

## MEMORANDUM

TO: Committee of the Whole

FROM: Erin Mahoney, Commissioner of Environmental Services

DATE: April 7, 2016

RE: **Response to Environmental Bill of Rights (EBR) Posting No. 012-6844 and 012-6837: Draft Legislation, Provincial Cap and Trade Program**

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The Ministry of the Environment and Climate Change proposed a legislative framework that will establish a greenhouse gas emission trading market or Cap and Trade Program in Ontario. Stakeholders were invited to comment on the proposed Act by March 25, 2016. Regional staff submitted comments to the Ministry on the proposed Act to meet the submission deadline of March 25, 2016 (see *Attachment 1*). Due to the short duration for this posting, staff requested that the Ministry consider any additional comments from Committee of the Whole on the Act submitted after the 30-day public consultation period.

As part of this memo, Regional staff are also bringing forward draft comments on the proposed Regulations for the Cap and Trade Program, closing April 10, 2016 (see *Attachment 2*). Once input is received from Committee of the Whole, this will be submitted to the Ministry for comments on the Regulation. Additionally, staff will follow up with the Ministry regarding any additional comments from Committee of the Whole pertaining to the proposed Act.

### **Proposed Cap and Trade Program sets emissions cap on certain industries**

The Province announced plans to develop a Cap and Trade Program in April 2015 to set a cap on emissions for certain industries requiring them to purchase emission credits at auction if they are unable to lower their emissions below the prescribed threshold. For much of 2015, the Province engaged in targeted consultation with industry stakeholders. Although municipalities were not formally engaged, industry consultation included Covanta, the operator under contract with York and Durham Regions for the Durham York Energy Centre.

## **In December 2015, Region provided Province with key principles for Cap and Trade Program design**

In response to the Province's "Cap and Trade Program Design Options" paper issued for a 30-day consultation period in November 2015, the Region proposed the following five key principles for program design:

1. Programs should be operated in a manner that ensures emitters only pay once for carbon, i.e. a carbon related charge cannot be levied on both the import of fuel and end uses or users – *Addressed under the Act.*
2. Proceeds from the Cap and Trade Program should be allocated to a dedicated fund to address climate change and support strategic investments that reduce carbon emissions and support sustained economic results – *Addressed under the Act.*
3. Energy-from-waste facilities should be excluded from Ontario's Cap and Trade Program to ensure consistency with other jurisdictions (including Québec and European Union) that realize the benefits of energy-from-waste as compared to more greenhouse gas intensive practices such as landfilling – *Not addressed, energy from waste included under Cap and Trade Program.*
4. Holistic approach should be taken to balance provincial objectives and priorities. Climate change priorities need to be balanced with other Provincial objectives, including growth management, municipal financial sustainability, transit, waste management, drinking water quality, and wastewater treatment levels – *Partially addressed, although there will be funding for municipal initiatives that reduce greenhouse gas emissions there are issues related to waste management and other costs.*
5. Province should consider social determinants of health to mitigate the burden on vulnerable populations (e.g. low income populations, seniors) – *Not addressed.*

## **Proposed Act and Regulation reveal some details of proposed regulatory landscape for Cap and Trade**

Bill 172, Climate Change Mitigation and Low-Carbon Economy Act, 2016 and the draft Cap and Trade Regulation were released in late February 2016. The Act is enabling legislation for the Regulation and together they establish industry emission targets. Cap and trade is scheduled to come into effect on January 1, 2017 with the first "compliance period" ending on December 31, 2020. During this time, capped participants will be required to purchase emission credits at auctions held on a quarterly basis, with a requirement that they "true-up" and provide their full emission credits to the Province at the end of the compliance period. The actual due date for credits to be submitted will be November 1, 2021. A new compliance period will begin at the end of the first compliance period.

