



Office of the Commissioner
Environmental Services Department

MEMORANDUM

To: **Regional Council**

From: **Erin Mahoney, M. Eng.**
Commissioner of Environmental Services

Paul Freeman
Chief Planner

Date: October 18, 2018

Re: York Region Staff Response – Bill 4, Cancellation of Cap and Trade Act, 2018

Bill 4 consultation period insufficient to allow for Regional Council review prior to submission

The Province of Ontario released *Bill 4, Cancellation of Cap and Trade Act, 2018* on September 11 for a 30 day consultation period. Staff comments were submitted on October 11 to meet the consultation timeline and reflects comments received from across the corporation. Due to the short timeframe provided, it was not possible to bring the response to Regional Council for endorsement prior to submission.

Region strategic plans continue to support action on climate change

Cancellation of cap and trade resulted in a loss of approximately \$25 million in funding for Regional programs and initiatives. While it is a funding setback, York Region remains committed to encouraging practical initiatives through a number of Council approved directions, including [Vision 2051](#), the [Regional Official Plan](#), the [Corporate Energy Conservation and Demand Management Plan](#), and development of a [Climate Change Action Plan](#).

Region staff adapting to new Provincial policy direction

New Provincial leadership has resulted in significant changes in the Provincial approach to carbon pricing and climate change. The Province has also announced that it will release a new

climate change plan later this fall. Region staff continue to assess impacts of the Province's new direction on the Region's plans and initiatives. The attached response pivots from recommendations made under the cap and trade regime to reflect changes in Provincial policy. This includes a focus on encouraging low cost or no cost Provincial actions to reduce greenhouse gas emissions. Region staff remain committed to working with the Province to create beneficial policy outcomes for York Region and its residents. Any comments provided by Regional Council will be provided to the Province in an effort to drive effective policy outcomes.

Erin Mahoney, M. Eng.

Commissioner of Environmental Services

Paul Freeman

Chief Planner

Attachments (1)

8911604



October 11, 2018

Cap and Trade - Help Desk
Cap and Trade Branch
77 Wellesley Street West
10th Floor, Ferguson Block
Toronto ON M7A 2T5
Canada

Cap and Trade – Help Desk:

**RE: York Region Response – Bill 4: *Cancellation of Cap and Trade Act, 2018* –
ERO 013-3738**

York Region thanks the Province for consulting with stakeholders on cancellation of the Cap and Trade Act, 2018 and welcomes the opportunity to provide a municipal perspective. York Region has a significant stake in addressing climate change given our role in delivering services directly to our residents to provide a high quality of life.

Given the short duration of the Registry posting and timing of municipal elections, staff were unable to engage Council members on this response prior to the October 11th deadline. Any comments or feedback from Regional Council members following the election will be provided to the Province.

York Region is committed to addressing climate change due to impacts to our residents

York Region taxpayers are concerned about the impacts of a changing climate, with 91% stating they either have been or believe they will be negatively impacted by climate change. York Region Council has committed to addressing climate change through our strategic documents including Vision 2051, Regional Official Plan, and the Corporate Energy and Conservation Demand Plan. York Region is working towards low carbon communities and net-zero GHG emissions by 2051. In response, York Region Council endorsed development of a Climate Change Action Plan with adoption planned for 2019.

Cancellation of Cap and Trade resulted in a \$25 million loss in mitigation opportunities within York Region

A \$25 million loss in funding has severely decreased the momentum York Region had on implementing initiatives that would have contributed to combating climate change. While cancellation of cap and trade may not halt these programs entirely, it does represent a significant disruption and a loss of momentum for municipalities looking to

address climate change through innovative action. As an example, the loss of funding led to cancellation of an electric bus pilot program in York Region. More than half of the greenhouse gas emissions from York Region operations are from transit bus operations and this project would have been a key step to enable electrification of the Region's bus network. While the Province is committed to getting people moving through mass public transit that will ultimately help lower greenhouse gas emissions, enabling the introduction of an electric bus fleet would have been an important step to further drive emissions reduction and help address climate change.

Cancellation of the Cap and Trade program has also resulted in the loss of \$14.7 million for improvements to social housing, which would have reduced greenhouse gas emissions by 294 tonnes annually and created valuable jobs within our community. This is a missed opportunity that impacts 1,419 housing units in our community serving our most vulnerable populations.

Province should take the opportunity to implement low-cost solutions and reduce barriers to innovation to drive continued action on climate change

As part of developing a new climate change plan, the Province has many opportunities to integrate low cost or no cost solutions by strengthening Provincial policy in areas that support climate action. Regional staff recommend the Province reduce regulatory and cost barriers to innovation, develop policy and provide a range of tools that enable municipalities to take cost-effective action on climate change that aligns with services such as energy efficiency, public health, transit and infrastructure. These tools include net metering, requiring sustainable growth management approaches, and consistent land use policy direction. For example, strong land use planning policies that support climate mitigation and community resiliency through sustainable growth management approaches will help drive development of healthy complete communities.

