

LASER Talks Booklet

April 2022

About CCL and CCL Canada

Citizens' Climate Lobby (CCL) is an international, non-partisan and grassroots organization that empowers citizens to build political will for what we see as the single most impactful solution to climate change—a national Carbon Fee and Dividend policy.¹

We have 588 active chapters in 76 countries² and almost 220,000 supporters worldwide. In Canada, we cover about 120 ridings and have over 7,000 supporters.³

We build political support for climate action with a variety of tools,⁴ which we use in keeping with our local culture and politics. By focusing on shared values rather than partisan divides, we build relationships with community leaders and with federal elected officials, always starting from a place of respect, gratitude, and appreciation.⁵

Through developing respectful relationships, cultivating and demonstrating local support, and promoting a climate solution that has appeal across the political spectrum, we build political will. That is, we move our leaders towards action that will preserve a healthy climate and a livable world.

Since September 2010, our Canadian volunteers have recorded over 1400 lobby meetings and over 4000 letters to the editor, articles, editorials, and columns published in newspapers. We have lobbied as a collective on Parliament Hill 14 times. Subsequent to the COVID pandemic in March 2020, we have conducted four national online events, followed by lobbying. We are excited to go back to Parliament Hill May 1-3, 2022.

In October 2018, Canada achieved a world first: the passage of a national carbon pricing policy that is quite similar to Carbon Fee and Dividend. We have been told by numerous politicians we were the reason the government chose this policy.

Learn more about us at <https://canada.citizensclimatelobby.org/>.

¹ "LASER TALK: Carbon Fee and Dividend | Citizens' Climate Lobby"

<https://canada.citizensclimatelobby.org/laser-talks/carbon-fee-and-dividend/>

² "Chapters | Citizens' Climate Lobby." <https://citizensclimatelobby.org/about-ccl/chapters/>

³ "Chapters - Find Your Local CCL Chapter - Citizens' Climate Lobby."

<https://citizensclimatelobby.org/about-ccl/chapters/>

⁴ "LASER TALK: The Five Levers of Political will | Citizens' Climate" 2 Jul. 2019,

<https://canada.citizensclimatelobby.org/laser-talk-citizens-climate-lobbys-five-levers-of-political-will/>.

⁵ "Values - Citizens' Climate Lobby." <https://citizensclimatelobby.org/about-ccl/values/>.

How to Use this Booklet

Learn to communicate expertly on the climate crisis.

This booklet contains information to help build political will for our lobbying efforts in May 2022.

With CCL's core values⁶ of focus, relationships, integrity, personal power, being nonpartisan, and diversity in mind, you are invited to use this booklet in your communications.

Relationships are at the core of our work. Laser talks are not meant to be monologues. They are intended to facilitate discussion on the climate crisis in our communities, in our media, and with politicians. To practice a Laser talk, consider internalizing the information then saying it in your own words with a partner over coffee, in a group, or in front of a mirror.

Practice the LASER talks that interest you the most – you don't have to learn all of them.

If you are new to Citizens' Climate Lobby (CCL) – keep it simple. The first two laser talks are the most important.

Then consider also learning the ones that might resonate the most with your community and/or interest you the most.

Don't be shy to bring a printed copy of this booklet with you when you lobby for reference. We are not experts. We are relayers of expert information. Politicians have been known to ask for copies of our booklets after watching us refer to them.

You can also use the information in this booklet to write letters to the editor or social media posts and offer this booklet to those that might value its information.

⁶ "Core Values | Citizens' Climate Lobby." <https://citizensclimatelobby.org/about-ccl/values/>. Accessed 28 Aug. 2021.

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THE BASICS

Carbon Fee and Dividend / Climate Income



Carbon Fee and Dividend is a carbon price that is revenue-neutral (meaning that the revenues do not go to government coffers). It functions as follows:

1. A fee is placed on carbon-based fuels at the source (well, mine, or port of entry). This fee increases steadily each year. The predictably increasing carbon price sends a clear market signal, which will unleash entrepreneurs and investors in the new clean-energy economy.
2. All the money collected is returned to Canadians on an equitable basis. Under this plan most Canadian households would break even or receive more in their dividend than they would pay for the increased cost of energy, thereby protecting the poor and middle class.⁷
3. Use a border adjustment to stop business relocation. Import fees on products imported from countries without a carbon fee, along with rebates to Canadian industries exporting to those countries, will discourage businesses from relocating where they can emit more CO₂ and motivate other countries to adopt similar carbon pricing policies. Building upon existing tax and trade systems will avoid complex new institutional arrangements. Firms seeking to escape higher energy costs will be discouraged from relocating to non-compliant nations ("leakage"), as their products will be subject to import fees.

⁷ "Fiscal and Distributional Analysis of the Federal Carbon Pricing System." 25 Apr. 2019, https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Federal%20Carbon/Federal_carbon_pricing_EN.pdf. Accessed 20 Jul. 2019.

The Greenhouse Gas Pollution Pricing Act

In June 2018, the [Greenhouse Gas Pollution Pricing Act](#) achieved Royal Assent and became law of the land in Canada. All provinces and territories must have a carbon pricing policy of at least \$20 tonne by January 1, 2019, raising \$10 per tonne each year until 2022, with the flexibility to have their own carbon pricing systems which are equally stringent as the federal Backstop Carbon Pricing system. In 2021, the federal government updated its policy on recognizing the stringency of provincial carbon pricing systems and the price will rise incrementally to \$170 tonne by 2030. In jurisdictions that do not have carbon pricing policies, the Federal Backstop Carbon Pricing system will apply.

There are two elements of the federal carbon pricing policy:

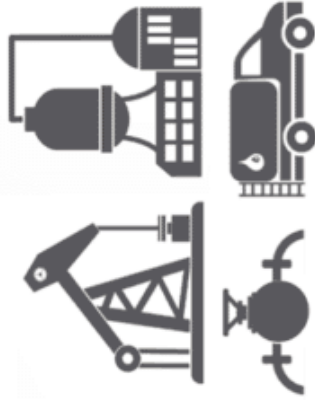
1. A charge on fossil fuels that is generally payable by fuel producers or distributors, with rates for each fuel that are equivalent to \$10 per tonne of carbon dioxide equivalent (CO₂e) in 2018, rising by \$10 per year to \$170 per tonne CO₂e in 2030. The carbon fee for the federal backstop policy is revenue-neutral. Between 2019 and 2021 the revenue was recycled back to the citizens in their income taxes under the line 449 “[climate action incentive](#)”. Starting in 2022, in provinces where the federal backstop Fuel Charge applies (currently, Alberta, Saskatchewan, Manitoba, and Ontario), will include quarterly payments at the beginning of each quarter. To give the Canada Revenue Agency sufficient time to develop the new system, payments will start in July 2022 with a “double-up” payment. This payment would return proceeds from the first two quarters of the 2022-23 fuel charge year (April 2022 to March 2023). Of note, [80% of households come out ahead](#), a finding confirmed by the [Parliamentary Budget Office](#) and [Clean Prosperity](#).
2. For businesses and industries that qualify, they are enrolled in an [Output-based Carbon Pricing System](#). They pay a carbon price based on their emissions’ intensity relative to a best in the class of their industry, and surplus credits are traded. This component of the act protects emissions-intensive trade-exposed industries from trade pressures and carbon leakage. However, it does not send a strong enough signal to transform Canada’s energy systems to carbon decarbonize in alignment with the realities of the climate emergency we face. This assertion is supported by research by [Clean Prosperity](#) and the [Parliamentary Budget Office](#). CCL recommends that the carbon price should be economy-wide and thus the Output-Based Pricing System should be temporary, and ultimately replaced with [Border Carbon Adjustments](#).

For reference

<http://www.parl.ca/DocumentViewer/en/42-1/bill/C-74/royal-assent>
<https://www.canada.ca/en/revenue-agency/campaigns/cai-payment.html>
<https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-449-climate-action-incentive.html>
https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Federal%20Carbon/Federal_carbon_pricing_EN.pdf
<https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/fcrates/fuel-charge-rates.html>
<https://www.theglobeandmail.com/business/article-ottawas-rebates-for-farmers-provides-some-relief-from-added-costs-of/>
<https://canada.citizensclimatelobby.org/laser-talk-canadas-carbon-pricing-policy/>

Overview of the federal backstop

FUEL PRODUCTION AND DISTRIBUTION

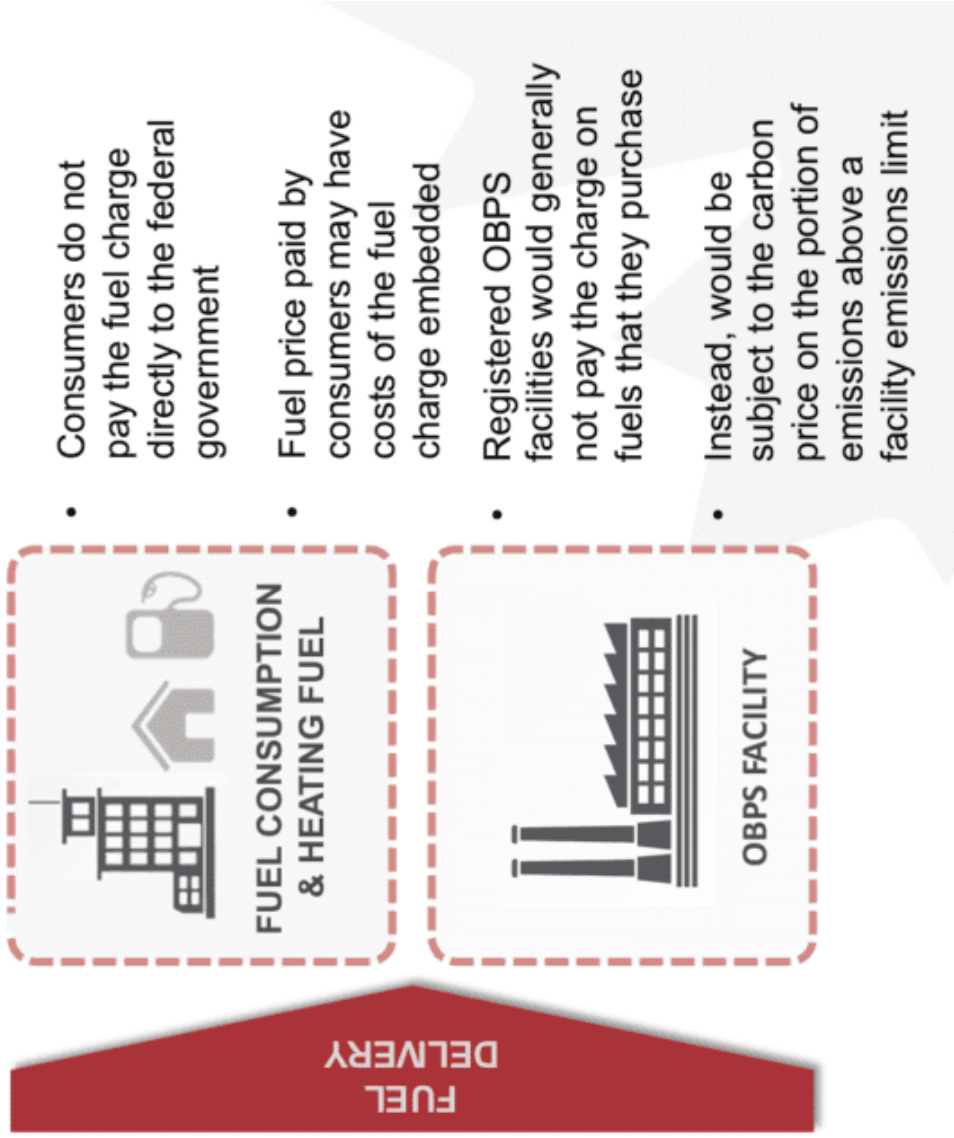


Apr 1/22- Mar 31/23

\$50/t CO₂e

Gasoline: 11 ¢/L

- 1) 90% fees collected returned to households.
- 2) The other 10% goes to Schools, Hospitals Municipalities and Universities.
- 3) 80% of households come out ahead.
- 4) Rural and remote households get a bonus
- 5) Canadian farms have separate fee and rebate system for farm fuels.



