

House of Commons Standing Committee: Environment & Sustainable Development (ENVI)

“Clean Growth & Climate Change in Canada: International Leadership”

Canadian Council on Renewable Electricity (CanCORE)

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Check Against Delivery

Anne-Raphaëlle Audoin

*Monsieur le Président, mesdames et messieurs les membres du comité, bonjour et merci à Thomas le greffier pour son très bon travail.*

*J'aimerais d'abord vous remercier pour l'invitation de venir témoigner ici aujourd'hui afin de parler du leadership international du Canada en matière de croissance propre et de changement climatique au nom du Conseil canadien de l'électricité renouvelable (ou “CanCORE”).*

*CanCORE est une collaboration des quatre principales associations professionnelles nationales pour l'électricité renouvelable: l'énergie solaire, éolienne et marine; et l'hydroélectricité. Ensemble, nos membres représentent plus de 65% de toute la production d'électricité au Canada aujourd'hui. Canada has one of the cleanest electricity systems in the world, thanks to its plentiful hydropower and increasingly other renewables, such as wind, solar and marine. Canada is really a global leader in renewable electricity. As such, renewable electricity is our competitive advantage in climate action.*

CanCORE's over-arching goal is to ensure that Canada moves toward achieving our national non-emitting electricity target of 90% by 2030, and close to a 100% non-emitting electricity

grid by 2050. This is in support of our national climate action and clean growth objectives, and international obligations under the Paris Agreement, including a national emissions reduction of 30% below 2005 levels by 2030.

Toward this goal, CanCORE has three key messages for the Committee on the topic of Canadian International Leadership on Clean Growth & Climate Change:

1. Firstly, international leadership requires that ambitious national targets and goals are both set and met. By 2020, Canada will not have met our international climate change greenhouse gas mitigation commitments on a number of occasions<sup>1</sup>. For this reason, we view the Pan-Canadian Framework, and the pathway it places Canada on, as a monumental first step.
2. Secondly, the PCF follows a formula that: i) makes our energy-use as efficient as possible; ii) makes our electricity generation as non-emitting as possible; and iii) switches as many energy-uses to non-emitting electricity as possible including transportation, buildings and industry. For this reason, we view the national target set by this Government to strive to having 90% of our electricity from non-emitting sources by 2030 as one of our most critical factors of success. The cleaner our grid, the deeper our decarbonization across all sectors of the economy. Enhancing our leadership position in non-emitting electricity can also assist our neighbours to the south to de-carbonize their economy through exports.
3. Thirdly and finally, with the PCF - we now have a national climate strategy for the first time. We have all the targets and goals that we need. The pathway to fulfilling this strategy will create significant economic development and job creation opportunities

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<sup>1</sup> 1988: Toronto Conference on the Atmosphere (20% below 1988 levels by 2005);  
1992: UNFCCC Commitment (stabilize at 1990 levels);  
1997: Kyoto Protocol (6% below 1990 levels by 2008-2012); and  
2009: Copenhagen Agreement (17% below 2005 levels by 2020).

domestically. Our national leadership will translate to huge opportunities globally in the clean energy economy. Now we need to move from climate planning to climate action. It's time to focus on getting implementation of the PCF right. *Mon collègue Patrick va maintenant parler des politiques et des réglementations spécifiques qui pourraient avoir un impact significatif sur notre capacité à atteindre 90% d'électricité non émettrice d'ici 2030.*

### Patrick Bateman

Thank you Anne-Raphaelle and to the Committee Members for the opportunity to appear today. Given the time constraints - I will focus on only two key areas of the comprehensive PCF of importance for the renewable electricity sector: i) putting a price on carbon pollution; and ii) the Federal Government's leadership in committing to power their operations with 100% renewable electricity by 2025. Also, I will comment on the role of Internationally Transferred Mitigation Outcomes (or "ITMOs") and Climate Finance in Canada's broader climate change and clean growth strategy.

The first of the four pillars of the PCF is "putting a price on carbon pollution".

CanCORE believes that a Pan-Canadian clear, fair and effective price signal with long-term policy certainty - that shifts investment over-time away from emitting toward non-emitting electricity generation sources - is our single largest critical success factor for climate action.

Carbon Pricing is effective at reducing emissions in the electricity sector, for example:

- The emissions intensity of Alberta's electricity system has declined steadily in part as a result of the province's Specified Gas Emitters Regulation introduced in 2007<sup>2</sup> and the Carbon Competitiveness Regulation introduced in 2018. It has been estimated by the

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<sup>2</sup> Coverage increased from 12 to 20% and price was increased from \$15 to \$30/tonne.

Alberta Climate Change Office (CCO) that in 2018, the emissions from coal-fired electricity will have been 12 - 15 Mt less than that of the previous year.

- The Regional Greenhouse Gas Initiative (or “RGGI”) was the first mandatory cap-and-trade program in the United States to limit emissions in the electricity sector<sup>3</sup>. RGGI was established in 2005 and it is expected to help the states reduce annual emissions in the electricity sector by 45% below 2005 levels by 2020. These states have set a goal of reducing electricity emissions an additional 30% by 2030.

These are examples of three different approaches to Carbon Pricing in one Canadian province and soon to be eleven US states that have been effective. There are many other examples from around the world of

Carbon Pricing being designed and implemented to account for regional differences or deliver varying policy objectives.

CanCORE welcomes the release of the preliminary details on the Federal Carbon Pricing Backstop. It is an important step forward for the PCF. CanCORE continues to be an active participant in ECCC’s consultation around the design of the Output Based Pricing System. We welcome the proposed new direction whereby multiple standards are applied within electricity to account for the complexity of the sector. We will continue to advocate for a standard that ensures clear price signals are sent to new emitting electricity generation facilities including natural gas. Unfettered investment in new emitting electricity generation could run counter to our climate action and clean growth goals including our 90% non-emitting electricity target and/or lead to the stranding of assets. We will continue to voice these issues to the Department throughout the consultation process.

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<sup>3</sup> Participating states are Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont. New Jersey and Virginia are in the process of joining the RGGI market.

Now, moving onto the commitment to power 100% of the Federal Government's operations from renewable resources by 2025 made two years ago. Committing to 100% renewable electricity is becoming the corporate social responsibility "gold standard" for corporations and governments across the world. This commitment could give rise to significant new renewable electricity generation capacity, emissions displacement, economic development and job creation opportunities. Furthermore, by leading by example - the Federal Government could chart a course for others to follow suit. CanCORE looks forward to details on how the Federal Government will meet this commitment and to working with the Centre for Greening Government and the other Departments to design and implement processes.

Finally, Climate Finance & Internationally Transferable Mitigation Outcomes (or "ITMO's") are important tools in Canada's tool-box to demonstrate international leadership while supporting Canadian renewable electricity technologies, services and expertise to play a greater role in the global economy. Careful consideration will need to be given to how international credits interplay with our national emissions targets and markets. Limits and a floor carbon price could ensure that price signals from carbon pricing are not unduly compromised.

#### Anne-Raphaëlle Audoin

In summary, we would like to emphasize that Canada is truly an international leader in renewable electricity with 65% of our total electricity generation coming from renewable sources. But we cannot be an international leader in the future without meeting the targets that we set. Our existing and future potential wealth in renewable electricity assets is our major competitive advantage in climate action and clean growth. The PCF initiates a solid pathway toward our national climate change and clean growth targets. Striving to have 90% of our electricity from non-emitting sources by 2030 is one of our most critical factors of success. Keeping this front-of-mind when designing and implementing climate action tools will be

essential. *Merci encore une fois pour l'invitation et nous attendons avec impatience les questions du comité.*