



Sustainability within a generation

| A Kyoto plan to clean our air, fight climate change, and create jobs





January, 2005

Dear citizen,

Canadians want to build a more sustainable future. We are far ahead of our government in recognizing it is long past time we chose to pollute less, create 800,000 person years of work and take our promises to the world seriously.

Canada does not suffer from an absence of desire to act on the looming crisis of climate change. We suffer from an absence of leadership, and an abundance of talk. With each year that passes, Canada delays the job creation that sustainability can bring. With each year that passes, we change our climate even more. With each year that passes, our government falls further behind our citizens' desire to act.

Sixteen years ago, former Prime Minister Brian Mulroney hosted one of the world's first major conferences on climate change in my home city of Toronto. Canada urged the world to act, and the conference recommended deep cuts to greenhouse gas emissions.

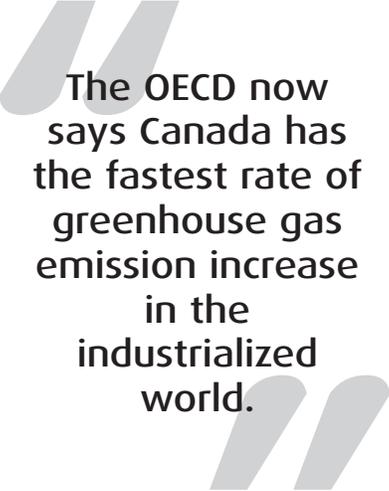
Mr. Mulroney was re-elected that year, 1988, when Paul Martin first became an MP. In Parliament, Mr. Martin urged the Conservatives to act, demanding they not wait for a treaty in order to recognize the looming crisis of climate change. He told Mr. Mulroney his timid goals were not good enough, that we could and should show the world how it's possible to be environmentally sustainable and economically prosperous.

Four years later the world met in Rio de Janeiro for the 1992 Earth Summit and again Canada urged the world to act. We again promised to cut greenhouse gas emissions and told the world we would do our part. That conference created the treaty that would become known as Kyoto.

One year later, in 1993, Mr. Martin wrote the Liberal Red Book, and promised Canada would reduce our greenhouse gas emissions by 20 per cent from 1990 levels by 2005.

Once in office, the environment suffered deep budget cuts, and despite record surpluses and unexpected windfalls, we did not forge ahead with the sustainable prosperity Mr. Martin promised. We fell to the back of the pack. With 2005 now here, our emissions are not down by 20 per cent – they are up by 20 per cent.

The OECD now says Canada has the fastest rate of greenhouse gas emission increase in the industrialized world. Only the United States and Luxembourg pollute more per capita than we do. Instead of instigating and embracing the green energy revolution, Canada sits and watches California, Denmark, Germany and Japan sow the seeds of sustainable prosperity for the century ahead.



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Last year, Canada spent more than twice as much on debt reduction than we did on climate change. We must take a more balanced view of our obligations to future generations, to whom we owe a more sustainable planet as well as less debt. Yet, under Mr. Martin, we have exceeded every fiscal target set and missed every environmental target. Today, he invents new, artificial debt targets to meet while delaying action on a crisis far more pressing: Climate change.

In our country, we see reasons to act. The Arctic is melting, smog deaths in Ontario and Quebec climb, pine beetles in British Columbia hurt the forestry industry, drought and reduced river flow hurt our Prairie farmers while all three coasts brace themselves for the disruption to come.

On our planet, we see reasons to act. Huge chunks of the Antarctic icecap are disintegrating, South Pacific islands are preparing to evacuate, storms are more intense and oil finds itself at the centre of present and future conflict.

We have an obligation to act. We have the technology to act. Canadians want to act. Yet Canada is not acting.

Sixteen years ago, we promised we would act in Toronto. Twelve years ago, we promised we would act in Rio de Janeiro. Eleven years ago, Liberals promised to dramatically cut pollution. Seven years ago, we promised we would act in Kyoto. A year ago, Paul Martin became Prime Minister.

