

SPECIAL RESOLUTION

from Councillor Piper



MEMO

To: Mayor Guthrie and City Council

From: Leanne Piper, Councillor, Ward 5

Re: **Motion of Support for Carbon Tax Appeal**

This memo to provide the necessary background information for you to consider a motion of support for the action taken by six BC municipalities who applied for intervenor status in the Supreme Court of Canada appeal of the Carbon Tax.

I have provided my draft resolution below, along with Background information and related supporting material.

If you have any questions, please feel free to contact me at Leanne.piper@guelph.ca.

Thanks for your consideration...

Leanne

Leanne Piper, MA
Councillor, Ward 5

City Council

City of Guelph
519-822-1260 extension 2295

leanne.piper@guelph.ca

SPECIAL RESOLUTION

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Proposed Resolution:

1. That Guelph City Council supports the action taken by the coalition of six BC municipalities to act as an intervenor in the Supreme Court of Canada challenge to the Greenhouse Gas Pollution Pricing Act.
 2. That the Motion of Support be circulated to the Federation of Canadian Municipalities, Association of Municipalities of Ontario, MP Lloyd Longfield, MPP Mike Schreiner, the Office of the Premier of Ontario, and to the Mayors of Vancouver, Victoria, Squamish, Nelson, Richmond and Rossland.
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Summary

This Memo provides an overview of the Greenhouse Gas Pollution Pricing Act (GGPPA or Carbon Tax) and the action taken by six BC municipalities who have been granted intervenor status in the Supreme Court of Canada (SCC) challenge by the provinces of Ontario and Saskatchewan against the Act.

Efforts to reduce the emission of greenhouse gases is a matter of municipal interest to the corporation and the citizens we serve. Climate change is the most significant threat facing our future, our prosperity and our health, globally and locally. Efforts to reduce (or eliminate) greenhouse gases will contribute to the success of our Community Energy Initiative, and funds from GGPPA can be reinvested into adaptations that will enable the city to mitigate the impacts of climate change in the years ahead.

Background

In 2018, the federal government passed the Greenhouse Gas Pollution Pricing Act (GGPPA), which sets a minimum national standard to incentivize reduction of greenhouse gases so that Canada can meet its emission reduction targets under the Paris Climate Accord agreement. Provinces who failed to meet the minimum standard have had the law applied unwillingly. In Ontario, the tax on carbon-based fuels took effect on April 1, 2019, after the Ford government repealed the previous cap-and-trade system put in place under the previous government. Saskatchewan,

Manitoba, New Brunswick and Alberta are also listed as provinces who do not meet the federal standard.

Saskatchewan and Ontario launched a constitutional challenge to the Act, and in both cases, their respective provincial court rulings supported the constitutionality of the GGPPA. Following this outcome, both Saskatchewan and Ontario filed an appeal to the Supreme Court of Canada.

On November 6, 2019, a group of six BC municipalities (Vancouver, Victoria, Squamish, Nelson, Richmond and Rossland) submitted a joint application for leave to intervene in the Supreme Court of Canada (SCC) challenge.

In late October, both myself and Councillor Allt attended the ICLEI Livable Cities Forum in Victoria, BC. While there, I met with Victoria, BC Mayor Lisa Helps, as well as several participating members of the Climate Caucus, a working group of Canadian municipalities who are taking a leadership role in sharing best practices, ideas and actions on climate change across the country. Both myself and Councillor James Gordon have participated in the past on teleconference meetings as members of the Climate Caucus. For more information see <https://www.climatecaucus.ca/>.

Given Guelph's reputation as a leader in climate change action and greenhouse gas reduction, the potential of adding the City of Guelph as a participating municipality to the joint intervenor application to the SCC challenge was raised.

A deadline of November 5 was set for a core group of municipalities to commit through Council resolution to join the coalition of participants to the application for intervenor status at the SCC. This deadline could not be met within the timeline of scheduled meetings of Guelph City Council, and six BC municipalities proceeded with their application as a group.

On December 4, 2019 the SCC granted leave to the six municipalities to jointly intervene in the SCC's hearing of the federal carbon pricing appeals.

The decision to grant intervenor status allows the BC coalition to file arguments to support the federal carbon tax during the hearings. According to their press release following the successful application "the municipal intervention will support the argument that the Greenhouse Gas Pollution Pricing Act (GGPPA) imposes valid regulatory charges and that the GGPPA is a validly enacted law within federal jurisdiction under the peace, order and good government power."

