Climate Action Network Canada Réseau action climat Canada

June 5, 2013

To: Kathleen Wynne, Premier Legislative Building Queen's Park Toronto, Ontario M7A 1A1 premier@ontario.ca

> James Bradley, Minister of the Environment Ministry of the Environment 11th Floor, Ferguson Block 77 Wellesley Street West Toronto, Ontario M7A 2T5 jbradley.mpp@liberal.ola.org

cc: Bob Chiarelli, Minister of Energy; bchiarelli.mpp.co@liberal.ola.org Reza Moridi, Minister of Research and Innovation; rmoridi.mpp.co@liberal.ola.org Paul Evans, Assistant Deputy Minister of the Ministry of the Environment; paul.evans@ontario.ca

Dear Premier Kathleen Wynne and Minister of the Environment James Bradley:

The undersigned organizations and individuals – representing a broad cross section of Ontario-based investors, industry, academics, and civil society – recognize the significant risks that climate change poses to our province and urge the Government of Ontario to work with stakeholders to establish meaningful policy to reduce greenhouse gas emissions across all sectors of the economy.

Ontario should clearly signal its intention to compete in the carbon-constrained economy of the future and assert its leadership in the transition to clean energy by establishing a price on carbon in advance of the federal government's proposed system. The economic, social, and environmental benefits of timely action would be significant, while inaction and uncertainty will become increasingly costly.

With respect to meaningful policies, carbon pricing is widely acknowledged as one of the most cost-effective approaches to reducing greenhouse gas emissions by driving innovation while providing flexibility to regulated entities. Ontario's system should be designed to allow linkage to the systems of other partners of the Western Climate Initiative (WCI). By contrast, the federal government is developing sector-by-sector intensity-based performance standards. By acting now, the Government of Ontario – through stakeholder consultations – can develop a more effective approach that best suits Ontario, providing industry with the regulatory certainty and flexibility it needs to get to work on solutions and achieve ambitious emissions reduction targets at the lowest cost.

A carbon pricing system, coupled with regulatory certainty, would unlock significant investment in clean technology and energy conservation in Ontario. At the same time removing regulatory barriers to using alternate and renewable fuels will be necessary to support the transition to a low carbon economy.

Carbon pricing could also generate new revenue for the province. This revenue could be used to support programs that invest in clean transportation priorities, protect consumers, improve the economic competitiveness of business, spur innovation, and grow jobs and GDP across the economy.

The time for action is now. The Ontario government demonstrated leadership in driving the phase-out of coal in the electricity sector. We urge the same commitment to reducing the usage of fossil fuels across industry in the province in order to position our province to compete in the low-carbon economy. We stand ready to support you in designing an effective system that capitalizes on Ontario's unique resources and innovative spirit.

BLUEGREEN

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