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- Erin O’Toole

# SECURE THE ENVIRONMENT

The Conservative Plan to Combat Climate Change

LOW CARBON  
SAVINGS ACCOUNTS

ZERO EMISSION  
VEHICLE MANDATE

LOWER INDUSTRIAL  
EMISSIONS

CARBON  
BORDER TARIFF

PLUS MORE





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# THE CONSERVATIVE PLAN TO COMBAT CLIMATE CHANGE

**Canada must not ignore the reality of climate change. It is already affecting our ecosystems, hurting our communities, and damaging our infrastructure.**

As the world continues to mobilize to meet this challenge it will inevitably lead to change. This will present challenges for Canada but also opportunities if we are smart. If we are to secure our future, we must be prepared for both.

Increasingly, the world will be demanding cleaner products and investors will be demanding to see real efforts to lower emissions. Fortunately, Canada is well-placed to compete in this world. All it needs is a government that is focused on helping Canadians succeed in every sector and in every region of the country.

We will fight climate change and protect the environment, but we won't do it on the backs of working Canadians or by hurting the economy. Canadians can't afford Justin Trudeau's carbon tax hike.

Canada's Conservatives will meet our Paris climate commitment and reduce emissions by 2030, but without the government taxing working Canadians and driving jobs and investment out of the country.

We recognize that the most efficient way to reduce our emissions is to use pricing mechanisms. However, having a market-based approach means that we cannot ignore the fact that our integrated North American partner - the United States - does not yet have a national carbon pricing system. Further, the present state of global trade allows some of the world's worst polluters to become free riders to the detriment of Canadian workers. Any serious plan has to recognize these realities.

Carbon pricing should not result in Canadians sending billions of dollars of new tax revenue to the government - revenue which it will be increasingly tempted to spend.

To reach our goal, we'll work with the provinces, to give Canada the best chance to be a leader in climate action. We'll bring the provinces together to talk about the next steps in climate action and how we can work together to meet Canada's goal. This is the plan we put to the provinces as a federal partner.

# PERSONAL LOW CARBON SAVINGS ACCOUNT:

**Canada's Conservatives will work with the provinces to implement an innovative, national, Personal Low Carbon Savings Account. This will put a price on carbon for consumers without one penny going to the government. It will be completely transparent and engage consumers in the process of building a lower carbon future.**

Canadians will pay into their Personal Low Carbon Savings Account each time they buy hydrocarbon-based fuel. They will be able to apply the money in their account towards things that help them live a greener life. That could mean buying a transit pass or a bicycle, or saving up and putting the money towards a new efficient furnace, energy efficient windows or even an electric vehicle.

Canadian families and businesses have been trailblazers in the use of affinity or rewards programs and have great expertise in both managing and using them. This program will operate similarly, and may be managed by a consortium of companies as the INTERAC system is.

We'll scrap the consumer carbon tax backstop. Wherever carbon taxes have been tried, governments have been

unable to resist the billions of dollars they bring in. This is true in Canada today, where the Trudeau government is only returning to Canadians some of the revenue the carbon tax brings in - and where some Canadians, particularly farmers and those living in rural areas, are unfairly penalized. Justin Trudeau has already broken his promise by increasing the carbon tax, so Canadians cannot trust that he won't be tempted to use the carbon tax revenue to fund his big government plans.

Our plan will ensure that all Canadians can do their part to fight climate change, in the way that works best for them, and at a carbon price that is affordable: starting at \$20/tonne and increasing to \$50/tonne but no further. Even at this lower carbon price, we will ensure that this does not place an excessive burden on low-income Canadians and will protect farmers by ensuring that they have affordable options.

Businesses that aren't subject to the Output Based Pricing System but buy fuel will have a Small Business Low Carbon Savings Account that will operate similarly.





# MORE ZERO EMISSION VEHICLES:

**Public transit is important, but let's be realistic: Canada is a big, northern country, where for many people the idea of giving up a car and taking transit is simply impossible. Even in cities and suburbs, most families cannot meet the challenges of work and parenting without one or more cars. That makes electric and hydrogen vehicles essential to meeting our climate goals. Canada's Conservatives will go big on zero emission vehicles by:**