Output-Based Pricing Systems (OBPS)

WHY DIDN'T THE CANADIAN GOVERNMENT ENACT BORDER CARBON ADJUSTMENTS IN THE GREENHOUSE GAS POLLUTION PRICING ACT?

Border carbon adjustments take time to set up. As well, they are tariffs. Tariffs have negative connotations because tariffs are often seen as rallying cries for trade wars. Diplomatically speaking, our trading partners will need several years' notice to prepare for border carbon adjustments. Thus, while establishing a national carbon price, we have to maintain competitiveness and reduce carbon leakage without border carbon adjustment. To do that, an Output-Based Pricing Systems (OBPS) was designed and implemented.

HOW DOES OBPS WORK?

Industries that qualify can sign-up for output-based pricing systems for their carbon emissions. Each qualifying industry has a formula for quantifying their greenhouse gas output in relation to the best in their class – resulting in high-performing industries paying less in carbon taxes. Thus, there is a price signal to encourage industries to reduce emissions.

The Government of Canada committed to return proceeds collected from the OBPS to jurisdictions of origin. Provinces and territories that have voluntarily adopted the federal OBPS can opt for a direct transfer of proceeds collected. Proceeds collected in jurisdictions where the Federal Backstop OBPS is in place will be returned through the OBPS Proceeds Fund.

OUR RECOMMENDATION:

Canada's carbon pricing benchmark price must be economy-wide and must continue to rise beyond 2022 every year until a 90% reduction from 2005 levels is achieved. The OBPS will not encourage the necessary radical industrial transformation. OBPS are a baby step in the right direction, but they must be nurtured into Border Carbon Adjustments in order to face the real-world challenge of global warming. CCL recommends that Output-Based Pricing Systems should be temporary and ultimately replaced with border carbon adjustments.

For Reference

<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/output-based-pricing-system.html>

The What and Why of Carbon Pricing

Carbon dioxide (CO₂) and other greenhouse gases (GHG) are building up in the atmosphere from burning fossil fuels for energy and from other human processes. This carbon pollution is causing severe climate impacts like floods, wildfires, and drought. There are huge costs associated with this pollution, such as the rebuilding of roads, dikes and homes, plus habitat loss, and rising health care issues. All of these costs fall unfairly on the taxpayers, individuals, or businesses. The cost of polluting should be clear so society is not harmed in order to make a profit.

Putting a price on carbon pollution motivates those who create the pollution to reduce the amount of GHGs they emit into the atmosphere. Economists widely agree that introducing a carbon price is the single most effective way for consumers and producers to reduce their emissions and for countries to meet their global carbon reduction targets.

Putting a price on carbon means the real cost of producing and emitting GHGs is accounted for across the whole economy. This helps to level the playing field for renewable energy and other climate solutions by making them more competitive and accessible.

Implementing carbon pricing impacts the status quo of a fossil fuel based economy and is contested by some as being too costly. However, due to the severe impacts of climate destabilization, taking no action is immensely more costly. There are many ways of addressing climate change such as reducing subsidies to fossil fuel companies, regulations that support emissions reductions and subsidizing renewable energy alternatives. However, carbon pricing is seen as the most effective lever for change.

Since 2010, CCL Canada volunteers have advocated for pricing carbon in the form of Carbon Fee and Dividend.

What is Canada's Greenhouse Gas Inventory?

Every year, Canada prepares and submits a national greenhouse gas (GHG) inventory to the United Nations Framework Convention on Climate Change (UNFCCC). The report covers:

- anthropogenic (human-caused) emissions by sources and removals by sinks
- annual emissions estimates dating back to 1990

The inventory is developed, compiled, and reported annually by the Pollutant Inventories and Reporting Division of Environment Canada with input from numerous experts and scientists across Canada.

The greenhouse gases that have been estimated in the national inventory are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulphur hexafluoride (SF₆), nitrogen trifluoride (NF₃), perfluorocarbons (PFCs), and hydrofluorocarbons (HFCs). The inventory uses an internationally agreed to reporting format, grouping emissions and removals into the following five Sectors: Energy, Industrial Processes and Product Use, Agriculture, Land Use, Land-Use Change and Forestry and Waste.

Read more:

<https://www.canada.ca/en/environment-climate-change/services/climate-change/greenhouse-gas-emissions/inventory.html>

<https://www.canada.ca/en/environment-climate-change/services/climate-change/greenhouse-gas-emissions/inventory/emissions.html>

The Three Explicit Ways to Price Carbon Pollution

Carbon pricing

Carbon pricing is a policy instrument that captures the external costs of greenhouse gas (GHG) emissions—the costs of emissions that the public pays for, such as damage to crops, health care costs from heat waves and droughts, and loss of property from flooding and sea level rise—and ties them to their sources through a price, in the form of a price on the GHG emitted. Currently, [21.5% of the world's GHG emissions](#) are under an explicit carbon price. There are three ways to price carbon pollution:

1. The Emissions Trading System (ETS)

ETS, also known as **cap and trade**, caps the total level of greenhouse gas emissions and allows industries with low emissions to sell their extra allowances to larger emitters. Large emitters can also offset their emissions. By creating supply and demand for emissions allowances, an ETS establishes a market price for greenhouse gas pollution. The cap helps ensure that the required emission reductions will take place to keep the emitters (in aggregate) within their pre-allocated carbon budget.

Keys for success: It needs significant government oversight. There should also be a set floor price and no free allowances. Offsetting must be verifiable with no double counting, and must not be allowed to substitute for real emissions reductions.

Clarifying statement: ETS creates an artificial market that allows big polluters to reduce emissions at the lowest cost possible.

2. Carbon Taxes

Carbon Taxes directly set a price on carbon by defining a tax rate on greenhouse gas emissions or – more commonly – on the carbon content of fossil fuels. The government uses the money collected for programs. It is different from an ETS in that the emission reduction outcome of a carbon tax is not predefined but the carbon price is.

Key for success: Carbon taxes can be regressive and slow down an economy if the middle and low income earners are impacted by increased energy costs without compensation.

Clarifying statement: The pressure is put on the consumer with a carbon tax and thus will only work if the consumer actually changes behaviour.

3. Carbon Fee and Dividend a.k.a Climate Income

Carbon Fee and Dividend is a system that imposes an incrementally rising fee on the carbon content of fossil fuels at the point of entry into the economy and then distributes the revenue collected over the entire population equally, on a per-person basis, as a monthly income or regular payment. It is a solution that creates incentives and penalties for reducing GHGs while protecting the poor and middle class as we transition away from fossil fuels. Climate income includes border carbon adjustments.

Key for success: the price on pollution must rise predictably and substantially over time. If the price rises chaotically or not substantially, investors will have a difficult time making plans.

Clarifying statement: Climate Income is the only policy that puts direct pressure on big GHG emitters.

Fair Path Forward's Rebate Calculator

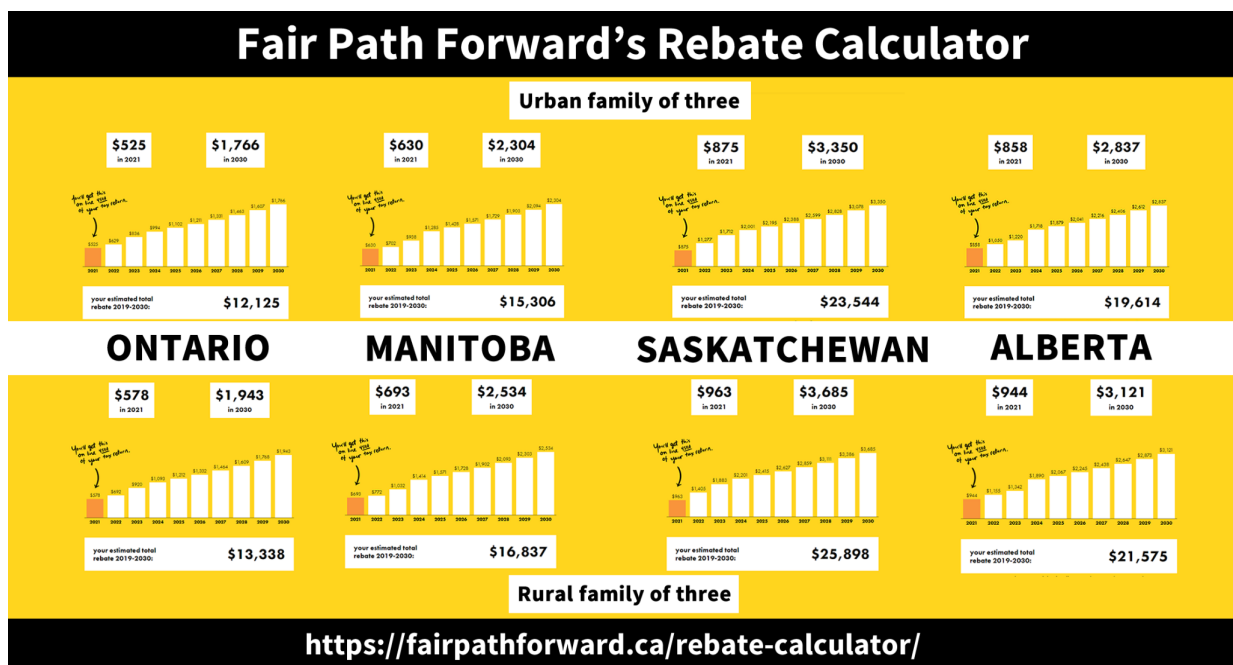
The current federal backstop carbon pricing policy returns 90% of the carbon fees collected back to households. Rural households get a 10% top-up. By giving money back to Canadians, low and middle-income Canadians come out ahead⁸.

People living in the four provinces with the federal backstop carbon pricing policy can calculate their rebate on Fair Path Forward's Rebate Calculator.

For a family of three living in an urban area in Ontario, Manitoba, Saskatchewan and Alberta their rebate from the federal government will be respectively \$12,125, \$15,306, \$23,544 and \$19,614 from 2019 to 2030. Because there is a 10% top-up for rural families, a family of three living in rural areas in Ontario, Manitoba, Saskatchewan and Alberta will receive respectively \$13,338, \$16,837, \$25,898 and \$21,575 from 2019 to 2030.

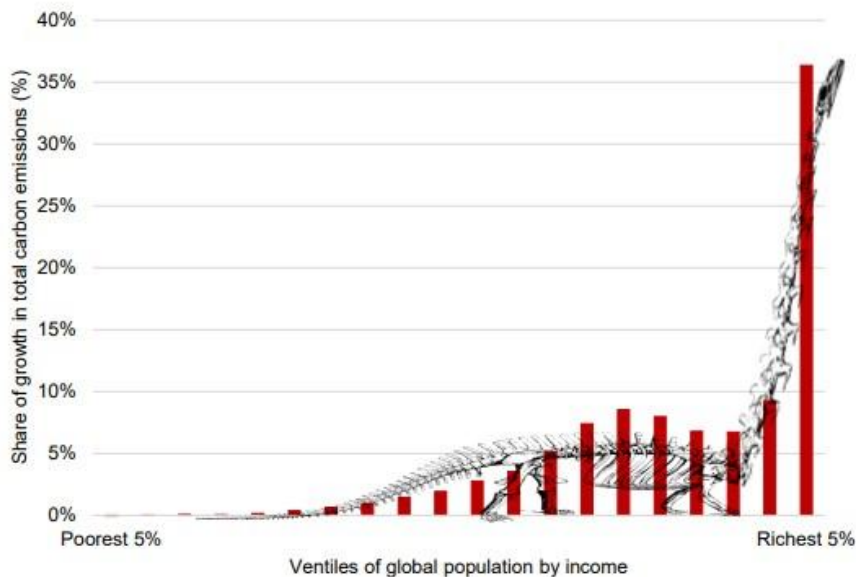
The rebates, unlike with the federal Conservative's proposed [Low Carbon Savings Account](#), come with no restrictions. You can spend as you wish and make the low-carbon purchases you need to make unique to your situation whether you live in the core of a big city, a mining town, a First Nations community, a rural farming community or any place in between.

