

CLIMATE PROSPERITY



PARALLEL PATHS: CANADA-U.S. CLIMATE POLICY CHOICES - OUTREACH REPORT



National Round Table
on the Environment
and the Economy

Table ronde nationale
sur l'environnement
et l'économie

Canada

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Disclaimer: The views expressed in this document do not necessarily represent those of the organizations with which individual Round Table members are associated or otherwise employed. The NRTEE strives for consensus but does not demand unanimity. The NRTEE's deliberations included vigorous discussion and debate reflecting diversity of opinion.

LETTER OF TRANSMITTAL

Dear Minister:

On behalf of the National Round Table on the Environment and the Economy (NRTEE), I am pleased to transmit to you this report summarizing the views and opinions of more than 150 stakeholders across Canada and the United States on our recent report, *Parallel Paths: Canada-U.S. Climate Policy Choices*. These findings come from five regional outreach sessions in Canada as well as a presentation in Washington D.C. held during February and March, 2011.

Overall, stakeholders we met with recognized the importance of the U.S. to the Canadian economy, and the importance of assessing the implications of different approaches for harmonization. At the same time, many clearly recognized the environmental imperative of reducing carbon emissions and meeting national and international climate policy goals. A broad consensus emerged that Canada should move forward with national climate policy, even in the face of continued uncertainty regarding U.S. policy. Opinions were more diverse as to how Canada should do so, with different ideas as to how stringent Canadian policy must be, and what policy mechanisms should be implemented. The NRTEE's Transitional Policy Option was seen as a useful and considered contribution to Canadian climate policy choices.

On a bilateral climate front, Canada will have greater technology challenges and costs than the U.S. As the road will be longer, we need to start the journey earlier. For very clear reasons of trade policy, Canadian action can help to avert any U.S. measures to impose carbon-based trade barriers.

We hope you find this report useful as you consider next steps for Canada in meeting our climate policy goals. The NRTEE would be pleased to meet with you to discuss our findings and assist you as you carry out your important work.



Sincerely,



BOB PAGE
NRTEE Chair

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I.0 INTRODUCTION

On January 25, 2011, the National Round Table on the Environment and the Economy (NRTEE) released *Parallel Paths: Canada–U.S. Climate Policy Choices*, the third report in the NRTEE’s *Climate Prosperity* series.

The report laid out the NRTEE’s analysis of the economic and environmental implications for Canada of leading, lagging behind, or harmonizing with U.S. policy to reduce greenhouse gas emissions. Building on this analysis, the report also developed a policy path for Canada to move forward with Canadian climate policy even in the face of continued policy uncertainty in the United States.

To foster a countrywide conversation about Canadian climate policy choices, the NRTEE held a series of outreach meetings across Canada and in Washington, DC. At each of these sessions, the NRTEE used the findings from *Parallel Paths* as a launching pad for a dialog between key stakeholders. The NRTEE convened these workshops not only to gauge reaction to its analysis and recommendations, but also to seed a broader conversation about Canada’s choices moving forward.

This document summarizes what we heard at these outreach workshops. It represents a sampling of the ideas raised by influential thinkers and decision makers across Canada in response to the NRTEE’s analysis and policy recommendations as presented in *Parallel Paths*. While the report does not capture every comment made by every stakeholder, it does highlight key themes we heard throughout the meetings and draws out areas of consensus and areas of divergence. It identifies regional differences and similarities between opinions, as represented by stakeholders at the workshops.

This outreach report is structured as follows:

// SECTION 2 describes the format of the outreach workshops.

// SECTION 3 outlines the ideas expressed by participants on the core issues: Should Canada move ahead of the U.S. on national climate policy? And if so, how?

// SECTION 4 draws out recurring secondary themes that emerged from the regional workshops.

// SECTION 5 links what we heard in Washington DC at the Peterson Institute to the Canadian narrative from the regional sessions.

// SECTION 6 concludes with a brief summary.

2.0 FORMAT OF THE OUTREACH WORKSHOPS

Each session was co-hosted by the NRTEE and a local partner organization. The NRTEE would like to thank the following organizations for co-hosting a regional session:

// THE PETERSON INSTITUTE FOR INTERNATIONAL ECONOMICS (WASHINGTON, DC)

// CARBON TALKS (VANCOUVER)

// CLIMATE CHANGE CENTRAL (CALGARY)

// THE MOWAT CENTRE FOR POLICY INNOVATION (TORONTO)

// SUSTAINABLE PROSPERITY (OTTAWA)

// THE COMMISSION FOR ENVIRONMENTAL COOPERATION (MONTRÉAL)

At each session, we focused on dialogue and discussion. The NRTEE employs Chatham House rules: the opinions and ideas recorded in this report are not attributed to specific stakeholders. The NRTEE provides a safe venue for conversation from a diverse set of stakeholders with a range of ideas.

Note takers in each session captured key ideas raised in the discussions. For the Calgary session, Climate Change Central distributed separately to participants their summary of these notes with more detail than is captured in this synthesis report.