## **Details on Cap and Trade offset and credits still under development by the Province**

Certain activities that result in net greenhouse gas reductions will have the potential to generate emission offsets known as credits; emitters under the Program will have an opportunity to purchase credits representing a maximum of eight percent of their total emissions. This may represent a potential funding opportunity as the Region operates programs such as waste diversion and afforestation, which mitigate greenhouse gas emissions. However, the Province has indicated that regulations pertaining to offsets will not be released until the Act has been passed. As a result, it is not known at present how offsets will operate and if any Regional programs will qualify and become potential revenue streams.

## **Act establishes “Greenhouse Gas Reduction Account” to fund activities that result in greenhouse gas reductions with proceeds from Cap and Trade**

The Act establishes a Greenhouse Gas Reduction Account to be used, in part, to fund programs that further reduce greenhouse gas emissions. Regional initiatives that can demonstrate greenhouse gas reductions from current levels, including transit services, waste management and building retrofits may be eligible for funding from this reduction account. The Minister is required to provide an annual report outlining greenhouse gas reductions and initiatives undertaken. Many of the comments prepared by Regional staff are related to the Greenhouse Gas Reduction Account.

## **Energy-from-waste facilities included as mandatory participants in the Program**

The proposed Regulation captures energy-from-waste facilities as mandatory participants under the Cap and Trade Program. Landfills are not captured despite the fact that energy-from-waste reduces net greenhouse gas emission as compared to landfill. Staff strongly advocated against the inclusion of energy-from-waste in the December 2015 submission. Although energy-from-waste is included as a mandatory participant, it appears that the Ministry will be providing free allotments for carbon emissions to most energy-from-waste facilities for the first compliance period.

The Durham York Energy Centre has not been included as a facility that will receive free allotments under Table 4 of the Appendix to the Regulation. This is likely because it is a new facility and must undergo a verification period prior to becoming eligible under the Program to receive these credits. Staff have recommended in the proposed response (Attachment 2) that energy-from-waste be exempt from the Cap and Trade Program as the activity provides net greenhouse gas reduction. An exemption would provide long-term assurance that energy-from-waste will be treated in the same manner as landfill. Chairman Emmerson expressed his concerns regarding the inclusion of energy-from-waste in a letter to Minister Murray, dated April 4, 2016 (*see Attachment 3*).

**Financial implications from transportation fuel purchase estimated to be \$1.3 million per year starting in 2017**

The proposed Act and Regulation identify importers or distributors of electricity, natural gas, and petroleum as mandatory participants who will be required to purchase emission credits at auction.

The primary financial impact of the Cap and Trade Program on the Region will be through incurring higher transportation fuel costs. The direct impact of gasoline and diesel price increases is anticipated to be approximately \$1.3 million and \$1.4 million in 2017 and 2018, respectively. Since the Region has budgeted for \$1 per litre of fuel, the impact of cap and trade will be mitigated by departmental budgets up to this price. When prices range from \$1.00 to \$1.15 per litre, the Corporate Contingency budget absorbs any impact on departmental budgets. Although price increases up to \$1.15 per litre are mitigated through these means, fuel price increases result in reduced contributions to the Fuel Cost Stabilization Reserve and therefore, represent additional pressure on the Region's finances overall.

**Added cost for natural gas purchase estimated at over \$100,000**

Natural gas prices are also expected to increase under the Cap and Trade Program, although the impact may be moderated by the inclusion of natural gas costs in the overall contract prices for facilities owned by the Region, but operated by contractors. The cost increase for natural gas directly purchased by the Region is expected to be approximately \$107,000 and \$113,000 in 2017 and 2018, respectively. While the Region has used fixed-price contracts to hedge against natural gas price fluctuations in the past, there are currently no such contracts in place past 2016. Electricity prices are not expected to increase for the Region.

It is unlikely that there will be any near-term financial impacts related to emissions from the Durham York Energy Centre. While energy-from-waste facilities are mandatory participants under the Cap and Trade Program, it is anticipated that free credits will be provided to such facilities until at least 2020. Additional costs may be incurred post-2020 if an exemption is not granted or if free allotments are not issued post-2020.