Calculate your rebate here: <https://fairpathforward.ca/rebate-calculator/>



⁸ "Fiscal and Distributional Analysis of the Federal Carbon Pricing System." 15 Sept. 2021 https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Federal%20Carbon/Federal_carbon_pricing_EN.pdf. Accessed 11 Aug. 2021.

The Carbon Inequality Brontosaurus Chart



In September 2020, the Stockholm Environment Institute released an insightful report (1). In the 25 years from 1990 to 2015, annual global carbon emissions grew by 60%, approximately doubling total global cumulative emissions.

The disproportionate impact of the world’s richest people is unmistakable, the resulting graph looks like a brontosaurus – with a tall neck and long tail.

The “tall neck” is the result of the fact that nearly half of the total growth in absolute emissions was due to the richest 10%, with the richest 5% alone contributing over a third (37%). The emissions linked to the top 1% alone grew more than three times as much as those linked to the bottom 50%.

The bottom 50% comprises the “long tail”. Since the bottom 50% has 50 times more people in it, the average per capita consumption emissions linked to the top 1% in 2015 were over 100 times greater than the average per capita consumption emissions of the poorest half of the world’s population.

The global carbon budget is a precious natural resource. These results suggest a need for increased attention to be paid to the ongoing porcine impact of the small minority of the world’s richest citizens and the enormous and continuing economic development needs of the world’s poorest citizens.

Our socio-economic and climate policies most certainly can be designed to address carbon inequality. In fact, Canada’s national backstop carbon pricing policy addresses the “brontosaur in the room” (2).

Data from Canada’s Parliament Budget Office confirms this assertion (3). Canada’s carbon pricing policy is a form of carbon fee and dividend. It is also known as climate income. Canada has put a revenue-neutral price on GHG pollution at the source, and gives 90% of the money back to the people equitably, regardless of income or carbon footprint. The other 10% of carbon fees collected go to the MUSH sector: Municipalities, Universities, Schools, and Hospitals. It also reduces GHGs (4) without creating burdensome tax policies for governments to administer.

References:

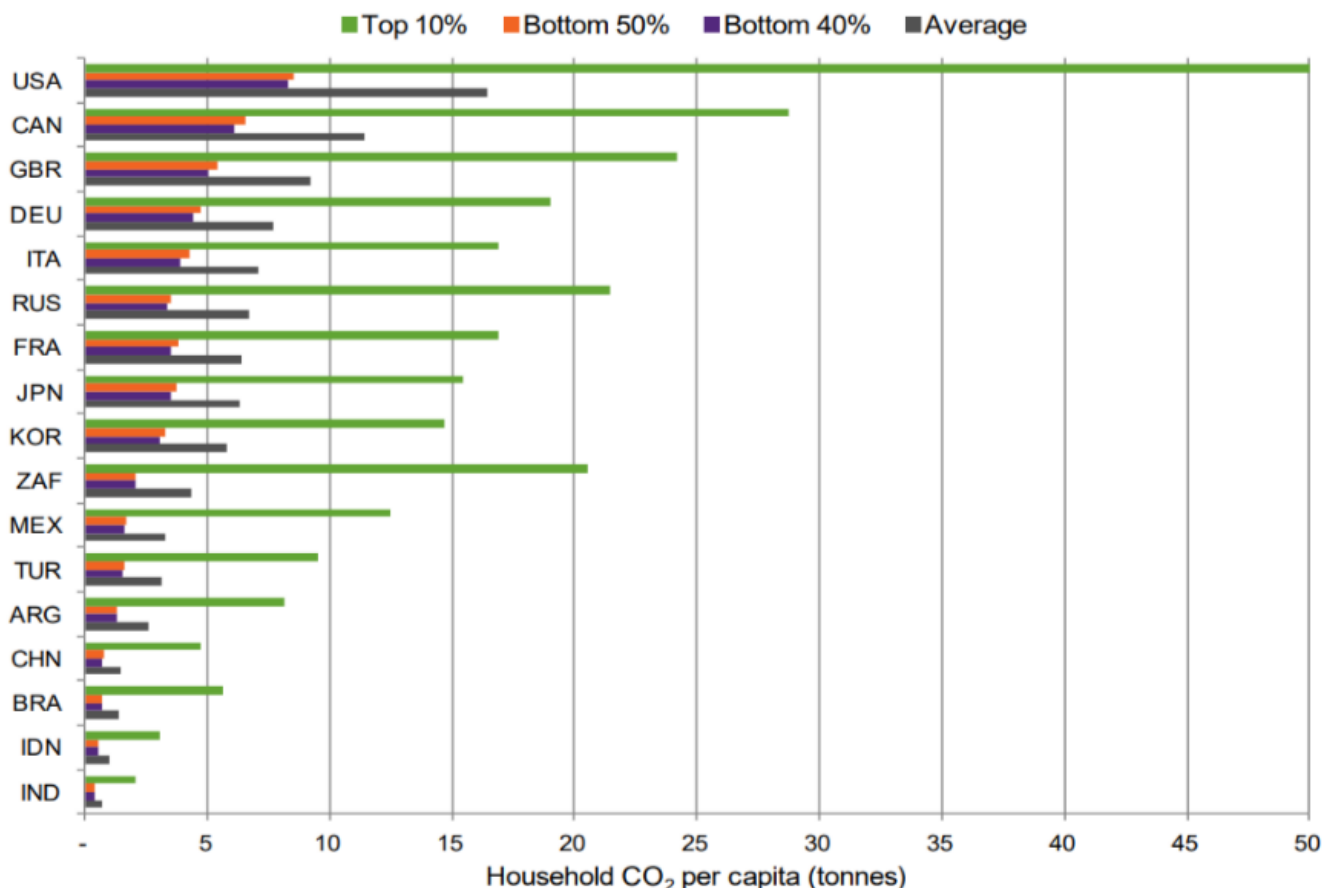
- (1) [The Carbon Inequality Era | SEI \(2020\)](#)
- (2) [The Greenhouse Gas Pollution Pricing Act \(2018\)](#)
- (3) [Fiscal and Distributional Analysis of the Federal Carbon Pricing System \(2019\)](#)
- (4) [Beyond Paris: Reducing Canada’s GHG Emissions by 2030 \(2021\)](#)

Carbon Inequality in the G20 Nations

In December 2015 at the Paris Agreement, Oxfam presented their paper on [Extreme Carbon Inequality](#).

As one can see in the graph below in G20 countries for which they had data, the per capita GHG emissions for the richest top 10% households in every country were well above average. Whereas on the flip side, the bottom 50% and bottom 40% of households GHG emissions were below average. This explains why the carbon pricing program of carbon fee and dividend (also known as climate income), where we have data ([USA](#), [Australia](#), and [Canada](#)) on average $\frac{2}{3}$ of households come out ahead.

Most countries have similar income distributions. You can [use Wolfram Alpha](#) to determine your country's income distribution pattern and [Gini Index](#) relative to Australia, Canada, and the USA and then infer that the results would be anticipated to be similar.



Carbon Pricing and the Cost of Gas

Carbon pricing credibly regulates climate-unbalancing greenhouse gases by applying a gradually increasing fee on fossil fuels like oil and gas. In 2021, Canada's federal backstop carbon price was equivalent to about 9.0 cents per litre of gas.⁹ This will increase by about 2.3 cents per litre of gas¹⁰ in 2022.

In provinces and territories where the backstop carbon price is in place, the revenues generated stay within the jurisdiction, with 90% being returned to households. This way, at least two thirds of households, especially those with the lowest income, get back more money than they pay in the carbon price.¹¹

For a family driving a car with a moderate mileage of 10 L/100 km (23 mpg), the increased cost of gas from carbon pricing is \$5.40 for a single 60 L fill up, or less than \$200 per year in 2021, assuming a typical 20,000 km (12,400 miles) of driving per year.¹²

With incremental increases in the carbon price, fossil fuel consumption goes down.¹³ Knowledge of the carbon price also encourages people and businesses to invest in technologies, such as electric cars and solar panels, that decrease our dependence on fossil fuels. This investment in climate-friendly technologies makes them more quickly available and drives down their prices.

The price of gas is volatile and can change by more than 20 cents in a month.¹⁴ While carbon pricing makes the cost of polluting more clear, the increased costs are low and gradual, giving us time to adapt. What's more, 90% of the federal backstop carbon pricing revenues is returned to families to protect consumers.

⁹ "Gas prices could jump another 15 cents by summer — and ... - CBC.ca." 6 Apr. 2019, <https://www.cbc.ca/news/business/gas-prices-carbon-tax-oil-1.5081757>. Accessed 20 Jul. 2019.

¹⁰ "Pricing carbon pollution in Canada: how it will work - Canada.ca." 21 Jun. 2017, https://www.canada.ca/en/environment-climate-change/news/2017/05/pricing_carbon_pollutionincanadahowitwillwork.html. Accessed 20 Jul. 2019.

¹¹ "Fiscal and Distributional Analysis of the Federal Carbon Pricing System." 25 Apr. 2019, https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Federal%20Carbon/Federal_carbon_pricing_EN.pdf. Accessed 20 Jul. 2019.

¹² "Gas prices could jump another 15 cents by summer — and ... - CBC.ca." 6 Apr. 2019, <https://www.cbc.ca/news/business/gas-prices-carbon-tax-oil-1.5081757>. Accessed 20 Jul. 2019.

¹³ "Estimated impacts of the Federal Carbon Pollution Pricing System" 20 Dec. 2018, <https://www.canada.ca/en/services/environment/weather/climatechange/climate-action/pricing-carbon-pollution/estimated-impacts-federal-system.html>. Accessed 20 Jul. 2019.

¹⁴ "Gas in Vancouver hovers above \$1.70 a litre — is this ... - Global News." 27 Apr. 2019, <https://globalnews.ca/news/5201572/gas-price-vancouver-canada/>. Accessed 20 Jul. 2019.

SCIENTIFIC AND ECONOMIC ANALYSIS

Code Red For Humanity: IPCC Physical Sciences Report (WGI)

In August 2021, the Intergovernmental Panel on Climate Change published the [Working Group I Report for the 6th Assessment](#). The nearly 4,000-page report, endorsed by 195 governments and representing global scientific consensus, was described by United Nations Secretary-General Antonio Guterres as “code red for humanity”.

The report found that major climate disruption is already happening, with impacts affecting every region around the world. Some of these impacts are irreparable, with vital natural capital already lost. The Arctic Ocean may be ice-free at least once in the next 3 decades. We will cross 1.5°C of global average surface temperature rise between 2030 and 2040.

According to the most advanced science we have, only in the most ambitious scenario do we still have a chance to limit global heating to 1.5°C at the end of the century. In that scenario, global heating will still rise to at least 1.6°C, before coming back down, if all of the right choices are made as quickly and pervasively as possible.

We need policy persistence. We need to use evidence. Later will be too late.

Narrow Window Rapidly Closing: IPCC WG II

On Monday, February 28, 2022, the Intergovernmental Panel on Climate Change (IPCC) Working Group II released its [latest report](#), this time on impacts, adaptation, and vulnerability. The IPCC Working Group II included 270 authors from 67 countries, 47 coordinating authors, 184 lead authors, and 39 review editors. The report also draws on the work of 675 contributing authors and over 34,000 cited references. Before reaching the final product, Working Group II received a total of 62,418 expert and government review comments.

The scientific evidence is unequivocal: climate change is a threat to human wellbeing and the health of the planet. Any further delay in concerted global action will miss a brief and rapidly closing window to secure a liveable future.

Social inequality leads to the most vulnerable people being hit the hardest. Approximately 3.3 to 3.6 billion people live in contexts that are highly vulnerable to climate change. Countries such as Canada, with mature economies and high levels of resilience, should prioritize climate action to transition their energy systems and reduce greenhouse gas emissions while at the same time supporting adaptation policies globally.

As current events make all too clear, our reliance on fossil fuels makes all of us vulnerable to geopolitical crises. There is a path forward, just follow the money. Financial policies enacted by our government must create an equitable and resilient world. These policies include tax reform, carbon pricing, subsidy reform, and border carbon adjustments.

The IPCC praised the importance of carbon pricing: “Pricing of greenhouse gases, including carbon, is a crucial tool in any cost-effective climate change mitigation strategy, as it provides a mechanism for linking climate action to economic development.”

