

ANALYSIS

# A Made-in-Ontario Environment Plan

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Today, the Ontario Minister of Environment, Conservation and Parks – the Hon. Rod Phillips - released [\*Preserving and Protecting our Environment for Future Generations – A Made-in-Ontario Environment Plan\*](#) ('Plan'). The 53-page document is the government's overarching blueprint for environmental policy.

Below, Sussex has summarized the key points of the Plan with additional context for specific elements that may be of interest. The Plan is now posted to the Environmental Registry (EBR) website [here](#), for a 60-day public consultation period. The government will continue to announce policies, actions, and initiatives associated with the Plan including additional opportunities for online and in-person consultation in the months ahead. Sussex will continue to monitor these developments.

## **BACKGROUND**

It is no surprise that the section pertaining to climate change is the largest chapter of the Plan; the province's approach to addressing climate change has been eagerly anticipated, given the substantive attention given to this issue on both the provincial and federal levels of government. The repeal of the *Climate Change Mitigation and Low Carbon Economy Act* and Ontario Regulation 144/16 by the Ford government in mid-2018 saw the end of the Ontario cap and trade program; we also saw the previous government's climate change plan and its actions halted as those initiatives were predominantly funded by the cap and trade revenue. The *Climate Change Mitigation and Low Carbon Economy Act* was repealed via passage of the *Cap and Trade Cancellation Act* (CTCA). The CTCA requires a new provincial emissions target be set and a new climate plan be drafted. Today's announcement fulfils those provincial requirements.

With the Ontario government's repeal of cap and trade and its position that a carbon price is not necessary to achieve emissions reduction targets, the federal government has indicated that its federal carbon pricing backstop will be imposed in Ontario, given its commitment to have a price on carbon across Canada under the *Pan-Canadian Framework on Clean Growth and Climate Change*. Ontario has filed a legal challenge to the constitutionality of the federal government's

position, stating that if Ontario has a plan to address climate change and achieve the federal emission target (set under the Paris Agreement – 30% below 2005 levels by 2030), then it should be able exercise that plan, instead of having the federal backstop imposed on the province. Saskatchewan has also taken this position and filed its own legal challenge earlier this year.

With the release of today's Environment Plan that also covers Ontario's approach to addressing climate change, it will be determined by the federal government if this made-in-Ontario solution will achieve the appropriate objectives. Sussex recommends that affected stakeholders remain engaged in both the federal and provincial activities to ensure appropriate feedback and sector expertise is considered, until there is more clarity.

Other sections in the Plan address the environmental portfolios of waste, water, and land resources.

The province has been implementing the *Waste-Free Ontario Act* since 2016 and this Plan indicates continuation down this pathway. Acknowledging that provincial waste diversion rates have stalled, the Plan outlines the government's belief that producers should be responsible for managing the waste they create and affirms direction to transition Ontario's recycling system to one of producer responsibility. Enhancing resource recovery outcomes will be an ongoing process that includes the implementation of actions to address organic materials, plastics, and neighbourhood litter while creating business conditions to explore new resource recovery technologies and create sustainable end-markets, among other strategies.

## **THE PLAN: OBJECTIVES AND HIGHLIGHTS**

The Plan provides an outline of its approach to environmental issues, and is covered under four main themes:

1. Protecting our air, lakes and rivers

2. Addressing climate change
3. Reducing litter and waste in our communities, and keeping our land & soil clean
4. Conserving land and greenspace

The three guiding principles of the measures outlined in the Plan are the following:

- Clear rules and enforcement
- Trust and transparency
- Resilient communities and local solutions

The Plan's release was preceded by a public consultation process that led to more than 8,000 submissions being received by the Ministry of Environment, Conservation and Parks. The Plan readily acknowledges that further consultation will take place regarding the various topics covered under the Plan.

