

# *Canadian Provinces Leadership in the North American Carbon Markets*

**CARBON MARKETS WORKSHOP for Mexican Leaders and  
Key Government Officials  
Sheraton Centro Historico  
Mexico City Mexico  
21 August 2009**

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Canada



Développement durable,  
Environnement  
et Parcs

Québec



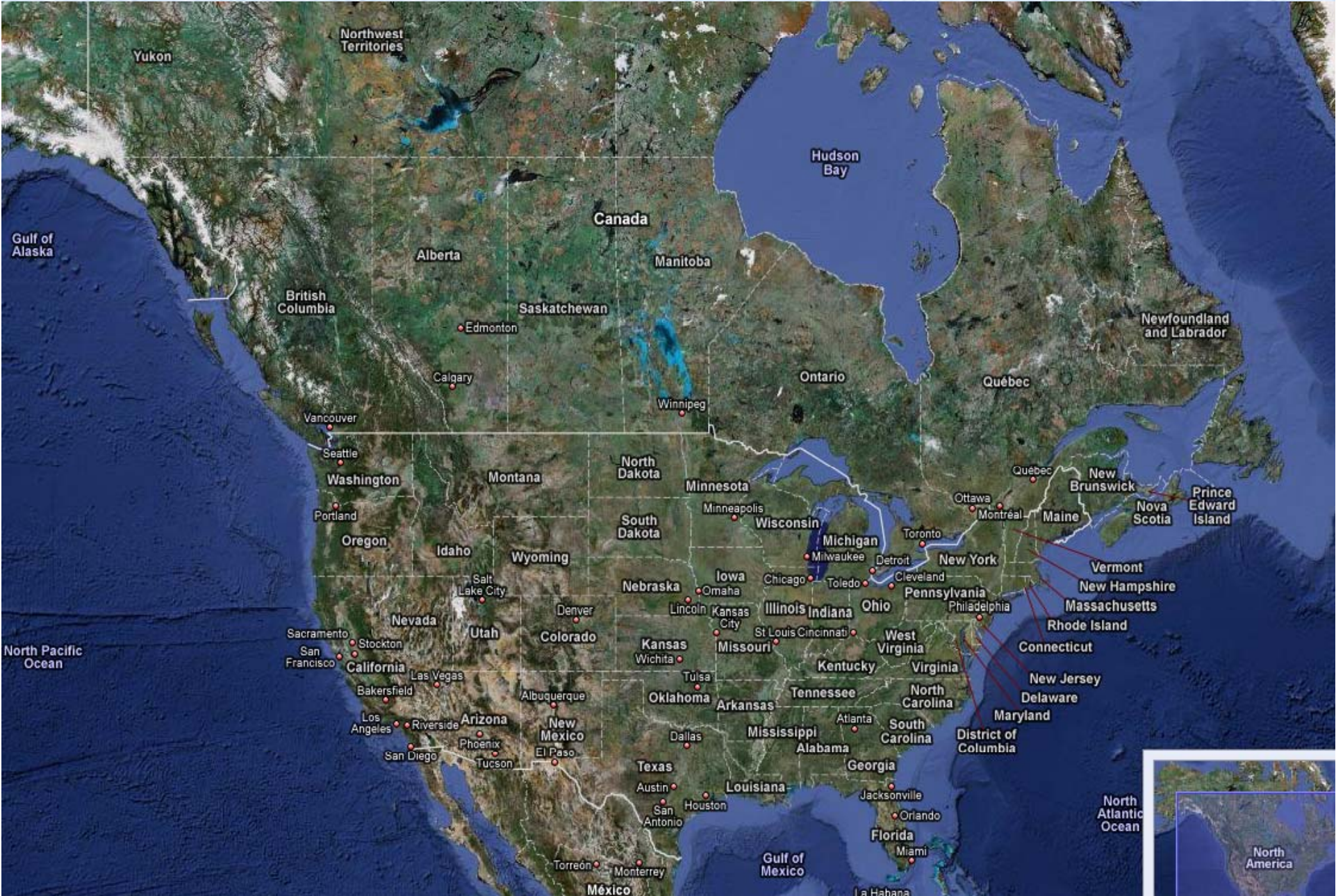
# *Presentation Outlook*

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- **Climate Change in Quebec**
- **Canadian provinces leadership**
- **North America Regional Carbon Markets**
- **Federal Government Action**
- **Expected Developments at the North American Level**