- Introducing a zero emission vehicle mandate based on British Columbia's, requiring 30% of light duty vehicles sold to be zero emissions by 2030;
- Working with the Biden administration to strengthen vehicle emission standards in North America;
- Investing in transmission infrastructure to bring clean energy to where it's needed and ensure that our electricity grid can support the growth in electric vehicles;
- Investing a billion dollars in building out electric vehicle manufacturing in Canada, including investing in battery production, parts manufacturing, micro-mobility solutions and electric trucks;
- Investing a billion dollars in deploying hydrogen technology including hydrogen vehicles;
- Working with the U.S. to set a standard for charging and then add mandatory charging stations or wiring required for chargers to the national building code;
- Working with provinces, territories and municipalities to encourage the inclusion of a minimum number of EV charging spaces for new developments;
- Requiring that every building where the federal government has employees or offers services to the public and provides parking to have a charging station by 2025; and
- Supporting improved electric vehicle battery repurposing and recycling in order to lower the environmental impact of these batteries and lower the cost of vehicles on the resale market.



# LOWER INDUSTRIAL EMISSIONS:

**Canada now has a working system to reduce carbon emissions from industry, built on the leadership of provincial governments from coast to coast.**

We aren't going to change the rules just for the sake of change. Justin Trudeau has already created far too much regulatory uncertainty, driving investment and jobs away. We will minimize changes to rules that industry are already working with, so that we restore Canada's reputation as a safe place to invest and create jobs.

Where we make changes, we'll improve the system to achieve greater emissions reductions.

We'll do this by proposing to the Biden administration minimum North American standards for key industrial sectors, backed up by border carbon adjustments to prevent leakage of emissions - and jobs - to countries with lower environmental and emissions standards like China. This will allow us to raise standards for trade exposed sectors.

Rather than choosing an arbitrary carbon price in advance, we'll tie Canada's industrial carbon price to that of our biggest trading partners - the European Union and the United States, starting with those regions that have carbon markets and expanding as the U.S. creates a national market. This will ensure that we travel the path to our Paris targets together while reducing the risk that serious climate action will just shift jobs out of Canada to competitor countries.

We will assess progress after two years and be prepared to set industrial carbon prices on a path to \$170/tonne by 2030, but only if the combination of adopting a price based on that of our major trading partners and working with the U.S. on North American standards has not assured us that we are on a path to our Paris commitment.



# MORE RENEWABLE NATURAL GAS:

**We will introduce a Renewable Natural Gas Mandate, based on British Columbia's policy, requiring 15% of downstream consumption to be renewable by 2030.**

Capturing methane from organic sources such as farms and landfills reduces carbon emissions and creates a renewable source of energy. We will put in place a minimum requirement for 15% renewable content in natural gas by 2030. That means the gas we use in our power plants, furnaces, water heaters, dryers, stoves and other gas appliances will have less impact on the environment, and the methane that is wasted from agriculture, sewage and landfills will be significantly reduced.

# LOW CARBON FUEL STANDARD:

**We'll finalize and improve the Clean Fuel Regulations to reduce carbon emissions from every litre of gasoline (and other liquid fuels) we burn, turning them into a true Low Carbon Fuel Standard.**

Our improvements will include:

- Basing our Low Carbon Fuel Standard on British Columbia's policy to achieve a 20% reduction in carbon intensity for transport fuels;
- Increasing the ability of the agricultural and forestry sectors to create land-based offset credits by improving the carbon sequestration of agricultural lands and managed forests, and incenting environmental

protection in those sectors. This will generate emissions reductions at lower cost, and protect Canadian jobs;

- Allowing clean, carbon-neutral biomass energy, including wood waste or agricultural waste, to be eligible for carbon credits where appropriate; and
- Recognizing existing legislation for Land Use and Biodiversity (LUB) and harmonizing with provincial rules.

We will also pilot the use of Canadian renewable fuels by the Canadian Armed Forces (CAF), a major user of fuel, with the goal of using CAF purchases to stimulate an increase in renewable fuel production in Canada.

## CARBON CAPTURE:

**While electric vehicles are quickly growing in popularity, the truth is that the world will still be burning oil and gas for decades to come. We can do our part for the planet by helping ensure that energy is produced as cleanly as possible. Canada's energy sector has made massive progress in reducing its impact on the planet and we'll work with the industry to help them go further.**

Carbon Capture, Utilization and Storage (CCUS) is a key part of what will allow our energy sector to become even cleaner and a major building block of the energy transition.

Canada's Conservatives will introduce a tax credit to rapidly accelerate the deployment of CCUS technology in the energy sector and in important industries that have few alternatives to burning fossil fuels, like fertilizer and chemical production. This tax credit will include an early mover bonus for facilities that have CCUS in place before 2030.