Citizens’ Climate International has carbon pricing advocates in over 75 countries around the world. They advocate for a fee on carbon pollution where the revenues are returned to their citizens on an equal per

capita basis, akin to Canada's national carbon pricing policy.

A [November 2021 article](#) in Nature found that it will be possible to reach a 2C target while also increasing wellbeing, reducing inequality, and alleviating poverty globally if countries enacted a carbon fee with an equal per capita dividend policy. Thus, with a few more policies in play in addition to carbon fees with dividends, the 1.5C goal could be reached while reducing inequality at the same time.

CCL Canada's Conclusions of IPCC WG III - Follow the Money

The latest IPCC Report on Mitigation says "it is now or never" and we say "follow the money".

In the scenarios they assessed, limiting warming to around 1.5°C (2.7°F) requires global greenhouse gas emissions to peak before 2025 at the latest, and be reduced by 43% by 2030; at the same time, methane would also need to be reduced by about a third. Even if we do this, it is almost inevitable that we will temporarily exceed this temperature threshold but could return to below it by the end of the century.

The global temperature will stabilize when carbon dioxide emissions reach net zero. For 1.5°C (2.7°F), this means achieving net zero carbon dioxide emissions globally in the early 2050s.

The report "looks beyond technologies and demonstrates that while financial flows are a factor of three to six times lower than levels needed by 2030 to limit warming to below 2°C (3.6°F), there is sufficient global capital and liquidity to close investment gaps. However, it relies on clear signalling from governments and the international community, including a stronger alignment of public sector finance and policy."

Canada and governments around the world can create an equitable and resilient world if they enact evidence-based and socially-just policies that will redirect financial flows away from fossil fuels and towards a liveable future. At this time, we ask that the government strengthen Canada's carbon policy.

<https://www.ipcc.ch/report/ar6/wg3/>

Important Reports from the Parliamentary Budget Office (PBO)

Canada must climb out of a mountain of financial debt from the COVID pandemic during a war in Europe while addressing the climate emergency with socially just policies. Luckily for Canadians, our Parliamentary Budget Office (PBO) provides independent, authoritative and non-partisan financial and economic analysis to help us all chart the path forward.

Laser Talk: Estimating The Top Tail Of The Family Wealth Distribution In Canada (2020)

Take home message: *income inequality exists in Canada*

In June 2020, the Parliamentary Budget Office released a report on Canadian family wealth distribution. Collectively, 15,349,000 families possess \$10.3 trillion. The top 1.0 % quintile of Canadian families possess more than a quarter of all wealth in Canada, whereas the bottom 40% quintile possess just 1.2% of Canadian wealth.

https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/RP-2021-007-S/RP-2021-007-S_en.pdf

Fiscal and Distributional Analysis of the Federal Carbon Pricing System (2019)

Take home message: *the federal carbon pricing is progressive and will reduce income inequality*

Canada's carbon pricing system is revenue neutral; any revenues generated under the system will be returned to the province or territory in which they are generated. Households will receive 90 per cent of the revenues raised from fuel charges. A typical household will receive higher transfers than the average amounts it pays in fuel charges. The net benefits are broadly progressive by income group. That is, lower income households will receive larger net transfers than higher income households.

https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Federal%20Carbon/Federal_carbon_pricing_EN.pdf

Preliminary Findings on International Taxation (2019)

Take home message: *there are significant sums of revenue to be found in tax havens.* The

Parliamentary Budget Officer calculated that in 2018, Canadian corporations may have avoided \$25 billion dollars or more in taxes through tax havens.

<https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Preliminary-Findings-International-Taxation/Report%20final.pdf>

Revenue Estimates Of M-68: One-time Tax On Extreme Wealth (July 2021)

Take home message: *Canada could look to a one-time extreme wealth tax for raising revenue.*

A one-time 3% tax on Canadians with net wealth over \$10 million, and a 5% tax on net wealth over \$20 million could raise up to \$82.5 billion over five years.

https://distribution-a617274656661637473.pbo-dpb.ca/a2d27dbe13ecedf7ebdac816acc5ddb4ab59d297dcdbd77cadd75a346472afb7?fbclid=IwAR0Mf7BebgzBQT5osWxwvottnMsaDykcV_IE6fm4oLdoYiXZdjHcGmNYzs

Reviewing the Fiscal and Distributional Analysis of the Federal Carbon Pricing System (2020)

Take home message: *This report reaffirmed that there the federal carbon pricing is progressive and will reduce income inequality*

In the PBO's baseline scenario, households receive 90 per cent of the revenues raised from carbon pricing (except those from large final emitters under OBPS). PBO's assumption is based on guidance from Finance Canada and the Government's initial estimates of total Climate Action Incentive payments for the four provinces

<https://www.pbo-dpb.gc.ca/en/blog/news/RP-1920-024-S-reviewing-fiscal-distributional-analysis-federal-carbon-pricing-system--examen-analyse-financiere-distributive-systeme-federal-tarification-du-carbone>

Beyond Paris: Reducing Canada's GHG Emissions by 2030 (June 2021)

Take home messages: *Carbon pricing is going to do a lot of the heavy lifting to reduce GHG emissions by 2030, but it can't do it alone. As well, overlapping the output-based carbon pricing (OBPS) and border carbon adjustments (BCA) systems will be complicated.*

Increasing the federal fuel charge to \$170 per tonne and tightening OBPS will help Canada achieve over half of the 168 Mt reduction projected in Budget 2021. Nonetheless, significant reductions from less visible non-price policies, already announced, will be needed to reach that objective. Budget 2021 also proposes BCAs to ensure that imports coming into Canada are priced for the carbon emissions that they induced in production. In principle, the BCAs and OBPS are substitutes since they both seek to level the playing field between Canada and the rest of the world. In practice, however, they are both complements and substitutes, and using both creates significant complications.

<https://distribution-a617274656661637473.pbo-dpb.ca/1df9b64ac4e1885028a02c05d5f15b82622d3ace28a473159d59301fb636c6e3>

A Distributional Analysis of Federal Carbon Pricing under A Healthy Environment and A Healthy Economy

Take home messages: *The study accurately showed and reaffirmed that a majority of households will be better off financially as a direct result of the carbon tax and rebate. However, we believe the analysis of the secondary economic impacts of carbon pricing will deliver a net loss to most households is incomplete.*

The report built on a previous PBO report of the impact of carbon pricing and government climate action policies on GDP which did not allow for the possibility of exceptional productivity gains in moving to new technologies, and did not provide context by accounting for the impact that climate change might cause in Canada. CCL Canada asks that the Government request the Parliamentary Budget Officer to report on federal carbon pricing which takes into account the economic, health and environmental costs of climate change.

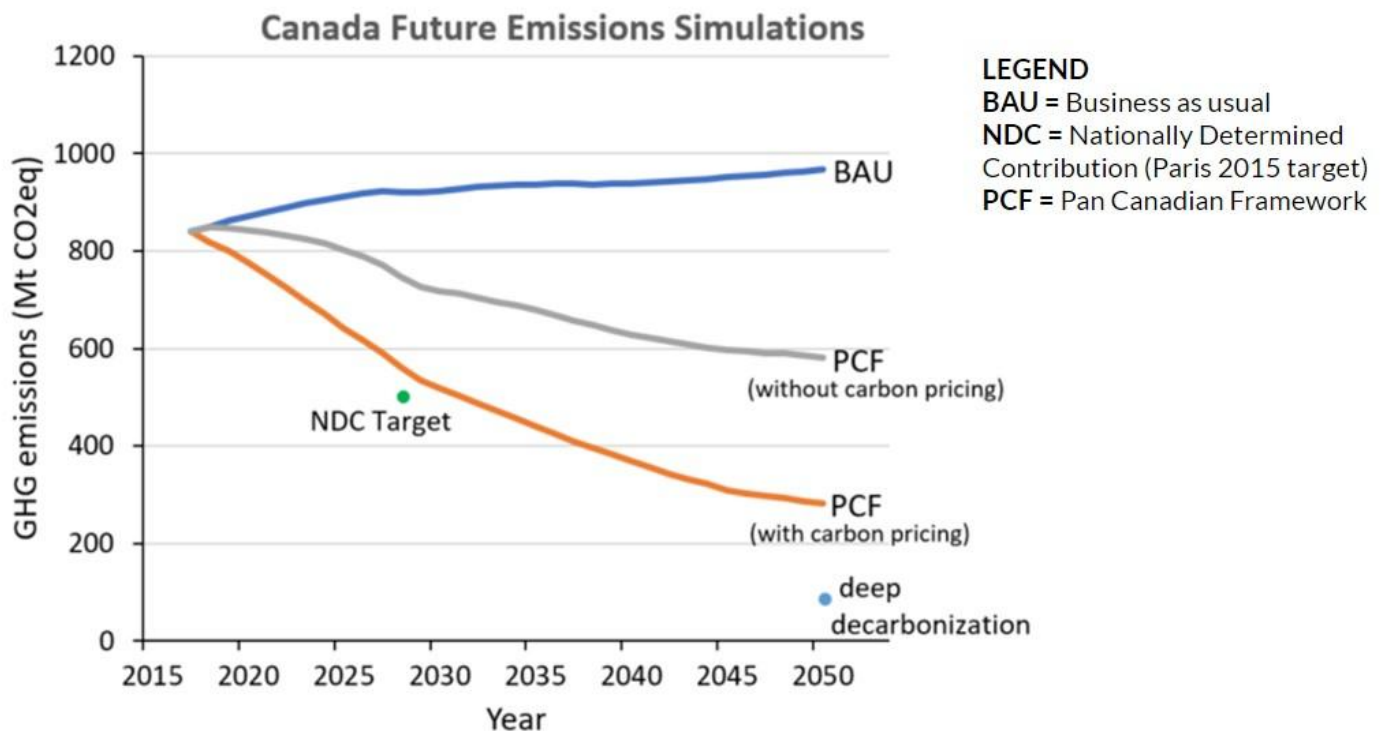
<https://www.pbo-dpb.gc.ca/en/blog/news/RP-2122-032-S--distributional-analysis-federal-carbon-pricing-under-healthy-environment-healthy-economy--une-analyse-distributive-tarification-federal-e-carbone-dans-cadre-plan-un-environnement-sain-une-eco>

Pembina Simulator Finds Pricing Pollution Core Component of Cost-Effective Climate Plan

In the spring of 2018, the [Pembina Institute launched](#) an online climate policy simulator that is freely available for all to use.

The simulator allows the user to assess the effectiveness of individual policies on greenhouse gas emissions from Canada to the mid-century. Assuming all provinces sign on to the Pan Canadian Framework on Clean Growth and Climate Change and successfully implement climate action plans aligned with the PCF, Canada is likely to meet the 2030 Paris Agreement objective of a 30 % cut in emissions by 2030. Deep decarbonization by mid-century would likely require additional policies. If you remove carbon pricing from the model, the core driver of emissions reduction is gone. The only other option is a complex series of specific policies within each economic sector, which is much more expensive for the taxpayer. In fact, other policies activated in the simulator to 100% still do not arrive at the same result for emissions reduction as is the case with carbon pricing in effect.

The take-home message in working with the Pembina policy simulator is that, in agreement with the consensus of climate change economists, carbon pricing is an essential core component of a cost-effective climate plan.



Canada's Challenges & Opportunities

Canada's 2030 Emissions Reduction Plan (ERP)

In March 2022, Canada's **2030** Emissions Reduction Plan (ERP) was released. It is a roadmap that outlines a sector-by-sector path for Canada to reach its emissions reduction target of 40 percent below 2005 levels by 2030 and net-zero emissions by 2050. The ERP is building on the actions in Canada's strengthened climate plan "[A Healthy Environment and a Healthy Economy](#)", and the [Pan-Canadian Framework](#).

There is much to be lauded in the ERP. This is the most detailed plan ever. The ERP includes [regulations and support](#) of \$9.6 billion that will lead to electrification of the transport sector, net-zero buildings by 2050, an even cleaner electricity grid, sustainable farming practices, community engagement, nature-based solutions and more. Yet to be determined are caps in the oil and gas industry.

