ACKNOWLEDGEMENTS

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environmental defence

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INTRODUCTION

2020 has been an unprecedented year...  

2020 has been an unprecedented year. The COVID-19 pandemic has forced us to pause and rethink many of the routines people take for granted. Governments around the world have taken unprecedented action, intervening to flatten the pandemic’s curve, and to support their citizens and the economy. The scale of government investment is beyond what policymakers had previously seen as possible.

Environmental Defence released a progress report in 2019, one year after Made-in-Ontario Environment Plan was launched. This year’s report follows from last year’s, but in light of the pandemic, it’s a bit different. In addition to reporting on the Ontario government’s progress over the past year on its Environment Plan, this report also examines how Ontario’s action, particularly those related to economic recovery, will impact climate change and the goals to reduce greenhouse gas emissions set by the government.

Many governments around the globe have committed to recovery efforts that will help them shift to a more just and green economy. The European Union recently committed to one of the most ambitious green stimulus packages in the world. Canada’s federal government has also committed to make climate action the “cornerstone” of their plan to create jobs and recover from COVID-19. Will Ontario seize this opportunity to “build back better?”

The COVID-19 pandemic does not give the government of Ontario a pass on addressing the climate crisis or keeping its climate promises. And the province cannot justify focusing on short-sighted investments in the name of economic recovery that exacerbate climate change, increase pollution, and make our lives worse. The smarter path is investing government dollars into a shift to a healthier, greener, more equitable economy to improve our lives now and in the future.

Ontario has so far chosen the short-sighted approach, adopting an outdated view of economic stimulus based on accelerating large infrastructure projects like highways, which will make climate change worse. In addition to providing an update on the government’s progress on its own Environment Plan, this report will examine how Ontario’s proposed economic recovery plan will impact the province’s progress on climate change, how climate goals were or were not considered in recovery plans, and what opportunities exist to support Ontario’s economic recovery through climate action.

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What Progress Has Ontario Made on Climate Change?

Greenhouse gas emissions: What the numbers show

The most recent data available shows a worrying increase in greenhouse gas emissions (GHGs) in Ontario in 2018 after almost ten years of declining emissions (see figure 1).

The jump of 10 mega tonnes of GHGs makes Ontario responsible for about two thirds of Canada’s total 15 mega tonne rise in 2018. This is more than the province’s fair share, even when Ontario’s large population is considered. An increase of 10 mega tonnes is also a big step backwards in meeting Ontario’s target to reduce carbon emissions.

It’s not a coincidence that 2018 was the year the then-incoming government scrapped cap-and-trade, along with $2 billion worth of carbon reduction programs it funded. However, it’s unlikely that this caused the entire increase in GHG emissions, since many of these programs had just been launched.

In addition, weather, a trend toward bigger vehicles like SUVs, and economic growth all contributed to the emissions increase. However, if previous programs that were intended to help people burn less natural gas, switch to cleaner vehicles, and save electricity in cold and hot weather remained in place, it is likely that the increase would not have been as high.

Regardless of where the additional emissions came from, Ontario is trending dangerously in the wrong direction on climate change, and the gap between Ontario’s carbon reduction target and actual emissions levels is growing.

Data for 2020 is not yet available due to a two-year lag in reporting GHGs in Canada. But it’s safe to assume the pandemic caused a temporary dip in GHGs starting in March 2020, as industrial activity paused, and people stayed home.

Vehicle emissions normally account for nearly 40 per cent of Ontario’s GHG emissions, so a drop in vehicle travel would make a significant impact. However, these emissions likely rebounded as some economic activity and vehicle travel resumed over the summer and fall. Data from Toronto shows a slow but steady increase in traffic volumes between March’s lockdown and November 2020. While GHG levels in 2020 may drop temporarily, Ontario will need strong additional measures in place to stop GHGs from rising again when vehicle travel and industrial activity fully resumes. A return to 2018 GHG levels after the pandemic would make Ontario’s 2030 GHG reduction target nearly impossible to meet — unless new actions are taken on the scale of Ontario’s previous coal ban.

![Figure 1: Historical Greenhouse Gas Emissions in Ontario. Source: Government of Canada, National Inventory Report.](image-url)
What is Ontario’s plan to address climate change?

Ontario’s government released a new plan to address climate change in late 2018, promising to reduce GHG emissions and meet a new weaker climate target without a price on carbon. This move to weaken the climate target is now facing legal action from seven youth who claim it will lead to widespread illness and death, and violates Charter-protected rights to life, liberty, and security of the person.9

The Made-in-Ontario Environment Plan promises to reduce GHG emissions by increasing cleaner fuels like ethanol and renewable natural gas, expanding energy efficiency programs, supporting a shift to electric vehicles, introducing their own carbon pricing system for industry, and encouraging “innovation” to reduce emissions through new technologies.