2.1 // WORKING LUNCH AT THE PETERSON INSTITUTE FOR INTERNATIONAL ECONOMICS IN WASHINGTON, DC

The Peterson Institute hosted a working lunch session on February 10, 2011. This two-hour workshop involved a presentation of the NRTEE's key findings and recommendations, followed by commentary delivered by Meera Fickling from the Peterson Institute and a discussion of the latest developments in Canadian and American climate change policy.

2.2 // CANADIAN REGIONAL WORKSHOPS

Each Canadian regional workshop followed roughly the same half-day format: First, the NRTEE presented the results and findings of its report and answered questions of clarification with respect to its methods, analysis, and recommendations. Second, a broader discussion was facilitated with stakeholders. For this second half of the sessions, two core discussion questions formed the basis of the conversation:

- 1** // *If the U.S. does not move forward on comprehensive national climate legislation, does this mean Canada too should not move forward? What are the risks and opportunities of moving forward?*

- 2** // *How should the federal government move forward? What role can or should carbon pricing play? What role can or should regulation play?*



Vancouver Session, February 17, 2011

In the four regional workshops, a third discussion question delved into additional issues specifically relevant to each region. **Table 1** below lists the final discussion question for each workshop.

TABLE 1 REGION-SPECIFIC DISCUSSION QUESTIONS

CITY	DISCUSSION QUESTION
VANCOUVER (FEBRUARY 17, 2011)	<p>What is the role of sub-national governments (municipal, provincial)?</p> <p>For example, B.C. has pioneered its carbon tax (now approaching a level of stringency similar to that proposed in the NRTEE report) and is a leading member of the Western Climate Initiative. How far can or should B.C. go without a national policy framework in place?</p>
CALGARY (FEBRUARY 22, 2011)	<p>What role should a federal technology fund play in supporting low-carbon technologies in Canada?</p> <p>How could or should such a mechanism be governed (both in terms of generating revenue and in investing in low-carbon technologies)?</p> <p>How could federal and provincial funds be integrated?</p>
MONTRÉAL (MARCH 1, 2011)	<p>Is a north american carbon market with a harmonized climate policy a viable goal?</p>
TORONTO (MARCH 3, 2011)	<p>How can Ontario and Canada position themselves to take advantage of new low-carbon growth opportunities for business, both nationally and internationally?</p> <p>What role can or should a technology fund play?</p>

2.3 // WEBSITE

Photos, agendas, and additional information on each of these sessions can be found on the NRTEE website.

3.0 PRIMARY THEME: MOVING FORWARD WITH NATIONAL POLICY AHEAD OF THE U.S.

The core focus of the sessions was to explore the questions of whether and how Canada could move ahead of the U.S. on climate change policy. This chapter documents what we heard regarding these central questions.

3.1 // A CRITICAL ISSUE: CANADA–U.S. CLIMATE POLICY CHOICES

Multiple stakeholders expressed strong support for the NRTEE in tackling the issue of Canadian climate policy in the context of U.S. policy. Stakeholders recognized that the issue of harmonization with the U.S. was an important and relevant one for Canada, and several participants acknowledged that deeper analysis of harmonization and what it meant for Canada were both necessary and needed. And in the context of the failure of a national climate bill in the U.S. Senate in 2010 and potential delays in regulation under the Clean Air Act through the Environmental Protection Agency (EPA), Canada must make its own choices as to how it will proceed.



Calgary Session, February 22, 2011

We heard broad support for our analysis. Stakeholders noted that the NRTEE's results were consistent with other analyses on this issue. We heard from multiple sources that the marginal abatement cost curves presented in the report were a particularly important contribution to the public debate on climate change in Canada. A few stakeholders suggested that a modelling framework that included global competitiveness effects and global emissions was required, and a few stakeholders also suggested more testing was required for the model we used. In particular, they suggested we further explore implications for the natural gas sector. Overall, however, stakeholders considered the analysis a very useful contribution.

In short, we heard support for exploring the policy questions we raised, even where opinions differed as to what approach Canada should take in response.

3.2 // CONVERGENCE: BROAD SUPPORT FOR MOVING AHEAD OF THE U.S.

Though there was not unanimous agreement, we consistently heard from most stakeholders at all meetings that Canada should not wait for the U.S., but should move ahead with national climate policy. As one stakeholder put it, “Not everything needs to be harmonized.”

Stakeholders identified multiple reasons for Canada to move ahead on its own, including the following:

// AN ENVIRONMENTAL IMPERATIVE. Achieving environmental goals and ensuring that Canada helps reduce global emissions are important considerations. For several stakeholders, the environmental imperative was the most important rationale for action.

// REAL ECONOMIC GAINS. Without a coordinated national policy, Canada runs the risk of losing a competitive advantage in global clean technology markets.

// AVOIDING BORDER ADJUSTMENTS. Supporting the findings of the report, participants suggested that implementing Canadian policy would reduce the risks of trade measures.

// INTERNATIONAL REPUTATION. Canada’s reputation as an energy superpower will be respected and viable only if we implement sustainable energy policies. Failure to act so far has undermined Canada’s credibility in other international policy areas.

