



Hon. Rod Phillips  
Minister of Environment, Conservation and Parks

August 2<sup>nd</sup>, 2018

Dear Minister Phillips,

We are very concerned that in your haste to cancel the existing cap and trade program you are endangering our environmental future by not replacing it with an effective alternative plan. Our concern is that climate action is extremely urgent and delaying our response sends a message that climate action is somehow optional rather than essential.

Climate change is already being felt throughout Ontario and the situation will continue to get worse and worse as world carbon emissions continue to rise. We are seeing violent and intense rainstorms, severe and prolonged heatwaves, and forest fires. The damage being inflicted in terms of increased hospitalizations and deaths in the elderly, basement flood damage, overwhelmed municipal stormwater sewers, and loss of property is costing taxpayers millions. Reining in carbon pollution in our atmosphere is vital to bring the situation under control.

Cap and trade was a valuable policy tool in the combat against climate change. Proceeds from selling emission credits raised \$2.4 billion. This income was used to lower operating costs of hospitals and schools through much needed upgrades and repairs, new subway and light rail projects to get workers to their jobs, and to assist homeowners lower to their electricity bills. Where is this money now going to come from?

Cap and trade has been a very successful program in California. In the world's fifth largest economy economic growth and carbon emissions reduction have been working in tandem and California has reached their carbon reduction targets four years early. By contrast in Australia where the carbon tax was eliminated in 2015 the emissions are rising and Australia will not meet its Paris targets.

Economists support carbon pricing as a way to shift fossil fuel dependence to conservation and renewables because carbon emissions are a negative externality that needs to be accounted for. Without a carbon price we are shifting the cost to the public rather than the producers of the carbon. This is in effect a public subsidy of carbon pollution. Pricing carbon will ensure firms pay some of the cost of their pollution.

A rising price on carbon is necessary to have the desired economic impact. The impact of this rising price can be alleviated by refunds to the public via carbon dividends. This gives people the option to save money while reducing their carbon footprint. It also creates new jobs in the renewable energy sector. Trade impacts can be easily be managed with border tax adjustments so as not to penalize Ontario businesses. We should not be wasting \$30 million of our tax dollars fighting carbon pricing in the courts as it is a very important tool to use in the shift to a renewable energy future. This is carbon accountability.

In this bill there is no commitment to meeting targets relevant to Ontario's part of the Paris Accord and no timeline for setting or meeting targets.

The consultation process needs to be happening now and not at some future undefined time. This is in fact required under the Environmental Bill of Rights. Input from the public and experts and discussion with other members in the House is essential for designing an effective alternative plan for climate action.

We urge you to take seriously your responsibility to protect the environment. As minister of environment, conservation and parks it is in your mandate to care about the world we live in and that the next generation will inherit. Please assure us you will send this bill to committee for review.

Sincerely,

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