The assessment below includes new actions from the past year (November 2019 to November 2020) taken by the Ontario government. While there has been some progress, most has been in areas with the least potential for GHG emissions reductions. Actions that anchor the plan’s emission reductions, such as natural gas conservation, have been largely overlooked. The Auditor General’s 2020 report criticized Ontario’s lack of action on key promises to reduce GHG emissions from buildings, stating plainly that this inaction could cause Ontario to entirely miss their 2030 target.14

To round out this analysis presented below, the table includes updated estimates for potential GHG reductions in each area from the Auditor General’s 2019 assessment of the Made-In-Ontario Environment Plan, comparing them to the estimates in the province’s plan which were found to be significantly

Environmental Defence’s 2019 report assessed Ontario’s progress in following through on these promises.12 Not only were the promised actions and targets weak to begin with, but the follow-up on the promises made was nearly non-existent.

Ontario’s Auditor General also challenged the modelling used by the government to project emissions reductions from the Environment Plan in their 2019 annual report, pointing out that it was “not based on sound evidence.” This report assessed the expected impacts of the actions in Ontario’s plan, showing it was severely deficient. After these criticisms, Ontario’s Environment Minister promised to update and improve the plan, calling it a “living document” and a “draft” that would evolve.13 This evolution has yet to happen, although Minister Yurek has hinted at a new version of the plan coming in late 2020 after more criticism came in the Auditor General’s 2020 report. Environmental Defence has formally requested any information and analysis used by the Government of Ontario in estimating the impacts of the actions presented in the plan. At the time of writing, Environmental Defence has not received this information.

The assessment below includes new actions from the past year (November 2019 to November 2020) taken by the Ontario government. While there has been some progress, most has been in areas with the least potential for GHG emissions reductions. Actions that anchor the plan’s emission reductions, such as natural gas conservation, have been largely overlooked. The Auditor General’s 2020 report criticized Ontario’s lack of action on key promises to reduce GHG emissions from buildings, stating plainly that this inaction could cause Ontario to entirely miss their 2030 target.14

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Ontario Climate — Yours to Recover: A Progress Report on Ontario’s Climate Actions

**Summary Of Progress On Climate Change Related Actions From Ontario’s Environment Plan**

**Guide**

Ontario Estimate: Estimated greenhouse gas emission reductions by 2030 published in the 2018 Environment Plan

Auditor General Estimate: Estimated greenhouse gas emission reductions by 2030 according to the Auditor General’s 2019 review of the Environment Plan

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**Natural Gas Conservation**

**STATUS: NO PROGRESS, INACTION WILL LEAD TO INCREASED GHG EMISSIONS**

<table>
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<tr>
<th>Ontario Estimate</th>
<th>3.2 Mts</th>
<th>Auditor General Estimate</th>
<th>3.2 Mts</th>
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**ONTARIO’S ENVIRONMENT PLAN PROMISED**

Ambitious expansion of programs delivered by utilities to help people and businesses save energy and cut heating bills.

**ONTARIO’S PROGRESS**

None: There will be no expansion of natural gas conservation programs in 2020 or 2021. There is no evidence that Enbridge Gas Distribution, the OEB or the Ministry of Energy have increased, or intend to increase natural gas conservation as promised in the plan. This action has by far the largest potential to reduce GHG emissions of any action in the Environment Plan.

The Ontario government is not ensuring that the Ontario Energy Board (OEB) follows their existing directive to implement all cost-effective energy efficiency programs.

The AG’s 2020 report notes Ontario “has made little progress on building-related initiatives in the Made-in-Ontario Environment Plan” and “the OEB’s delay in developing a new natural gas conservation framework to guide utilities may also result in lost opportunities to reduce building emissions. This will likely impact Ontario’s ability to achieve the emissions reductions from natural gas conservation estimated in the Environment Plan.”

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Ontario Climate — Yours to Recover: A Progress Report on Ontario’s Climate Actions
Clean Fuels

STATUS: SOME PROGRESS TOWARDS MINOR GHG EMISSIONS REDUCTION

| Ontario Estimate | 3.5 Mts | Auditor General Estimate | 1 Mts |

ONTARIO’S ENVIRONMENT PLAN PROMISED

Increasing renewables like ethanol in gasoline, expanding renewable natural gas.

ONTARIO’S PROGRESS

Some: Overall, the focus of Ontario’s clean fuels actions has been to make small, incremental changes to existing fossil fuels to achieve very minor GHG emissions reductions, rather than planning a full transition to low or zero carbon fuels.

A regulation introduced in 2019 to increase renewable content in gasoline from 10 per cent to 15 per cent over the next decade was finalized in 2020. This action will have a small impact on emissions, but less than originally promised. The finalized regulation delays compliance for fuel suppliers “in response to the impacts of COVID-19” and will not be in full effect until 2030 instead of “as early as 2025.

Ontario has launched a new voluntary “opt-in” Renewable Natural Gas program, just approved at the OEB. Estimates from Ontario’s own Ministry staff claim this program will have almost no GHG impact (0.0049 Mt in 2030). However, higher estimates were included in the Plan based on a submission from the Ontario Energy Association, an industry association representing electricity and natural gas companies, instead of the Ministry’s own analysis. For those who pay to opt into the program, it will offset less than 2 per cent of an average household’s natural gas consumption.
Electric Vehicles

**STATUS: NO PROGRESS, INACTION WILL LEAD TO INCREASED GHG EMISSIONS**

<table>
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<tr>
<th>Ontario Estimate</th>
<th>Auditor General Estimate</th>
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<tr>
<td>2.9 Mts</td>
<td>0 Mts</td>
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**ONTARIO’S ENVIRONMENT PLAN PROMISED**

Supporting Electric Vehicle (EV) adoption in Ontario and clean trucking fuels.