## North America

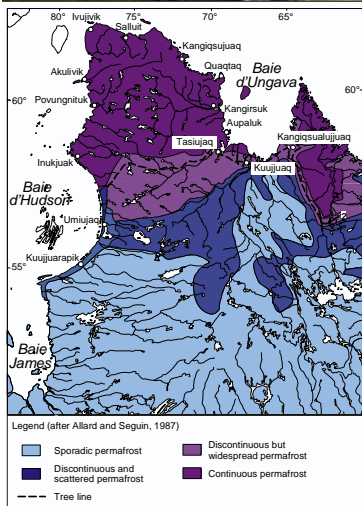




# Permafrost Thawing in Salluit (Nunavik)



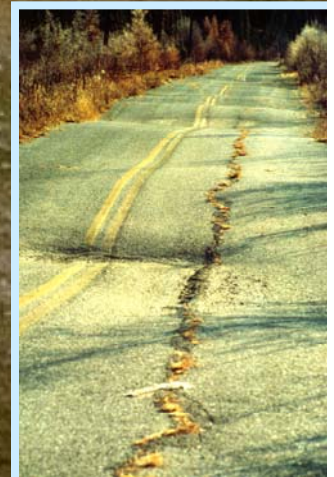
Landslide, September 1998



Source: R. Fortier



Richardson  
Highway  
Alaska →



# Coastal Erosion in Southern Québec

**Sainte-Luce (Lower St. Lawrence)**

**December 2005**





# Coastal Erosion in Southern Québec

**Matane (Gaspé)**

**October 2005**



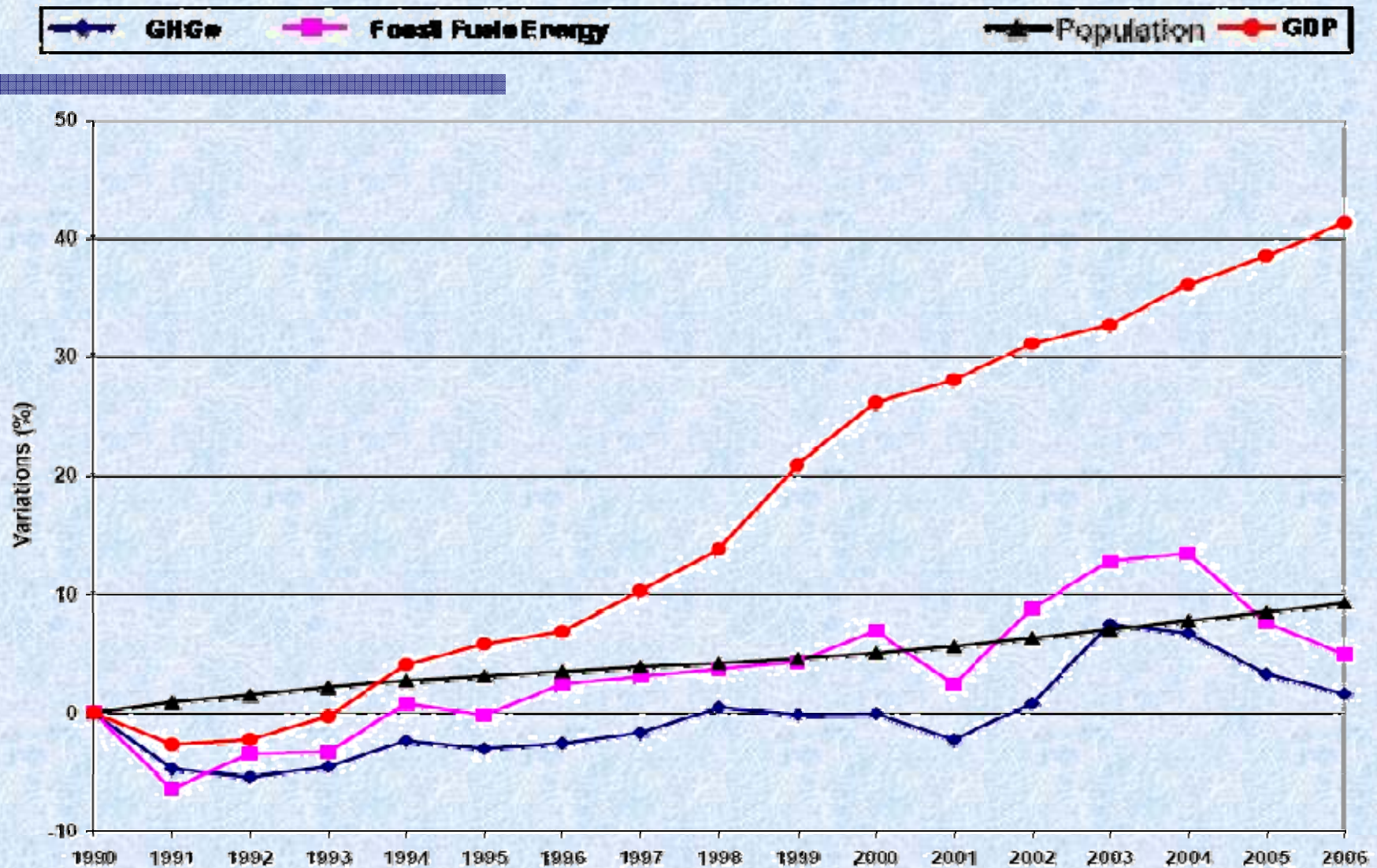
# Quebec's Traditional Approach

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- Climate Change Action Plans
- Voluntary action
- Incentive measures
- Adaptation measures
- Consciousness raising measures
- Concertation with industry



# Traditional Approach Impact on GHG Trends





# Traditional Approach

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- Does not produce enough reductions to curb GHG emission slope
- At best, it can stabilize emissions level
- Does not surrender sufficient reductions to meet UNFCCC and Kyoto Protocol targets
- Kyoto Protocol allows use of economic instruments such as clean development mechanism and emission trading

# Quebec's New Approach

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- Carbon Price Signal
- Carbon Market
- EU ETS : a Tremenduous Success (- 21 % since 2005)
- Markets are Developing in Several Countries and in North America
- ACT 42 Adopted in June 2009 : Government Now Has the Authority to implement Cap-and-trade Program with Partners

