



**Bill #15
Environment Act (Amended)
Submission to the Law Amendments Committee From Roswall Inc.
October 16th, 2017**

Thank you for the opportunity to speak to you today regarding Bill #15 – Environment Act (Amended) that provides the establishment of a greenhouse Gas Emissions Cap and Trade program.

My name is Daniel Roscoe, and I am here today on behalf of Roswall Inc. to speak in support of this Bill.

I have been an advocate for renewable energy and for action on climate change in Nova Scotia since 2005. I helped found Scotian WindFields and SWEB Development, and have been involved in 100's of wind and solar projects.

In general, Nova Scotia has been very progressive on renewable energy and energy efficiency, through commitments such as the Environmental Goals and Sustainable Prosperity Act, programs such as COMFIT and Solar City, and the creation of Efficiency Nova Scotia. These efforts have made significant changes to our electricity system, and helped create a Nova Scotian industry with extensive experience. Many in this industry, Roswall Inc included, are now exporting their expertise to other jurisdictions that are trying to catch up to Nova Scotia.

Throughout this effort, our focus has almost solely been on Electricity. Electricity customers have made investments in their future, and made great progress. However, other sources of emissions such as heating oil, gasoline and natural gas have changed very little. While the intentions of policy makers and program creators were good, we have essentially subsidized these sources of energy over the past decade at the expense of the electricity system.

A Cap and Trade program is the best way for Nova Scotia to recognize the substantial gains made in the electricity system, and restore balance and fairness within the energy industry. A Cap and Trade program will be an essential tool for us to continue to strive for economic growth, while making sure that we meet our environmental targets.

Regarding the legislation specifically, Bill 15 is an important first step, but the effectiveness of this effort will depend on the regulations. To that end, here are some suggestions:



- 1) We are glad to see that the ability to charge for allowances is considered in the Bill, as it was originally indicated that allowances would be provided for free. In light of the notes above, we encourage the Minister to consider using different rates for different emissions sources, to reflect those that have achieved reductions, versus those that have not. Failure to do so will continue to subsidize imported fossil fuels.

It is hard to see how change can be incented when emission allowances are provided for free. It is also hard to see how it is in line with the Pan Canadian Framework on Clean Growth and Climate Change.

Specifically, we suggest:

- a. For Electricity, we suggest replacing existing DSM charges with an emission-based cost that would mean little impact to consumers.
 - b. For other sources of emissions, costs per allowance should be established to create fairness within the industry, and to meet the same 2030 reductions have been established for Electricity.
- 2) The fines associated with failure to meet targets are as important as the costs for allowances. Together, the two must be of a significant-enough value to incent change.
 - 3) We are also glad to see that this Bill now considers the ability to link our jurisdiction with others. We highly encourage our government to do this. We should have all Atlantic Provinces in a similar framework, and together join up with a large jurisdiction such as Western climate Initiative (Ontario, Quebec, California) or Regional Greenhouse Gas Initiative (North-eastern States). As an economy that is highly dependent on exports, we need to consider the challenges that "going it along" or a "made in Nova Scotia" solution could present. If exporters are required to take on the burden of showing equivalency of NS carbon pricing with that of their export market on their own, it could be a significant barrier to trade, and one we should endeavour to avoid.

We applaud the government for proposing this Bill and for sending a clear signal to Nova Scotians that we will have economy-wide participation in hitting our climate goals.

Respectively Submitted,

Daniel Roscoe,
Partner,
Roswall Incorporated
Halifax, NS