

*PROJECT GREEN:  
MOVING FORWARD ON  
CLIMATE CHANGE*

A Plan for Honouring Our  
Kyoto Commitments

# The Plan recognizes that climate change is our greatest sustainability challenge

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- Rising global temperatures pose a danger to our health, quality of life and economic security
- The Kyoto Protocol reflects an international consensus on the need to take action – a consensus shared by Canadians
- This government has committed unequivocally to meet Canada's climate change targets under Kyoto
- Now ready to make the transformative, long term change required to improve Canada's competitiveness in a sustainable economy

It sets out an approach that promotes economic performance and competitiveness

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- The Plan is firmly based on the directions set by Budget 2005 by
  - **Balancing investments** between short-term actions and longer-term measures to promote transformational change
  - **Promoting long-term competitiveness** through sustainability while carefully weighing short-term impacts
  - **Working in partnership** to lever funds and encourage responses from other governments, citizens and industry
  - **Promoting innovation and new technologies** to drive economic growth and create new opportunities
  - **Acting efficiently** to meet environmental objectives at the lowest possible cost.

# The Plan is designed to help achieve key policy objectives

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- Competitive and sustainable industries do the 21<sup>st</sup> century
- Harnessing market forces
- A partnership among Canada's governments
- Engages citizens
- Sustainable agriculture and forest sectors
- Sustainable cities and communities

# It ensures real progress towards our Kyoto target

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- Current emissions gap – the Plan will allow us to deliver 270 Mt
  - The great majority of these reductions will be domestic
- A key element is ongoing review and reallocation
  - recalibrate targets as necessary
  - quickly apply new knowledge and experience
  - continuously focus on measures that yield the best results
- This Plan provides overall direction, tools, and incentives – success will depend on the innovative spirit and commitment of Canadian citizens, businesses, NGOs and governments.
- And will generate many other benefits for Canada

# The new Climate Fund will be a cornerstone

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- A market-based mechanism that will
  - Purchase verified domestic emission reductions/removals
  - Provide targeted support for large projects in partnership with private sector
  - Purchase verified international emission reductions, but only where Canadian technologies are deployed, our competitiveness is improved or our interests otherwise advanced
- Competitive bidding process ensures value for money
- Focus on verified reductions ensures results – we only pay if reductions occur
- Market forces create incentives for innovation in emission reduction/sink creation across economy

# We will engage key sectors of the economy

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- GoC will implement an LFE system that
  - establishes clear targets
  - is market-based and built on efficient and effective regulations
  - promotes technology and innovation through Technology Investment Fund and BATEA standards
  - includes a flexible and effective compliance regime
  - promotes real partnership with P/Ts, potentially including equivalency agreements under CEPA
- And implement the deal with auto industry that will result in incremental GHG reductions and preserves GoC's ability to regulate if objectives are not met

# ...and strengthen our partnership with P/Ts

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- New Partnership Fund provides basis for real collaboration with P/Ts
- Funding tied to negotiation of MOUs
  - MOU will set out financial and other obligations of P/T and Canada
  - Cost sharing a fundamental principle
- Clean energy megaprojects will be a priority area for federal government, and likely also for P/Ts
  - Clean coal, carbon dioxide sequestration, east-west electricity grids, phase-out of coal-fired power plants
- Partnerships Fund can also be funding mechanism for wide range of emission reduction initiatives
  - Could be alternative to some federal program delivery, or to Climate Fund
  - Brings provincial priorities to the national table

# The Plan emphasizes renewable energy

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- New investments in renewable energy sources will play a key role in meeting Kyoto commitments and making long-term progress
- As part of Budget 2005
  - the Wind Power Production Incentive will be extended and its target increased to 4,000 MW
  - a new Renewable Power Production Incentive will be implemented to support technologies like small hydro and biomass

## ...and harnesses the Canadian people's commitment to a sustainable future

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- Canadians recognize the importance of addressing climate change and want to be part of the solution
- The One Tonne Challenge and related initiatives are an important start and will be built upon by
  - providing better consumer information
  - using the One Tonne Challenge to promote new and existing incentives
- And we are significantly expanding the EnerGuide for Homes Retrofit Incentive Program
- We will continue to work with environmental NGOs, many of whom play a central role in informing Canadians about the importance of environmental sustainability

# GoC will lead by example by greening its own operations

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- Under the Plan, the GoC will reduce its own emissions by one-third
- This is a significant challenge that will be met by
  - green procurement policies – energy, goods and services and new fixed assets
  - modernization of central heating and cooling plants
  - constructing all future federal building in compliance with LEED Gold Standard
  - greening the fleet of federal vehicles

# The transportation industry is directly engaged

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- Through consumer-targeted programs
  - encouraging private motorists to develop energy-efficient purchase, use and maintenance practices
    - EnerGuide fuel consumption label and the annual Fuel Consumption Guide
    - Idle-Free Campaign
- Through the Partnership Fund – federal/provincial priorities such as
  - enhancing public transit infrastructure
  - exploring options for more efficient integration intermodal freight transportation
- Through the Climate Fund
  - purchasing verified reductions emanating from GHG emission reduction activities
- Through the New Deal for Cities and Communities
  - investing in public transit

# Engaging Canadians

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- LFE System: GHG Protocol
- Climate Fund Mandate
- The offset system rules
- Partnerships with provinces and territories
- The development of the LFE regulation