The Liberals believe that we can only reduce our emissions by "phasing out" entire industries and the jobs that provide a secure living for hundreds of thousands of Canadian

families. Conservatives appreciate that we can't build a greener future if Canadians don't have jobs.

We will also invest in Direct Air Capture, a promising technology that captures carbon dioxide from the air. Canada is a technology leader in this area. By partnering with Canadian innovators to secure Canadian leadership in this important area, we will reduce emissions in Canada and advance technology that Canada could soon be exporting to the world.

In total, we are investing \$5 billion in CCUS.



# NATURAL CLIMATE SOLUTIONS:

**We will invest an additional \$3 billion between now and 2030 in natural climate solutions focused on management of forest, crop and grazing lands and restoration of grasslands, wetlands and forests. These solutions can have multiple benefits: not only will they help sequester carbon, but they can also provide protection for communities and additional benefits for wildlife.**

We will also recognize and build on the world-leading, sustainable practices of Canada's agricultural and forestry sectors by:

- Recognizing and encouraging emissions-reducing practices like low/no till and 4R Nutrient Stewardship.
- Establishing transparent and reliable standards for carbon credits associated with land management practices with the eventual goal of establishing a national carbon offset market. This market would link together existing compliance programs associated with federal and provincial regulations.
- Exploring the use of incentives to preserve and enhance natural infrastructure on private lands that contribute to climate mitigation and adaptation, with a particular focus on working landscapes with downstream impacts on populated areas.
- Working with provinces, territories and the agriculture and forestry sectors to identify and support ways in which the sectors can contribute to enhancing carbon sequestration.
- Investing in forest health and wildfire prevention and early detection.
- Working with Indigenous communities including by expanding the creation of Indigenous Protected and Conserved Areas (IPCAs) managed and stewarded by Indigenous Guardians.







# CARBON BORDER TARIFFS

**We will stand up for Canada in the world by insisting that major polluters like China clean up their act. We won't hurt Canada's growth while the worst climate offenders do nothing.**

We will study the imposition of a carbon border tariff which would reflect the amount of carbon emissions attributed to goods imported into Canada. Producers in countries with emissions reductions mechanisms that are compatible with our own will be exempt. We will urge our American trade partners to adopt this approach as well.



# “FIRST FIVE” POLICY FOR DEPLOYING NEW EMISSIONS REDUCTION TECHNOLOGY

One of the significant barriers for deploying new emissions reduction technology is that early adopters often pay higher costs as they learn how to apply the technology to real-world situations. To recognize this, we will provide tax relief to the first five facilities that use new technology that provides meaningful emissions reductions and has a high cost to build.

# NATIONAL CLEAN ENERGY STRATEGY:

**We will develop a National Clean Energy Strategy that will include the following components:**

- **Strengthening Canada's Grid:** a plan to build a cleaner, more resilient grid that is adaptable to regional conditions and priorities. This will include strategies for developing and expanding smart grids, improving interties, increasing the use of mass storage, and developing and deploying new clean energy technology such as nuclear, hydrogen and renewables.
- **ESG-I Leadership:** a serious approach to Environmental, Social, and Governance (ESG) is increasingly an expectation of the global capital markets and Canada has become a world leader in Indigenous (I) engagement and partnerships within the energy sector. Canadian ESG-I leadership will help us demonstrate the leadership of our oil and gas sector with respect to emissions intensity reduction, stewardship and Indigenous partnerships as we strive to rebalance global trade and practices with respect to resources.
- **Building a Hydrogen-Powered Future:** a plan to explore how Canada can become a world leader in the production of blue and green hydrogen, how hydrogen technology can contribute to a low carbon future, and how Canada can build a foundation for taking advantage of hydrogen's potential.
- **Liquid Natural Gas Exports:** thanks to our clean grid, Canada is able to make the lowest-emission LNG in the world. LNG can be used as an important transition fuel to replace coal as a source of reliable base power, and to provide responsive back-up power for inconsistent renewables in the absence of adequate grid storage. It can also be used as an important transition fuel for developing countries seeking to move away from subsistence fuels like wood and dung. Our strategy will focus on exporting LNG while ensuring that new facilities are electrified to reduce emissions.