**ONTARIO’S PROGRESS**

None: Ontario cancelled EV supportive policies in 2018/2019 (including incentives, building code requirement to build in electrical capacity for EV charging in homes and charging stations in GO parking lots) but has introduced no replacement programs. The Ministry projected the number of EVs to increase from 41,000 in 2019 to 1.3 million by 2030, but this increase relied on the continuation of cancelled programs. EV sales in Ontario since program cancellations have not kept up with growth in other provinces or with Environment Plan projections.
Zero-emission vehicles (ZEVs) registered in Ontario, Quebec & British Columbia

Zero-emission vehicles as a proportion of total new vehicles registered: Statistics Canada

After the Progressive Conservatives came to power in Ontario in mid 2018, they cut the province’s electric vehicle incentives. This led to a 50 per cent drop in ZEV registrations as a proportion of total new vehicle registrations in 2019. A new incentive from the federal government has helped increase registrations in early 2020.

Meanwhile, Quebec and British Columbia have had electric vehicle incentives for the past few years and have seen the percentage of zero-emission vehicle registrations continue to rise.

Total ZEV registration in the first half of 2020, by province

<table>
<thead>
<tr>
<th>Province</th>
<th>Percentage of Vehicles Registered</th>
<th>Total Number of ZEVs</th>
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</thead>
<tbody>
<tr>
<td>British Columbia</td>
<td>8.4%</td>
<td>6,515</td>
</tr>
<tr>
<td>Ontario</td>
<td>1.4%</td>
<td>3,054</td>
</tr>
<tr>
<td>Quebec</td>
<td>6.8%</td>
<td>10,478</td>
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Industry performance standards (EPS system)

STATUS: SOME PROGRESS TOWARDS MINOR GHG EMISSION REDUCTIONS

| Ontario Estimate | 2.7 Mts | Auditor General Estimate | 1 Mts |

ON T A R I O ’ S E N V I R O N M E N T P L A N P R O M I S E D
Replacing the federal system to price industrial pollution with an Ontario-made system.

ON T A R I O ’ S P R O G R E S S
Some: Ontario’s Emissions Performance Standards (EPS) system was recently approved by the federal government, though a transition from the federal system has still not occurred. Ontario’s system will replace the federal Output-Based Pricing System currently in place, and will reduce fewer GHG emissions from industry due to Ontario’s more lenient system.

Innovation

STATUS: NO PROGRESS, INACTION WILL LEAD TO INCREASED GHG EMISSIONS

| Ontario Estimate | 2.7 Mts | Auditor General Estimate | 0 Mts |

ON T A R I O ’ S E N V I R O N M E N T P L A N P R O M I S E D
Technology advancements including energy storage, switching from high-carbon fuels to electricity or low-carbon fuels.

ON T A R I O ’ S P R O G R E S S
None: Ontario has no programs in place to help people switch from high-carbon heating sources, like natural gas, to efficient and cost-effective alternatives like electric heat pumps. On the contrary, Ontario continues to allow existing natural gas customers to subsidize the expansion of the natural gas network to reach new customers, increasing the reliance on and use of natural gas. Ontario recently started consultation for a Hydrogen Strategy, which could help reduce emissions in hard-to-abate industries like steel. However, this strategy is hard to assess with no targets, timelines, or estimates of potential GHG reduction impacts. Hydrogen is also not a cost-effective solution to reduce emissions from transportation and home heating, where the bulk of Ontario’s emissions come from.
Federal Clean Fuel Standard

**STATUS: NO PROGRESS, INACTION WILL LEAD TO INCREASED GHG EMISSIONS**

| Ontario Estimate | 1.3 Mts | Auditor General Estimate | 0-6.5 Mts |

**ONTARIO’S ENVIRONMENT PLAN PROMISED**
Federal government implements The Clean Fuel Standard (CFS).

**ONTARIO’S PROGRESS**
None: The Clean Fuel Standard is a federal program requiring no provincial action or funds. The Federal CFS has been delayed, with the earliest start in 2022. Estimated GHG reductions could overlap with Ontario’s EPS system and provincial clean fuels actions, leading to double counting.

Emission Reduction Fund

**STATUS: NO PROGRESS, INACTION WILL LEAD TO INCREASED GHG EMISSIONS**

| Ontario Estimate | 0.7 Mts | Auditor General Estimate | 0.4 Mts |

**ONTARIO’S ENVIRONMENT PLAN PROMISED**
$400 million fund to leverage private investment in clean technologies to reduce GHGs, including $50 million reverse auction for lowest cost per tonne projects.