// BUSINESS CERTAINTY. It would be bad for business to do nothing. Price and policy certainty is required to make long-term investment decisions.

// DIFFERENT EMISSIONS GROWTH AND ABATEMENT COSTS. Canada will have a longer, more costly process in achieving targets relative to the U.S., so must start sooner. Complex technology like CCS will take time to perfect.

To some extent, almost all of these issues were raised at all workshops. The Vancouver and Montréal sessions put particular emphasis on the environmental imperative, though the issue was raised elsewhere as well. The Calgary and Toronto sessions placed particular importance on the economic drivers, including the need for certainty and avoiding border adjustments. Issues of international reputation were raised most frequently in the Toronto workshop. Opportunities for Canada in low-carbon technology markets were discussed extensively in Vancouver, Ottawa, and Montréal.

A few stakeholders suggested that Canada should *not* move ahead of the U.S. Concerns were raised over competitiveness for emissions-intensive and trade-exposed sectors, such as the chemical manufacturing or cement sectors. Some stakeholders also noted that climate policy in Canada alone would have no impact on global warming, and that Canada should move ahead only in parallel with the rest of the world and in particular the U.S., a major global emitter and Canada's major economic partner.

Yet, overall, we heard broad agreement that Canada should move forward in a considered way for our own interests. Participants noted that the U.S. was important, but not the be-all and end-all for Canadian climate policy choices. One Calgary stakeholder suggested that Canada "needs something rational, linked into the economy and reflective of the U.S. position." Yet many stakeholders concerned with the risks of moving forward independently of the U.S. agreed that Canada should in fact move, though they disagreed about the details as to how it should best do so.

3.3 // DIVERGENCE: POLICY TOOLS FOR CANADA TO MOVE FORWARD

But what should Canada's specific approach be for cautiously moving ahead of the U.S.? On this question we heard a much broader range of opinions. In particular, discussion focused on two key policy questions: 1) What policy instrument is best suited to drive Canadian emissions reductions? 2) How stringent should this policy be?



Montreal Session, March 1, 2011

POLICY INSTRUMENTS

The NRTEE's position on climate policy focuses on economy-wide carbon pricing policy as the best way to achieve emissions reductions at least cost. Many stakeholders supported the idea of market-based instruments as a more effective way of managing economic and environmental objectives. As one stakeholder noted, "well-done market pricing across the economy will find the optimal solutions."

We noted some divergence in the type of market-based instrument preferred. Certain stakeholders supported the cap-and-trade mechanism, noting that if targets were set appropriately, they could ensure an absolute level of emissions reductions. Others suggested that a form of carbon tax is a better market-based policy instrument given its ability to provide price certainty and transparency. One participant suggested that carbon pricing policy could be an important link to a free-trade agreement with the EU, which has its own cap-and-trade system. Alternatively, we heard from a few stakeholders that a carbon pricing policy should be implemented not as a way to incent behavioural changes, but as a way to generate revenue that could be used to support innovation and research development for low-carbon technologies. They suggested that Canada should target technologies such as carbon capture and storage (CCS), nuclear storage, and storage for wind- and solar-generated electricity.

Some stakeholders preferred a regulatory approach to a market-based instrument. One stakeholder noted, "politically, we cannot set the carbon tax high enough to change peoples' behavioural interests." Given that a low carbon price would be insufficient to drive the levels of reductions required, a regulatory approach would also be necessary, even if regulations were less economically efficient. Energy-efficiency standards and vehicle standards were highlighted as possibilities. There was also some support for phasing policy in sector by sector, moving more slowly for vulnerable sectors, or even excluding them altogether. This approach is more consistent with stated intentions of the Canadian government for a phased regulatory approach.

Some participants registered concern than the policy landscape had shifted. They suggested that cap-and-trade had failed in the U.S. Senate and was no longer on the policy agenda. Instead, the U.S. seems to be moving toward a regulatory approach through the EPA and the Clean Air Act. As a result, cap-and-trade could be less relevant for Canada.

Yet other stakeholders suggested that carbon pricing policies were still very relevant for Canada's circumstances and praised the NRTEE for keeping market-based policy instruments as part of the national conversation. And the Western Climate Initiative (WCI) continues to make progress toward implementing a cap-and-trade system in 2012.

Despite divergence on preferences of a policy mechanism, many stakeholders suggested that multiple tools would be required. They recommended that regulations and carbon pricing policies be seen as complements, not as opposites. Similarly, participants also suggested other, alternative approaches as part of a policy mix: removing fossil-fuel subsidies for established sectors, initiating a targeted renewable energy strategy, and incorporating land-use planning decisions into policy.

POLICY STRINGENCY

The other key dimension of policy design discussed at all the regional meetings was the issue of stringency. The stringency of a policy determines the strength of the incentives or requirements they impose and is relevant for both market-based and regulatory approaches. On this issue, we heard a very broad range of opinion.