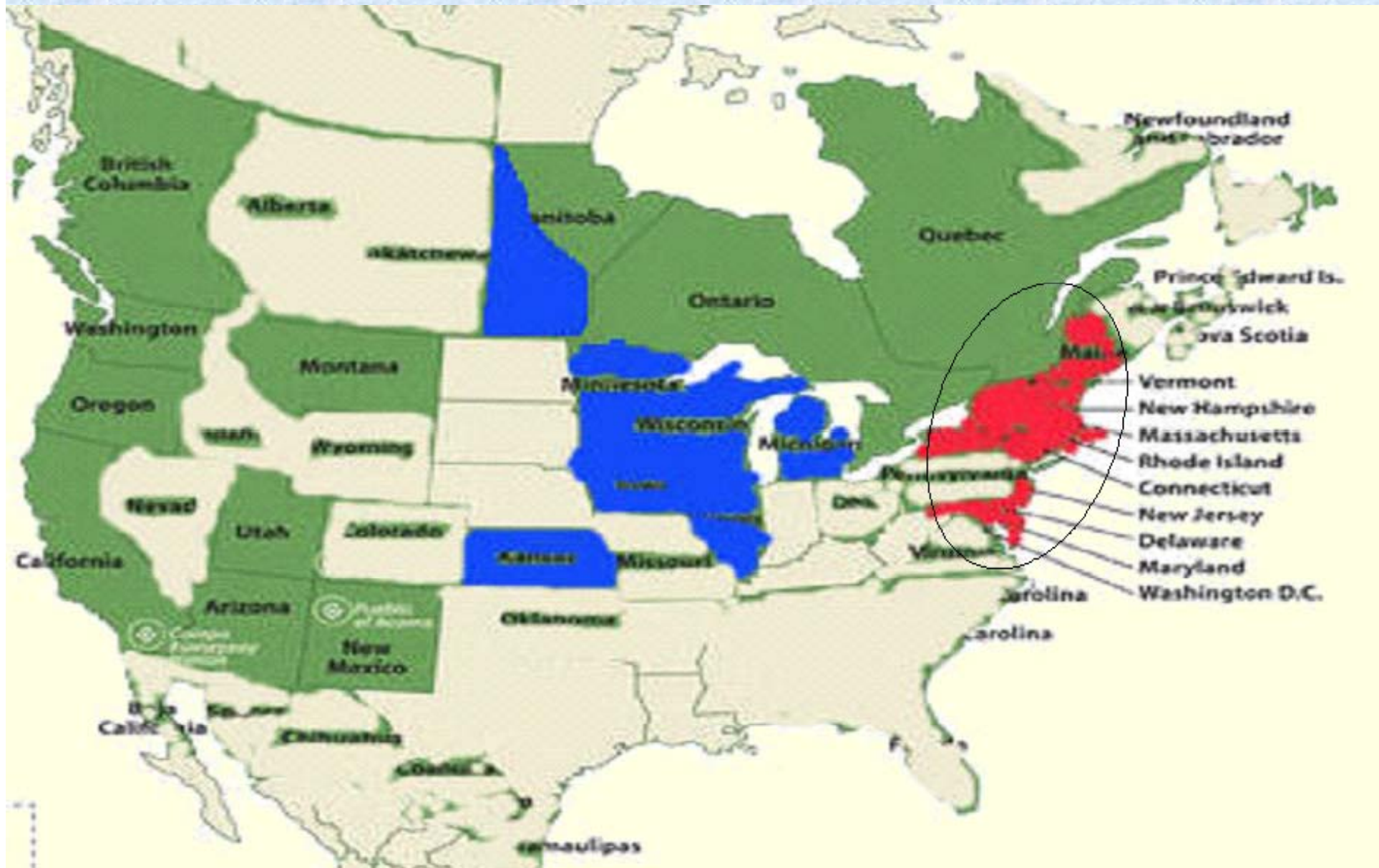


# North American Regional Markets

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- **Regional Greenhouse Gas Initiative**
- **Midwestern Greenhouse Gas Accord**
- **Western Climate Initiative**
- **3 Existing Trading Platforms :**
  - Chicago Climate Exchange
  - Green Exchange
  - Montreal Climate exchange

# Regional Greenhouse Gas Initiative





# Regional Greenhouse Gas Initiative (RGGI)

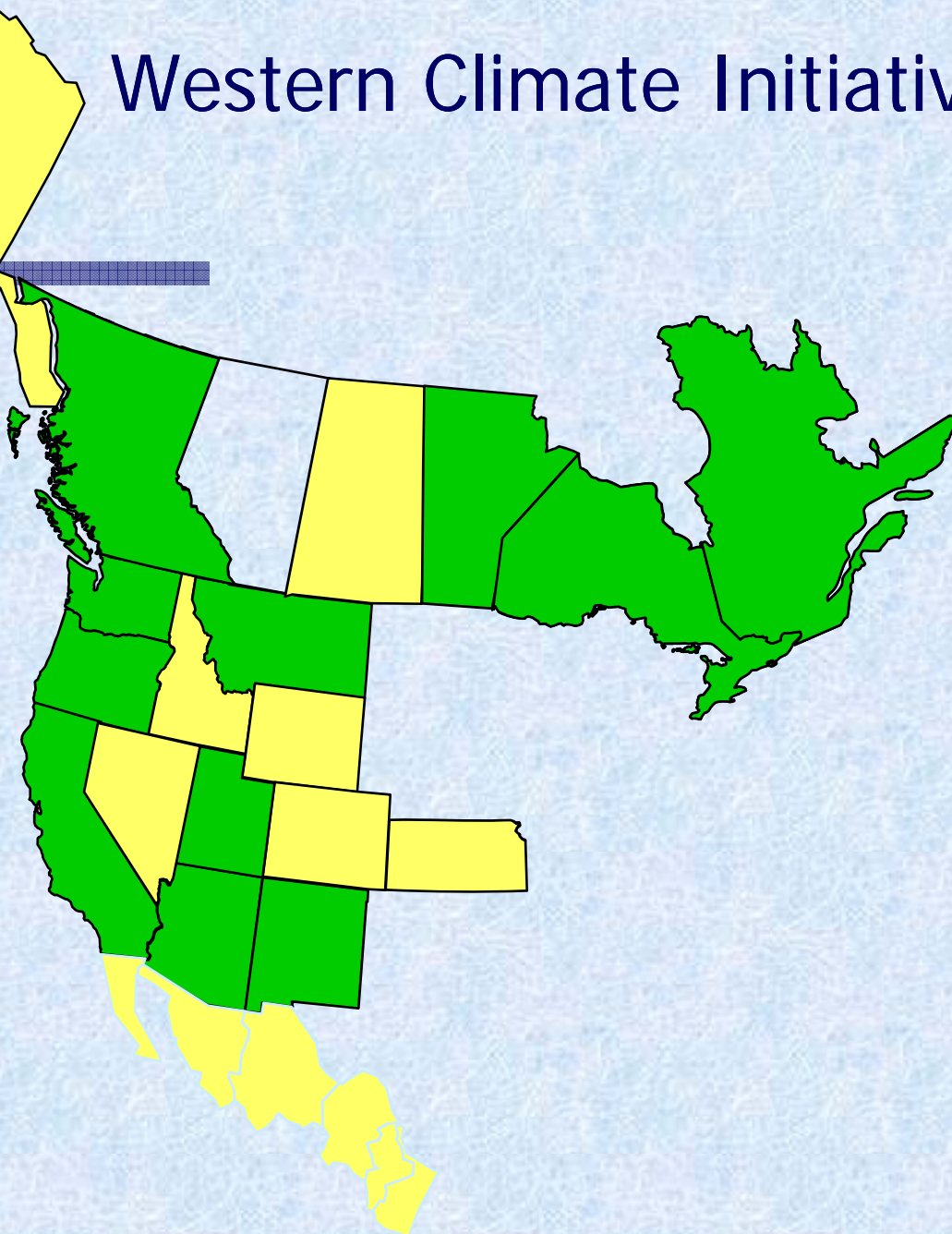
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- Scope limited to electricity generation
- Industrial sector not included
- Transportation and residential fuels not included
- Short term Target : stabilization
- Modest Price Signal
- Offsets credits are allowed

