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Analysis and Summary of Pan-Canadian Framework on Climate Change



OVERVIEW

- A genuinely comprehensive Framework
- References to increasing ambition in line with Paris commitments: 2
- All the hooks we need to move forward on developing a robust [Canadian accountability mechanism](#)
- “As we implement this Framework, we will move forward on respecting the rights of Indigenous Peoples, with robust, meaningful engagement drawing on the Traditional Knowledge [...] We acknowledge and thank Indigenous Peoples across Canada for their climate leadership long before the Paris Agreement and for being active drivers of positive change”
- Reiteration of support for UNDRIP, including free, prior and informed consent

WHAT'S MISSING

- Detail on how the 44Mt remaining tonnes required to meet our current 2030 target will be achieved
- A detailed process of how coordination with Indigenous communities will unfold
- Explicit link between “increasing ambition in line with our Paris commitment” and increasing our current 2030 target
- Explicit link to mid-century strategy
- Any mention of fossil fuel infrastructure like pipelines and LNG terminals
- Sectoral emissions tables

WHAT'S NEW

Emissions Trajectory

Canada's 2030 Target = 523 Mt

Emissions Trend Report (ETR2016) change to 2030 emissions projections from Biennial Report 2 (BR2): -73Mt

- ETR2016 estimates 2030 emissions will be 742Mt
- This is a 73Mt decrease from BR2, which projected 815Mt of emissions in 2030
- Reduction is due to incorporation of new federal, provincial, and territorial measures:
 - [Federal buildings policies](#)
 - [Quebec buildings energy conservation policies](#)
 - Ontario participation in Western Climate Initiative (WCI)
 - Alberta carbon levy, coal phase-out, 100Mt oil sands emissions cap

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- Reduction is also due to revised forecasts for GDP and oil and gas prices and production from BR2:

	ETR2016 Reference Case	BR2 Reference Case
GDP growth	2014 - 2030 = 1.7%	2013 - 2030 = 1.8%
2030 WTI Price 2014 US\$/bbl	81	90

Emissions reductions from announced measures as of Nov. 1st 2016: -89Mt

- Emissions reduced from 742Mt to 653Mt with:
 - Hydrofluorocarbon (HFC) regs under the [Kigali Agreement](#)
 - [Heavy-duty vehicle regulations](#)
 - [Methane](#)
 - [Saskatchewan renewable energy policy](#) (50% procurement from RE by 2030)
 - Legislated emissions reduction targets in [Ontario](#) and [Quebec](#) reached, with international cap and trade credits from WCI
 - [Alberta methane reductions](#)
 - BC Climate Leadership plan

Emissions reductions from Pan-Canadian Framework (PCF) Package: -86Mt

- Emissions reduced from 653Mt to 567Mt with PCF measures

Required reductions remaining: 44Mt

- Projected to be harvested from “additional measures”, which may include:
 - public transit
 - green infrastructure
 - technology and innovation
 - stored carbon (forests, soils, wetlands)
 - internationally transferred mitigation outcomes (ITMOs) aren’t explicitly mentioned, but we know they’re a possible option

Complimentary Actions

- Net-zero energy ready model building code adopted across Canada by 2030
- Building energy performance labelling by as early as 2019
- Development of a Canada-wide zero emissions vehicle strategy by 2018
- Phase-out of diesel power in northern communities

Reporting and Oversight

- Federal, provincial, and territorial governments will collaborate on tracking and reporting emissions, progress on PCF, and reporting in line with international obligations
- involves further technical work on measurement to improve emissions inventories and projections, and aligning these where possible work through Canadian Council of Ministers of the Environment (CCME) to examine options for reporting of emissions and inventories to ensure consistency across jurisdictions, to support Canada's reporting to the United Nations Framework Convention on Climate Change (UNFCCC), and for a pan-Canadian offsets protocol framework and verified carbon credits that can be traded domestically and internationally
- Annual reports to First Ministers on implementation of PCF, allowing for regular stock-take and reporting to Canadians of progress achieved
- Engagement with external experts to provide informed advice to First Ministers and decision makers; assess effectiveness of measures, including through the use of modelling; and identify best practices.



SUMMARY

4 pillars:

- 1) carbon pricing;
- 2) complementary actions to reduce emissions across the economy;
- 3) adaptation measures, and;
- 4) actions to accelerate innovation, support clean technology, and create jobs.