Toronto Session, March 3, 2011

Some participants advocated for greater policy stringency. They suggested that a carbon price of \$30/tonne, as proposed in the NRTEE's *Transitional Policy Option*, would not drive sufficient emissions reductions. Indeed, some stakeholders argued that Canadian targets should be determined according to climate science, and emissions caps should be set according to science-based targets.

At the other end of the spectrum, some stakeholders suggested that even a carbon price \$30/tonne higher than in the U.S. would result in competitiveness issues and that instead, a percentage difference should be considered. Yet others noted that the more price is constrained, the fewer emissions reductions result.

Finally, some stakeholders supported the NRTEE's more gradual transition approach and noted its "pragmatism." They suggested that Canada should "do a little now and more later," emphasizing that the *Transitional Policy Option* should be considered the beginning of a process, not the final determinant of Canadian climate policy.

REGIONAL PERSPECTIVES

We heard a range of opinions on both policy instruments and stringency in all regions, without a clear consensus in any single workshop. That being said, some trends did emerge. Preferences for market-based approaches coupled with price certainty and low stringency were common in the Calgary session. Several participants in the Ottawa session also advocated for less stringent policy, and in particular suggested some sectors should be excluded or phased in. The need for greater stringency was frequently raised in both the Vancouver and Montréal sessions, with broad support for carbon pricing approaches, though a few stakeholders argued that regulatory approaches could be more effective in ensuring emissions reductions.

4.0 SECONDARY THEMES: REGIONS, TECHNOLOGY, OPPORTUNITIES, AND CITIZENS

In each regional workshop, we asked a unique discussion question pertaining to more specific policy issues in the context of Canadian climate policy, and in particular to issues relevant in each region.

Yet ideas raised in *all* the regions ended up being relevant to each of the other issue areas. In this chapter, we summarize what we heard about some of these themes. The feedback we document here could inform the development of a Canadian climate strategy that meets the diverse interests across Canada.

4.1 // POLICY FRAGMENTATION AND REGIONAL IMPACTS

In the Vancouver session, we asked stakeholders to discuss the role of sub-national climate policies. Given that B.C. has a carbon tax approaching the carbon price proposed in *Parallel Paths* and that B.C. is a member of the Western Climate Initiative (WCI), Vancouver participants had much to say on this issue. Yet the themes of provincial policy choices and regional impacts emerged strongly from all the Canadian sessions.

On one hand, participants noted that policy makers could learn from the regional policy fragmentation that currently exists in Canada. “Can we measure what works in B.C., and then apply it to the rest of country?” asked a participant in Vancouver. Indeed, other stakeholders noted that California in the U.S. and B.C. in Canada could provide positive examples illustrating how policy can be implemented without adverse impacts. In short, benefits exist from some provinces taking the lead.

Yet on the other hand, stakeholders across Canada identified the need for harmonizing the patchwork of policies across the country. They noted that national harmonization is needed for effective policy, but that harmonization will be harder the longer we wait, as provincial policies become entrenched. We heard that B.C. could be unwilling to increase its provincial carbon tax in the absence of pricing policies elsewhere in Canada.

The challenge for harmonization is that different regions clearly have different circumstances. With different economies and emissions intensity, Canada's regions respond to policy differently. One stakeholder pointed out that in the NRTEE's *Transitional Policy Option*, Alberta still experiences slightly larger economic impacts under the policy, and that these differences in relative impact were a cause of concern. Revenue recycling strategies were also discussed in this context as ways to address issues of regional equity in the context of national climate change policy. However, in terms of barriers to implementing a national carbon pricing policy, a few stakeholders suggested that the biggest problem is not economic impacts, but the federal and provincial roles with respect to resource development. Provincial responsibility for resources (like the Alberta oil sands) makes it politically and culturally difficult for the federal government to create a plan that will satisfy and reflect the interests of the entire nation. Yet as stakeholders in several regions noted, there is increased interest from the West in a national energy framework. Discussion at our Calgary workshop seemed to reinforce this interpretation, as many stakeholders, including those from industry, broadly supported a national climate policy.

Finally, we heard a suggestion as to a path forward: the role of the federal government could be the overall coordinator but not the implementer of policy. One stakeholder used a sports analogy. The federal government sets the rules, plans the size of the field, and chooses the referees, but provincial government "coaches" are given substantial room to choose the team and devise a strategy.

4.2 // TECHNOLOGY AND TECHNOLOGY FUNDS

In the Calgary session, we asked about support for technology and in particular about technology fund mechanisms, which would provide support for low-carbon technologies. In *Parallel Paths*, the NRTEE suggested that the revenues for such a fund could be provided as part of a cap-and-trade system using a safety valve. Under this approach, government would sell additional permits at a fixed price, generating additional revenue, but also limiting the market price of carbon. The report did not explore the best ways to distribute this revenue. In the Calgary session we asked about how such a fund could be governed because the Climate Change and Emissions Management Corporation (CCEMC) provides a live example of a technology fund operating in Alberta. Again, however, governance of technology funds was raised in workshops across the country, and the CCEMC example was specifically raised in Toronto and Ottawa as well. The UK Carbon Trust was also mentioned as a useful example.