# Western Climate Initiative

Arizona  
British Columbia  
California  
Manitoba  
Montana  
New Mexico  
Ontario  
Oregon  
Quebec  
Utah  
Washington

 Partners  
 Observers



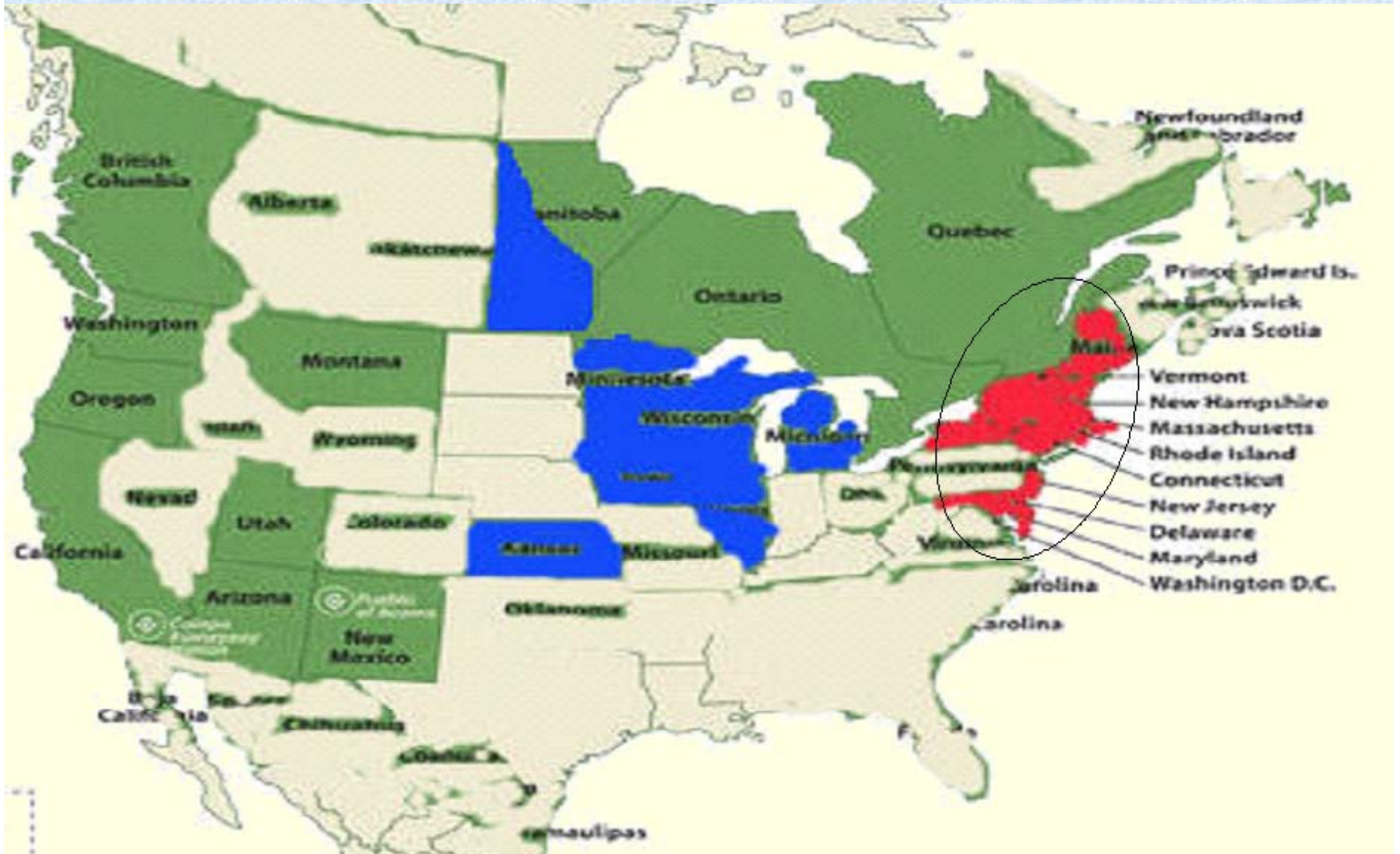


# Western Climate initiative

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- 7 States : California, Oregon, Washington, New Mexico, Arizona, Utah, Montana
- 4 Provinces : BC, Manitoba, Ontario, Québec
- Target : -15 % under 2005 in 2020
- Scope : Industry and Electricity generation, residential and transportation fuels
- Reporting starts in 2010
- Cap and trade commences in 2012