Another key way the Province can assist municipalities in adapting to climate change would be to streamline permitting processes for municipal infrastructure similar to what has been provided for transit projects. In many cases municipalities are incurring significant costs and having to wait years to obtain approvals to move ahead with infrastructure improvements that would address climate change adaptation. Providing a streamlined process for approval of vital municipal infrastructure would help reduce red tape, costs, and the time required to obtain approvals to move ahead with infrastructure improvements that enables more efficient adaptation to a changing climate. This has been repeatedly requested by municipal staff and the Regional Public Works Commissioners of Ontario.

Municipal storm water management remains a critical area for Ontario based on the long term and cumulative impacts on water quality and quantity. Phasing in the Provincial Low Impact Development (LID) manual would provide Provincial direction to implement these types of solutions. This would also enable Conservation Authorities and local municipalities to manage stormwater on a consistent basis for entire

watersheds. LID also provides a co-benefit of reducing nutrient loading to sensitive water bodies and helps meet Provincial nutrient loading reduction targets.

These recommendations would provide strong, sustainable climate change solutions that promote integrated environmental, social and economic benefits. Implementation of these long standing policy considerations by the Province could help drive action on climate change in the absence of a formalized cap and trade program.

Proactive measures need to be taken now to drive resilience and reduce costs into the future

Municipalities are front line responders to emergencies arising from major weather and climate-related events, which have proven to be costly. For example, the 2013 ice storm led to more than \$16 million dollars in expenditures for York Region and its cities and towns. The Province reimbursed 35% of these costs through the Ontario Ice Storm Assistance Program. Sustained assistance programs will be a crucial service for the Province to provide in the future given that events like these are becoming more frequent and severe. Municipalities plan to do their part by working to implement adaptation measures to become more resilient to increasing extreme weather events.

Municipal Advisory Group would help drive a coordinated Ontario-wide approach to managing the impacts of climate change

York Region staff appreciate that the Province has committed under Section 4 to develop a climate change action plan, establish greenhouse gas reduction targets, and engage stakeholders. A strong Advisory Panel as outlined in Section 4(2) will ensure continued momentum on addressing climate change. It is recommended that the Province develop a specific Municipal Advisory Panel, given the significant impacts to municipalities from climate change. Municipalities have practical experience managing on-the-ground impacts of climate change. Since climate change is not limited by jurisdiction, there will need to be collaboration across all levels of government. A Municipal Advisory Group would be a valuable resource for the Province to drive a coordinated approach on addressing the impacts of climate change across Ontario.

Clear and measurable Provincial targets and reporting periods are crucial for continued progress on climate change

York Region staff appreciate the Province's commitment to transparency through regular reports. However, it is recommended that Section 5 strengthen this commitment by prescribing annual reporting on results of the climate change plan. For greenhouse gas reduction targets to be addressed under the climate change plan, it is recommended that Provincial targets be consistent with the Paris Agreement and the Pan-Canadian Framework. Alignment on targets helps municipalities take effective action on climate change, and access federal funding and private investment to support implementation. Inconsistent and unclear policy directions pose a challenge for municipalities who drive and sustain local solutions to effectively address multiple and possibly conflicting requirements.

The Minister has indicated that Ontarians will be consulted on Provincial greenhouse gas reduction policies. York Region staff support this direction and request to be formally engaged in the next phase of developing climate change policies in Ontario through a Municipal Advisory Group that can provide practical, business case-based, and implementable solutions to climate change issues. Region staff's initial recommendations for the Provincial climate change policy framework to drive greater alignment and consistency include:

1. Identify long-term emission reduction targets in alignment with the Paris agreement
2. Commit to annual reporting of results in the Climate Change Action Plan
3. Support and build on municipal efforts to mitigate and adapt to climate change
4. Explore mechanisms to support innovation for technologies that support climate change mitigation and adaptation
5. Support climate adaptation by assessing Ontario's key vulnerabilities, providing future climate information, and encouraging resiliency efforts
6. Commit to effective and ongoing engagement on both the development and monitoring of the plan
7. Ensure promotional materials prominently feature health co-benefits of carbon reduction

York Region staff thank the Province for considering our comments. If you have any questions regarding this response or would like to further discuss these recommendations, please contact Teresa Cline, Senior Planner at Teresa.Cline@york.ca and Wendy Kemp, Climate Change Resilience Advisor at Wendy.Kemp@york.ca.

Yours truly,

Original Signed

Erin Mahoney
Commissioner
Environmental Services

Paul Freeman
Chief Planner
Corporate Services

#8860008