In the [August 2021 IPCC](#) report it was made clear that the 1.5C goal by 2030 is achievable, and significantly reduces hardships compared to a 2C planet. To achieve it humanity would need to reduce GHG pollution by 50% with richer nations such as Canada having to cut more emissions due to their historical carbon footprint.

There are over 3 billion people vulnerable to climate impacts and the window is rapidly closing according to the [February 2022 IPCC report](#). Over 3 billion people now are vulnerable to climate impacts. Not achieving a 1.5C planet in this decade condemns future generations.

Citizens' Climate Lobby Canada takes the view that the ERP is a good start but it does not grasp the urgency of the situation. Much more is needed. Canada's commitment of 40% below 2005 levels is too low. The European Union is planning for 55% by 2030 in their [Fit by 55](#) plans. As well, Canada's accountability mechanisms for enforcing and monitoring the efficacy of climate policies are weak. Canada could very well miss this woefully inadequate target because of flaws in current legislation found in the [Canadian Net-Zero Emissions Accountability Act](#) which is a whole other discussion unto itself.

Canada's Environmental Commissioner reported on April 26, 2022 that Canada may not be able to achieve its 2030 emissions reductions targets because the current plan is based on "unrealistic" assumptions about the role hydrogen will play in the energy mix in years to come. Lastly, Canada needs to lean more heavily into the cornerstone of its climate plan: carbon pricing. As he said Ottawa hasn't done enough to ensure its carbon pricing regime is applied fairly on the country's industrial emitters.

Our volunteers look forward to healthy discussions with their own MPs on how to strengthen Canada's climate plans when we lobby them [this spring](#). Specifically we are asking for consideration of the following of the Canadian Government:

- requesting that the Parliamentary Budget Officer report on federal carbon pricing which takes into account the economic, health and environmental costs of climate change.
- educating impacted Canadians about the rebates they receive under the GGPPA's Fuel Charge in provinces where the GGPPA's Fuel Charge applies. Most households that receive the rebates are unaware that they realize financial gains from carbon pricing.
- include all measurable GHGs in the Federal GHG Inventory, including volatile anesthetics such as Desflurane, Nitrous Oxide and Sevoflurane, and to apply a carbon price to them.
- move natural gas used in electricity generation from the Output-Based Pricing System into the Fuel Charge section of the Greenhouse Gas Pollution Pricing Act.
- follow the European Union's lead in implementing border carbon adjustments (BCAs) by 2026.
- study the appropriate rate of increasing the carbon price beyond 2030 to provide certainty so that business and industry can plan.

Balancing the Budget, Social Concerns, and the Climate

Canadian Family Wealth Distribution

Table B-1 Family wealth distribution, by selected quantiles, Canada, 2016

Family wealth quantile	Wealth threshold (\$ millions)	Number of families (thousands)	Total wealth (\$ billions)	Share of total wealth (per cent)
Top 0.01%	130.5	1.5	574	5.6
Top 0.1%	26.7	15.3	1,254	12.1
Top 0.5%	8.9	76.7	2,117	20.5
Top 1%	5.5	153.4	2,644	25.6
Top 5%	2.1	767.5	4,488	43.4
Top 10%	1.4	1,534.9	5,829	56.4
Top 20%	0.9	3,069.9	7,599	73.5
Middle 40%	0.1-0.9	6,139.7	2,613	25.3
Bottom 40%	under 0.1	6,139.7	128	1.2

0.01%: 5.6

1%: 25.6

10%: 56.4



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

We are in the midst of a global pandemic and war that has set off economic shockwaves around the world, and the climate crisis will be much worse.

In early September 2020, Isabel Schnabel board member of the European Central Bank said^[1], “The coronavirus pandemic demonstrates in the clearest terms why central banks must take a bigger role in fighting climate change even if the issue at first appears unrelated to monetary policy.”

On September 9, 2020, the US Commodity Futures Trading Commission^[2] issued a new and dire report, outlining the serious climate risk facing the US financial system. A major finding that stands out is that without a targeted, explicit price on carbon emissions, “financial markets will operate sub-optimally,” with capital helping to exacerbate both risk and cost, while failing to invest in more efficient systems and solutions.

To meet or exceed the 2030 target, Canada’s carbon price should continue to increase past 2022^[3]. To protect poor and middle-income families from increased energy costs, revenue from pricing carbon must be returned to households.

In June 2020, the Parliamentary Budget Office released a report on Canadian family wealth distribution^[4] based on 15,349,000 families that collectively possess \$10.3 trillion. The top 1.0 % quintile of Canadian families possess more than a quarter of all wealth in Canada, whereas the

bottom 40% quintile possess just 1.2% of Canadian wealth.

To balance the budget, the federal government must reform taxation to be more equitable and they have begun to do so. On September 23, 2020, there was a speech from the throne.^[5] In the speech, the government indicated that ‘they will identify additional ways to tax extreme wealth inequality, including by concluding work to limit the stock option deduction for wealthy individuals at large, established corporations, and addressing corporate tax avoidance by digital giants.’

A tax overhaul has not been done in Canada since the 1960s. According to the Charter of Professional Accountants, Canada is long due for an overhaul and should be moving to a low-carbon, and climate-resilient economy.^[6]

While there are many ways to reform taxation, the following four examples are possible avenues that have been mentioned by politicians and include details of the savings:

1. Phasing out fossil fuel subsidies. During the pandemic, Canada is subsidizing more fossil fuel energy than clean energy^[7]. In December 2018, billions of dollars in new support was announced for the fossil fuel industry,^[8] which was already receiving an estimated \$1.6 billion a year in federal subsidies.^[9] Phasing out “inefficient” fossil fuel subsidies is a G20 commitment^[10] and can also make the market signal of carbon pricing clearer. Reforming subsidies could also help pay for a clean energy revolution.^[11]
2. Implementing an inheritance tax. Canada is the only G7 country without an inheritance tax. CIBC projects that baby boomers under 75 are set to inherit \$750 billion within the next decade.^[12]
3. Tightening tax havens. The Parliamentary Budget Officer calculated that in 2018, Canadian corporations may have avoided \$25 billion dollars or more in taxes through tax havens.^[13]
4. Closing the stock option loophole. Through the stock option loophole, CEOs and corporate board members avoid paying half their taxes on income from cashing in stock options. Closing the stock option loophole in 2017 could have generated \$840 million annually.^[14]

Addressing the climate crisis, social concerns, and the budget deficit at the same time is doable. We can do this by improving carbon pricing, returning carbon pricing revenues to households and reforming taxation.

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Canada's 2021 NDCs and Perils of Provincial Elections

In April 2021, Canada released to the United Nations our [nationally determined contributions \(NDCs\)](#) for reducing our GHGs. Canada's updated NDC is to reduce our emissions by 40-45 % below 2005 levels by 2030. This is a substantial increase of ambition beyond Canada's original NDC of 30% below 2005 levels, as previously communicated in the 2015 Paris Agreement.

Clearly, there is both good news and bad news in our NDC. Canada as a nation is more ambitious and our new plans have a pathway to get to these improved targets. But it is not enough.

We are not doing our fair share. In pursuit of the objectives of the Paris Agreement, we are to be guided by the principle of equity and common but differentiated responsibilities and respective capabilities, in the light of different national circumstances. Thus, more advanced countries such as Canada are expected to be at least 60 percent below our 2005 levels by 2030. For example, the United Kingdom has [enshrined in a law](#) a commitment to slash GHGs by 78% by 2035.

How can Canada be more ambitious? Firstly, we need a lot more provincial action. As one can see from the 2021 [data released](#), it is clear that elections of new governments in BC, Alberta, and Ontario all coincided with increased GHGs in those provinces (chart below). The recent [Supreme Court of Canada](#) ruling on the constitutionality of the Greenhouse Gas Pollution Pricing Act should embolden the next government to require more climate action from the provinces.

We need to enact more policies that will reduce our greenhouse gas emissions. For example, we need to keep improving and defending Canada's Greenhouse Gas Pollution Pricing Act. The predictably rising carbon price will signal to investors to stop putting money into fossil fuels and redirect financial flows to clean energy. However, the policy needs improvements including a stronger carbon price, and more GHGs need to be priced to their fullest extent. To do that, the government needs to keep working on border carbon adjustments. Happily, because the revenues collected are returned to Canadians, these improvements will not burden the middle- and low-income households.

Table ES-4 **GHG Emissions by Province and Territory, Selected Years**

Year	GHG Emissions (Mt CO ₂ eq)							Change (%)
	2005	2014	2015	2016	2017	2018	2019	2005-2019
GHG Total (Canada)	739	723	723	707	716	728	730	-1.1%
NL	11	11	11	11	11	11	11	5.4%
PE	2.0	1.7	1.7	1.7	1.7	1.7	1.8	-14%
NS	23	17	17	16	16	17	16	-30%
NB	20	13	14	14	13	13	12	-38%
QC	88	79	79	79	81	83	84	-4.4%
ON	206	164	163	161	158	163	163	-21%
MB	21	21	21	21	22	23	23	10%
SK	68	74	76	74	76	76	75	10%
AB	235	278	278	264	271	272	276	17%
BC	63	60	59	62	63	66	66	4.3%
YT	0.57	0.50	0.53	0.53	0.56	0.64	0.69	22%
NT	1.6	1.5	1.7	1.6	1.3	1.4	1.4	-16%
NU	0.58	0.70	0.64	0.74	0.75	0.75	0.73	25%

Note: Totals may not add up due to rounding.

Stop the Dash to Gas in the Electricity Sector

The Corporate Knight's [Building Back Better Report](#) indicates that greening the grid will create 905,000 jobs and add \$284.5 billion of gross value to the Canadian economy between 2021 and 2030. Achieving this transformation will require strong measures—how can we get there?

Currently, the [Greenhouse Gas Pollution Pricing Act](#) (GGPPA) and provincial regulations for big emitters in [Alberta](#), [Ontario](#) and [New Brunswick](#) permit existing gas plants and those converted from coal to emit most of their GHGs for free.

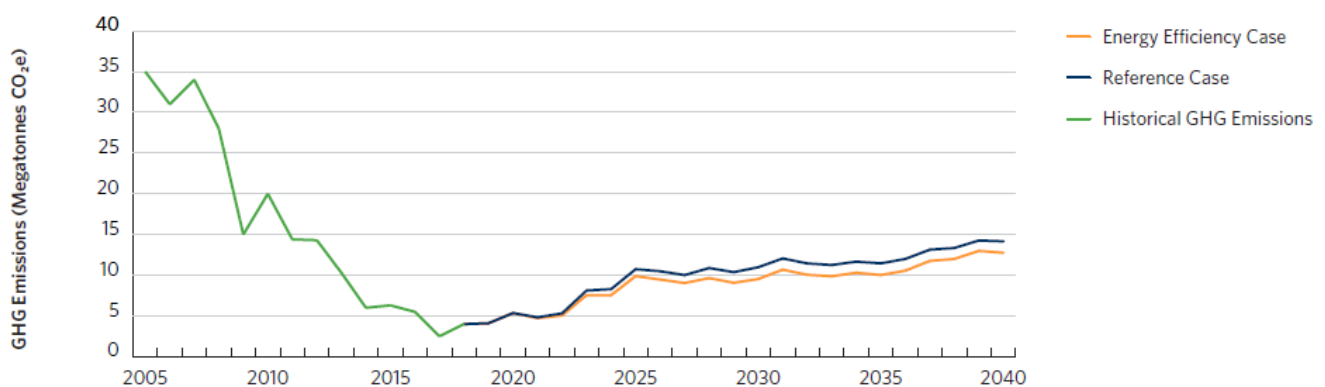
Rather than charging gas plants for only a small portion of the GHGs they emit, CCL Canada advocates that the federal government makes natural gas electricity plants pay the full carbon price on all the natural gas they use. This needs to be done while continuing to increase the national carbon price past 2022, and continuing to return the revenue to Canadians.

A [2017 study](#) by Dolter and Rivers showed that an incrementally increasing carbon price with no loopholes over time would eliminate about 90% of GHG emissions from Canada's electricity system, increasing the average cost of electricity by 1.2 cents per kilowatt-hour.

