



A LETTER TO PREMIER WYNNE ON CARBON PRICING

Posted on May 27th, by Maya Borgenicht in [Discussion](#). [No Comments](#)

Dear Premier Wynne,

As members of Move the GTHA, a non-partisan collaboration of civil society groups, we would like to applaud your leadership in putting a price on carbon as an important step towards meeting Ontario's greenhouse gas (GHG) reduction targets. We believe that the forthcoming cap-and-trade program presents a critical opportunity to build on your government's existing funding commitments to accelerate low-carbon transportation solutions in the Greater Toronto and Hamilton Area (GTHA) and the balance of Ontario.

This can be achieved in three ways. First, Ontario should ensure that the cap generates significant new revenues while supporting Ontario's GHG targets of 15 per cent below 1990 levels by 2020 and 80 per cent below by 2050. Second, Ontario should use as much of the revenue as possible to invest in sustainable transportation solutions, including existing transit operations and the unfunded elements of *The Big Move* transportation plan for the GTHA, active transportation, and improved urban transit and intercity rail and bus services in the rest of the province. Third, the government should ensure that the

carbon pricing system applies to all transportation fuels in order to encourage behaviour change with respect to transportation options.

Generate Revenues while Supporting Ontario's Greenhouse Gas Targets

There are three key ways in which Ontario can generate significant revenues while supporting its GHG targets via its cap-and-trade system:

- The cap should apply broadly throughout the economy, covering all major emissions sources
- The cap should be sufficiently stringent and decline over time
- The province should auction off most or all emissions permits created under the cap rather than giving them away free of charge

Generate Additional Funding for Low-Carbon Transportation

We are pleased to hear that the government [plans](#) to reinvest the money raised through cap-and-trade into GHG-reducing projects such as public transit. As the largest contributor to Ontario's GHG profile, the transportation sector offers the biggest opportunity to cut Ontario's emissions. *The Big Move* represents the biggest abatement opportunity within this sector, and ranks sixth nationally on the list of [Canada's 10 most effective climate policies](#) for meeting our 2020 climate targets. There is also a substantial contribution to GHG reduction that can be made by improving intercity passenger rail and bus within the rest of Ontario.

Groups involved in Move the GTHA support the province's existing funding commitment to improve transportation in the GTHA. However, we recognize that more revenue is still needed to fund *The Big Move*. Its full implementation cost – including construction, operating and maintenance – is estimated at \$80 billion, leaving roughly \$50 billion unfunded. Furthermore, additional funding for operations of existing transit infrastructure is still required.

We believe that cap-and-trade revenues could represent an important step towards filling this crucial funding gap. The proposed system has the potential to generate annual revenues in the order of \$2 billion if the province maximizes the share of permits that are auctioned off rather than given away. Investing as much of this revenue as possible in low-carbon transportation initiatives such as *The Big Move* would reduce emissions while meeting critical infrastructure needs. This has been the approach in Quebec, which uses [two-thirds](#) of its cap-and-trade revenues to fund low-carbon transportation.

We would also recommend investing a portion of the revenues in enhancing existing transit operations. Measures such as increasing service frequency and freezing transit fares would generate visible benefits quickly, and would further strengthen public support for longer-term term transportation infrastructure investments and for carbon pricing.

Put a Cap on Transportation Fuels

Ontario's cap should immediately cover emissions from transportation fuels, as is currently the case in both Quebec and California's program. Doing so will not only increase the system's revenue-generating potential, but it will also send a price signal encouraging Ontario citizens and businesses to switch over to more sustainable transportation options. The "double dividend" of low-carbon transportation infrastructure investments combined with a price incentive to motivate low-carbon choices will help accelerate Ontario's transition to a low-carbon economy.

Move the GHTA has previously called for increased public investment in transportation that is dedicated, efficient, transparent and accountable, regional, fair and sustainable. We believe that with careful policy design including prioritization of transportation in the reinvestment of cap-and-trade revenues, the province could satisfy these principles while seizing its biggest opportunity to reduce long-term emissions.

Thank you for considering our input on this important matter. We would welcome the opportunity to discuss it further with you in person.

Sincerely,

CodeRedTO
David Suzuki Foundation
Evergreen CityWorks
Pembina Institute
Registered Nurses' Association of Ontario
Toronto Atmospheric Fund
Toronto Centre for Active Transportation
Toronto Environmental Alliance
Transport Action Ontario
Western GTA Summit

The above signed organizations are members of [Move the GHTA](#). Move the GHTA is a collaboration of organizations working together to build awareness and engagement to support investment in the Greater Toronto and Hamilton Area's (GTHA's) transportation system. The group has been active since 2012 and represents a diversity of constituents and perspectives – health, labour, business, policy, environment, and citizen advocacy – unanimous in the understanding that new investment is urgently needed. Specifically, Move the GHTA is advocating for long-term dedicated funding for an efficient, accessible, affordable and fully integrated regional transportation system, with accountable and effective regional governance mechanisms for that transportation system.