Overall, we heard fairly broad support for a technology fund. Stakeholders in all regions supported the idea that technology was a key element in reducing Canadian emissions. One stakeholder noted that insufficient technological change would be stimulated at low carbon prices, so a technology fund would likely be necessary. Others noted that a technology fund would allow for collaborative partnerships with government to provide necessary funding to scale up large projects. Still, some stakeholders suggested the technology fund as proposed in the NRTEE report was problematic in that it would reduce the emissions reductions that would occur in Canada in 2020 as a result of limiting the carbon price.

Asked how a technology fund should be governed, participants expressed a range of concerns and offered many suggestions. Stakeholders were split as to whether a federal fund should support technology research and development to drive innovation or should deploy existing technologies and pick specific technologies to support. Some stakeholders suggested it should do both. Indeed, several stakeholders, particularly those that cited the Alberta CCEMC as a positive example, suggested that a portfolio approach was required in which a fund would make a range of strategic investments without being top-heavy in any one area. Other principles were also proposed, including the requirement of not funnelling money back to laggards, in effect rewarding them for not responding to the price signal. Many stakeholders suggested that new, independent institutions would be required to make these investment choices. They noted that these institutions must be removed from the bureaucracy and should transparently select projects based on their ability to achieve results, not according to a political agenda.

Finally, the issue of regional equity was again strongly voiced with respect to a technology fund. Several participants, particularly in Calgary and Toronto, were concerned about transfers of technology fund revenue between regions. Some stakeholders suggested that technology funds should be administered at a provincial level



Ottawa Session, March 8, 2011

according to nationally set guidelines. Some Toronto stakeholders noted that an Ontario-specific technology fund would be important to ensure that Ontario technology development would receive support; there was also concern a nationally administered fund would devote disproportionate resources toward regions that are more emissions intensive.

4.3 // LOW-CARBON OPPORTUNITIES

In the Toronto session, we asked stakeholders about the importance of low-carbon opportunities for business. Again, this theme recurred in other sessions. Several stakeholders suggested that developing Canadian expertise and technologies for emerging low-carbon markets was a benefit of domestic climate policy not fully captured in the NRTEE's modelling of the costs of decarbonization. Stakeholder suggested the problem should be reframed, recommending that Canada's objective should be to maximize benefits (both dollars and jobs) from low-carbon markets. They suggested China was emerging as a leader on this issue because maximizing low-carbon opportunities is smart economic policy, not just environmental policy. Similarly, one stakeholder commented on the lost opportunities for Canada that could arise from delay, suggesting Canada would end up buying low-carbon technologies from elsewhere and be limited to exporting Canadian natural resources. We also heard about the importance of developing technology partnerships for research, development, and deployment with international leaders (including, for example, CCS with the EU, renewable technologies with Chinese partners, and bio-energy in Brazil). Finally, a stakeholder suggested that seizing low-carbon opportunities was "all about implementation." Technology incubators should be set up to provide diverse opportunities for innovation and creativity.

4.4 // CITIZENS AND ENGAGEMENT

We noticed one additional emergent theme: the importance of engaging Canadians more directly on this issue. While our regional workshops consisted mostly of expert stakeholders, many pointed to the need for broader engagement. Participants suggested that citizens don't understand climate change and need to be involved in the issue and policy choices. This shift requires new communication tools. Lack of citizen engagement was

cited as a key political barrier to implementing national policy. One participant suggested that the federal government would not move forward until a broader constituency of citizens activated themselves. With respect to moving forward with policy, another stakeholder suggested that “40% of the work is the research, 60% is the outreach.”

Finally, several stakeholders from various parts of the country suggested that a reframing of climate policy could lead to broader buy-in. Specifically, “energy policy is climate policy by a different name.” Some participants noted that citizens might be more likely to support a national energy framework than a national climate change policy.

5.0 U.S. STAKEHOLDERS' REACTION

The workshop co-hosted with the Peterson Institute for International Economics in Washington, DC, focused on educating American stakeholders on the NRTEE's work.

U.S. stakeholders obviously have less at stake in the context of Canadian climate policy choices. Yet the workshop attracted a diverse range of stakeholders who were supportive of the analysis and conclusions we presented. Little original Canadian analysis on North American climate policy makes its way into the U.S. policy conversation.

We also heard additional insights as to the future of climate policy in the U.S. While President Obama is committed to a “Clean Energy economy” by 2035 and is beginning to regulate toward that end on coal-fired generation and other pollutants through the EPA regulatory authorities, climate policy is being challenged by both congressional and court action. With Democrat support, for example, Republicans could put a two-year moratorium on EPA regulatory authority. Meanwhile, states are acting: 30 states already have renewable portfolio standards and California’s low carbon fuel standard (LCFS) survived an initiative to repeal it in the November midterms. Policy is shifting to more complicated state and federal performance standards rather than simple carbon pricing.