**ONTARIO’S PROGRESS**
None: The Emissions Reduction Fund was introduced in the 2019 budget but there is no evidence of any programs or spending related to that fund to date. This funding was omitted from Ontario’s 2020 budget. An email from Ministry staff confirmed that the $400 million which was referred to in the 2019 budget was never allocated.
SUMMARY OF PROGRESS ON CLIMATE CHANGE RELATED ACTIONS FROM ONTARIO’S ENVIRONMENT PLAN

Other Policies (transit, waste)

STATUS: SOME PROGRESS TOWARDS MINOR GHG EMISSIONS REDUCTION

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<th>Auditor General Estimate</th>
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ONTARIO’S ENVIRONMENT PLAN PROMISED
Expanding public transit including $5 billion more for subways and relief lines, reducing methane emissions from food waste and green bin expansion.

ONTARIO’S PROGRESS

Transit: Poor land use planning is expected to result in a minimal increase in public transit trips despite capital investments in large transit projects like the Ontario Line. The impact of increased public transit will also be offset by increased vehicle traffic on new highways like the GTA West Highway and Bradford Bypass. There has been no progress on GO electrification, while the Hamilton Light Rail Transit line was cancelled.

Waste: An expansion of the green bin was announced, but the proposal included adding products that municipal facilities are unable to compost, instead of making producers responsible. The GHG impacts are unclear.

GO TRAIN: Photo credit: by John McArthur via Unsplash, GREEN BIN: Photo credit: Simon via Flickr Creative Commons
Climate Change Advisory Panel

**STATUS: SOME PROGRESS**

**ONTARIO’S ENVIRONMENT PLAN PROMISED**

Group to provide expert advice on implementing Ontario’s climate actions.

**ONTARIO’S PROGRESS**

Some: An Advisory Panel was established in 2019 with focus on “how Ontarians can prepare for the costs and impacts of climate change” but not how to reduce GHG emissions or implement promised GHG reduction actions. To date, the panel has not produced any materials or analysis for public consumption. Ontario’s 2020 Budget also undermines the panel’s work by reducing Conservation Authorities’ power to prevent flooding and other watershed-related climate change impacts.

Impact Assessment

**STATUS: ACTIONABLE**

**ONTARIO’S ENVIRONMENT PLAN PROMISED**

Undertake assessment of climate change impacts in Ontario.

**ONTARIO’S PROGRESS**

In progress: Announced summer 2020. This study is an assessment of the potential impacts of climate change in Ontario, not how to prevent these impacts by reducing the greenhouse gas emissions which cause flooding, wildfires, and other climate change impacts.
Overall, there has been little progress in 2020 towards meeting Ontario’s climate change target. It is important to note that the Auditor General’s estimates are based on the potential for these programs to reduce emissions if implemented as promised; however, most have yet to be implemented.

**Without significant additional action, Ontario is likely to continue to see flat or rising GHG emissions in the coming years.**

The Auditor General’s 2019 report also identified that the calculations included in the final Environment Plan were based on an “Extended Policy Case” provided by Ministry staff, which required additional or enhanced policies beyond the “Climate Change Plan Case” based on the actions promised in the plan. According to the Auditor General, “Ministry staff advised internally that, because the actions in the Plan are not enough to achieve the 2030 target, the Plan must differentiate between the Climate Change Plan Case and the Extended Policy Case.” The Minister of Environment, Conservation and Parks overlooked this analysis and instead presented incorrect and inflated GHG reduction estimates.
Ontario’s actions to block climate change solutions

Ontario has made no secret of its attempts to block the federal price on carbon, a tool that will have a bigger GHG reduction impact than any proposed in Ontario’s own Environment Plan.\(^{30}\)

Ontario budgeted $30 million dollars to take the federal government to court and demand that carbon pricing be deemed unconstitutional.\(^{31}\) The Ontario Court of Appeal ruled in 2019 that the federal government does have the authority to apply a minimum price on carbon emissions in provinces, like Ontario, who refused to do so on their own.\(^{32}\) Ontario appealed this decision to the Supreme Court of Canada, where the case was heard in September 2020. A decision is expected in 2021.

Ontario also forced gas station owners to put anti-carbon tax stickers on their gas pumps - a move the courts deemed unconstitutional and illegal in 2020.\(^{33}\) Courts also ruled that Ontario’s move to bring cap-and-trade to an immediate halt in July 2018 without public consultation violated the Environmental Bill of Rights.\(^{34}\)

Ontario’s tendency to spend government dollars to aggressively litigate and oppose climate solutions (and lose) suggests the government doesn’t believe the climate crisis is urgent. The claim that Ontario has its own plan to reduce GHGs is not credible, since it has yet to implement any serious or effective solutions.

Photo credit: Photo by Kelly Sikkema via Unsplash
PART 2

How Will Recovery Actions Impact Climate Change?

Ontario’s approach to recovering from the economic impacts of the COVID-19 pandemic will have a major impact on greenhouse gas emissions for years to come. This level of government spending is a once-in-a-generation event, and could determine whether Ontario has a shot at meeting the climate change target it committed to in 2018, or whether the province will be locked into rising greenhouse gas emissions for years to come.