# CLEAN BUILDINGS PLAN

**There is a real opportunity to reduce our emissions in this sector because improving building efficiency leads to long-term cost savings and the emissions reductions tend to be durable. However, there are challenges to realizing these benefits: the up-front costs are a significant barrier for many people, and we don't have enough people in the skilled trades to do these retrofits at the scale we will need by 2050.**

In order to kick-start building emissions reductions by 2030 and achieve significant, broad-scale reductions in building emissions by 2050, Conservatives will:

- Provide a regulatory and financial framework that will facilitate Energy Savings Performance Contracting (ESPC). This is a model that involves the private sector in financing and implementing retrofits and then being paid back through savings. Our program will be modelled after the SOFIAC program in Quebec.
  - We will work with provinces and territories to promote ESPC for government and publicly-funded institutional buildings, including a “2030 Bonus” that will provide an additional benefit for those buildings that complete their retrofits prior to 2030.
- Develop a Net Zero Foundations program to begin putting in place the building blocks required to meet our net zero goals. This will include:
  - Continuing to develop the building codes and standards necessary to support net zero goals for both new builds and retrofits;
  - Developing curriculum for trade schools and institutes that support building design and construction;
  - Improving certification standards; and
  - Developing initiatives to pilot new technologies and solutions that will lower the cost and speed up the pace of retrofits, particularly residential retrofits.
- Work with provinces, territories and applicable utilities to put in place a Residential Building Retrofit Initiative that will:
  - Provide an “efficiency concierge” service for homeowners that acts as a one-stop-shop to access programs and information; and
  - Apply lessons learned from technology pilots and from government, institutional and commercial retrofits, to a residential context.



## PLUS MORE:

### We'll also take further actions to cut emissions by:

- Creating an accelerated Impact Assessment process for projects that will reduce GHG emissions.
- Investing a billion dollars in Small Modular Reactors, to get this zero emissions source of electricity and heat to the point that it starts to be deployed across the country, including in the oilsands.
- Studying the potential for introducing new taxes on frequent flyers, non-electric luxury vehicles and second homes to deter activities that hurt the environment.

Canada's Conservatives will take this plan to the provinces but, unlike the current government, we will work with them, knowing that by doing so we'll achieve more.

**OUR PLAN HAS BEEN INDEPENDENTLY ANALYSED BY NAVIUS RESEARCH, Canadian leaders in quantifying the impacts of energy and climate policy. Navius simulated the expected outcome of our plan using a model that accounts for all economic activity in Canada. This model is used by most provincial governments and the federal government to assess the impact of climate policy.**

**Navius found that our plan would be expected to achieve substantially the same emissions reductions as the government's current plan in 2030, while resulting in a boost to jobs and the economy.**

As much as leadership begins at home, the truth remains that Canada only accounts for less than 2% of global emissions. If we are going to pull our weight globally, we need to do our part to help other countries cut their emissions - particularly those not blessed with our wealth or resources. To do so, Canada's Conservatives will:

- Implement a Liquefied Natural Gas export strategy to displace coal in electricity generation. Using natural gas instead of coal cuts emissions in half, and countries across Asia are eager to buy Canadian natural gas. Red tape imposed by the Liberals means that massive projects like Kitimat LNG are in danger of cancellation - hurting the planet and costing Canadian jobs.
- Develop export markets for Canadian nuclear technology and uranium, to help countries generate more electricity with this zero emission energy source.
- Increase exports of our cleanest resources and products to replace items made with higher pollution. For example, Canada produces aluminum more efficiently than the rest of the world and it will get even cleaner as Canadian producers continue to innovate. As we raise standards at home, we have the opportunity to help the world while creating jobs here.
- Export Canadian emissions reduction technology around the world.





# DEALING WITH THE IMPACTS OF CLIMATE CHANGE.

It is critical that Canada do its part to reduce its emissions, both to live up to our international commitments and to ensure that Canada is well positioned to succeed in a world where climate action will be an important consideration in international trade. However, since Canada only produces less than 2% of global emissions we have to accept the fact that even if we reach net zero by 2050 we will still have to deal with the effects of climate change.