As stated above, although the Province has not yet released the draft regulation for how offset credits will be awarded, the Region could potentially receive a financial benefit for qualifying services that result in a reduction of greenhouse gas emissions such as transit, waste diversion and forestry.

**Region staff recommend that Committee of the Whole endorse responses to the proposed Act and Regulation**

York Region staff have outlined a draft response on the proposed Act and Regulation in Attachments 1 and 2. Environmental Services staff will continue to monitor developments as these regulations move forward and will report back to Council as required.

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Erin Mahoney, M. Eng  
Commissioner, Environmental Services

DS/BM

Attachments (3)

6635626



March 25, 2016

Melissa Ollevier  
Senior Policy Advisor  
Ministry of the Environment and Climate Change  
Climate Change and Environmental Policy Division  
Air Policy Instruments and Programs Design Branch  
77 Wellesley St. W., 10<sup>th</sup> Floor  
Toronto Ontario, M7A 2T5

Dear Ms. Ollevier:

**RE: York Region Comments – Bill 172 – *Climate Change Mitigation and Low-Carbon Economy Act, 2016* (Cap and Trade Program) – EBR Number 012-6844**

York Region staff thank the Ministry of the Environment and Climate Change (Ministry) for the opportunity to comment on the proposed Cap and Trade program. Municipalities such as York Region can be strong partners to assist the Province in meeting their carbon reduction goals and we urge the Province to consider our comments on Bill 172, the proposed *Climate Change Mitigation and Low-Carbon Economy Act, 2016*.

York Region Council endorsed comments will be submitted following Committee of the Whole meeting on April 7

Due to the length of the consultation period, York Region Council endorsement was not possible prior to submission. This response, along with the response to the draft Regulation (EBR 012-6837), will be considered by Committee of the Whole at their meeting on April 7, 2016 and Regional Council on April 21, 2016. Any input from Committee of the Whole will be communicated to the Ministry at that time. It is requested that the Ministry consider any supplementary comments from the Region as a part of this submission.

York Region staff support the proposed Act in principle, but would benefit from additional details on the full scope of the program

Although the draft program Regulation and Act have been released concurrently, the Province has indicated that the Provincial Climate Change Action Plan and regulations on offsets will be released at a later date. It is recommended that the other components of the Provincial carbon-reduction plan be provided for public comment in advance of enacting the proposed Act to facilitate informed and comprehensive public consultation on this important initiative.

Funding from Greenhouse Gas Reduction Account expected to support municipal programs to help the Province meet ambitious emission targets

York Region staff strongly support development of the Greenhouse Gas Reduction Account (the Account) under the proposed Act. Ensuring proceeds from Cap and Trade are used to fund greenhouse gas reductions will help incent the carbon economy and will be critical to maintaining public support and confidence in the program.

Municipalities deliver key services to residents that can help reduce greenhouse gas emissions and can influence behaviors that further reduce emissions. Staff strongly support the inclusion of municipal initiatives and programs as eligible for funding under the Act including transit services, waste management/reduction, organic waste management, afforestation, and energy efficient construction. Each of these initiatives has a strong potential to reduce greenhouse gasses, which funding can help accelerate. Staff also support the Province including promotion and education as initiatives eligible for funding under the Account. Health benefits of reducing carbon should feature prominently in promotion and education plans. Municipalities have a direct relationship with residents and including promotion and education as a fundable action will leverage new and existing programs, which will further accelerate greenhouse gas reductions and reduce associated health impacts.

Given the benefits of municipal actions in these areas it is recommended that a portion of the Account be dedicated to funding municipal initiatives that support carbon reduction. This will help ensure that municipalities are effectively resourced to deliver greenhouse gas-reducing initiatives to assist the Province to meet its ambitious emission reduction targets.