# Midwestern Accord



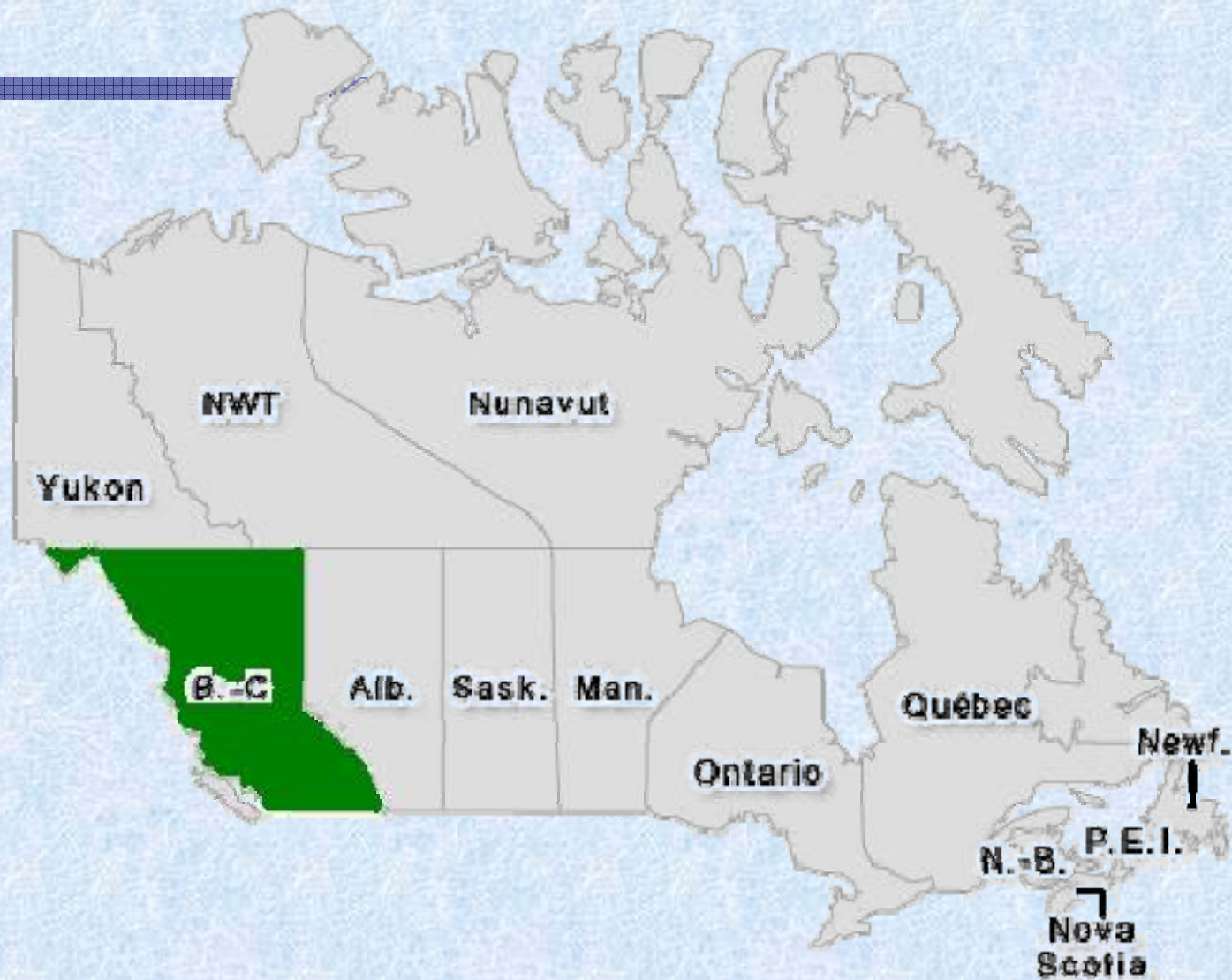


# Midwestern Accord

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- Partners : Iowa, Illinois, Kansas, Michigan, Minnesota, Wisconsin, Manitoba
- Target : -20 % in 2020
- Scope similar to WCI : electricity, industry, residential and transportation fuels
- Offsets component : for sectors not included in the program
- Program commences in 2012