This is a reduction of up to 15 Mt of GHGs per year achieved in Ontario alone (Figure 1). Significant reductions could also be made in Alberta (Figure 2). Furthermore, future additional generation is more likely to be non-emitting with an increasing carbon price.

The treatment of electricity generation in the Output Based Pricing System of the GGPPA will be considered as part of the current process to develop a Clean Electricity Standard.

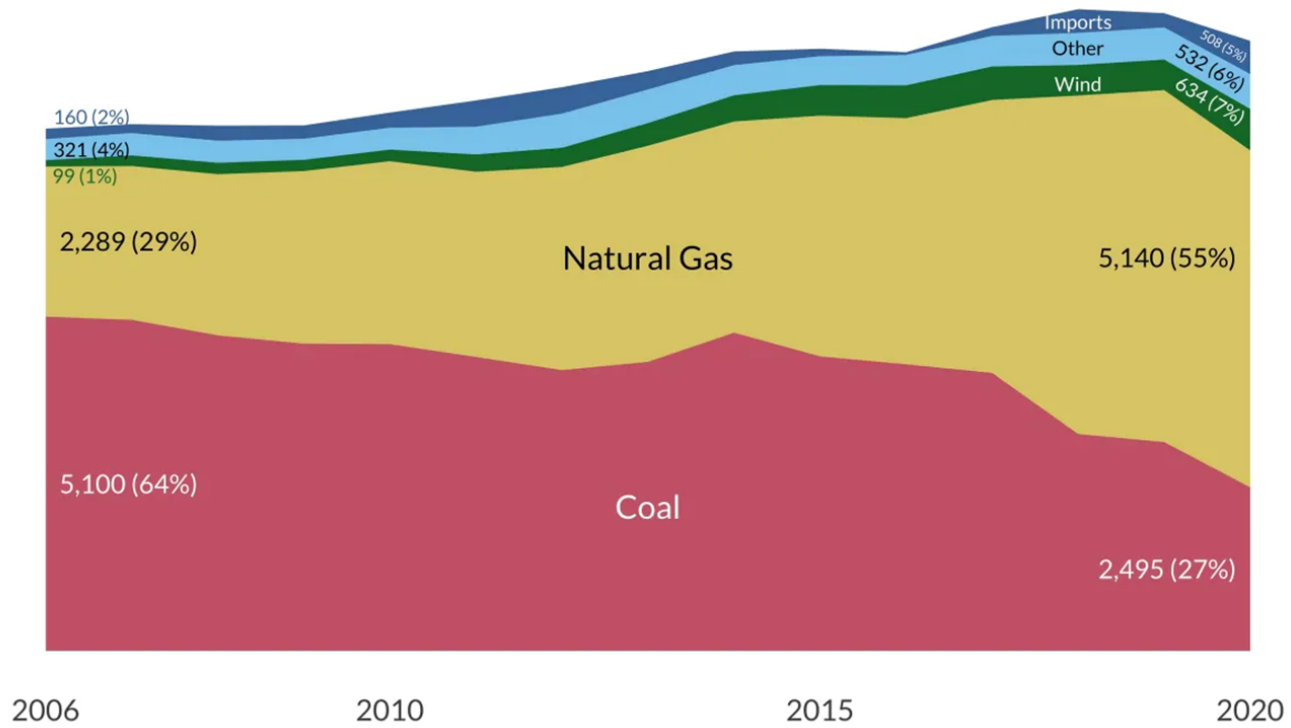
Figure 1: Ontario Electricity Sector GHG Emissions, Historical, and Forecast



Source: Figure 32 from Annual Planning Outlook, January 2020, Independent Electricity System Operator. The drop from 2005 through 2014 is mainly due to the shutdown of coal plants. The projected increase from 2017 is all from gas plants. If the carbon price is increased, renewables will fill the generating gap instead of natural gas.

Figure 2: Growth of Gas Plants in Alberta

Average annual megawatts (share of total supply in parentheses)



Source: OPINION | Alberta's shift away from coal power is a climate action success story, CBC Alberta, Andrew Leach and Blake Shaffer, October 15, 2020

[For more information, see our media packet.](#)

Global Carbon Fee and Dividend Would Reduce GHGs and Inequality

A [November 2021 article](#) in Nature found that it will be possible to reach a 2C target while also increasing wellbeing, reducing inequality, and alleviating poverty globally if countries enacted a carbon fee with an equal per capita dividend policy. Thus, with a few more policies in play in addition to carbon fees with dividends, the 1.5C goal could be reached while reducing inequality at the same time.

Canada, Climate Change and the muddled “Moveable Middle”

Key take-home points from a March 2021 presentation on Canadians opinions on the climate crisis from Climate Access were:

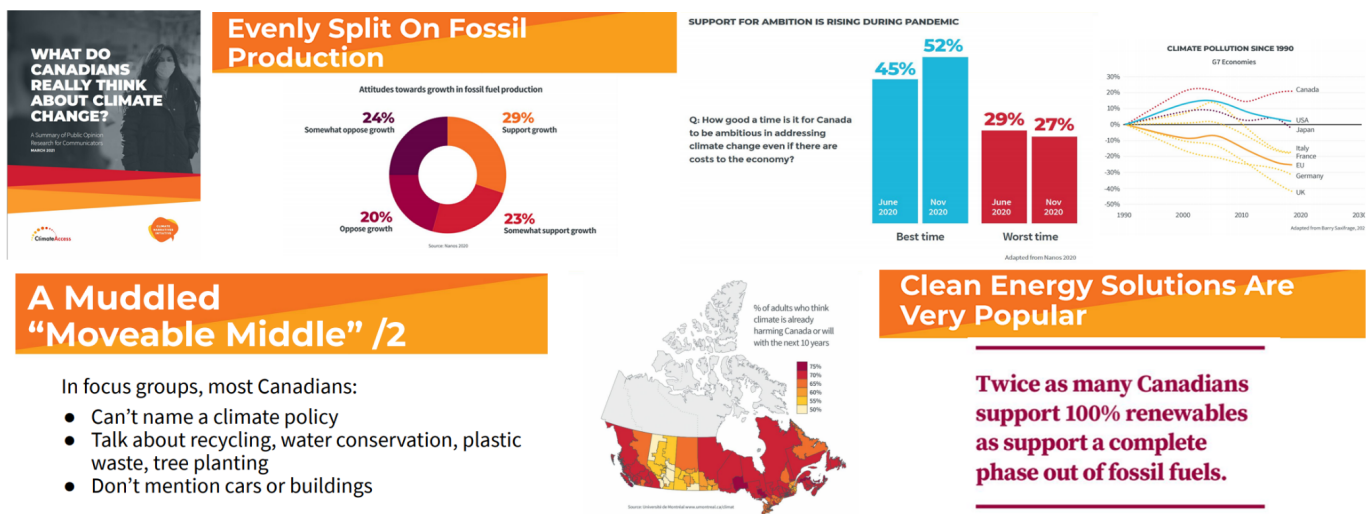
- Most Canadians agree global warming is a crisis
- But 89% think we’re average or better than most countries
- Most Canadians can’t name a climate policy
- Sadly, less than 50% of Canadians can correctly name a GHG too
- Happily, most Canadians see the COVID crisis as a good time to act
- Importantly, most (45%) supporters fall into a muddled “moveable middle” and we should consider them the most when communicating

Most Canadians recognize that we are in crisis, but public support is not reliable. The moveable middle is an important target audience. How would you reach the moveable middle to help them better understand carbon pricing? Think of somebody you know that is in this population segment. How might you talk to them to move them from concerned to alarmed and armed with realistic ideas about specifically carbon pricing?

Resource:

[https://mcusercontent.com/b875f28558b977d816bd49362/files/55464a6f-ba77-4f2a-ae83-c57ecf129216/Public Opinion Rollup Webinar March 10 2021 1 .pdf](https://mcusercontent.com/b875f28558b977d816bd49362/files/55464a6f-ba77-4f2a-ae83-c57ecf129216/Public%20Opinion%20Rollup%20Webinar%20March%2010%202021%201.pdf)

WHAT DO CANADIANS REALLY THINK ABOUT CLIMATE CHANGE MARCH 2021 CLIMATE ACCESS REPORT



Canadian banks must disclose climate risks to create a liveable world

To have a resilient and equitable world, governments must enact policies that redirect financial flows away from fossil fuels. In addition to pricing carbon pollution, we also need to look at banking regulations.

Canada's Big Five banks, according to the 2021 report [Banking on Chaos](#), RBC, TD, Scotiabank, CIBC and BMO, have poured more than \$700 billion into fossil fuel companies since the Paris Agreement was agreed on.

On April 21, 2021, the [Glasgow Financial Alliance for Net Zero \(GFANZ\)](#) chaired by Mark Carney, UN Special Envoy on Climate Action and Finance, brought together over 160 firms (together responsible for assets in excess of \$70 trillion) from the leading net zero initiatives across the financial system to accelerate the transition to net zero emissions by 2050 at the latest. At that time only one Canadian bank [joined the alliance](#): Vancity at that time. Just prior to COP 26 BMO, CIBC, National Bank of Canada, RBC, Scotiabank, and TD [joined the alliance](#).

Of note, in May 2021, [Canada's Sustainable Finance Action Council](#) was launched. The council is mandated to work in close collaboration with [the Net Zero Advisory Board](#) to ensure climate considerations are reflected in public and private financial decision making.

Canada should look to New Zealand about Canada's bank problem. In April 2021, New Zealand [introduced a law](#) that will force financial firms to assess not only their own investments, but also to evaluate the companies they are lending money to, in terms of their environmental impact. It was passed into law in October 2021.

At COP 26, the [Glasgow Financial Alliance for Net Zero \(GFANZ\)](#) committed over \$130 trillion of private capital to transform the economy for net zero. These commitments, from over 450 firms across 45 countries, can deliver the estimated \$100 trillion of finance needed for net zero over the next three decades. Domestic policies such as predictably rising carbon prices and climate risk disclosures of finance will facilitate the transformation.

On March 24, 2022, Independent Canadian Senator Rosa Galvez [tabled a new private member's bill](#) that goes beyond calling for disclosure and demands systemic change from the financial sector called the Climate-Aligned Finance Act .

On March 31, 2022, the Honourable Catherine McKenna, who ushered in Canada's carbon pricing policy, was appointed chair of the UN High-Level Expert Group on Net-Zero Commitments of Non-State Entities.

Over Credited in the California Offset Forestry Program

In general, offsets credits are given to worthwhile activities — tree planting, methane capture at farms, and protection of the rainforests and boreal forests. However, in 2021 there is an example of a carbon offsets program that is over-credited.

An April 2021 report found that 29.4% (20.1-37.8%) of the California forestry offset program were over-credited to a value of 410M (\$280-528M) resulting in 30Mt CO₂e (20-39 Mt) still floating around in the atmosphere.

That is one offset program in California. Imagine thousands of offsets programs globally that aren't monitored as closely, with trillions of offset dollars being exchanged and thousands of Mt CO₂e not actually sunk. The planet could be fried. Until there are consistently verifiable offsetting programs, and truly effective deterrents for cheaters, we need to think long and hard about offset programs. <https://carbonplan.org/research/forest-offsets-explainer>

Article 6 and the International Court of Corruption

Article 6 of the Paris Agreement aims at promoting integrated, holistic and balanced approaches that will assist governments in implementing their [Nationally Determined Contributions \(NDCs\)](#) through voluntary international cooperation. In other words, by paying a price on carbon, states exceeding their NDCs would bear the costs of global warming. For Article 6 of the Paris Agreement to work there needs to be trust in money and the markets but kleptocrats and other cheaters are mostly unaccountable.

All good problem solving begins with a good question. What mechanism (s) could help build trust in the markets and money?

One solution is creating an International Court of Corruption to strengthen the enforcement of criminal laws against corrupt leaders. [Transparency International](#) (TI) has spent years fighting for this

At the 2021 G7 meetings, foreign ministers have identified corruption as a “[pressing global challenge](#)”. And on [June 3, 2021](#) U.S. President Joe Biden identified the fight against corruption as a core U.S. national security interest: “Corruption erodes public trust; hobbles effective governance; distorts equitable markets; undercuts development efforts; contributes to national fragility, extremism, and migration; and provides authoritarian leaders a means to undermine democracy worldwide.”