Greenhouse Gas Reduction Account must have defined criteria for administration and funding to support public confidence

It will be critical for the Province to ensure that the Account is operated in a transparent and accountable manner to maintain public confidence in the program. Currently, the proposed Act provides very few details on how the Account will be administered and does not indicate what proportion of the proceeds from Cap and Trade will actually be used to fund greenhouse gas reduction initiatives. In addition, the criteria for funding only outlines aspects the Minister *may* consider when making a decision on funding. It is recommended that funding criteria be much more clearly defined to help ensure stakeholder and public confidence in the program.

Although it will be important for funding to be directed toward greenhouse gas reduction, a portion of the fund should be set aside for vulnerable Ontarians including seniors, the disabled, and low-income groups. Due to the social determinants of health, these groups have the potential to be disproportionately impacted by Cap and Trade. It is recommended that similar to the California program, a portion of the fund be set aside to help disadvantaged communities mitigate their greenhouse gas emissions or adapt to impacts of climate change.

Currently, the proposed Act provides very broad operating provisions and allows funds under the Account to be used for direct and indirect costs related to the Cap and Trade Program. It is recommended that the Province consider narrowing reimbursement to only those expenditures directly related to administering funding and enforcing compliance with Program requirements. It is further recommended that the Province maximize the potential of this Account to drive meaningful reductions in greenhouse gasses and ensure funds are used efficiently by setting specific administrative requirements.

York Region recommends key principles for administration of Greenhouse Gas Reduction Account

In addition to provisions already included under the proposed Act, York Region staff recommend that the Account be administered based on the following key principles:

- Funding from the Account should go toward initiatives that maximize greenhouse gas reductions, which would not proceed without funding.
- Funds from the Account should only be spent on initiatives which will both reduce greenhouse gas emissions in Ontario and will provide a direct economic benefit to Ontarians. This will help incent development of the carbon economy and establish Ontario as a centre of excellence in carbon reduction.
- Funding from the Account only be used for new greenhouse gas reduction projects. If the Province has already committed to proceed with or fund a project, it should be ineligible for funding unless there is a significant addition to the scope of the project.
- A defined list of key performance indicators should be developed for the Account, including an accounting of greenhouse gasses avoided by way of project implementation and a \$/tCO<sub>2</sub>e used to assess the performance and cost effectiveness of the funded initiatives.

Minister's annual reports should be audited by a third-party

Although the Minister is required to deliver an annual report, it is recommended that the Act require the Minister's report to be audited by a third-party in accordance with a standard set of requirements and metrics. This would provide year over year oversight and help ensure that funds are being used as effectively and efficiently as possible. Efficient use of funds will be important to ensure public confidence in the program over the long-term.

Greenhouse Gas Reduction Account should dedicate funds to help defray long-term operating costs for projects like transit

York Region is appreciative that the Province is proposing to provide funding for activities that reduce emissions under the Greenhouse Gas Reduction Account. While this has the potential to help municipalities fund capital projects, it only addresses the long-term capital costs associated with expansion of systems such as transit. Under the proposed Cap and Trade program both new and existing facilities and services will see

long-term impacts to operating costs related to fuel and other expenses. For example, transit services help the Province reduce greenhouse gas emissions by reducing the amount of single-occupant vehicle trips, however the ongoing costs associated with operating and maintaining these services are borne by municipalities. Systems such as transit are not fully user funded, resulting in additional financial pressure on the tax base. These long-term costs can cause financial challenges in implementing potential transit service improvements which have the potential to further reduce greenhouse gas emissions. It is recommended that the Province set aside a portion of the funds under the Account to help offset ongoing operating and maintenance costs for large scale projects such as transit line expansions.

Regulations for offsets should be released for review as soon as possible

Although the Province has provided estimates on how energy costs will increase, details on offsets have yet to be released. It is difficult for stakeholders to effectively comment on implications of the proposed Cap and Trade program without line of sight to the full regulatory landscape. It is recommended that details on offset initiatives be released for consultation prior to enactment of the proposed legislation. This will help ensure that stakeholders have sufficient time to provide feedback and adjust their financial plans as required.