The American situation and the regulatory uncertainty have implications for Canada and support the recommendation for a transitional and flexible policy approach. Without a transparent carbon price or a cap-and-trade system, how does Canada fit into the regulatory framework? For example, hydro exports account for nearly 10% of American usage: how will they be assessed? Then there is the pending oil pipeline extension waiver currently before the State Department. Meanwhile, a series of joint projects, including carbon capture and storage sites, exist at the border (e.g., Montana, North Dakota, and Saskatchewan). Potential starting places for cooperation could include establishing a common definition of clean electricity, collaborating on the “smart grid,” and reducing barriers to energy cooperation.

The session was useful in raising awareness of the issue and analysis for U.S.-based stakeholders and assessing the viability of the *Transitional Policy Option* in the context of American policy trends.

6.0 CONCLUSIONS

The NRTEE's outreach program for *Parallel Paths: Canada–U.S. Climate Policy Choices* sparked animated and informative discussions across the country.

Overall, we heard appreciation for tackling the issue of Canadian climate policy in the context of U.S. policy and for bringing original analysis and a fresh perspective to Canada's climate policy debate. Stakeholders recognized that the issue of harmonization with the U.S. was an important and relevant one for Canada, with several participants acknowledging that deeper analysis of harmonization and what it means for Canada were both necessary and needed. Overall, participants accepted the NRTEE's modelling as a useful and credible tool. In particular, many participants noted the NRTEE's distinction and implications between harmonizing on price and on targets as a valuable contribution to the conversation.

A broad — though not unanimous — consensus emerged from the regional sessions that Canada should indeed move forward with national climate policy, even in the face of continued uncertainty regarding U.S. policy. Opinions were more diverse as to *how* Canada should do so. We heard support for the proposed cap-and-trade recommendations, but also for looking more closely at a transparent and simple carbon charge. We also heard some support for other approaches, including regulations, subsidies, and a broader clean-energy strategy. We heard divergence, however, as to how stringent Canadian policy should be. At one end of the spectrum, some stakeholders argued for strong science-based targets and correspondingly strong policy to achieve them. At the other end, some stakeholders argued for more cautious steps and for limiting the stringency of Canadian carbon policy to be even more closely aligned with the U.S. than proposed by the NRTEE in the *Transitional Policy Option*. But overall, we believe there was strong consensus for moving ahead with more policy action rather than less.

The recurring themes that emerged from the session speak to the need for additional analysis. There was recognition of the federal government's intention to deepen its regulatory approach beyond vehicles and coal-fired electricity plants to other sectors, and acknowledgement that this approach would yield some results. Clearly, the question of how provincial/territorial and federal policies are reconciled remains an important question. Sub-national policies are moving forward, partly because the provinces want their own unique circumstances to be accounted for. Provincial implications will need to be considered in the design of national policy climate policy, especially as they relate to a federal regulatory approach but also in the context of support for low-carbon technologies. This is particularly true if a national technology fund is developed. Opportunities for low-carbon technologies in international markets was also a frequently raised issue. Ongoing NRTEE work as part of the *Climate Prosperity* Program will help to answer some of the questions we heard stakeholders ask about Canada's future low-carbon competitiveness.

7.0 APPENDICES

7.1 // OUTREACH SESSIONS



// FEBRUARY 10, 2011: WASHINGTON, DC

Co-hosted with the Peterson Institute for International Economics

www.petersoninstitute.org



// FEBRUARY 17, 2011: VANCOUVER, BRITISH COLUMBIA

Co-hosted with Carbon Talks

www.carbontalks.ca



// FEBRUARY 22, 2011: CALGARY, ALBERTA

Co-hosted with Climate Change Central

www.climatechangecentral.com



// MARCH 1, 2011: MONTRÉAL, QUÉBEC

Co-hosted with Commission for Environmental Cooperation

www.cec.org



// MARCH 3, 2011: TORONTO, ONTARIO

Co-hosted with Mowat Centre

www.mowatcentre.ca



// MARCH 8, 2011: OTTAWA, ONTARIO

Co-hosted with Sustainable Prosperity

www.sustainableprosperity.ca

7.2 // PARTICIPANTS

Note: As the *Canada-U.S. Outreach Sessions* took place in the winter of 2011, some participants' titles and organizations might have changed. Information that appears below reflects that of the participants at the time of these meetings.

FEBRUARY 10, 2011: WASHINGTON, DC

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Center for American Progress

David McLaughlin

National Round Table on the Environment and the Economy

Antonio Ortiz-Mena

Embassy of Mexico

Janet Peace

Pew Center on Global Climate Change

Colin Robertson

McKenna, Long and Aldridge LLP

Francisco Sandoval Saqui

Embassy of Mexico

Christopher Sands

Hudson Institute

Leslie Yang

Office of the U.S. Trade Representative

Elizabeth Zelljadt

Point Carbon North America

**FEBRUARY 17, 2011: VANCOUVER,
BRITISH COLUMBIA**

Chris Adachi

Teck Resources Ltd.

