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Emissions Cap – Where to go from here?

The Intergovernmental Panel on Climate Change (IPCC) has warned us repeatedly that rising temperatures over the next two decades will bring ‘widespread devastation and extreme weather’. We are certainly feeling these impacts in Canada, today, with increased flooding, wildfires, and extreme temperatures. Addressing this climate crisis requires a drastic reduction in greenhouse gas (GHG) emissions to limit global warming to 1.5°C. **Bold action is required now.**

To date, the government of Canada has taken its responsibility to respond to the climate crisis by committing over \$200 billion and introducing more than 100 measures to support climate action. According to the 2023 National Inventory Report, between 2019 and 2021, Canada reduced its GHG emissions by 53 megatonnes. In both 2020 and 2021, Canada had the best performance in terms of GHG reduction of all G7 countries. Emissions intensity from the entire economy is down by 42% since 1990. What is most important is to consider that all of this happened at the same time that our economy continued to experience significant growth despite a temporary dip at the beginning of the COVID-19 pandemic. It is clear that we are bending the emissions curve downward. But more work needs to be done – in particular in the oil and gas sector.

In a 2021 breakdown of Canada’s GHG emissions by economic sector, overall oil and gas sector emissions increased, accounting for 28%, and surpassing both the transportation and heavy industry sectors respectively. In fact, while other sectors of our economy continue to contribute to the downward trend, the oil and gas sector is the largest and fastest growing source of emissions. I believe that it is time that the federal government enact tougher regulations for Canada’s largest emitters—the oil and gas industry—to ensure that they do their fair share for Canada to achieve its climate commitments.

In 2021, the federal government committed to ‘cap and cut emissions from the oil and gas sector to achieve net-zero emissions by 2050.’ In 2022, Environment and Climate Change Canada launched a discussion paper and consultation to determine the best approach. I believe that the best way to achieve this goal is to adopt a system of cap and trade and I believe that the federal government should move forward, immediately, with bold emissions caps for the oil and gas sector that are comprehensive in scope and realistic in achieving the necessary targets that Canada has set to reduce emissions by 2030.

Based on the measurable success of the Western Climate Initiative, which represents a number of jurisdictions in the United States and Canada, cap and trade has proven to be effective in reducing greenhouse gas pollution, spurring investment in clean-energy technologies, and reducing dependence on oil and gas. Ontario Premier Doug Ford’s decision to cancel Ontario’s participation in the Western Climate Initiative after Ontario had already signed on to the program was short-sighted. Ontario now lags other provinces, such as Quebec, who remain a partner in the initiative, and have successfully reduced emissions in a cost-efficient and transparent manner, while moving forward with sustainable economic growth and environmental leadership.

With the right investments, support, and tougher regulations, Canada’s economy can continue to thrive while taking strong climate action

A blue ink signature of Mark Gerretsen.

Mark Gerretsen, M.P. June 8, 2023