Offsets should be available to a wide range of verifiable municipal initiatives

York Region strongly supports the sale of offset credits by those with verified greenhouse gas reductions. Permitting the sale of offsets will help incent carbon reductions for those not included under the cap. In order to ensure this is effective, administrative and verification costs must be minimized to ensure that it is economically beneficial for those that can reduce greenhouse gas emissions.

It is recommended that a wide-array of verifiable offsets be included under the program including:

- Urban forestry
- Forest management and afforestation
- Organic waste management program
- Waste reduction, diversion, and recycling programs
- Methane capture (including anaerobic digestion)

In addition, it is recommended that early adopters of carbon reduction be rewarded for their efforts. Currently the regulation limits early action on carbon reduction to the last three years and a maximum of two million tonnes of carbon cumulative for all emitters. It is recommended that both the timeline and quantity of carbon emissions be increased to recognize the proactive efforts of those that have reduced carbon to date.

Staff would like to thank the Ministry for considering our comments on Bill 172, the proposed *Climate Change Mitigation and Low-Carbon Economy Act, 2016*. Staff look

forward to an opportunity for continued consultation as the Province moves forward with climate change legislation. If you have any questions regarding this response, please contact David Szeptycki, Head of Strategy, Liaison, and Policy Implementation at [David.Szeptycki@york.ca](mailto:David.Szeptycki@york.ca).

Yours truly,

*Original Signed*

Erin Mahoney, M. Eng.  
Commissioner  
Environmental Services  
Regional Municipality of York

Cc Robert Fleming, ADM, Climate Change and Environmental Policy Division, MOECC  
Alex Wood, Executive Director, Air Policy Instruments and Programs Design Branch, MOECC  
Wendy Ren, Director, Resource Recovery Policy Branch, MOECC  
Ling Mark, Director, Land and Water Policy Branch, MOECC  
Dolly Goyette, Director, Operations Division, Central Region, MOECC

Attachment:

#6634441



April 8, 2016

Melissa Ollevier  
Senior Policy Advisor  
Ministry of the Environment and Climate Change  
Climate Change and Environmental Policy Division  
Air Policy Instruments and Programs Design Branch  
77 Wellesley St. W., 10<sup>th</sup> Floor  
Toronto Ontario, M7A 2T5

Dear Ms. Ollevier:

**RE: York Region Comments – Cap and Trade Program Regulation – EBR  
Number 012-6837**

York Region thanks the Ministry of the Environment and Climate Change (Ministry) for the opportunity to comment on the proposed Cap and Trade Regulation. Municipalities such as York Region can be strong partners to assist the Province in meeting their carbon reduction goals and we urge the Province to consider our comments on the Proposed Cap and Trade Regulation.

Energy from waste should be exempt since it has been demonstrated to reduce net carbon emissions

Currently, energy from waste is included as a mandatory participant under Bill 172 and the proposed regulation. However, it is unclear how energy from waste will be treated in the future under cap and trade. The Regulation indicates that some specific energy from waste facilities will receive free credits for the first compliance period, but it is unclear how these facilities will be managed in the long term. York Region is a strong advocate for exclusion of energy from waste facilities from Ontario's Cap and Trade Program to ensure consistency with other jurisdictions that realize the benefits of energy from waste compared to more greenhouse gas intensive landfilling practices. York Region Chairman and CEO, Wayne Emmerson has expressed his concerns regarding the inclusion of energy from waste in a letter to Minister Murray, dated April 4, 2016 (attached).