Annex 1: Federal Investments and Measures to Support the Transition to a Low-Carbon Economy

Carbon Pricing

- All jurisdictions will have carbon pricing by 2018 (either carbon tax/carbon levy with performance-based emissions system or a cap and trade system)
- Coverage of [British Columbia's carbon tax](#) sets minimum coverage standard
- For jurisdictions with explicit price-based system, price starts at \$10 per tonne in 2018 and increases \$10/yr to \$50/tonne in 2022
- Provinces with cap and trade systems must commit to:
 - a 2030 emissions reduction target equal to or greater than Canada's target
 - declining annual caps to at least 2022 that correspond, at minimum, to projected emissions reductions resulting from the carbon price that year in price-based systems
- "Each jurisdiction can use resulting revenues according to their needs, including to address impacts on vulnerable populations and sectors and to support climate change and clean growth goals"
- Federal backstop = explicit price-based system that will apply where jurisdictions don't meet the benchmark (revenues returned to jurisdiction of origin)
- Jurisdictions expected to provide regular, transparent reports on outcomes
- Overall review in 2022, interim review in 2020



Electricity

- Coal phase-out, 2030
- Building new and enhance transmission lines between provinces and territories
- Reducing reliance on diesel in northern and remote communities
- Performance standards for natural gas-fired electricity generation

- Modernizing electricity systems, primarily through work of Premiers' Canadian Energy Strategy (focused on energy conservation and efficiency, clean energy technology and innovation, deployment of energy to people and global markets) and demonstration and deployment of smart-grid technologies, energy storage for renewables, and expansion of renewable capacity

Built Environment

- Develop increasingly stringent building codes starting in 2020
- Net-zero energy ready model building code adopted across Canada by 2030
- Retrofits: more than 75% of building stock in 2030 will be composed of buildings already standing
 - labelling building's energy performance by as early as 2019
 - establishing model retrofit codes by 2022
 - low-cost financing for retrofits
- Energy efficiency standards for equipment and appliances

Transportation

- [Development of clean fuel standard](#) that will reduce carbon intensity of all fuels based on a full life-cycle analysis, resulting in 30Mt of emissions reductions
- Emissions standards for vehicles, including:
 - for light-duty vehicles
 - updating standards for heavy-duty vehicles
 - new efficiency requirements for heavy-duty trucks
 - efforts to support efficiency and fuel switching in rail, aviation, marine, and off-road sectors
- A Canada-wide zero emissions vehicle strategy by 2018
- Investments in electric vehicle infrastructure
- Investments in public transit, transportation hubs and ports

Industry

- Methane regulations: reducing methane emissions 40-45% by 2025
- Kigali Agreement: gradual and differentiated phase down of HFCs
 - Federal government [has proposed regulations to reduce HFC consumption and prohibit the manufacture and import into Canada of certain products containing HFCs](#). It has also introduced measures to increase the recovery, recycling, and destruction of HFCs in refrigeration and air-conditioning equipment and established regulatory provisions for an HFC-reporting system.
- Improving industrial energy efficiency
- Investing in new technologies to reduce emissions
- Phase-out of fossil fuel subsidies by 2025

Forestry, agriculture, and waste

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- Enhancing carbon storage in forests and agricultural lands: protecting and enhancing carbon sinks, including forests, wetlands, and agricultural lands. Possible methods:
 - land-use and conservation measures
 - tree planting
 - improving forest carbon management
 - minimizing losses from fires and invasive species
 - restoring forests affected by disturbances
 - zero-till farming
- Supporting increased use of wood for construction, including through updated building codes
- Generating bioenergy and bioproducts, including producing renewable biofuels and generating fuel from waste
- Advancing innovation to enhance GHG efficient management practices in forestry and agriculture

Government leadership

- Setting ambitious targets - federal government is committed to reduce its own GHG emission 40% below 2005 levels by 2030 or sooner
- Cutting emissions from government buildings and fleets:
 - federal, provincial, and territorial government will scale up efforts to transition to highly efficient buildings and zero-emission fleets
 - federal government goal of using 100% clean power by 2025
- Scaling up clean procurement
- modernizing procurement practices
- prioritizing opportunities to help Canadian business grow, demonstrate new technologies, and create jobs

International leadership

- Delivering on Canada's international climate finance commitments (\$2.65 billion total, \$800million/yr by 2020)
- Acquiring ITMOs - first priority is figuring this out in relation to WCI
- Ensuring trade rules support climate policy

Electricity
Coal phase-out, 2030
Building new and enhance transmission lines between provinces and territories
Reducing reliance on diesel in northern and remote communities
Performance standards for natural gas-fired electricity generation
Modernizing electricity systems
Built Environment
Net-zero energy ready model building code developed starting 2020, adopted across Canada by 2030
Retrofit model code, 2022
Building energy use labelling, 2019
Energy efficiency standards for equipment and appliances
Transportation
Clean fuel standard
Development of Canada-wide zero emissions vehicle strategy by 2018
Investments in electric vehicle infrastructure, public transit, transportation hubs and ports
Industry
Methane regulations - 40-45% in emissions by 2025
HFC regulations
Improving industrial energy efficiency
Investing in new technologies to reduce emissions
Forestry, Agriculture, and Waste
Enhancing carbon storage in forests and agricultural lands
Supporting increased use of wood for construction
Generating fuel from bioenergy and bioproducts
Government Leadership
Setting ambitious internal emissions reduction targets
Federal government - %100 clean power by 2025