Paula Barrios

SHARE

Chris Bataille

M.K. Jaccard and Associates

Dale Beugin

National Round Table on the Environment and the
Economy

Tyler Bryant

David Suzuki Foundation

Frank Came

Globe Foundation

Marlene Cummings

Forest Ethics

John Dagevos

Brabant Centre for Sustainable Development

Julia Dorofeeva

Sauder School of Business, UBC

Hadi Dowlatabati

Institute for Resources, Environment and Sustainability and Liu Institute for Global Issues

Charlene Easton

C. Easton, Sustainability

Mark Edwards

Teck Resources Ltd.

Sigrid Emrich

U.S. Consulate General

Rosemary Eng

U.S. Consulate General

Suzanne Hawkes

Convergence

Jim Hoggan

Hoggan & Associates

Matt Horne

Pembina Institute

Keith Jardine

Paul Kariya

Clean Energy BC

Brenda Kuecks

Eco-Trust

Stefan Lorimer

PLAN

Andrew Macdonald

Sustainability Partners

David McLaughlin

National Round Table on the Environment and the
Economy

Adine Mees

Canadian Business for Social Responsibility

Lena Muratkina

Anne Murray

Vancouver Airport Authority

Rudy North

North Growth Foundation

Nancy Olewiler
Simon Fraser University

Tom Pedersen
PICS

Hurrian Peyman
Sauder School of Business
University of British Columbia

Richard Prokopanko
National Round Table on the Environment and the
Economy

Elodie Joy Ramjheetun

Mark Roseland
Simon Fraser University
Centre for Sustainable Community Development

Robert Safrata
Novex

Daniel Savas
Savas Consulting

Barry Saxifrage
Stonebreaker Designs

Carrie Saxifrage
Tides Canada

Elizabeth Sheehan
Climate Smart

Roberta Smith
Blue Lantern Communications

Shauna Sylvester
Carbon Talks

Peter Weeme
Junxion Strategy

Ben West
Former leader B.C. Green Party

Mark Winston
Simon Fraser University

Dana Wong
Sourcing Offsetters

FEBRUARY 22, 2011: CALGARY, ALBERTA

Kirk Andries

CCEMC

Laura Badiyan-Eyford

Enbridge Inc.

Dale Beugin

National Round Table on the Environment and the Economy

Helen Corbett

C3 Foundation
Climate Change Central

Jim Cormack

TransCanada

Jenna Dunlop

Canadian Association of Petroleum Producers

Dustin Engel

Alberta Infrastructure

Adam Gagnon

Climate Change Central

Karen Gorecki

Climate Change Central

Leo Flamen

Hatch Ltd.

Bob Hawkesworth

Municipal Climate Change Action Centre

Arsheel Hirji

Tom Huffaker

Canadian Association of Petroleum Producers

James Hughes

Imperial Oil Limited

Paul Hunt

Enbridge Inc.

Fiona Jones

Suncor Energy Inc.