The Durham York Energy Centre uses materials that would otherwise be landfilled to produce electricity equivalent to more than 10,000 homes while reducing demand for conventional fossil fuel electricity generation. The Environmental Assessment approved by the Ministry of Environment and Climate Change in 2010, concluded that the Durham York Energy Centre reduced greenhouse gas emissions relative to landfill disposal. This result is consistent with numerous other peer-reviewed studies. In the Ontario

context, when electricity generation is taken into account, energy from waste offsets approximately 0.8 tonnes of CO<sub>2</sub> for every tonne of waste processed.

Exempting energy from waste would align with most other jurisdictions with cap and trade regimes

Based on the greenhouse gas reduction benefits, other jurisdictions that have implemented cap and trade programs have exempted energy from waste facilities from their programs. Examples include the Regional Greenhouse Gas Initiative, European Union Emission Trading Scheme, and the Québec Cap and Trade Programs. Ministry staff have indicated that the Ontario approach has been aligned with the California program. While California originally included these facilities under their cap, they shifted to provide free allotments to energy from waste facilities due to the greenhouse gas reduction benefits. One of the Province's stated goals in the design of the Cap and Trade Program was consistency with other jurisdictions. It is recommended that the Province fully exempt energy from waste from the Cap and Trade Program to maintain consistency with the majority of global cap and trade initiatives.

Additional clarity required regarding allowance allocations

Based on the Appendix to the Regulation, it appears that some energy from waste facilities will receive free allotments for carbon emission in the first compliance period. However, it is unclear if the Durham York Energy Centre will qualify for these allotments as this facility is not specifically identified. While the Region believes that this facility should be exempt, if the Province proceeds with the free allotment approach, the Durham York Energy Centre must be included. It is challenging for the Region to plan near-term budgetary needs for the facility as it is unclear if it will receive free allocations within the current compliance period. The Province has also indicated that the free allocation to mandatory participants will decline over time, but the timing for decline is yet to be determined. It will be important for the Province to ensure mandatory participants have long-term line of sight on these adjustments to allow for effective planning and budgeting.

Bill 151 and Bill 172 must maintain a consistent approach

In late 2015, the Province released Bill 151, *Resource Recovery and Circular Economy Act* for comment, which will result in full extended producer responsibility for consumer products. One of the intents of this Bill is to drive the waste management sector to zero net greenhouse gas emissions, which will impact the proposed legislative framework for cap and trade. Costs incurred under the Cap and Trade Program due to greenhouse gas emissions associated with designated product end-of-life management should be entirely borne by the producers of products and packaging, not by municipalities. It is recommended that Bill 151 be amended to include a framework for extended producer responsibility with a producer-pay principle that includes costs from Cap and Trade to align these two proposed pieces of legislation.

York Region staff thank the Ministry for considering our comments on the Regulation pertaining to Cap and Trade. Staff look forward to an opportunity for continued consultation to ensure fairness and consistency as the Province moves forward with climate change legislation. If you have any questions regarding this response, please contact David Szeptycki, Head of Strategy, Liaison, and Policy Implementation at [David.Szeptycki@york.ca](mailto:David.Szeptycki@york.ca).

Yours truly,

Erin Mahoney, M. Eng.  
Commissioner  
Environmental Services  
Regional Municipality of York

Cc Robert Fleming, ADM, Climate Change and Environmental Policy Division, MOECC  
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Wendy Ren, Director, Resource Recovery Policy Branch, MOECC  
Ling Mark, Director, Land and Water Policy Branch, MOECC  
Dolly Goyette, Director, Operations Division, Central Region, MOECC

Attachment

#6638320

**Wayne Emmerson**  
Chairman and CEO



The Regional Municipality of York  
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April 4, 2016

The Honourable Glen Murray  
Minister of the Environment and Climate Change  
11<sup>th</sup> Floor, Ferguson Block  
77 Wellesley Street West  
Toronto, ON, M7A 2T5

**Re: Energy from Waste and the Proposed Cap and Trade Program**

Dear Minister:

As the Chairman of The Regional Municipality of York, I wanted to share my concerns with you regarding the decision by the Ministry of Environment and Climate Change not to exempt energy from waste facilities from Ontario's proposed Cap and Trade program.