The Plan first outlines the efforts that have already taken place in Ontario to reduce the level of greenhouse gas emissions (GHGs), particularly as it pertains to the 'greening' of the electricity grid. It also reiterates Ontario's commitment to work cooperatively with other provinces, territories and the federal government through forums such as the Canadian Council of Ministers of the Environment.

## **PROTECTING OUR AIR, LAKES AND RIVERS**

### **CLEAN AIR**

*Objective:* Protect the air, ensuring Ontario has strong environmental standards that are protective of human health and the environment, and taking action to enforce local air quality standards.

- Improve air quality in communities by creating unique solutions to their individual challenges

- Reduce emissions from heavy-duty vehicles
- Improve understanding of different sources of air pollution and their impact
- Strengthen collaboration on addressing air pollution that comes from outside of Ontario's borders

## **CLEAN WATER**

*Objective:* Conserve and manage Ontario's water resources, taking strong enforcement action to protect Ontario's waters and keep beaches clean for swimming, recreation, enjoyment, and traditional use.

- Continue work to restore and protect the Great Lakes
- Continue to protect and identify vulnerable waterways and inland waters
- Ensure sustainable water use and water security for future generations
- Help people conserve water and save money
- Improve municipal wastewater and stormwater management and reporting

## **ADDRESSING CLIMATE CHANGE**

The emissions reduction target for Ontario have been articulated in the Plan. It will align with the federal emission target that was set under the Paris Agreement in 2015: **30 per cent below 2005 levels by 2030.**

## **BUILDING RESILIENCE: HELPING FAMILIES AND COMMUNITIES PREPARE**

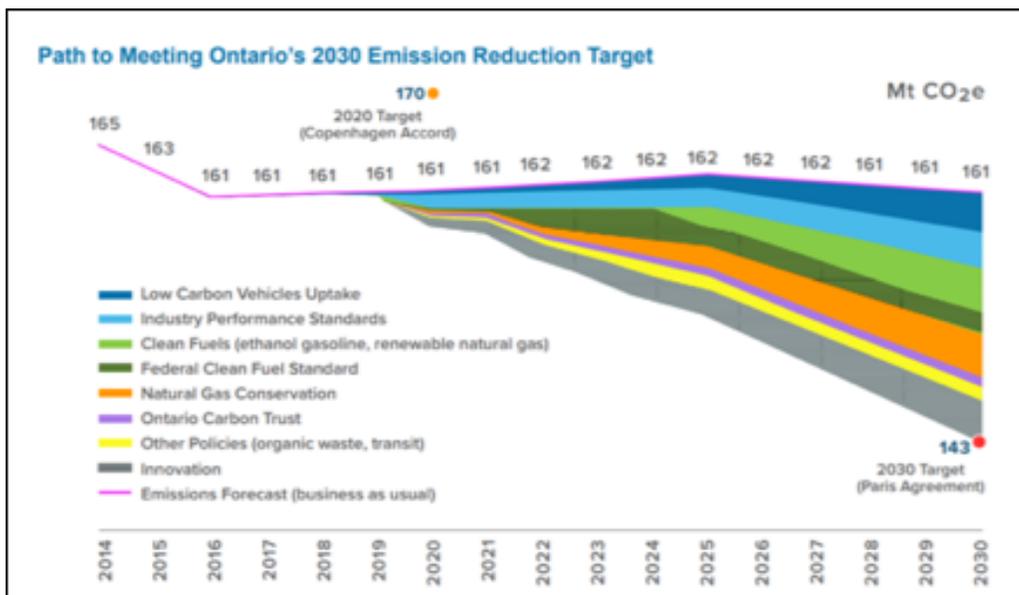
*Objective:* Prepare families and communities for the costs and impacts of climate change, and protect the natural environment, communities, businesses and municipalities.