William Kimber

Canada West Foundation

Kimberly King

Climate Change Central

Robert Klager

Tans Alta

Simon Knight

Climate Change Central

Robert Kulhawy

National Round Table on the Environment and the Economy

David Layzell

ISEEE, University of Calgary

Pat Letizia

Alberta EcoTrust Foundation

Laura Lochman

U.S. Consulate General

David McLaughlin

National Round Table on the Environment and the Economy

Monica Micek

Alberta Environment

Bob Mills

National Round Table on the Environment and the Economy

Jon Mitchell

Cenovus

Robert Page

National Round Table on the Environment and the Economy

Brad Park

Alberta Environment

Jotham Peters

MK Jaccard and Associates

Ryan Pike

Canada West Foundation

Jeff Reading

Climate Change Central

Joelle Rekers

City of Calgary

Shawna Ritchie

Canada West Foundation

Kim Rowe

Alberta Culture and Community Spirit

Larissa Sommerfeld

Canada West Foundation

Lloyd Visser

ConocoPhillips Canada

Ed Whittingham

The Pembina Institute

Gary Woloshyniuk

The City of Edmonton

MARCH 1, 2011: MONTRÉAL, QUÉBEC

Dale Beugin

National Round Table on the Environment and the Economy

Joëlle Boutin

National Round Table on the Environment and the Economy

Cédric Chaperon

Regroupement national des conseils régionaux de l'environnement du Québec

Christopher Green

McGill University

Claude Desjarlais

Ouranos

René Drolet

National Round Table on the Environment and the Economy

Geoffrey Garver

Jean Nolet

Eco Ressources

Johanne Pichette

Caisse de dépôt et placement du Québec

Johanne Whitmore

David Suzuki Foundation

John Hachey

National Round Table on the Environment and the Economy

Marc Paquin

Unisféra

Normand Parisien

Transport 2000 Canada

Orlando Cabrera Rivera

Commission for Environmental Cooperation

Evan Lloyd

Commission for Environmental Cooperation

MARCH 3, 2011: TORONTO, ONTARIO**Dale Beugin**

National Round Table on the Environment and the Economy

Zoe Caron

World Wildlife Foundation - Canada

Adam Chamberlain

Borden, Ladner, Gervais

Cara Clairman

Ontario Power Generation

Dianne Cunningham

National Round Table on the Environment and the Economy

Rob Dowler

Government of Ontario

Patrick Fancott

Government of Ontario

Glenna Ford

Ontario Power Authority

Chris Gates

Environmental Commissioner of Ontario

Jane Gray

Trent University

Joanne Groumpos

York University

Melissa Harris

Richard Ivey School of Business
University of Western Ontario

John Hewings

Environmental Management

Christopher Hilkene

National Round Table on the Environment and the Economy

Stephen Hill

Trent University

Sandy Houston

Metcalf Foundation

Greg Hunter

Government of Ontario

Jacob Irving

Canadian Hydropower Association

Michael Kandravy

Suncor Energy

Christopher Kennedy

University of Toronto

Richard Laszlo

Quality Urban Energy Systems of Tomorrow

Tim Lewis

Government of Ontario

Doug MacCallum

Government of Ontario

Mary MacDonald

Metcalf Foundation

Heather Maclean

University of Toronto

Maria Mavroyannis

Deloitte & Touche LLP

David McLaughlin

National Round Table on the Environment and the Economy

Eric Miller

University of Toronto

Gord Miller

Environmental Commissioner of Ontario

Barbara Mossop

Ontario Forest Industries Association

Timothy Nash

Strategic Sustainable Investments

Lawson Oates

Toronto Environment Office

Ken Ogilvie

Quality Urban Energy Systems of Tomorrow

Charles O'Hara

Government of Ontario

Murray Osbaldeston

Suncor Energy

Alison Ouellet

Canadian Renewable Fuels Association

Sarah Paul

Government of Ontario

Ian Rice

York University

Scott Rogers

University of Toronto

Rana Sarkar

Canada-India Business Council

Ken Stauffer

Government of Ontario

Katie Sullivan

International Emissions Trading Association

Paul Sommerville

Ontario Energy Board

Bala Venkatesh

Ryerson University, Centre for Urban Energy

Mel Ydreas

Union Gas

MARCH 8, 2011: OTTAWA, ONTARIO**Celine Bak**

Analytica Advisors

Dale Beugin

National Round Table on the Environment and the Economy

Joëlle Boutin

National Round Table on the Environment and the Economy

Mary-Rose Brown

Public Policy Forum

Darren Brown

Cement Association of Canada

Bruce Dudley

Delphi Group

Stewart Elgie

Sustainable Prosperity

Jimena Eyzaguirre

National Round Table on the Environment and the Economy

Stefan Janhager

Interactive Standards (CCO)

Shannon Joseph

Federation of Canadian Municipalities

Isabella Kavafian

National Round Table on the Environment and the Economy

Dana Krechowicz

Sustainable Prosperity

Paul Ledwell

Public Policy Forum

Gordon Lloyd

Chemistry Industry Association of Canada

Elizabeth Majeau

Canadian Electricity Association

Alexandra Mallett

Carleton University

Velma McColl

Earnscliffe Strategy Group

David McLaughlin

National Round Table on the Environment and the Economy

Sandeep Pandher

National Round Table on the Environment and the Economy

Bruce Ringrose

Climate Check Corporation

John David Runnalls

University of Ottawa

Toby Sanger

CUPE

Andrew Van Iterson

EcoJustice Canada

Munaf von Rudloff

Canadian Hydropower Association

Alexander Wood

Sustainable Prosperity

ABOUT US

Emerging from the famous Brundtland Report, *Our Common Future*, the National Round Table on the Environment and the Economy (NRTEE or Round Table) has become a model for convening diverse and competing interests around one table to create consensus ideas and viable suggestions for sustainable development. The NRTEE focuses on sustaining Canada's prosperity without borrowing resources from future generations or compromising their ability to live securely.

The NRTEE is in the unique position of being an independent policy advisory agency that advises the federal government on sustainable development solutions. We raise awareness among Canadians and their governments about the challenges of sustainable development. We advocate for positive change. We strive to promote credible and impartial policy solutions that are in the best interest of all Canadians.

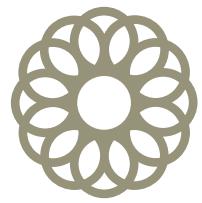
We accomplish that mission by fostering sound, well-researched reports on priority issues and by offering advice to governments on how best to reconcile and integrate the often divergent challenges of economic prosperity and environmental conservation.

The NRTEE brings together a group of distinguished sustainability leaders active in businesses, universities, environmentalism, labour, public policy, and community life from across Canada. Our members are appointed by the federal government for a mandate of up to three years. They meet in a round table format that offers a safe haven for discussion and encourages the unfettered exchange of ideas leading to consensus.

We also reach out to expert organizations, industries, and individuals to assist us in conducting our work on behalf of Canadians.

The *NRTEE Act* underlines the independent nature of the Round Table and its work. The NRTEE reports, at this time, to the Government of Canada and Parliament through the Minister of the Environment. The NRTEE maintains a secretariat, which commissions and analyzes the research required by its members in their work.





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