A thoughtful investment into projects that help both our economy and our climate could be a game-changer, and allow Ontario to capture a share of the jobs related to green building, electric vehicle manufacturing, clean fuels, renewable energy manufacturing and production, and other clean technologies. An investment that ensures all communities benefit from the green jobs and projects of the future is also critical to addressing the growing inequality that becomes so apparent during crises, whether it’s a health crisis or a climate crisis.

Previous crises can help shed light on where to invest government dollars. After the 2008 financial crisis, stimulus money from the U.S. government that focused on green infrastructure projects, like expanding public transit, created more jobs than traditional infrastructure projects like building roads. Specifically, every dollar spent on public transportation through the American Reinvestment and Recovery Act produced 70 per cent more job hours than an ARRA dollar spent on highways. But this doesn’t eliminate the temptation for governments to repeat the mistakes of the past, falling back on high-carbon projects like highways that fit the more traditional public expectations for what stimulus looks like.

Unfortunately, Ontario’s recovery actions announced to date have not incorporated any programs promised in the Environment Plan to reduce GHG emissions, despite many actions with high potential for economic stimulus. This is a missed opportunity to invest in proven job-creating solutions like public transit, energy efficiency, and green building.

Ontario’s recovery plans so far have favoured traditional infrastructure projects like roads, highways, and support for developers, which will generate more greenhouse gas emissions and have lasting environmental impacts. The focus in early recovery planning has been on removing environmental protections in order to build faster, without considering the long-term impacts. These include the massive health and economic impacts of exacerbating climate change, estimated to cause $5 billion every year in damage already in Canada.

The major planks of Ontario’s initial recovery plan were laid out in Bill 197, the COVID-19 Recovery Act in July 2020. Some of the most sweeping reforms in the Act were focused on amending the Environmental Assessment Act, but Bill 197 is broad in scope and amends over 20 provincial statutes. The Bill was exempted from public consultation, which violates the Environmental Bill of Rights, and is now facing multiple legal challenges. This was one of hundreds of proposals exempted from public consultation during this period under the guise of quickly addressing COVID-19. The Auditor General’s 2020 report found that “only nine of 276 exempted proposals during that period were urgent and related to COVID-19.”
Environmental Changes in Bill 197 - The COVID-19 Recovery Act*

*List also includes accompanying Environmental Assessment Act changes proposed alongside Bill 197

**Actions**

1. Introducing a new environmental assessment (EA) process under the *Environmental Assessment Act* which would weaken or exempt the EA process for many infrastructure projects. Followed in August by list of proposed projects to continue to undergo full EAs, which includes an exemption for many large transportation projects.

   **Environmental Impact**
   - Speeding up and weakening Environmental Assessments will mean project-specific impacts on ecologically sensitive areas like wetlands, forests, farmlands, and water quality, air quality, wildlife will not be considered in a project’s approval. Also impacts on First Nations treaty rights.39

   **Climate/GHG Impact**
   - Increased GHGs from cars & trucks as more mega highways/roads are built faster
   - Loss of carbon absorbing green spaces
   - Increase in sprawl-related GHGs from people traveling longer distances
   - Increase in GHGs from concrete/paving

2. Expediting specific infrastructure projects like the GTA West Highway and the Bradford Bypass and allowing work to commence before the Environmental Assessment is completed.

   **Environmental Impact**
   - The GTA West will have significant construction-related ecological and water quality impacts. In its path there are an estimated 85+ water crossings, significant conservation areas, forests, wetlands, and prime farmland incl. 1000 acres of Greenbelt in Vaughan.40 There’s also likely to be air quality and health impacts of increased road traffic. Sections of the Bradford Bypass will also pave over parts of the Greenbelt, and speeding up EAs for both road projects will impact First Nations treaty rights.

   **Climate/GHG Impact**
   - Increased GHGs from cars & trucks as more mega highways/roads are built faster
   - Loss of carbon absorbing green spaces
   - Increase in sprawl-related GHGs from people traveling longer distances
   - Increase in GHGs from concrete/paving

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*Ontario Climate — Yours to Recover: A Progress Report on Ontario’s Climate Actions*
Amending the Planning Act to enhance the power of Minister’s Zoning Orders (MZOs) which allow the Minister to decide how a piece of land will be used by the province without the usual public input and municipal planning process.

**ENVIRONMENTAL IMPACT**
Loss of green spaces, farmlands, wetlands, protected areas, impacts on water quality. MZOs have already been used by this government dozens of times to allow building on protected wetlands and farmland, far more than ever before.

**CLIMATE/GHG IMPACT**
Enhancing sprawl in areas not designed for growth, means rising travel-related GHG emissions as people commute farther to get to work, school, shops.

Amending the Public Transportation and Highway Improvement Act and enacting the Transit-Oriented Communities Act, 2020 to allow the Minister of Transportation to simplify the process of land expropriation.

**ENVIRONMENTAL IMPACT**
Fast-tracking transportation projects with potentially destructive impacts to farmland, wetlands, and green spaces. Based on recent government action, land expropriation will likely optimize benefits to developers instead of transit users.