- Improve our understanding of how climate change will impact Ontario
- Help Ontarians understand the impacts of climate change
- Update government policies and build partnerships to improve local climate resilience

## CONTINUING TO DO OUR SHARE: ACHIEVING THE PARIS AGREEMENT TARGET

*Objective:* Set an achievable GHG reduction target to focus efforts and provide a benchmark to assess progress of the Plan. Align with Canada’s 2030 target under the Paris Agreement.

The Plan outlines the various measures Ontario will take to achieve its 2030 emission reduction target; they are shown here, graphically:



(MECP – Ontario’s Environment Plan, 2018)

- Low Carbon Vehicles: primarily referring to electric vehicle (EV) adoption, and in small part of expansion of compressed natural gas in trucking
- Industry Performance Standards: covered in the next section

- Clean Fuels: increasing ethanol content of gasoline to 15% as early as 2025, and encourage uptake of RNG and other lower carbon fuels
- Federal Clean Fuel Standard: Could lead to expanded use of low-carbon fuels
- Natural Gas Conservation: gradual expansion of programs delivered by utilities, subject to discussion with the Ontario Energy Board
- Ontario Carbon Trust: covered in the next section
- Other policies: Including investments in public transit, increased diversion of food and organic waste from landfills
- Innovation: Potential advancements in energy storage and cost-effective fuel switching, as examples.

## **MAKE POLLUTERS ACCOUNTABLE**

*Objective:* Ensure polluters pay their fair share for their GHG emissions, while ensuring industry continues to make advances to help Ontario emission reductions.

- Implement emission performance standards for large emitters
  - An emissions performance standard establishes emission levels that industrial facilities are required to meet and is tied to their level of output or production. It will take various factors into consideration while allowing for economic growth.
  - Each large industrial emitter will be required to demonstrate compliance on a regular basis
  - May include compliance flexibility mechanisms such as offset credits and/or payment of an amount to achieve compliance

## **ACTIVATE THE PRIVATE SECTOR**

*Objective:* Facilitate the private sector's best projects and ideas to drive emission reductions at the lowest cost to taxpayers.

- Launch an emission reduction fund – The Ontario Carbon Trust – and a reverse auction to encourage private investment in clean technology solutions.
  - \$350M emission reduction fund, using public funds to leverage private investment in commercially viable clean technologies. Private capital to be leveraged at a 4:1 ratio.
  - \$50M Ontario Reverse Auction, to attract lowest-cost GHG reduction projects.
  - Should they reach an agreement on this, the \$420M commitment from the federal government’s Low Carbon Economy Leadership Fund would also be added to the Trust to leverage additional private capital
  - Use innovative financing techniques and market development tools
  - Trust would consider projects from various sectors
  - An independent board to be established to form Trust
- Enhance corporate disclosure and information sharing
- Encourage private investments in clean technologies and green infrastructure

## **USE ENERGY AND RESOURCES WISELY**

*Objective:* Develop climate solutions that will save energy, resources and money

- Conserve energy in homes and buildings to cut costs and reduce emissions
  - Examples: implement Green Button data standard; encourage voluntary display of home energy efficiency information on real estate listings; review the Building Code; increase cost-effective conservation of natural gas; and push for highest level of energy-efficiency standards for appliances and equipment
- Increase access to clean and affordable energy for families
  - Examples: Continue to support connecting Indigenous communities in Northern Ontario to the electricity grid to replace diesel; increase renewable content in gasoline to 15% as early as 2025; encourage heat pumps and innovative community-based systems like district energy; require natural gas utilities to implement voluntary renewable natural gas option for customers; tax policy options for homeowners to increase energy efficiency; streamline and prioritize environmental approvals for businesses that use low-carbon technology; support integration of emerging smart grid technologies and distributed resources, including energy storage; remove

regulatory barriers that block private investors in the low-carbon fuel space; look to remove barriers to expansion of natural gas refuelling stations along the 400-series highways.

## **DOING OUR PART: GOVERNMENT LEADERSHIP**

*Objective:* Lead by example and encourage local leadership on climate change.