In Canada, four former Canadian cabinet ministers have thrown themselves into the effort including the Honourable Allan Rock, Lloyd Axworthy, Ujjal Dosanjh and Peter McKay. The former Liberal leader Michael Ignatieff is among them, too.

Read more about the proposed International Court of Corruption here:

<https://www.macleans.ca/news/canadians-are-leading-the-push-for-a-global-anti-corruption-court/>

Tracking Canada's Climate Action (2008 - 2021)

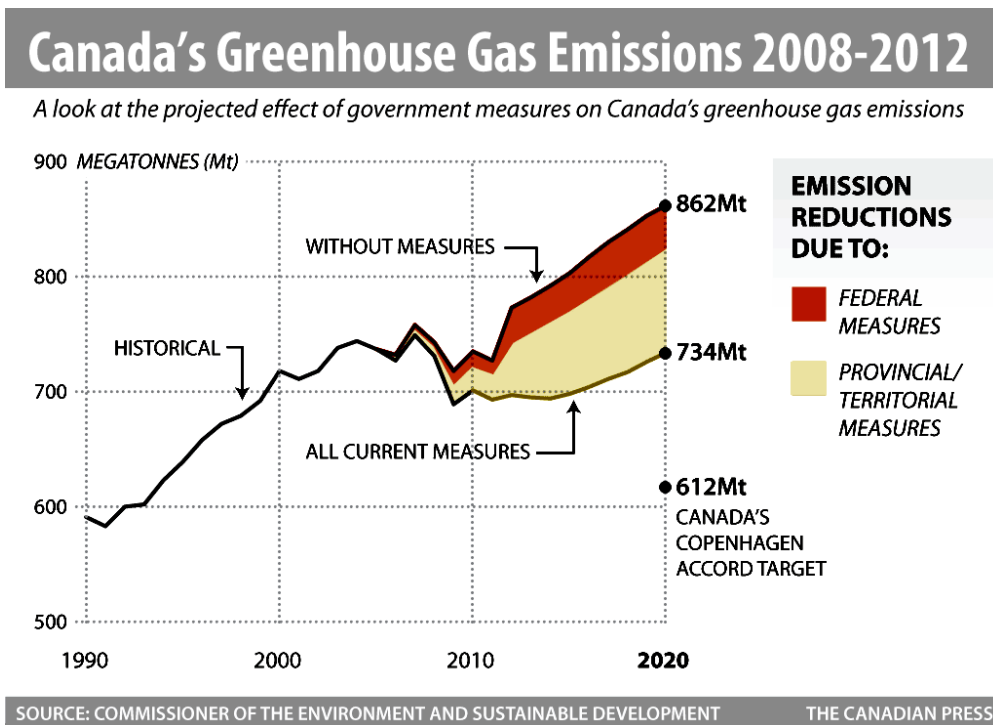


IMAGE SOURCE: [CBC News \(2014\)](#)

In April 2019, Canada's Commissioner of Environment and Sustainable Development, Julie Gelfand, said, "for decades, successive federal governments have failed to reach their targets for reducing greenhouse-gas emissions, and the government is not ready to adapt to a changing climate. This must change."¹⁵

2008-2012: According to Gelfand, Canada's emissions would have gone up significantly between 2008-2012 if it were not for the 2008 recession and actions of the provinces.

2011-2016: Climate Action Tracker (CAT) provides an independent scientific analysis produced by three research organizations, tracks progress towards the goals of the Paris Agreement, and ranks countries on their performance.¹⁶ CAT ranked Canada in the lowest category alongside Russian Federation and Saudi Arabia from 2011 to 2015. From 2015 to 2016, Canada's ranking was still at the very bottom.

2017-2019: In 2017, Canada was moved into the next CAT category and is now in the middle of the pack.

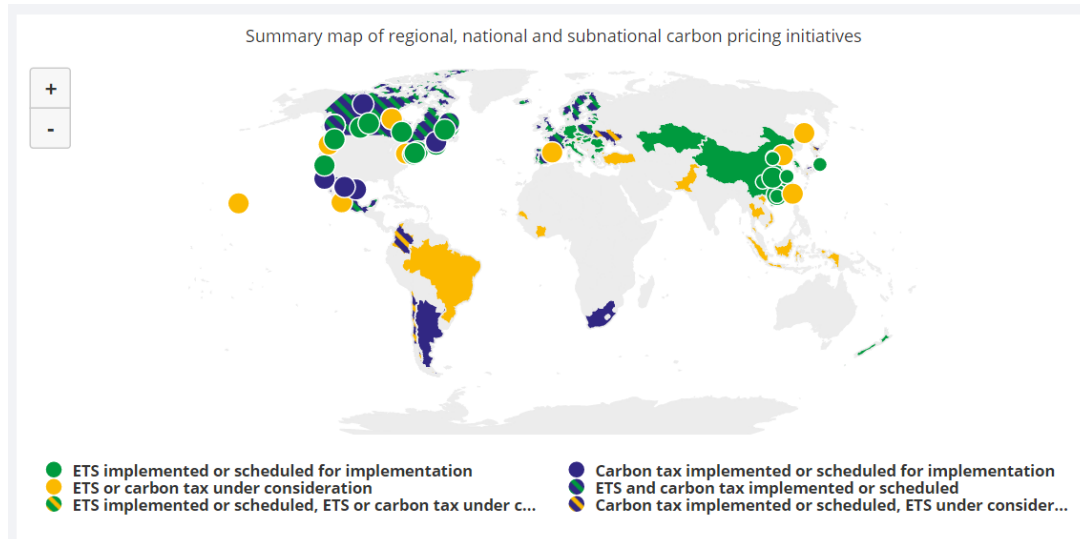
Currently our 2030 Paris Agreement pledge has been increased but it is consistent with a path to a 3 °C rise in global temperatures. This would be catastrophic for humanity. We are in a global emergency. We must strengthen our climate ambitions and treat the climate crisis as a non-partisan issue.

¹⁵ "Canada's failure to fight climate change 'disturbing ... - CBC.ca." 2 Apr. 2019, <https://www.cbc.ca/news/politics/environment-commissioner-julie-gelfand-disturbing-climate-change-1.5081027>. Accessed 13 Aug. 2019.

¹⁶ "Climate Action Tracker." <https://climateactiontracker.org/>. Accessed 13 September. 2021.

International Perspectives

Carbon Pricing Around the World



Summary map of regional, national, and subnational carbon pricing initiatives.
IMAGE SOURCE: The World Bank's Carbon Pricing Dashboard

Around the world, carbon pricing initiatives have been implemented or scheduled for implementation in 64 jurisdictions. In total, there are 45 national initiatives and 35 subnational initiatives. In 2021, these initiatives would cover 11.65 GtCO₂e, representing 21.5% of global GHG emissions. For the most up-to-date information, visit the [World Bank's Carbon Pricing Dashboard](#).

Carbon pricing does reduce emissions. In the June 2020 paper [Carbon Pricing Efficacy: Cross-Country Evidence](#), researchers used data from 142 countries over a period of two decades. They determined that the average annual growth rate of CO₂ emissions from fuel combustion has been around 2 percentage points lower in countries that have had a carbon price compared to countries without. Further to that, an additional euro per tonne of CO₂ in carbon price is associated with a reduction in the subsequent annual emissions growth rate of approximately 0.3 percentage points, all else equal.

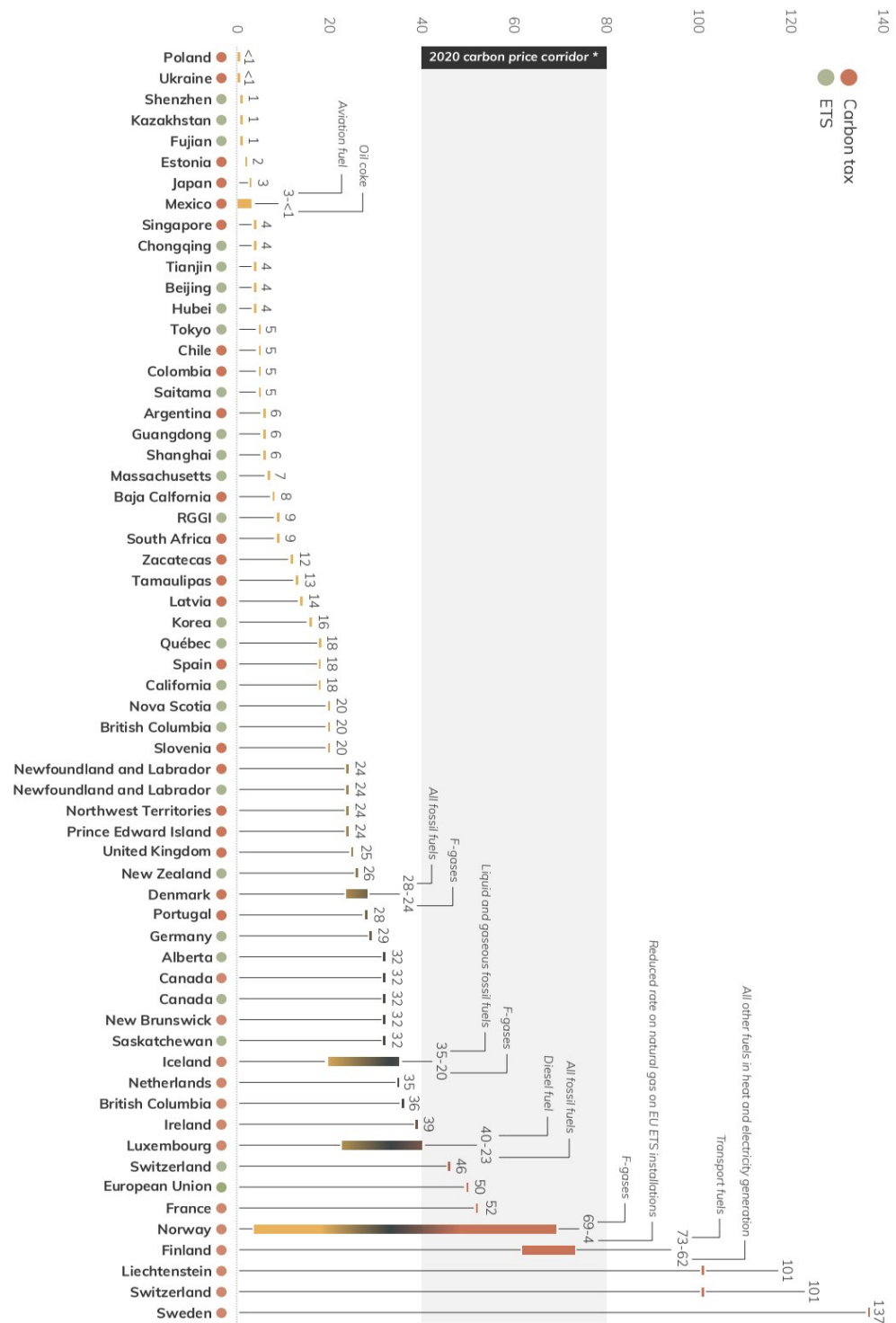
At COP 25 the [Carbon Pricing Leadership Coalition](#) conducted a dialogue with [real-world examples](#) that showed that businesses that price carbon pollution [have the advantage](#). As well, the World Bank, and several country partners including Canada, launched the [Partnership for Market Implementation](#) which will assist countries in the Global South in either improving their current carbon pricing or implementing carbon pricing.

Lastly, the European Union will have [border carbon adjustments](#) enacted by January 2023 and these will go into effect in 2026.

On the next page is an informative graph from [World Bank's State and Trends of Carbon Pricing \(2021\)](#). All prices are quoted in USD.

EXECUTIVE SUMMARY

CARBON PRICES (2021)



Nominal prices on April 1, 2021, shown for illustrative purpose only. China national ETS, Mexico pilot ETS and UK ETS are not shown in this graph as price information is not available for those initiatives. Prices are not necessarily comparable between carbon pricing initiatives because of differences in the sectors covered and allocation methods applied, specific exemptions, and different compensation methods.