Today, we have no plan to meet Kyoto's targets. We have no end in sight to watching emissions go up, and no plan at all to bring emissions down. We have squandered a decade of unprecedented fiscal resources and technological advances.

Canada's NDP has a plan to help us do better. It shows how we can meet our Kyoto obligations in the timelines of that crucial treaty. It shows how we can create jobs and prosperity alongside sustainability, and shows how we can lead by example in the world – exporting solutions, not pollution, to help humanity develop in a sustainable way.

Some believe the most imminent threat of our time is ballistic missile attack. I believe the most imminent threat of our time is the looming crisis of climate change, which threatens to create human misery of such scope and natural disasters of such magnitude that it is time for us to keep our promise to the planet and act.

We can make a transition from our polluting economy to a sustainable one in a way that creates jobs and prosperity. We can regain our place in the world as an environmental leader and create a place as a leading exporter of this century's energy. And we can honour our obligations to generations to come by acting today.

I am proud of the NDP's plan, Canada's first that shows how we can meet Kyoto's objectives in Kyoto's timeline, because it is time we simply did what we said we were going to do: Fight the looming crisis of climate change.



Jack Layton, MP
Leader of Canada's NDP
NDP energy and climate change critic

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Introduction

The Kyoto Protocol is a vital milestone on our path to an economy based on efficiency and renewable energy. The NDP's plan is the first that shows how we can meet our obligations under Kyoto – a 240 million ton reduction in emissions by 2012 – while creating more jobs and protecting Canada's prosperity for the century ahead. This plan is presented in full knowledge that Kyoto does not go far enough – but does kickstart the sustainability momentum that will benefit today's economy, today's people and future generations.

Kyoto can create sustainability momentum in Canada to ensure we achieve sustainability within a generation, saving future generations from the health, economic and ecological costs of dirty air and climate change. Our plan is guided by six key principles to ensure people and our economy win:

- ▶ Maximizing job creation and economic opportunity for Canadians, and ensuring a just transition for workers and communities affected by fuel change.
- ▶ Minimizing cost to businesses and governments by taking full advantage of natural turnover in large equipment and building investments.
- ▶ Reinforcing energy security for Canadians and stabilizing energy costs for people, businesses and governments.
- ▶ Ensuring tax benefits for renewable energy and energy efficiency meet or exceed those available to non-renewable energy development and extraction.
- ▶ Building a 21st Century economy with clean air and climate protection as a central economic strategy.
- ▶ Being fiscally as well as environmentally responsible, leaving future generations with a cleaner planet, not more debt.

There is no doubt Canada can achieve these goals, and no doubt we should. As a northern nation, we will feel the effects of climate change more. As a nation of the world, we will be embroiled in the chaos and conflict that climate change and dwindling fossil fuel resources will create. And as a nation of our word, we have an obligation to act on our long-standing promise to take climate change seriously.

The NDP's plan is the first that shows how we can meet our obligations under Kyoto.

Under Kyoto, which Canada first signed in 1997 and formally ratified in 2002, we promised to cut our greenhouse gas emissions by six per cent from 1990 levels by 2012. In 1990, Canada produced 610 million tons of emissions that cause climate change. In order to meet our Kyoto commitments, we must reduce our emissions by six per cent from 1990, taking us to 570 million tons.

Unfortunately, emissions have continued to rise. In 2002, the most recent year available, we produced 730 million tons. By 2010, we are on track to produce 810 million tons; by 2012, 850 million tons – with no end to the growth in sight. This plan reverses that trend, and puts Canada on a path for sustainability within a generation.



**This plan puts
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Sustainability through efficiency

As oil prices rise, families and businesses are hurt, making energy efficiency both good economic sense as well as good environmental sense. Canada can create jobs and reduce pollution by being more efficient with the energy we use, and the fossil fuels used to create it.

