

December 2, 2020

**Special Committee on Climate Change
Third Report of the First Session, Sixty-sixth General Assembly
Committee Activities**

Mr. Speaker and Members of the Legislative Assembly:

The Special Committee on Climate Change was established by the Legislative Assembly through the adoption of Motion 37 on July 11, 2019:

WHEREAS the Legislative Assembly has established targets for the reduction of greenhouse gas (GHG) emissions in Prince Edward Island;

AND WHEREAS there are many options available to reduce GHG emissions;

AND WHEREAS the province should adopt emission reduction measures that are cost effective in order to reduce, as much as possible, the potential burden on Islanders and Island businesses of reducing emissions;

THEREFORE BE IT RESOLVED that a Special Committee of the Legislative Assembly, consisting of two representatives to be named by the Premier; two to be named by the Leader of the Opposition; and two to be named by the Leader of the Third Party, be created to explore the options available to reduce GHG emissions and to make fully costed recommendations on how the province can best meet its emission reduction targets.

THEREFORE BE IF FURTHER RESOLVED the Committee shall engage with the public and government in its deliberations.

This report provides an update on the committee's activities since its last report on July 2, 2020.

Committee Membership

Permanent members of your committee, as named by the leaders of the parties in the Legislative Assembly are:

Lynne Lund, Chair (District 21, Summerside-Wilmot)
Sonny Gallant (District 24, Evangeline-Miscouche)
Stephen Howard (District 22, Summerside-South Drive)
Hon. Natalie Jameson (District 9, Charlottetown-Hillsborough Park)
Sidney MacEwen (District 7, Morell-Donagh)
Hal Perry (District 27, Tignish-Palmer Road)

Gordon McNeilly (District 14, Charlottetown-West Royalty) served as a substitute member at the September 3 meeting. Hon. Brad Trivers (District 18, Rustico-Emerald) served as a substitute member at the October 22 meeting. There have been no permanent changes in membership since the committee's last report.

Committee Activities

Since its last report on July 2, 2020, your committee met seven times.

On September 3, your committee met to receive a briefing on efforts to promote electric transportation in Quebec by Johanne Gélinas and Dominique Deschênes of Transition énergétique Québec, via videoconference. At this meeting the committee decided to seek briefings on the Quebec and BC zero-emissions vehicle mandates, the California Department of Food and Agriculture Healthy Soils Program, a study on agricultural best management practices for greenhouse gas emissions reduction, and the Living Labs agricultural initiative. The committee also agreed to seek advice on additional witnesses in regard to agriculture and climate change, and to seek written input from the PEI Automobile Dealers Association and the PEI Electric Vehicle Association on a potential zero-emissions vehicle mandate, and educational efforts toward promoting the use of electric vehicles in PEI. The committee agreed on a response to correspondence from the PEI Climate Change on carbon abatement costing.

On October 15, your committee met to receive a briefing on the Quebec zero-emissions vehicle standard by Frédéric Dechamplain and Marilou Gosselin of the Quebec Ministry of the Environment and the Fight against Climate Change, via videoconference. At this meeting the committee agreed to a request from farmer Reg Phelan for the opportunity to present to the committee on agriculture and climate change, and to also request briefings on that topic from Cynthia Rosenzweig of Columbia University and Jonathan Foley of Project Drawdown. It made information requests to Transition énergétique Québec and the PEI Climate Change Secretariat regarding carbon abatement costs, and invited witnesses who had been scheduled to appear during public consultation meetings, but could not do so due to the COVID-19 pandemic, to submit their views in writing.

On October 22, your committee met to receive a briefing on the California Healthy Soils Program from Rachael O'Brien, Dr. Amrith Gunasekara and Dr. Geetika Joshi, of the California Department of Food and Agriculture, via videoconference. The committee made a follow up request for information on carbon abatement costing of the agricultural practices included in the Healthy Soils Program.

On October 29, your committee met to receive a briefing on agriculture and climate change from farmer Reg Phelan. At this meeting the committee considered requests to appear from Bike Friendly Charlottetown and the Canadian Vehicle Manufacturers' Association; the committee decided to request that both groups submit their views in writing.

On November 5, your committee met to receive a briefing providing an update on work done under the PEI Climate Change Action Plan by Todd Dupuis and Erin Taylor of the PEI Climate Change Secretariat. At this meeting, the committee made requests for data on carbon abatement costing provided by the Secretariat for a selection of existing government programs and a calculation of the program cost to government per tonne of greenhouse gas avoided for existing programs related to greenhouse gas emissions reduction. The committee also asked the Department of Agriculture and Land for the same type of calculation for the agricultural best management practices to be included in a pilot program in 2021.

On November 26 and December 1, your committee met to consider its report to the Legislative Assembly.

Recommendations

1. Your committee recommends that the PEI Climate Change Secretariat develop in-house capacity to determine carbon abatement costs to government for programs related to greenhouse gas emissions reduction.