**CLIMATE/GHG IMPACT**
Building transit faster could ultimately help get more cars off the road, reducing GHGs from vehicles. However, this will only happen if transit planning maximizes benefits to transit systems and users, and is based on sound population growth data and land-use planning. Building highways faster could offset GHG reductions from any increase in transit users, and design changes to public transit projects could mean significant delays that offset benefits from the increase in public transit use.
Ontario Climate — Yours to Recover: A Progress Report on Ontario’s Climate Actions

5 Establishing a Provincial Land and Development Facilitator

**ENVIRONMENTAL IMPACT**
Fast-tracking development on farmland, wetlands, green spaces.

**CLIMATE/GHG IMPACT**
Increase in sprawl-related GHGs.

6 Enacting the Modernizing Ontario for People and Business Act, 2020: proposal that any new regulatory measures must be offset by a removal of another regulatory burden

**ENVIRONMENTAL IMPACT**
Could lead to hasty removal of important regulations to protect health and environment, which in the past has led to disasters like Walkerton.

**CLIMATE/GHG IMPACT**
Could slow down regulatory steps needed to track GHGs from polluters and implement new GHG-reducing regulations.
Ontario’s 2020 Budget: Bill 229

The COVID-19 pandemic disrupted and delayed Ontario’s 2020 budget. When it arrived in November, the budget reflected Ontario’s plans to pave their way to recovery by favouring developers and loosening environmental rules. Budget 2020 will worsen climate change and work against the Province’s own Environment Plan goals by:

1. **Making Ontarians more vulnerable to flooding:**

   Schedule 6 of Bill 229 reduces the power of Conservation Authorities (CAs), responsible for monitoring watersheds and making sure development in floodplains is done safely (among many other tasks). The Bill shifts important decision-making power from CAs to politicians, allowing Ministers to approve developments when CAs won’t. CAs were created after Hurricane Hazel destroyed many homes irresponsibly built on flood plains. The Environment Plan states that “effective watershed management is important to the people in our communities, especially at times when watersheds are facing stresses such as increased development and flooding caused by severe weather events.” As the climate crisis worsens flooding, removing scientists from important flood mitigation decisions contradicts the Environment Plan promise to build climate change resilience.

2. **Continuing to shift away from renewable energy:**

   Schedule 34 of Bill 229 explicitly removes the Ontario Energy Board’s electricity objectives related to renewable energy sources and a smart grid. This will mean future decisions will be less likely to prioritize these proven tools to reduce greenhouse gas emissions.

3. **Failing to fund a promised $400M emission reduction fund.**

   Budget 2020 contains no mention of this fund, or any of the significant climate action programs promised in the Environment Plan. Although this promise appeared to be included in the 2019 provincial budget, there is no evidence of any programs or spending related to that fund to date. Time is running out for this government to make good on their promise to fund climate action.
Aside from combatting the pandemic and planning for economic recovery, the Ontario government also undertook a number of other actions in 2020 that will impact GHG emissions. These include changes to the electricity system, natural gas pipeline approvals, planning processes, and how and where developers build.

**ELECTRICITY**

Ontario’s government has promised to cut electricity bills and reduce carbon pollution at the same time. However, current projections show an increase in the use of natural gas to generate electricity, which will almost triple carbon pollution from Ontario’s electricity system by 2030. Adding more fossil fuels to the grid means that everything powered by electricity pollutes more. That includes electric cars, the use of which is expected to grow substantially in the next decade.

Ontario’s electricity system operator, the IESO, is now forecasting that electricity sector emissions will rise from 4 MTs in 2018 to 11 MTs in 2030, an increase of 7 MTs.

Ontario’s Energy Minister has previously stated that they have a plan to reduce bills and meet capacity without seeing emissions rise. But Ontarians have yet to see a new Long-Term Energy Plan or updated electricity plan from the current provincial government outlining how that will happen. In fact, the current government recently proposed dispensing with the requirement for a Long-Term Energy Plan. The lack of a plan will favour sticking with the status quo — which would mean steadily increasing GHG emissions from electricity — rather than a steady shift away from fossil fuels in the grid.
In fall 2020, Minister Rickford did issue a directive\textsuperscript{46} to the IESO to deliver a new 4-year energy efficiency (Conservation and Demand Management or CDM) framework through Save on Energy with a $692 million budget over 4 years. The directive acknowledged that electricity CDM programs can help customers reduce bills and grow the economy through the COVID-19 recovery period. However, the directive’s significantly reduced budget compared to the framework currently in place, which blocks this from becoming a reality.\textsuperscript{47} Its implementation would still lead to a projected rise in GHG emissions overall from electricity (see Energy Efficiency Case in Figure 4 on the previous page).

Ontario also suspended the Industrial Conservation Initiative, a program which helps industrial electricity consumers reduce their consumption at peak times when demand is highest (and most carbon-intensive).\textsuperscript{48} This will increase carbon emissions from industry and undermine the government’s own actions to cut industrial emissions.

COVID-19 caused a 10-12 per cent overall dip in electricity consumption in Ontario during the spring lockdown.\textsuperscript{49} Consumption patterns have shifted under ongoing restrictions, with reduced industrial use and higher residential daytime use as more people stay home. This change could impact electricity emissions, since the amount of natural gas in our electricity mix depends on the time of day, but there isn’t yet data to show by how much.