# British Columbia



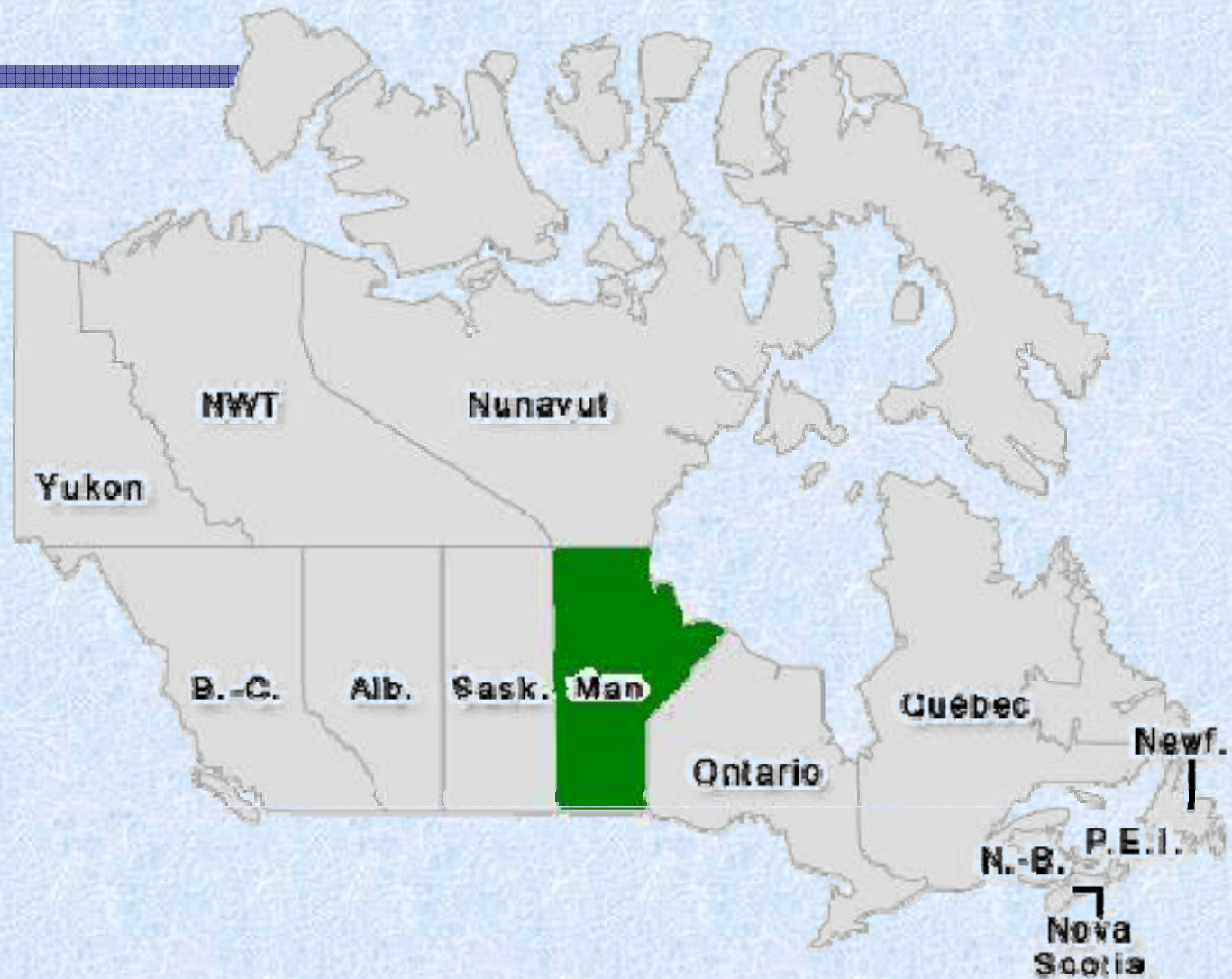


# British Columbia

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- Greenhouse Gas Reduction Act : 2007
- Target: - 33% under 2007 in 2020
- Joined WCI in 2007
- Cap and trade legislation
- 2008 : Carbon tax
- 2009 Offsets program

# Manitoba



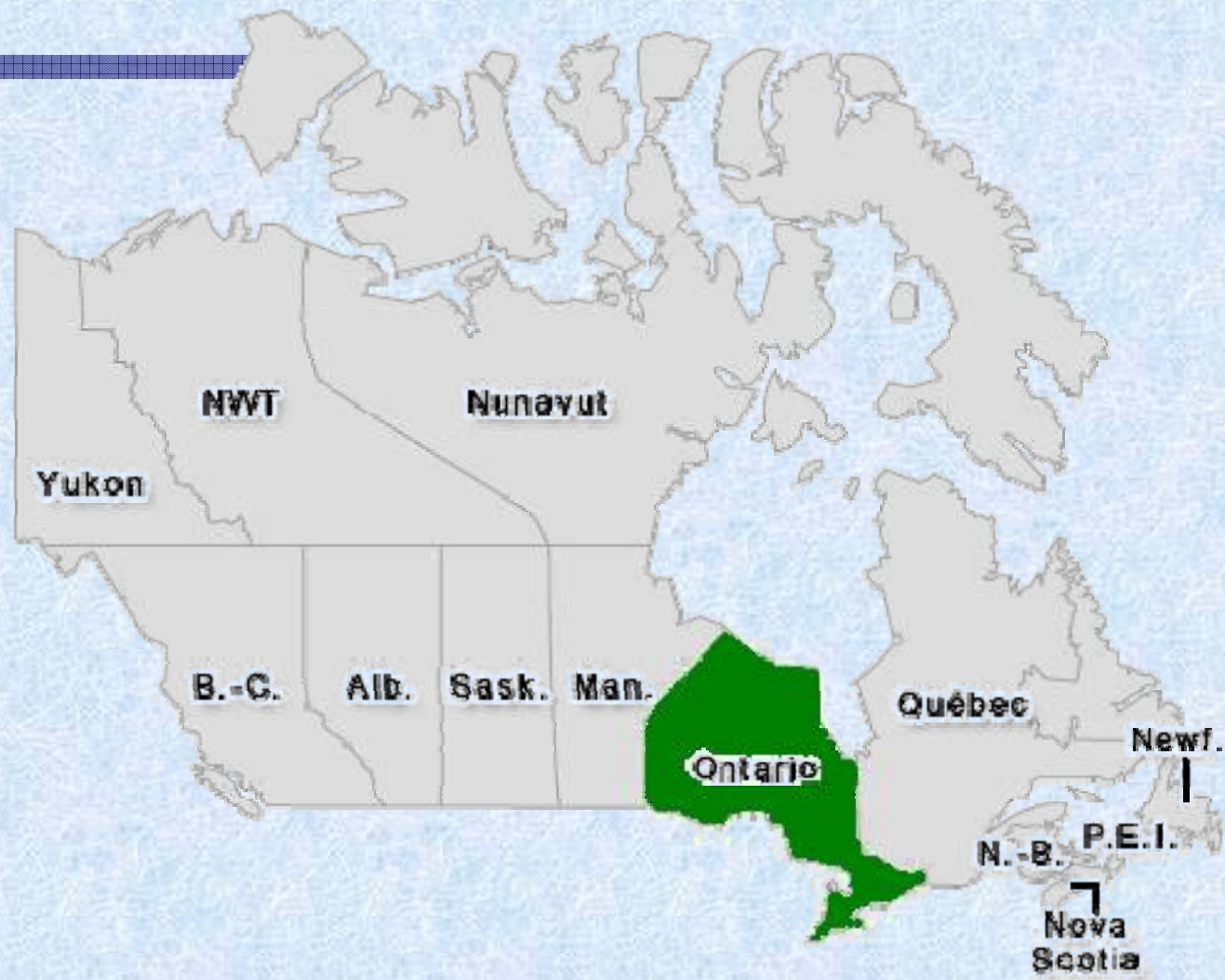


# Manitoba

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- Manitoba Hydro : founding member of CCX
- Climate Change action plan
- Target : - 6% under 1990 in 2012
- Action Fund for climate change
- Regional registry
- Active partner of WCI and Midwestern Accord

