Canadian Provinces Leadership in the North American Carbon Markets

CARBON MARKETS WORKSHOP for Mexican Leaders and Key Government Officials
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Robert Noël de Tilly
Climate Change Advisor
Ministry for Sustainable Development, Environment and Parks
Government of Québec
Canada
Presentation Outlook

- Climate Change in Quebec
- Canadian provinces leadership
- North America Regional Carbon Markets
- Federal Government Action
- Expected Developments at the North American Level
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 (Gaspe)
October 2005
Quebec’s Traditional Approach

- Climate Change Action Plans
- Voluntary action
- Incentive measures
- Adaptation measures
- Consciousness raising measures
- Concertation with industry
Traditional Approach Impact on GHG Trends
Traditional Approach

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

- Carbon Price Signal
- Carbon Market
- EU ETS: a Tremendous 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

- 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)

- 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

- 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

- 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

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

- 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

- 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

- 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

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

Source: UNFCCC (2008)
US Federal Climate Action

- 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

- 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

- 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

Robert Noël de Tilly
Ministry for Sustainable Development, Environment and Parcs
675 East, René-Lévesque Blvd, 8th floor, Québec (Qc) Canada G1R 5V7
E-mail: robert.noeldetilly@mddep.gouv.qc.ca