**FOSSIL FUEL SUBSIDIES**

Ontario changed the rules in 2019 to allow subsidized investments in natural gas pipeline expansions through Bill 32.\textsuperscript{50} This led to many “uneconomical” pipeline expansions, meaning the costs are so high that they put ratepayers at unjustified financial risk. For example, Enbridge proposed to build a $10 million pipeline to serve an estimated 134 new customers in North Bay, at a cost of about $75,000 per new customer, with about $65,000 per customer to be paid through a subsidy from existing customers.\textsuperscript{51} This project was approved even though energy bills would be lower if residents converted to efficient electric heat pumps instead.\textsuperscript{52} This means residents will be locked into fossil-based gas for decades to come instead of cleaner, cheaper alternatives that don’t get any government help. These subsidies shift Ontario even farther from its Environment Plan target, and aren’t fair to customers.
PLANNING

The Ontario government introduced changes to the provincial Growth Plan in 2020. These changes and many others — including the frequent and expanded use of Ministerial Zoning Orders to build in ecologically sensitive areas — will allow urban boundary expansion into farmland and natural areas, accelerating urban sprawl.

Building out instead of up spreads communities over larger areas. This not only makes it more expensive to bring municipal infrastructure like water pipes and roads, but it also means residents have to drive much farther to get to work, school, and shops. This means even more transportation-related GHG emissions and harmful air pollution.

BUILDING CODE CHANGES

The Ontario Building Code is a powerful tool to help reduce GHG emissions from buildings. Updates requiring that new buildings be constructed to use less fossil fuel energy for heating and cooling would be a big game-changer in a province with a booming population. However, the Ministry of Municipal Affairs has failed to use this tool to fulfill any Environment Plan promises. In 2020, they did not adopt proposed changes to the Building Code’s energy efficiency requirements that could have helped to reduce energy use in buildings by 20 per cent. They also failed to assess compliance with the current Building Code’s energy-efficiency requirements or assess the effectiveness of past energy efficiency updates. This is a huge missed opportunity for both the climate and the economy. Upgrading efficiency requirements for buildings would stimulate jobs in the construction sector in addition to saving Ontarians money on their heating and electricity bills.

GREEN BONDS

Ontario has issued green bonds since 2014. These bonds attract private investment to finance green government projects like transit expansion and energy efficiency in government buildings. Ontario issued $1.5 billion in green bonds in 2020, a small increase from previous years. While positive, this program needs to grow substantially to make a measurable impact in meeting Ontario’s climate target. Green bond financing makes up less than half of the budget for most projects, many of which have significant funding from other levels of government. Significant greenhouse gas emission reductions are also not expected from many clean transportation projects until after 2030.
PART 4

Building Back Better: Opportunities to Pivot to Green Recovery

A Just Recovery For All

Investing in people, not big corporations, should be front and centre in every government decision. There is a crisis of growing inequality in Ontario and more broadly, which will only get worse if billions of dollars are channeled towards business and industry while social supports continue to be impoverished. These crises will also worsen as climate change accelerates, forcing people from their homes who may have few resources to rebuild. It is unwise to use band-aid solutions that aim to fix one crisis but worsen another.

Stimulus dollars — even dollars targeted at clean technologies like electric vehicles and renewable energy — need to be seen through this lens: how will this investment help create better, healthier lives, and for whom? A coalition of hundreds of Canadian organizations joined forces this year to help answer this question with a set of “Just Recovery” principles to guide COVID-19 relief and recovery. The principles are as follows:

Principles to Guide a Just Recovery

1. Put people’s health and wellbeing first, no exceptions.
2. Strengthen the social safety net and provide relief directly to people.
3. Prioritize the needs of workers and communities.
4. Build resilience to prevent future crises.
5. Build solidarity and equity across communities, generations, and borders.
Ontario’s Path to a Green and Just Recovery

Ontario has an opportunity to build a stronger economic recovery plan by ramping up existing climate-friendly programs the province has already committed to. This will not only help the economy, but will also set Ontario on a path towards meeting the critical target it has set to reduce GHG emissions.

Here are some programs below with big potential for job creation from the government’s own Environment Plan. These suggestions are far from a comprehensive green and just recovery, which would require an entirely new plan and a more robust consultation process.

PROMISE - INVEST IN TRANSIT

The Plan includes a commitment to spend an additional $5 billion on public transit, including GO Transit expansion, subways and relief lines. These investments — some of which appeared to be materializing even before the pandemic — should be prioritized in recovery plans over highway investments. For example, the province could improve public transit in Brampton, Caledon, and other areas west of Toronto instead of building the GTA West Highway. Evidence shows more job hours created per dollar for public transit projects than for highways, and this helps many more people overall since transit moves more people more efficiently.
**PROMISE - EXPAND ELECTRIC VEHICLE ADOPTION**

The Environment Plan relies heavily on electric vehicle (EV) adoption to meet its climate targets, but does not specify any programs or policies to support this adoption. Ontario can expand recovery efforts to build capacity within Ontario’s auto manufacturing sector to shift to manufacturing electric vehicles as automakers around the world retool plants for the future.