# Ontario



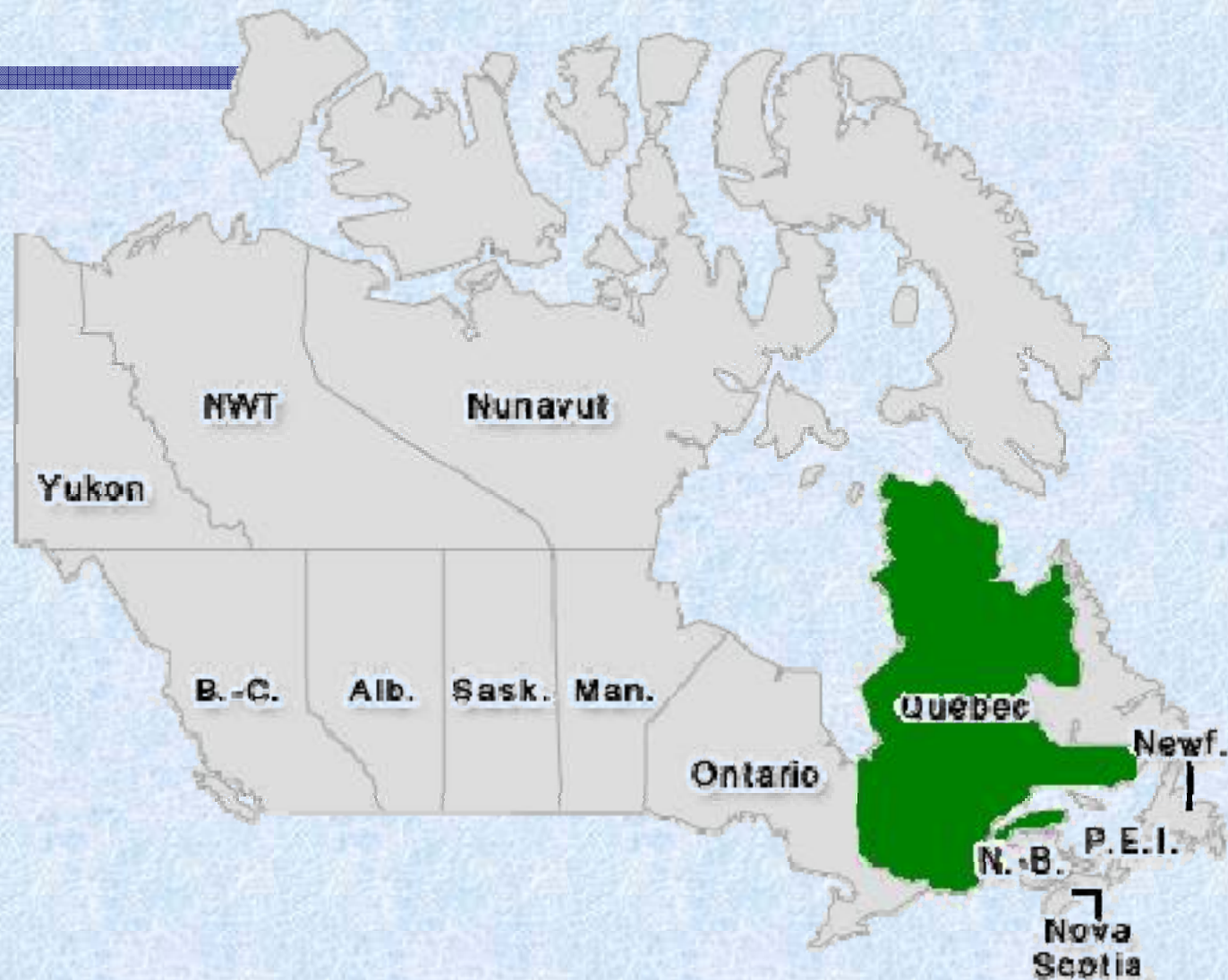


# Ontario

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- Climate change Action plan : 2007
- Target : - 15 % under 1990 in 2020
- Phasing-out of coal-fired power plants
- Set up its own program for NOx and SOx
- Active member of WCI
- Observer at RGGI

