctions. Given the proposed framework, polluters are being given a free ride under this program, where all carbon pollution credits are being given away for free, and Nova Scotia Power is given a clear advantage. This must change.

With the collected revenue, it is possible to create critical support for Nova Scotia's transition to a prosperous, low-carbon economy and create hundreds of green jobs here at home. The Green Fund can support low- and middle-income Nova Scotians by offsetting any impacts that a cap and trade system may have, support low-carbon initiatives like renewables and energy efficiency, support training and re-tooling programs for workers entering the green economy across Nova Scotia and in Mi'kmaw communities, support low-carbon innovation in Nova Scotia businesses and much more.

Link Nova Scotia's Cap and Trade System to Other Jurisdictions

Nova Scotia's cap and trade system is unusual in that it is proposed that it will not be linked with any other jurisdiction. This will likely make for a volatile market and very limited opportunities, given a province of less than one million people and an emissions trading system of less than 20 participants. This is similar to the city of Ottawa setting up its own emissions trading system.

We feel the most obvious choice would be for Nova Scotia to link with other Atlantic Canadian Provinces, or with Ontario and Quebec who are linked with California through the long-established Western Climate Initiative (WCI). In May 2017, the Ecology Action Centre partnered on a

commissioned study that showed a reasonable case that investment could flow to the Maritime Provinces through this system.

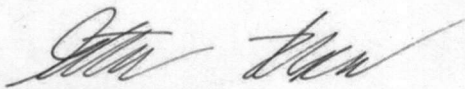
Linking to another system such as WCI was also strongly supported by industry and other stakeholders who submitted feedback to create Nova Scotia Environment's 'What We Heard' document on cap and trade, which was released in August 2017.

Engage in Meaningful Public Consultation

This issue is not being discussed out in the open. The general public has not been a part of the very limited, focused, technical consultation that has taken place with mostly industry and specialized stakeholders. To better understand the need to set emissions caps, and the best ways to utilize the created Green Fund, broad public consultation must take place.

I'm happy to answer any questions that the Members may have, and please feel free to contact me directly should you require any further information or documentation on this issue.

Thank you for your time and consideration,



Stephen Thomas

Energy Campaign Coordinator

Ecology Action Centre

2705 Fern Lane, Halifax, NS, B3K 4L3

t. 1.902.442.0199

stephen@ecologyaction.ca