Unifor recently negotiated $2 billion of investments to retool Ford’s Oakville auto manufacturing complex to build EVs, including a commitment from the federal and provincial governments to fund almost $300 million each towards this total, with Ford Canada footing the rest of the bill. This is a great step to help Ontario and its workers shift to where the industry is going — electrification. If electric vehicles aren’t built here in Ontario, then eventually no vehicles at all will be built in the province. Ontario’s participation signalled a willingness to work alongside other levels of government and workers to create good jobs for the future.

This investment in automakers and workers also needs to be complimented by regulatory tools to fix Ontario’s EV supply shortage, and ensure consumers can find EVs when they want to buy them. At the end of 2019, only 31 per cent of dealerships in Canada had a single EV in stock. An ideal tool is a Zero-Emission Vehicle (ZEV) standard, which would require that a certain percentage of cars sold in Ontario are zero emissions vehicles. In 2019, most of Canada’s total EV inventory (78 per cent) and total EV sales (80 per cent) were found in just two provinces, Quebec and B.C, which are also the only two provinces with a ZEV standard in place alongside purchase incentives.

**PROMISE - EXPAND NATURAL GAS CONSERVATION PROGRAMS**

Expanded natural gas conservation should be a key plank of Ontario’s plan to recover from the pandemic-induced recession. Ontarians will benefit from the jobs (think window installers, insulation contractors, retrofit contractors, etc.) and cost savings from lower bills now, and benefit from the reduced GHG emissions in the future. The costs can be financed at current rock-bottom interest rates and easily offset by the huge savings from reduced energy use.

Energy efficiency and conservation programs lower energy bills for Ontarians. Enbridge’s programs are forecast to generate $4.71 for every dollar spent by the utility; its most cost-effective programs in the commercial sector are forecast to create over $16.00 for every dollar invested. These programs pay for themselves many times over and have already lowered energy bills by a staggering $6.3 billion in Ontario. They also replace gas purchased from out-of-province, with made-in-Ontario gas savings and jobs. Increasing these programs to the levels found in leading jurisdictions would create over 18,500 good jobs for Ontarians and generate $77 billion in increased GDP over 14 years.
PROMISE - INNOVATION

The vague category of “innovation” in the Environment Plan did include a promise to support “cost-effective fuel switching from high carbon intensive fuels in buildings to electricity and lower carbon fuels.” A fund to help Ontarians switch to cleaner technologies like heat pumps as part of a stimulus package would create jobs, reduce greenhouse gas emissions, and cut energy bills at the same time. This would be particularly helpful for rural communities who may depend on more expensive heating sources like propane and oil, and less efficient baseboard heaters. It would also provide savings for many homes currently heated by natural gas.

Another way the province can help Ontarians is by offering interest-free loans to any homeowners seeking to install energy efficient electric heat pumps. Customers could lower their energy costs with zero investment upfront – an attractive offer that HVAC installation companies could market. The cost to the province would be extremely low since it borrows at near-zero interest rates. This could be done easily, cheaply, and quickly, but result in significant carbon reductions and major energy bill savings.

PROMISE - BUILDING CODE UPDATES

The Environment Plan included a promise to “modernize the Building Code to better equip homes and buildings to be better able to withstand extreme weather events.” As Ontario begins an assessment of how climate change will impact different parts of the province, it would be a smart move to update the Building Code to make sure new homes can withstand the climate of the future, in addition to requiring new buildings to be more energy efficient. For existing homes vulnerable to increasing floods, forest fires, and heat waves, introducing funds or low-interest loans to help retrofit homes needing upgrades would help stimulate a retrofit economy and create jobs in the field.
Conclusion

Ontario has largely ignored the promises in its 2018 Environment Plan, both before and during the COVID-19 pandemic. In this critical time, where billions of dollars are on the table to help our communities recover, it is more important than ever to fully consider the future impacts of today’s decisions.

Will Ontario lock in to a high-carbon future of highways and sprawl? Will wealthy developers soak up the majority of stimulus funds, leaving most Ontarians to fend for themselves in a period of unprecedented uncertainty? Or will our government pivot towards building a healthy future that works for everyone?

Unfortunately, the current recovery plans and associated spending, along with the reduction and cancellation of long-standing energy efficiency programs undermine the Ontario government’s own Environment Plan and carbon reduction target. But that can change.

Ontario recently released a statement outlining their progress on the Environment Plan. A statement does not satisfy the commitment to update the plan to include more credible evidence and stronger, more effective actions. An updated plan requires thorough consultation, new evidence-based solutions to meaningfully reduce GHG emissions, credible modelling showing how they will reach their target, and timelines for implementation.

Now is the time to set a new course - one that doesn’t rely on outdated stimulus plans and partisan attacks, but looks to a healthy future instead.

Photo credit: Photo By Veeterzy via Unsplash
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Enbridge Gas evidence in EB-2015-0049, Exhibit B-2-3, p. 7. These figures include all utility costs under the PAC calculations. The TRC calculations show $2.60 on average and $28.48 for the best programs per $1 invested.