Innovative programs are in place already, from Manitoba's Power Smart Program to Toronto's Better Buildings Partnership, to help people and businesses save money and pollute less – by living as usual, but using energy better. We can dramatically reduce our energy consumption, and the NDP's Kyoto plan shows how:

- ▶ Provide loan guarantees of up to \$5,000 per home, with the original energy inspection co-paid by the government and homeowner. As in Manitoba, where \$52 million in loans has been dispersed since 2001, local utilities may be involved in the loan collection – effectively using energy savings to pay for the work. Older homes would be particularly encouraged to participate, and a separate initiative for rental and condominium stock must exist.
- ▶ Assist the 645,000 low-income households in Canada and protect them from rising energy costs by providing basic energy efficiency needs such as draft-proofing, programmable thermostats and education.
- ▶ Help businesses, hospitals and schools with a large-scale institutional-commercial retrofit program. Low-interest loans would be provided to public institutions such as hospitals, and tax incentives and write-offs to corporation. Energy savings would cover the cost of loan repayments.
- ▶ Help large industrial companies make the transition to sustainability with energy audits paid for by the government, resulting in permanent reductions in energy bills; and assist these companies in making sustainable change by using funds collected through the auction of emission credits.
- ▶ Establish a new Model National Energy Code to reduce energy use by 25 per cent in new buildings. This code would include maximizing use of waste heat, adapting solar and fuel cells and advanced lighting standards.

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- ▶ Require integration between provision of Canada Mortgage and Housing Corporation mortgages and construction of new homes that meet high energy efficiency standards.
- ▶ Require all standards in Canada for appliances and lighting to comply with the Energy Star standard.
- ▶ Help other countries develop sustainably by providing Canadian green energy technology to developing countries, as part of Kyoto's clean development mechanism. This provides Canadian businesses with new export opportunities, helps spread the use of non-polluting technology and provides Canada emissions credits.

Sustainable power for the century ahead

Canadians know current methods of power generation are not sustainable, and that we must begin to shift to a more sustainable way of powering our society and economy.

A sustainable future is based on renewable energy and getting the most from every bit of fossil fuel we burn (a technology called co-generation). It pollutes less, views heavy industry as a producer of energy as well as a consumer and responsibly deals with the looming crisis of climate change. And it continues to support public ownership and control of power production. The NDP's Kyoto plan shows how:

- ▶ Provide support for local co-operative and renewable power production using wind and other renewable sources, to reduce reliance upon centralized power plants – cleaning our air, and proactively reducing weather and sabotage threats to large power plants. This model is already in place in northern Europe.
- ▶ Set and meet a target of 10,000 megawatts of wind generation by 2010, by providing financial help to wind generation projects across Canada with a base support of 1.5 cents per kilowatt hour. Remote communities dependent on expensive diesel have unique needs and will require a unique program.
- ▶ Install 100,000 solar rooftops, as was done in Japan, with a federal grant of 30 per cent of the costs and loans for the remainder. This is a crucial step in reducing energy costs for building owners, and assisting in the introduction of new solar technology.
- ▶ Place a priority on ensuring wind turbines and solar panels are made in Canada, providing large new markets for existing and emerging industries.
- ▶ Promote non-wind renewable energy such as biomass and smallscale hydro by providing incentives already available to wind power.
- ▶ Help coal-dependent provinces replace polluting power with cleaner alternatives through an east-west electricity grid that makes it easier for coal-dependent provinces to receive

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hydro power from Manitoba, Quebec and Newfoundland and Labrador.

- ▶ View the industrial sector as a source of energy, and invest in co-generation, with a priority given to provinces without a surplus of hydro-electric power. By working with major energy users such as the steel, mining and smelting industries, we can control emissions and reduce energy bills. This strategy would also help accelerate development of fuel cells.
- ▶ Negotiate with the provinces and territories to adopt fixed-price strategies for renewable power, as is done in Europe, to make it a more financially attractive option for small scale producers.
- ▶ Extend existing moratoria on oil and gas drilling off British Columbia's coast, in the Great Lakes, and on the George's Bank off the coast of Nova Scotia.