The PEI Climate Change Secretariat has expressed their opinion that the Special Committee on Climate Change should hire a consultant to calculate the abatement costs associated with current government actions and possible alternate actions. Your committee strongly disagrees with this and urges government to rapidly develop in-house capacity to determine carbon abatement costs.

Assessing the carbon abatement costs of action needs to be a regular, ongoing part of government's climate action plan, not a one-time activity. Calculating past efforts as a one-time action provides only hindsight and does nothing to build the capacity the Secretariat has indicated it is lacking. Long after this committee completes its work, the Secretariat needs to be able to assess carbon abatement costs.

Having the capacity to accurately determine the price per tonne of carbon dioxide equivalent avoided allows for important oversight. Canada's Auditor General has been recommending since 2017 that provinces calculate and report on performance indicators for climate action. Prince Edward Island's Auditor General indicated in 2017 that Government's climate change mitigation actions need implementation plans documenting timelines, financial and other resources, and performance measures. In a 2020 follow up to the 2017 climate change audit, the Auditor General indicated that these plans and their associated timelines, resources and performance measures are still lacking. This type of planning and evaluation is necessary for us to have confidence that we will achieve the desired emission reductions for the money invested.

There are countless possible pathways to reduce emissions and some produce a greater return on investment than others. In order to reach the targets referenced in the motion to create this committee (and new targets government has recently announced) it is essential that we are able to compare the costs of one course of action with another. Elected officials and the public alike need to be able to see how these decisions are being made.

The Secretariat has recently retained the services of a consultant to assist with planning new efforts to meet climate change targets, and that consultant has expertise in forecasting the costs and effectiveness of GHG reduction efforts. The Secretariat has invited the committee to submit, based on its work to date, suggestions of GHG emission reductions programs to the consultant for carbon abatement costing. The committee intends to do so. In the meantime, your committee suggests that the Secretariat may also wish to consider using modelling programs as another cost-effective way to build in-house capacity in this area. There are a number of excellent programs available that allow for precise calculations to be done easily. Many are listed on the federal government's website. Additionally, collaboration with provincial partners such as UPEI, the School of Climate Change and Adaptation, and the Climate Lab should help develop capacity in this area.

Your committee recognizes that carbon abatement cost is just one of several things to consider when selecting pathways to emission reduction. We also need to ensure we are choosing pathways that are effective at reducing emissions in the areas where our GHG emissions currently are the greatest, and considering the interplay between factors. The carbon abatement cost is just one of several important factors, but it must be factored.

2. Your committee recommends that Government begin planning now for a direct incentive for zero-emissions vehicles in order to include it in budgeting for the 2021-22 fiscal year.

We now have less than ten years to meet our 2030 GHG reduction target. It is clear that transportation is the largest source of the province's GHG emissions, and that the pathway to reducing those emissions is to electrify transportation. To do that, zero-emissions vehicles (ZEVs) such as battery electric vehicles and plug-in hybrid electric vehicles need to displace internal combustion engine vehicles on Island roads at a faster rate than is currently happening. A direct incentive, namely a provincial rebate on the purchase or lease of a ZEV, is needed to accelerate this process. The incentive should apply to both new and preowned ZEVs to increase the supply of applicable vehicles and greater affordability for all Islanders. Quebec has paired its provincial incentive with the federal incentive, and is achieving success. Your committee will continue its work toward specifying the details and determining the costs of an incentive of this nature, and intends to submit it among other costed recommendations in the winter/spring sitting of the legislature. A ZEV incentive on its own may not be enough to electrify transportation to the degree necessary. However, the committee feels certain at this stage that that electrification will not be accomplished without a direct incentive, and wishes to avoid further delay. This committee will be making strong recommendations for electrifying transportation in PEI, and for that reason your committee advises Government to reserve significant funding now in the 2021-22 budgetary process so that the incentive can be rolled out as soon as possible.

Conclusion

As indicated above, the committee will submit potential GHG reduction programs to the consultant hired by the PEI Climate Change Secretariat for costing. The committee hopes to use this information to provide fully cost recommendations to the Legislative Assembly in the winter/spring sitting in fulfillment of its mandate.

In its previous report, which was adopted by this House on July 3, your committee put forward 14 recommendations, and indicated that it saw no reason to delay implementation of those recommendations. As per the terms of rule 110(9), your committee would appreciate a written response to that report during this fall sitting of the House.

Your committee thanks the organizations and individuals that not only met with the committee in recent months, but that provided helpful follow-up information after their meetings. The committee also received a number of written submissions from individuals and groups since its last report, which are greatly appreciated. The committee will continue to consider written input submitted by the public before December 18, 2020, but will otherwise be restricting its focus to preparation of a final report.

Respectfully submitted,

Lynne Lund, MLA
Chair, Special Committee on Climate Change