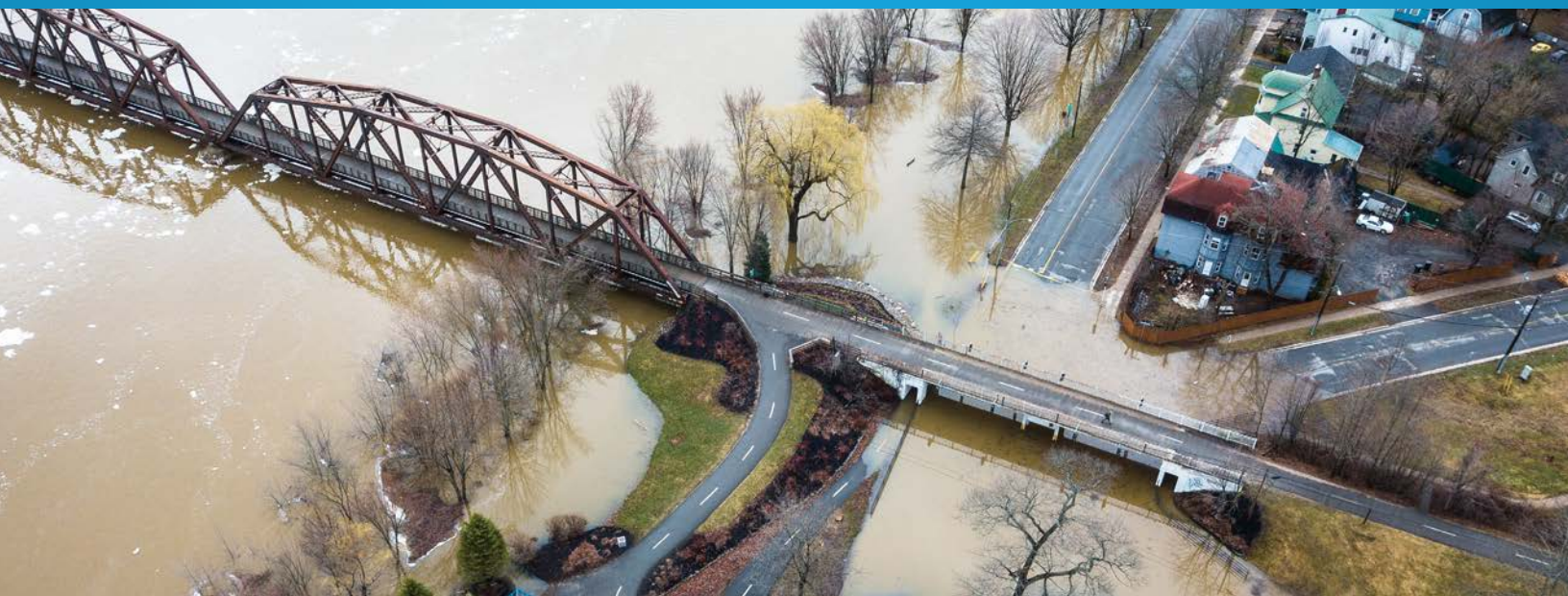


# SECURE THE ENVIRONMENT

Climate change increases the risks of fires, droughts, flooding and extreme weather events. Canada is already demonstrably feeling the impact of this given the fact that insurance payouts due to environmental events – particularly flooding – have dramatically increased in the last 12 years. As a result, homes are becoming harder to insure, costs for insurance are going up, and maximum payouts are going down.

Canada's Conservatives will build resiliency and better prepare Canada for the impacts of a changing climate by:

- Appointing a national disaster resilience advisor to the Privy Council Office.
  - This office would be analogous to the National Security and Intelligence Advisor established after 9/11 and would advise Cabinet and the Prime Minister's Office, helping ensure that the government is prepared for future risks.
- Implementing a national action plan on floods, including establishing a residential high risk flood insurance program to ensure all Canadians are financially protected while avoiding future government bailouts.
- Devising and implementing a national climate adaptation strategy that is:
  - Based on measurable targets;
  - Addresses existing provincial concerns on flood readiness while leveraging private sector solutions to reduce government exposure and spending; and
  - Addresses wildfire and drought exposure in collaboration with farmers, ranchers, and foresters.
- Incorporating a mitigation and adaptation lens to the government's infrastructure investments.
  - Communities must be able to identify risks and be able to plan to address them. An adaptation lens can include designing infrastructure to be resilient to extreme weather events, but it also might include designing other infrastructure to protect against known hazards. In either case, this will help communities be prepared in the event of an emergency.
- Work with provinces and territories to develop a natural infrastructure plan that includes:
  - The development of a national standard to assess the value of natural infrastructure;
  - A requirement that public sector accounting practices be updated to include a proper valuation of existing natural infrastructure;
  - Requirements to incorporate retention of natural infrastructure into community design; and
  - Incentives for farmers and landowners to protect and restore natural infrastructure.
- Investing in technology that can improve the early detection of wildfires and better predict their behaviour.







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