It is anticipated that the GGPPA appeals will be heard in Spring 2020.

Discussion

Pricing carbon is widely regarded as an extremely effective tool to reduce greenhouse gas emissions.

- William Nordhaus and Paul Romer, winners of the Nobel Prize in Economics, concluded that carbon pricing is effective in reducing greenhouse gas emissions <https://www.iisd.org/library/nordhaus-nobel>
- The World Bank has been following the effectiveness of carbon pricing in over 40 countries <https://www.worldbank.org/en/programs/pricing-carbon>
- Canada's Ecofiscal Commission, comprised of leading economists from across the political spectrum have endorsed carbon pricing as an effective and powerful tool. <https://www.theglobeandmail.com/business/article-carbon-pricing-works-canadian-economists-say-as-national-debate>
- The Climate Leadership Council, a global industry organization which includes oil and gas (ie. Shell Energy) supports the effectiveness of carbon pricing <https://clcouncil.org/advantages-of-a-climate-dividends-plan/>

Given that carbon pricing is an effective tool to reduce greenhouse gas emissions, and that the City is poised to benefit from the proceeds of the carbon tax, there is direct benefit to the City to strengthen the case in support of the GGPPA. Federal funds from pricing carbon could be used to help offset the costs of projects and initiatives as outlined in the "Road to Net Zero" Community Energy Initiative update approved on May 28, 2019. <https://guelph.ca/tag/cei-update/>.

Funds collected in Ontario under the federal carbon tax system, stay in Ontario. The Climate Action Incentive Tax Credit is claimed through the federal income tax process. In addition, the federal government uses approximately 10% of the funds collected to provide funds for environmental initiatives that reduce carbon, such as building retrofits.

Guelph has played a leadership role nationally and provincially for two decades on reducing energy use, carbon reduction and its ground-breaking Community Energy Plan. Over the past year, we have formally acknowledged the global climate crisis and we have committed to becoming a net zero carbon community by 2050.

The six BC municipalities who have committed to participating in the hearings as an intervenor are speaking on behalf of municipalities across Canada. Motions of support for their efforts, and in favour of the GGPPA from other municipalities across the country could strengthen their case at the SCC. In Ontario, if a critical

mass of municipalities representing more than 50% of the population of the province were to pass motions of support, this could send a clear message that local governments do not agree with the actions of the province in appealing the GGPPA to the Supreme Court.

It is hoped that Guelph is the first municipality to pass a motion of support, but not the last.

Recommended Action

Whereas the negative impacts of climate change will have serious consequences globally, including the City of Guelph
and

Whereas the City of Guelph has acknowledged a climate crisis and committed to a goal of carbon neutrality by 2050, and a corporate goal of 100 percent renewables in its operations by 2050

And

Whereas carbon pricing has been proven an effective tool for the reduction of greenhouse gases from carbon-based fuels,
and

Whereas municipalities, businesses and citizens of Ontario are direct beneficiaries of the redistribution of funds to incentivize carbon reduction through the GGPPA,
And

Whereas the Corporation of the City of Guelph and other institutions within Guelph (school boards, health unit, hospitals, university, etc.) could potentially benefit from funds generated by the federal carbon tax for future environmental projects and initiatives that will contribute to meeting the goals of the Community Energy Initiative to achieve net zero carbon status by 2050.

Therefore be it resolved that:

1. That Guelph City Council supports the action taken by the coalition of six BC municipalities to act as an intervenor in the Supreme Court of Canada challenge to the Greenhouse Gas Pollution Pricing Act.

2. That the Motion of Support be circulated to the Federation of Canadian Municipalities, Association of Municipalities of Ontario, MP Lloyd Longfield, MPP Mike Schreiner, the Office of the Premier of Ontario, and to the Mayors of Vancouver, Victoria, Squamish, Nelson, Richmond and Rossland.
- 3.

Financial Implications

None.

Strategic Plan Alignment

This report recommends endorsing actions that incentivize significantly reducing energy consumption and greenhouse gas emissions. The recommendations within this report align well with the “Building Our Future” and “Sustaining Our Future” priorities.

Attachments

Attachment-1 Media Release – BC Local Government of Canada as Intervenors in Carbon Pricing Supreme Court Appeal

Report Author

Leanne Piper

Councillor, Ward 5

519-822-1260x 2285

Leanne.piper@guelph.ca.