# Québec



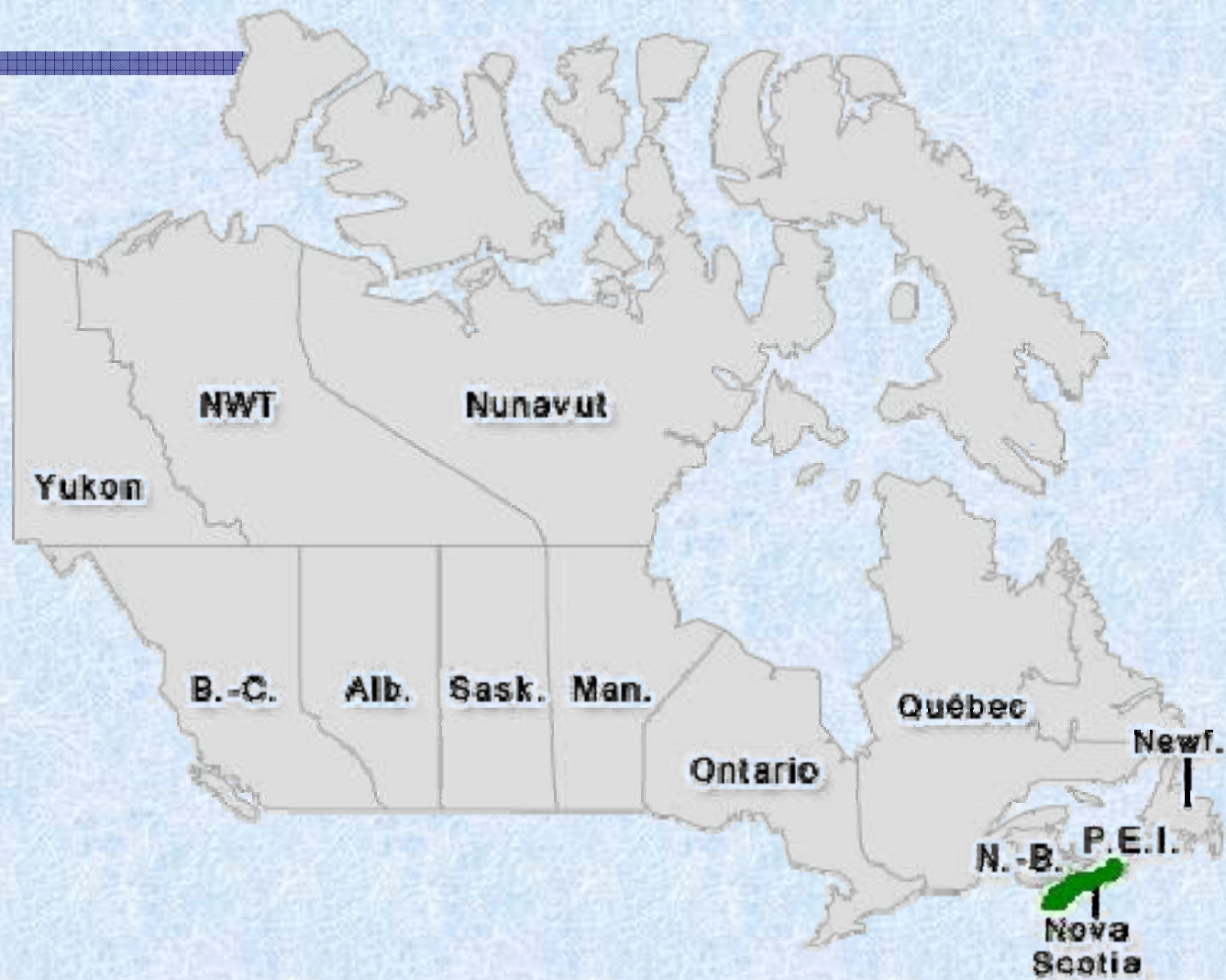


# Québec

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- Implementation of 3 Climate Change action plans since 1997 : target : - 6% under 1990
- Energy Strategy
- Public Transit Policy
- Green Fund
- First carbon levy in North America
- Active Partner of WCI
- Observer at RGGI

# Nova Scotia





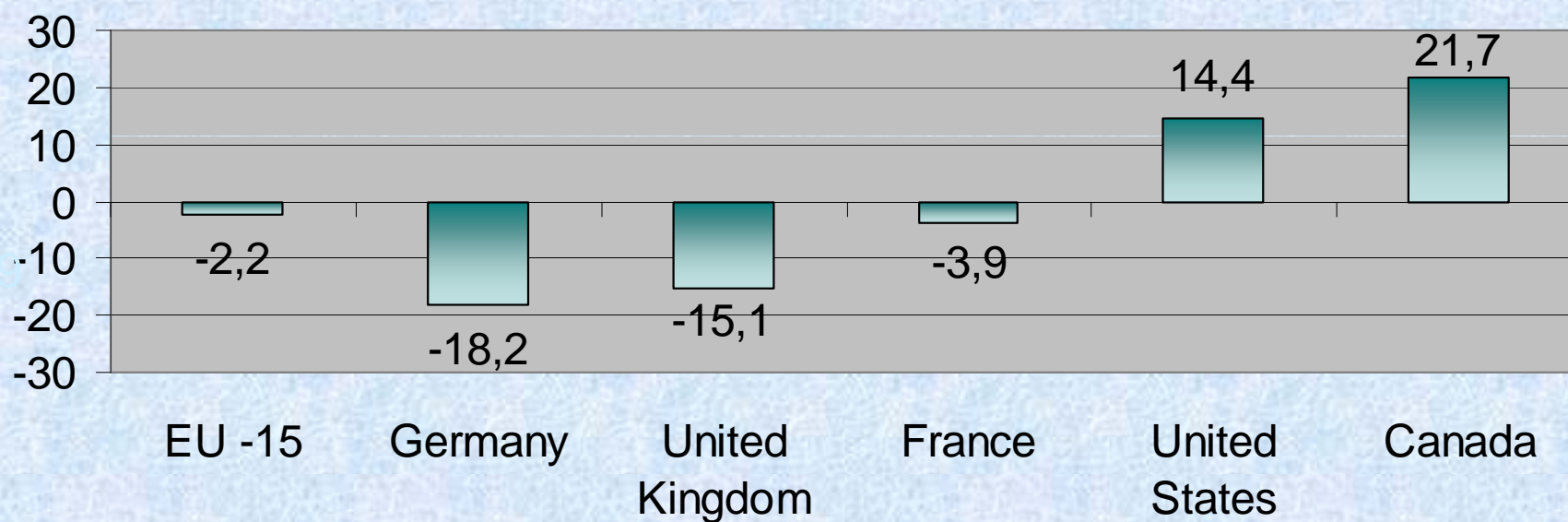
# Nova Scotia

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- Climate Change Action plan in 2009
- Target : - 10 % below 1990 in 2020
- Active member of New England Governors and Eastern Canada Premiers Conference Climate Change action Plan
- Interest in carbon market
- Observer at WCI

# GHG Emissions Trends

**European Union's GHG Emission Variations between 1990 and 2006  
(percentage)**



Source : UNFCCC (2008)



# US Federal Climate Action

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- Action on Several Fronts in 2009
- House of Representatives : Waxman-Markey Act passed in June
- Senate Cap-and-Trade Bill: In the Fall or Next Year?
- The New Administration : C.C. is a serious issue
- Environmental Protection Agency : GHG registry proposed regulation
- US Has Resumed its Proactive Involvement in International Climate Policies

# Canadian Federal Climate Action

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- GHG emissions continuously on the rise
- 2006-2009 : Two GHG Regulatory frameworks proposed, but no decision.
- 2009 Proposed Offsets Program, but decision has yet to come.
- Interest in North American carbon market
- Announcements in the Fall of 2009



# Future Developments

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- North American Regional Programs Will Continue Their Action
- Adoption of a Cap-and-Trade Bill by US Senate Would Have a Huge Impact :
  - On GHG emissions
  - On Regional Programs
  - On Canadian Federal Action
- Successful Outcome of Copenhagen Conference is Crucial to North American Federal Climate Action Developments

# Further Information

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