Overview

- Context
- Ontario’s Climate Change Strategy
- Proposed Climate Change Mitigation & Low Carbon Economy Act
- Proposed Cap and Trade Program
- Implications for the Transportation Sector
- Ontario’s Actions to Reduce Transportation Emissions
Ontario has made the following commitments to reduce greenhouse gas emissions:

- 15% reduction from 1990 levels by 2020
- 37% reduction from 1990 levels by 2030
- 80% reduction from 1990 levels by 2050

In November 2015, Ontario released its Climate Change Strategy which sets out the government’s vision for Ontario to 2050.

- Long-term strategy for securing a healthy, clean and prosperous low-carbon future by transforming the way we live, move, work and adapt to our environment.

The Climate Change Strategy contains a commitment to release a detailed five-year action plan in 2016, focused on specific commitments to help meet the 2020 target as well as initiatives aimed at laying the foundation for medium and long-term emission reductions.
Ontario’s Greenhouse Gas Emissions in 2013

Ontario’s Climate Change Strategy

A Prosperous Low-Carbon Economy with World-Leading Innovation, Science and Technology
- Investment and Risk Capital Actions
- Research and Innovation Strategy
- Assist Businesses in their Low-Carbon Transition
- Build Green Infrastructure

Adaptation and Risk Awareness
- Climate Change Adaptation and Government Decision-Making Alignment
- Climate Modelling and Risk Assessment Collaborative
- Approach to Assess Carbon Sequestration
- Climate Change and Agricultural Sector Initiatives Alignment

Government Collaboration and Leadership
- Climate Change Legislation
- Climate Change Integrated with Government Decision-Making and Infrastructure Planning
- Aboriginal Implementation Frameworks
- Carbon Neutral Government

Reducing Greenhouse Gas Emissions Across Key Sectors
- Zero Emission Vehicles Actions
- Goods Movement Actions
- Low Carbon Fuels
- Net-Zero-Energy Buildings Actions
- Create Incentive Programs
- Transportation and Land Use Planning Initiatives

A Resource-Efficient, High Productivity Society
- Climate Change in Long Term Energy Plans
- Resource Recovery and Waste Reduction Framework
- Review of Policies and Programs that Incent Fossil Fuel Use and Technology

A High Productivity Low Carbon Economy and Society
Strategy: Overview & Examples of Measures

- The Climate Change Strategy outlines key areas where actions need to take place in order to move towards a low-carbon economy:
  1. Innovation, Science & Technology
  2. Government Collaboration & Leadership
  3. Resource-Efficient High-Productivity Society
  4. Reducing Emissions in Key Sectors
  5. Adaptation & Risk Awareness

- The Strategy also outlines a series of high-level measures under each of the above areas to guide development of actions. Examples include:
  - Introducing legislation, which if passed, would establish a long-term framework for climate actions and provide a strong foundation for the cap and trade program.
  - Reducing emissions from transportation by promoting zero emission and plug-in hybrid vehicles, low carbon goods movement, renewable fuels, and land use planning.
Bill 172 – Climate Change Mitigation & Low-carbon Economy Act

As guided by the Strategy, the proposed Climate Change Mitigation and Low-carbon Economy Act establishes a long-term framework for climate action and provides a strong foundation for the cap and trade program. It outlines provisions in two areas:

1. **Long-Term Framework for Climate Action**
   - Enshrines previously established greenhouse gas emission reduction targets for 2020, 2030 and 2050.
   - Establishes progress reporting and action plan review requirements for government.

2. **Cap and Trade Program and Use of Proceeds**
   - Provides the legislative authority for a cap and trade program with details in regulation
   - Provides that the key test for spending of proceeds generated by cap and trade is that the initiative is reasonably likely to reduce or support the reduction of greenhouse gases.
   - Potential transportation initiatives that could be funded therefore include:
     - Support for increasing demand for zero emission and plug-in hybrid vehicles.
     - Active transportation infrastructure that will reduce greenhouse gas.
     - Public transit vehicles and infrastructure that reduce greenhouse gas emissions.
Proposed Cap and Trade Program: Regulation

• On February 25, MOECC posted a cap and trade regulatory proposal on the Environmental Registry for a 45 day comment period.

• Regulatory proposal comprised of two documents:
  • Draft Regulation
  • Proposed amendments to the reporting regulation guideline

• Draft regulation also indicates policy intent in areas where regulatory language is not yet ready including references to more detailed information in the form of an appendix.

• The cap and trade regulatory proposal outlines the policy for a number of program elements, notably:
  • Proposed caps
  • Market Rules
  • Compliance periods

• All comments received prior to April 10, 2016 will be considered as part of the decision-making process and will inform the final regulation.
Implications for the Transportation Sector

• Based on the current forecast for the price of carbon, the pump price of a litre of gasoline would increase 4.3 cents as a result of cap and trade.

• This increase is very small compared to the larger decreases that have occurred as a result of lower global prices for oil.
  • For reference, Ontario gasoline pump prices in January 2016 were, on average, 34.4 cents per litre lower than in 2014.

• The Province currently provides a wide range of incentives that households can use to reduce their energy consumption and manage their costs, for example, through the $325 million Green Investment Fund targeted at reducing greenhouse gas emissions while strengthening the economy.
  • The fund is supporting energy retrofits in homes (including affordable housing), energy efficiency investments in small and medium-sized businesses and industry, support for Aboriginal communities, and specific to the transportation sector, new investments in electric vehicle infrastructure.
Reducing Emissions from Transportation

- Transportation accounted for 35% of Ontario’s GHG emissions in 2013.
  - On-road gasoline and diesel vehicles account for most of the emissions from this sector.

- Years of land-use planning decisions made around use of automobile have resulted in a built-form pattern that does not support low-carbon mobility options such as walking, cycling.

- Reducing emissions from this sector requires a transformation in the way we live and move, including:
  - Creation of complete communities to reduce travel demand.
  - Mode-shifts towards transit, cycling, and walking.
  - Replacing use of all gasoline and diesel vehicles with low/zero emission vehicles powered by low/zero-carbon fuels.
Next Steps

• The province will be releasing a Climate Change Action Plan this year with specific actions to help meet the 2020 target, while also laying the foundation to achieve long-term targets and reduce emissions across key sectors including transportation.

What will Ontario look like in 2050?
Questions?