

From: Stuart Basden
President, Toronto350.org
Toronto, ON

28th March 2015

To: The Honourable Glen Murray
Minister of the Environment and Climate Change

Dear Minister Murray:

We would first like to thank you for putting together Ontario's Climate Change Discussion Paper 2015. We are encouraged by much of its content.

In the section of the report titled "Long Term Goal: Transformation," you acknowledge the great potential that exists for environmentally and socially minded pension funds and investors to increase low-carbon investment. We would like to urge you to take the appropriate actions in the short term to support this long-term goal, by endorsing and actively supporting the initiatives to divest the Ontario Teachers' Pension Plan (OTPP) and Ontario Municipal Employees Retirement System (OMERS) from fossil fuels.

Rejecting investments that are contributing to greenhouse gases is the first step needed in order for us to re-invest in a sustainable future. With combined assets of over \$200 billion, divesting the OTPP and OMERS would be a meaningful step forward, and would come on the heels of divestment by the cities of Oslo, Seattle, San Francisco and others.¹ As a signatory to the UN-supported network called the Principles of Responsible Investment, the OTPP has committed itself to environmentally responsible principles of investment. Now is the time for the OTPP to live up to that commitment and recognize that creating a better future for teachers (and their students) depends on us transitioning away from carbon pollution industries in the very near future. While we recognize that your government has no direct control over these funds, a call from your government for divestment would be highly significant and would help to create the necessary backdrop for the fund managers to divest.

¹ A list of universities, cities, counties, religious institutions, foundations and other funds that committed to fossil fuel divestment can be found at <http://gofossilfree.org/commitments/>.

The other side of divestment is investment, and we believe it would greatly benefit Ontario's climate legacy if your government were to create a substantial Green/Climate Bonds initiative as a way to raise funds. This could be an effective alternative to selling off Hydro One, which will only make it harder for Ontario to meet its climate targets and therefore takes the province in the wrong direction. Green/Climate Bonds are also a way to create positive awareness of climate issues, and we believe that the people of Ontario would be empowered by a massive, provincial climate education campaign—which would also serve to gain the public support for your government to take bold leadership to protect our collective future.

Looking at Ontario's climate record to date, eliminating coal has been one of our province's great success stories. But there's still much more to be done in this vein. Your report acknowledges that "our energy must come from lower emission sources" if we are to meet the ambitious and essential targets that lie before us. We urge Ontario to target more affordable zero-carbon energy sources, such as solar, wind and renewable water power from Quebec. We encourage you to continue to lead the way when it comes to clean energy, and achieve zero-carbon energy production by 2023—a difficult but possible and beneficial timeline.

While we are encouraged that Ontario wishes to move forward in positive ways for the climate, we think it is impossible to have a coherent climate policy while allowing the Energy East pipeline to be built. We call on you to stand firm against Energy East. This pipeline should not be built, and Ontario needs to ensure that it never is.

Recently President Obama vetoed a bill to push forward the Keystone XL pipeline after the EPA found that it would significantly increase climate emissions from the Alberta tar sands. How can Ontario be taken seriously on climate if we refuse to do the same on Energy East—a pipeline that would enable more emissions than the entire provincial coal phase-out has saved? Just as Obama has vetoed the Keystone XL pipeline, Ontario needs to step up and reject Energy East. Failing to do so would undermine all the steps forward that the province is taking.

Will Ontario stand with the science and declare that 99% of Alberta's unconventional oil needs to stay in the ground?² And since it is impossible to

² "Leave fossil fuels buried to prevent climate change, study urges", <http://gu.com/p/44jzm>. The 99% figure for unconventional oil can be found in the "Extended Data Table 3" of the report: http://www.nature.com/articles/nature14016.epdf?referrer_access_token=8BP9dPvEtFccVACoAH2nhdRgN

have a coherent climate policy while allowing the Energy East pipeline to go through, will Ontario work to stop Energy East?

The climate impact report prepared by the OEB on Energy East is disappointing. The report held the assumption that unfettered expansion of the Alberta tar sands would happen regardless of politics, economics, or the climate. These faulty assumptions are based on an ideological blindness. Stopping pipelines slows production, which means that the oil is kept in the ground—as 80% of it globally needs to do for us to avoid climate catastrophe. Claiming that all the oil will be dug up and transported regardless of any other influence is a dangerous position to hold, and we call on the Ontario government to renounce this flawed outlook. Furthermore, the idea that pipelines are a safer alternative to rail is a false dichotomy—the oil industry does not intend to stop transporting oil by rail if they manage to force their pipeline through, as they hope to transport the oil by *both* pipeline *and* rail. The people of Ontario deserve better. Will the OEB work to produce a new report that disbands with its ideology and shows its calculations—one that actually has some credibility?

At the province's in-person climate change consultations it became clear that civil society was suspicious of the "Cap and Trade" carbon pricing mechanism that the fossil fuel industry generally prefers. The fossil fuel industry has gotten us into this climate mess, and listening to their advice is almost certainly going to lead to false solutions that do not result in the changes to society and emissions levels that are needed. A strong alternative mechanism is "Fee and Dividend", which the inventors of Cap and Trade themselves have said is a preferable mechanism. This mechanism was strongly supported by many during the consultations. It is particularly effective in the long term as it puts a cheque in peoples' hands, which is very difficult for future, less climate-aware governments to overturn.

Regardless of the mechanism chosen, any carbon pricing system implemented should be Revenue Neutral so that the government does not become dependent on the revenue from the fee, tax or trade credits. A higher percent of any dividend should be allocated to people with lower income, with potentially some of the money going to an energy retrofit program, climate fund³, and/or foreign

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³ More information on this can be found in this article, "The Case for a Climate Fund":
<http://www.alternativesjournal.ca/community/blogs/ecologic/case-climate-fund>

climate aid. This is a fantastic opportunity to not only reduce our emissions, but also to reduce inequality, fight poverty, and take significant steps towards international climate justice.

The stark contrast in preference between Cap and Trade and the alternative mechanisms highlights something of key importance: if the Ontario Government chooses to only introduce Cap and Trade then it will become clear that the consultations were largely a sham and that the Ontario Government didn't intend to actually listen to what the people of Ontario had to say. This could deeply erode public trust in your government, and would likely change the tone of relationship that your government experiences from the people of Ontario. I hope instead that you will choose to listen to your citizens and implement an effective carbon pricing mechanism.

As your discussion paper rightly recognizes, personal choices are important, yet so is government leadership. Ambitious action is needed, and it is needed now.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Basden', with a long horizontal flourish extending to the right.

Stuart Basden

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