Moving ahead on sustainability with transport

Canada's economy depends on moving goods and people across this vast land, and to markets overseas. Our economy suffers when people and goods are stuck in traffic, when people fall ill or die from air pollution and when we don't invest in the sustainable transportation that moves our economy efficiently – and pollutes less.

We can invest in our cities and communities, invest in our economy and invest in sustainability at the same time. The NDP's Kyoto plan shows how:

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- ▶ Invest in sustainable public transit now to help our economic engines in cities and provide practical, efficient alternatives to single-car use.
- ▶ Make employer-provided transit passes tax-deductible in order to provide more incentives for increased public transit ridership.
- ▶ End Canada's record of voluntary vehicle emission standards, and join with California and New England states to create large, common markets that achieve an average of 25 per cent reduction to light-duty vehicle emissions.
- ▶ As part of a national auto strategy, invest in Canadian production of green cars to ensure our auto industry remains viable in a world craving more green cars.
- ▶ Help people make better environmental purchases by offering a significant GST rebate on the purchase of alternative fuel vehicles, with the rebate increasing with the vehicle's fuel efficiency. GST-exempt purchasers such as other levels of government should receive the cash equivalent discount.
- ▶ Mandate the petroleum industry to meet World Fuel Charter standards and improve the cleanliness of petroleum and diesel; work with the auto and petroleum industry to ensure access to alternative fuels expands with the availability of alternative fuel vehicles.
- ▶ Create a truck purchasing consortium on behalf of public purchasers in order to use market influence to make greener truck production economic for manufacturers.

- ▶ Require that at least 5 per cent of the gasoline supply consist of ethanol by 2008, and move to meet a goal of 10 per cent by 2010.
- ▶ Ensure federal government support for pedestrian and cycling infrastructure in communities as part of a commitment to sustainable transport.
- ▶ Recognize the importance of maintaining support for freight rail in Canada, and increase funding for Via Rail in order to provide practical alternatives to single-car use.

Sustainability through green purchasing

Canadians want their tax dollars treated with respect, and want their government's purchasing decisions to treat our planet with respect. By using the government's significant purchasing power to create profitable markets for sustainable products and services, Ottawa can lead by example and combine fiscal responsibility with ecological responsibility.

Our government can help create markets and momentum for sustainable technology, and the NDP's Kyoto plan shows how:

- ▶ Between 2006 and 2010, retrofit 75 per cent of federal government and Crown corporation facilities, to bring them to the highest standards currently commercially available. This work would permanently reduce the energy bills paid for by taxpayers, and would recoup costs within 20 years.
- ▶ Between 2006 and 2010, move to a target of 100 per cent of government and Crown corporation power purchases coming from renewable sources, helping to create guaranteed markets for new, sustainable power generation.
- ▶ Ensure all new affordable housing developments supported by the federal government incorporate solar heating technology, and provide necessary financial support.
- ▶ Require that all new government and Crown corporation buildings be constructed to meet the highest possible energy efficiency standard, and incorporate solar heating technology into all new government building design.
- ▶ Expand current purchasing requirements for Energy Star goods and equipment to include all federal Crown corporations.
- ▶ Create a common purchasing agency for alternative fuel vehicles with Crown corporations, inviting provincial, territorial and municipal governments to participate, thereby maximizing market creation for new fuel vehicles.

Ottawa can lead by example and combine fiscal responsibility with ecological responsibility.

Sustainability for workers and communities

Canadians know we need to move from a polluting to a sustainable economy, and know a proactive, gradual plan helps avoid dramatic impacts upon workers and communities. By working now on sustainability tomorrow, we can gradually increase new areas of employment in order to provide a just transition for workers and communities in a sustainable economy.

Our plan creates jobs and improves our economy. It provides direct economic benefit through new jobs in construction and renewable energy, and indirect benefit through better public health thanks to cleaner air and more efficient transport. We can forever dispel the myth that we must choose between environmental protection and economic progress. In the century ahead, the two are fundamentally linked.