I do not believe that exempting landfill while including energy from waste under the proposed Provincial Cap and Trade Regulations is in the best interest of the environment. I appreciate the Province has indicated they will be providing the Durham York Energy Centre free allotments after the initial verification period is complete, however a full exemption would be a more appropriate approach. Energy from waste has been shown to significantly reduce total carbon emissions from the waste management sector as compared to landfill and based on the intent of the program, a full exemption would be the best course of action.

York Region has demonstrated leadership in waste management by developing highly effective waste diversion programs that ensure residual waste materials are truly not materials that can be diverted to recycling or reuse markets. York Region's waste diversion rate exceeded 60 per cent in 2014 and 2015, making York Region one of the first large urban municipalities to achieve this important milestone. In addition, York Regional Council has approved and begun implementation of the SM4RT Living Waste Management Master Plan. This plan focuses on reduction and reuse, which will further reduce our residual waste stream, and associated greenhouse gas emissions.

Through a collaborative partnership, York and Durham Regions have worked for more than 10 years to design and build a state-of-the-art energy from waste facility. Together, the Regions have invested approximately \$300 million in developing and constructing this facility, which was the first energy from waste facility approved by the Province in more than 20 years. This facility will allow both Regions to manage waste locally and reduce greenhouse gas emissions associated with both trucking and methane emissions from landfills. This is one way our municipalities are doing our part to reduce greenhouse gas from the waste sector, which is a Provincial priority under the proposed Strategy for a Waste Free Ontario.

The Durham York Energy Centre uses materials that would otherwise be landfilled to produce electricity for more than 10,000 homes, reducing demand for conventional fossil fuel electricity generation. The Environmental Assessment approved by the Ministry of Environment and Climate Change in 2010 concluded that Durham York Energy Centre reduced greenhouse gas emissions relative to landfill disposal. This result is consistent with numerous other peer-reviewed studies.

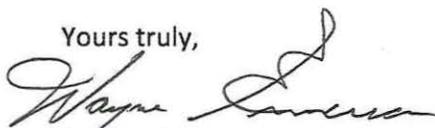
Based on these benefits, other jurisdictions that have implemented cap and trade programs have exempted energy from waste facilities from their programs. Examples include the Regional Greenhouse Gas Initiative, European Union Emission Trading Scheme and the Québec cap and trade program.

Ministry staff has indicated the Ontario approach has been aligned with the California program. While California originally included energy from waste facilities under their cap, they shifted to provide free allotments to energy from waste facilities due to the clear greenhouse gas reduction benefits this technology provides. One of the Province's stated goals in the design of the cap and trade was consistency with other jurisdictions. It is recommended the Province adopt the approach of the larger cap and trade regulatory environment and fully exempt Energy from Waste from the Cap and Trade Program to maintain consistency with the majority of global cap and trade initiatives.

Municipalities such as York Region are strong partners working with the Province to meet its aggressive carbon reduction goals and should be engaged in a meaningful way as the Cap and Trade Program rolls out to ensure transparency and fairness. Energy from waste provides another way in which the Province can meet its greenhouse gas reduction goals, while maintaining other key provincial priorities.

I urge you to consider this letter and exempt energy from waste from the Cap and Trade Program.

Yours truly,



Wayne Emmerson  
Chairman and CEO

DS/BM

Copy to: P. Evans, Deputy Minister, Ontario Ministry of the Environment and Climate Change (MOECC)  
R. Fleming, Assistant Deputy Minister, Climate Change and Environmental Policy Division,

MOECC

- A. Wood, Executive Director, Climate Change Directorate, MOECC
- B. Macgregor, Chief Administrative Officer, The Regional Municipality of York
- E. Mahoney, Commissioner Environmental Services, The Regional Municipality of York
- C. Curtis, Commissioner of Works, Region of Durham