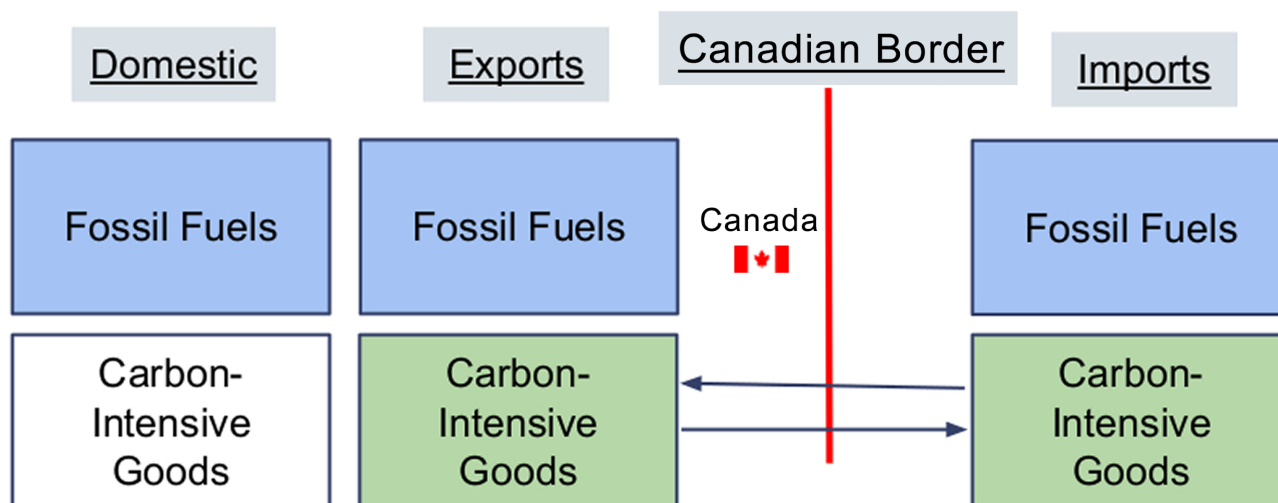
*The 2020 carbon price corridor is the recommendation of the World Bank's 2017 High-Level Commission

Border Carbon Adjustments

Our Carbon Fee and Dividend policy has a provision built in to protect trade competitiveness: a “Border Carbon Adjustment” (BCA) imposed on carbon-intensive trade-exposed goods [1] that cross our border in either direction. Products imported from a country that does not bear a carbon price equivalent to ours will have to pay a surcharge to make up the difference. Conversely, a Canadian-made product exported to such a country will get a refund for the carbon fee associated with its carbon footprint.

This BCA prevents Canadian manufacturers from being put at a competitive disadvantage in global markets because of the fee. It will also remove the incentive for them to relocate overseas to avoid the carbon fee. In addition, it will encourage foreign countries to adopt their own carbon fee so they would get the money instead of us. Carbon Fee and Dividend’s BCA is designed to comply with international trade law. [2,3]

Note that exported fossil fuels don’t get any special border treatment. Our proposal does not include a refund for Canadian-produced fossil fuels that are exported, and imported foreign oil has the same carbon fee placed on it as domestically produced oil. The BCA applies only to carbon-intensive products, not fuels.



An illustration of how CCL’s border adjustment works. Boxes in blue are subject to the fee, boxes in green are subject to the border adjustment. Carbon-intensive goods produced domestically that stay in Canada are not touched; it is assumed they will bear the burden of higher fossil fuel costs because of the upstream assessment point for our fee.

UPDATES

On December 12, 2020, the federal government released its most ambitious climate ever [4]. Included in the document was the following statement: Explore the potential of border carbon adjustments, and work with like-minded economies—including the E.U. and Canada’s North American partners. Subsequently, there have been several federal documents signaling the government’s intentions to enact border carbon adjustments.[4][5][6][7]

On March 16, 2022, the European Council reached an agreement on the border carbon adjustment regulations, which is one of the key elements of the European Union’s Fit for 55 package [8]. Although the proposal still needs to be adopted and the BCA certificate purchase requirement would not come into effect until 2026, some of the EU’s trading partners are already responding with their own border measures and/or threats of legal action [9].

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Test Your Favourite Climate Policy at EnROADS

Greenhouse gases from fossil fuels are heating our planet and we must cut emissions now. We don't have time to guess. We must use evidence because we are in a code red for humanity.

But what climate policies are best?

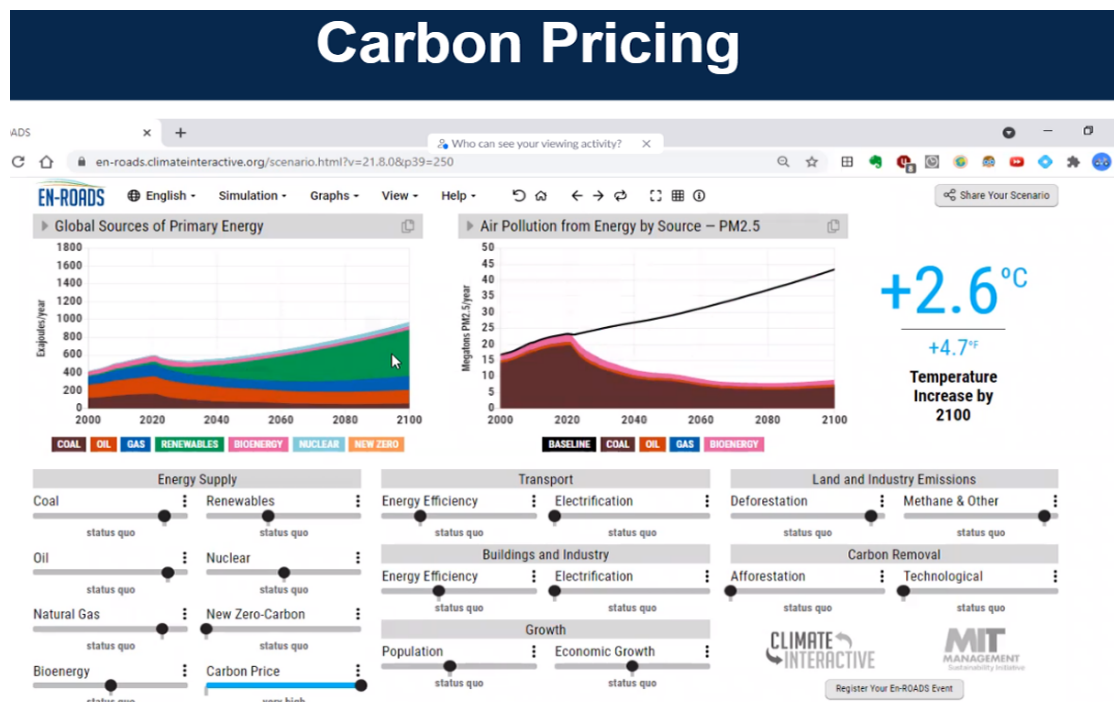
Climate Interactive's policy simulator [EnROADs](#) at MIT and Climate Interactive is where you can test the impact of your favourite climate policies on reducing GHG pollution globally.

In [this four minute video](#) the impact of ending fossil fuel subsidies, maximizing clean energy subsidies, maximizing tree growth and maximizing carbon pricing on global sources of primary energy, air quality and global temperatures compared to the status quo is presented.

Clearly, nothing comes close to carbon pricing and if you play some more with the policy simulator, it is evident that a robust carbon pricing is a key component of any climate plan. As well, the higher the carbon price, the stronger the impact. And, because the vast majority of carbon fees collected funds are returned to Canadians equitably we can ramp up the price without burdening the poor or middle class and thus provoking a tax revolt.

Obviously, complementary policies will be needed to get to 1.5 C but admittedly carbon pricing is the single most powerful tool we have to preserve a liveable world.

Thank you to all the Citizens' Climate Lobbyists in Canada and allies who have stayed focused on championing carbon fee and dividend since 2010. You have made a huge difference.



Citizens' Climate Lobby Canada supports the call for the Fossil Fuel Non-Proliferation Treaty

Human activity is driving global heating and destabilizing the climate system. That [dangerous anthropogenic interference](#) with the climate is disrupting other vital natural systems, putting [food systems](#) and [water security](#) at risk, and generating unmanageable threats to [economies](#), [nation states](#), and the [biosphere](#).

Research shows more than [8 million deaths per year](#) (almost 1 in 5 deaths globally) are attributable to fossil fuel pollution. Courts are now affirming that [climate protection is a human right](#).

According to the August 2021 IPCC report, coal, oil and gas are responsible for 86% of all carbon dioxide emissions in the past decade. Phasing out fossil fuel production, and fast-tracking progress towards safer and more cost-effective alternatives, will require unprecedented international cooperation in three main areas – non-proliferation, global disarmament and a peaceful, just transition. Further expansion of fossil fuel production and consumption is an unconscionable and [unaffordable](#), yet [preventable](#) threat.

Just as fifty years ago the world successfully negotiated a treaty to defuse the threats posed by the uncontrolled spread of nuclear weapons, the world today needs a Fossil Fuel Non-Proliferation Treaty to address the threat posed by fossil fuels. To stop accumulating future climate damage, we need the community of nations to:

- Non-Proliferation – ending all new exploration and production of fossil fuels
- Global Disarmament – phasing-out existing stockpiles in line with the 1.5°C Paris goals
- A Peaceful Transition – fast-tracking a just transition for every worker, community and country

This is why we support the call for a new [Fossil Fuel Non-Proliferation Treaty](#), to accelerate action toward that better future. <https://fossilfuel treaty.org/>

IEA's first 1.5°C-aligned scenario bolsters call for no new fossil fuel extraction

On May 18, 2021, the International Energy Agency (IEA) released a special report, "Net Zero in 2050: A roadmap for the global energy system," that represents the agency's first ever effort to model a comprehensive energy pathway towards limiting global warming to 1.5 °C.

What would a major global plan to quickly halt climate change look like? Nations around the world would immediately stop approving new coal-burning power plants and oil fields. They would phase out sales of new gasoline-powered cars in 15 years. And they would start building the equivalent of the world's largest solar farm every single day for the next decade.

Those are the conclusions of the International Energy Agency (IEA). On May 18, 2021 they issued a detailed road map for how the world's nations could slash their planet-warming greenhouse-gas emissions to net zero by midcentury — a goal that could help avert the worst effects of climate change.

This report is significant because it is not an appeal from environmentalists. The International Energy Agency is a major global organization that advises world capitals on energy policy. Their reports are widely used by companies and investors as a basis for long-term planning. And the agency is loudly warning that governments need to think much, much bigger if they want to keep climate change under control.

UPDATE: Ahead of summit, more than 100 economists call on G7 countries to commit to shift their finance out of all fossil fuels this year, to enable a green pandemic recovery

<https://news.trust.org/item/20210608180631-eogrp/>

Laser Talk: Religion and Climate Change

Question: Isn't there a conflict between religion and science over climate change?

In a Nutshell: The majority of faith traditions respect the science showing that climate change is real and caused by human activity. Christian, Muslims, Jewish, Hindu, and Buddhist organizations have all made statements pleading with national leaders to take the ethically necessary steps needed to reverse global warming.

Longer Answer: Not according to most people of faith. Most of the world's major faith groups and religious leaders see no conflict. In fact, they overwhelmingly acknowledge that climate change is real, the burning of fossil fuels is causing it, and we humans have a moral responsibility to correct it. Powerful statements to that effect have come from Roman Catholics [1], Anglicans [2], Evangelical Christians [3], Presbyterians [4], Mennonites [5], Muslims [6], Jews [7], Christian Orthodox [8], Hindus [9], Buddhists [10], and many others [11].

We can't ignore the fact that some sincere people of faith disagree. But there are signs that this can change, even in the United States, as evidenced by these words from a 2008 Southern Baptist declaration about global warming [12] ... *Humans must be proactive and take responsibility for our contributions to climate change—however great or small ...* and these from a 2016 statement signed by 232 evangelical pastors in 44 states [3] ... *Love of God, love of neighbor, and the demands of stewardship are more than enough reason for evangelical Christians to respond to the climate change problem with moral passion and concrete action.*

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