The NDP's Kyoto plan creates jobs: Construction jobs in building retrofits, and manufacturing jobs in public transit and renewable energy. In total, 800,000 person years of work are created. And based on the government's numbers, the Communications, Energy and Paperworkers Union – which represents energy workers – identifies a net increase of 3,000 jobs in the energy sector by 2010 under Kyoto. It should also be noted that during the 1990s, a period in which fossil fuel production increased, Canada lost 80,000 jobs in the energy sector.

Canadians also deserve honesty. Moving to sustainability will create more jobs, but it will also displace some workers and impact some communities. These impacts will occur with or without Kyoto since fossil fuels are a non-renewable resource, but the transition will be sustainable if we start now. We can achieve sustainability for workers and communities and the NDP's Kyoto plan shows how:

- ▶ Place a priority on new renewable energy material being made in Canada by Canadian workers, and work with key industries such as steel to help them supply emerging energy markets.
- ▶ Place a priority on renewable energy projects and research being placed near to existing fossil fuel centres of employment.

We can forever dispel the myth that we must choose between environmental protection and economic progress.

- ▶ Work now for local economic development opportunities tomorrow in communities most likely to be affected by a shift to sustainability, and ensure as many new federal government jobs as possible are located in communities likely to be affected in order to ensure a viable economic base.
- ▶ Provide income support to workers for up to three years, and enable workers to take maximum advantage of training and education opportunities.
- ▶ Ensure the transition to sustainability is gradual, allowing maximum use of attrition and ensure planned decreases in production are accompanied by very early notice to permit maximum retraining, and assistance in finding employment in areas of new opportunity.

Canadians know we need to burn fewer fossil fuels in order to pollute less, yet our current tax system subsidizes the very fuels our government pretends to want to burn less of. We believe it's time to stop tilting the marketplace towards fuels we need to consume less of, and divert those subsidies to renewable fuels that help make Canada sustainable.

Canadians also want polluters to bear much of the cost of reducing pollution, but recognize that in our complex economy government has an obligation to assist. We have shown practical and innovative steps we can take to ensure solutions are available, and believe society benefits from helping polluters use those solutions. We also believe polluters have a fundamental responsibility as well, and know from experience voluntary mechanisms do not work.

Our plan achieves this balance. We support a dual role for government in shifting to sustainability – providing incentives and assistance at first, followed by reasonable, yet mandatory, action. We can move to sustainability within a generation if we act now, with reasonable timelines that reflect today's available technology. The NDP's Kyoto plan shows how:

- ▶ Give fair notice to large emitters that, starting in 2008, permissible emissions will be capped and the cap will be annually reduced with an eventual goal of a 50 per cent reduction in emissions by 2030.
- ▶ Introduce a market-based auction for available emission credits in 2009, with credits divided among sectors. At the outset, the auction will cover less than 10 per cent of available credits, with a goal of all emission credits sold by auction by 2030. Proceeds from the sale of emission credits will go to sustainability projects.
- ▶ Introduce tax incentives for large emitters covered by the credit program to assist in using efficiency and today's technology to reduce emissions.
- ▶ Stop tilting the marketplace towards unsustainable fuel and, over four years, shift government subsidies away from unsustainable fuels towards renewable ones. The first step is to reverse the tax reductions for fossil fuel industries contained in the Liberals' Bill C-48. When fully phased in

**Sustainable
funding that
respects
taxpayers**

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after four years, the government will no longer subsidize non-renewable fuel and will divert current subsidies to renewable energy development.

- ▶ Recognize our obligation to future generations and invest 100 per cent of the proceeds of the Petro-Canada sale in sustainability projects.
- ▶ Duplicate the success of the Canada Mortgage and Housing Corporation, established after World War II to assist in housing development, by creating Clean Energy Canada as a Crown corporation to assist in funding partners and bringing new technologies to market.

more information: ndp.ca