- Make climate change a cross-government priority, and develop a Climate Change Governance Framework
- Empower effective local leadership on climate change
- Improve public transportation to expand commuter choices and support communities
- Support green infrastructure projects

## **REDUCING LITTER AND WASTE IN OUR COMMUNITIES & KEEPING OUR LAND AND SOIL CLEAN**

The province proposes to keep land and water clean by taking strong enforcement action that ensures waste, including hazardous waste, is properly stored, transported, recycled, recovered or disposed. The government is considering ways to:

- Reduce the amount of waste going to landfills or becoming litter
- Increase opportunities for Ontarians to participate in efforts to reduce waste
- Increase opportunities to use technologies, such as thermal treatment, to recover valuable resources in waste
- Manage excess soil and hauled sewage
- Redevelop brownfield sites to better protect human health and the environment.

## REDUCE LITTER AND WASTE

*Objective:* Do more to reduce the amount of waste the province produces, recover valuable resources from our waste, and better manage organics.

- Reduce and divert food and organic waste from households and businesses
  - Expand green bin collection systems in large cities; develop a proposal to ban food waste from landfills; create best practices for safe food donations.
- Reduce plastic waste
  - Work with other provinces, territories, and the federal government to limit the amount of plastic in lakes and rivers
  - Seek federal commitment to implement national standards that address recyclability and labelling for plastic products and packaging to reduce the cost of recycling in Ontario
- Reduce litter in our neighbourhoods and parks
  - Establish an official day focused on cleanup of litter in Ontario
- Increase opportunities for Ontarians to participate in waste reduction efforts
  - Achieve greater province-wide consistency regarding what is accepted in the Blue Box Program
- Make producers responsible for the waste generated from their products and packaging
  - Transition Ontario to a producer responsibility system
- Explore opportunities to recover the value of resources in waste
  - Investigate options to recover resources from waste such as chemical recycling or thermal treatment
- Provide clear rules for compostable products and packaging
  - Ensure compostable packaging materials in Ontario are accepted by existing and emerging green bin programs
- Support competitive and sustainable end-markets for Ontario's waste
  - Cut red tape and modernize environmental approvals for waste and new waste processing infrastructure

## CLEAN SOIL

*Objective:* To ensure contaminated soils are cleaned up and properly managed through clear rules and standards, particularly as it relates to extra soil from construction projects.

- Increase redevelopment and clean-up of contaminated lands in Ontario to put land back into good use
- Make it easier and safer to reuse excess soil
- Improve management of hauled sewage

## CONSERVING LAND AND GREENSPACE

The Plan reinforces Ontario's long history of placing emphasis on the province's natural spaces and protected areas. Forests, wetlands, and parks purify our air and water, protect biodiversity and natural heritage, provide recreational opportunities and support Indigenous traditional practices.

**Objective:** To protect and enhance the province's natural areas, support conservation efforts, continue to conserve species at risk, develop adaptation strategies, and promote the importance of healthy natural spaces for future generations to use and enjoy.

- Improve the resilience of natural ecosystems
- Support conservation and environmental planning
- Promote parks and increase recreational opportunities
- Sustainable Forest Management
- Protect species at risk and respond to invasive species

## WHAT'S NEXT

From the government's perspective, next steps will include the following:

- Continue to consult with the public and engage with Indigenous communities
- Establish an advisory panel on climate change
- Begin implementing priority initiatives
- Measure and report on progress

Sussex strongly recommends that all interested stakeholders prepare submissions under the consultation process that is now underway, using the Plan's overarching objectives to guide comments and recommendations.

It should be made clear that while the Plan is now posted for consultation, the actual implementation of the various components will be rolled out with greater detail and in some cases, through new regulatory measures. It will be imperative for stakeholders to stay engaged in the ongoing processes.

Sussex is available to discuss any aspect of the Plan in greater detail, at your convenience.

## CONTACT US

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