Canada's Climate Change Mitigation Plan

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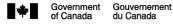
Michael Keenan June 9, 2011



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Purpose

- Provide information on Canada's greenhouse gas (GHG) emissions and reduction target
- Provide an overview of Canada's plan to meet its commitments in the Copenhagen Accord and the Cancun Agreements



Canada will continue to play a constructive role on climate change

- Canada strongly supports full implementation of the Cancun Agreements in order to advance global efforts on climate change
- Canada is delivering on its commitments: contributed \$400 million in 2010-2011 for Fast-Start Financing
- In the Cancun Agreements, Canada committed to a GHG reduction target of 17% below 2005 levels by 2020 - or 607 Mt



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Canada's national target reflects significant ambition

Reduction from 2020 Projected Emissions Levels Required to Meet Target



Source: UNFCCC

Note: Includes both unconditional and conditional targets for Australia and EU-27.

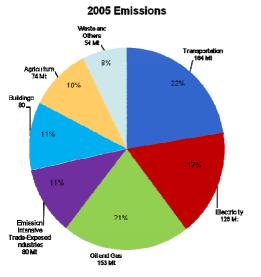


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Canada represents about 2% of global emissions

Total Canadian GHG Emissions by Economic Sector (excluding LULUCF)



- Canada has an energy intensive economy and is a net exporter of energy
- Emissions are broadly based across a range of economic activities

Total = 731 Mt

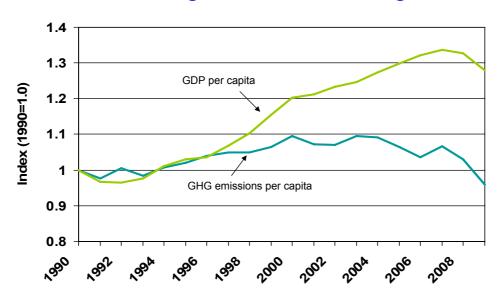
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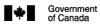
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Canadä^{*}

There has been a significant decoupling in Canada of GDP growth and GHG growth



Source: Adapted from the Expert Review Team on Canada's Fifth National Communication



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Canada's plan for meeting its target is based on a sector-by-sector regulatory approach

- Canada's plan is to pursue systematic sector by sector regulations, aligned with the U.S. where appropriate
 - The plan involves the development of measures to address all major sources of emissions
- Well-designed performance standards can reduce emissions while maintaining competitiveness, economic growth, and prosperity
- The key is to incent innovation and investments in clean energy technologies

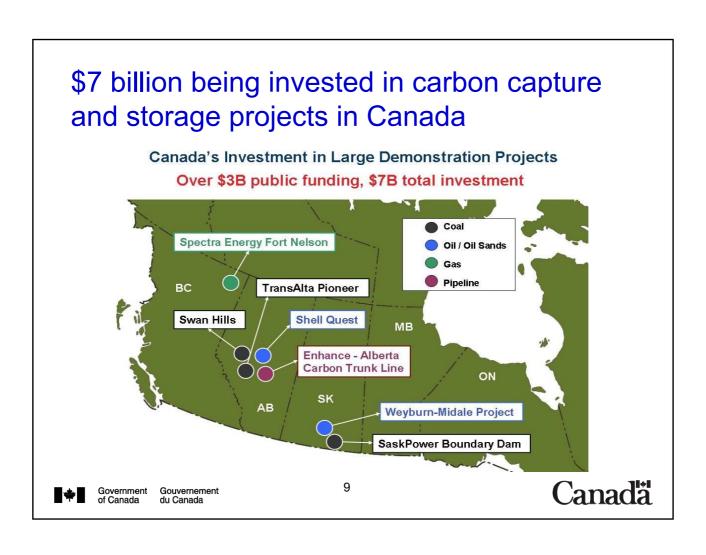


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Canada's federal government is taking action to reduce emissions in key sectors

- Transportation
 - Performance standards implemented in 2010 for new cars and light trucks through 2016 model year, aligned with U.S.
 - Average 5% renewable fuel content in gasoline
- Electricity
 - Proposed performance standards for coal-fired generation to come into force in 2015 would phase-out traditional coal-fired plants
- Buildings
 - Tougher energy efficiency standards for products and equipment



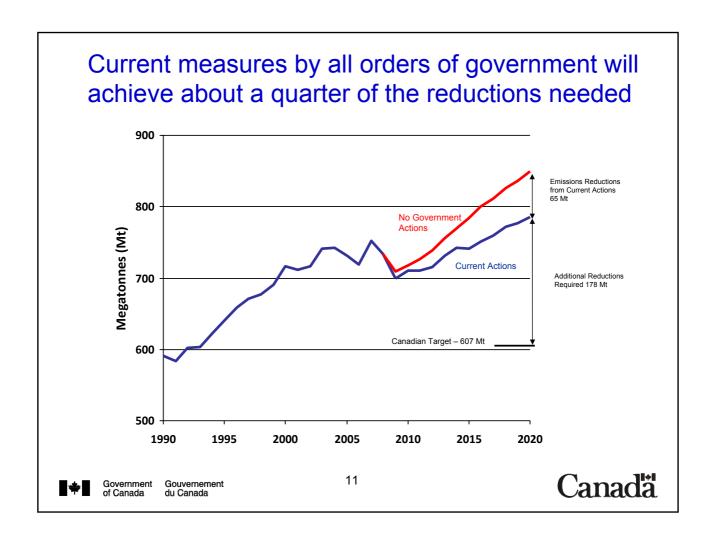
Provincial and territorial governments in Canada also play a key role in reducing emissions

- In Canada, provincial and territorial governments hold many of the levers for action on climate change
- Provinces have established their own climate change targets
 - In aggregate, they closely match the level of ambition established by the Government of Canada
- Provinces and territories are implementing GHG reduction strategies that reflect their individual circumstances, e.g.:
 - Carbon tax in British Columbia, carbon levy in Quebec
 - Regulatory frameworks for industrial emissions in Alberta and Saskatchewan
 - Renewable power feed-in tariffs in Ontario
 - Absolute cap on emissions from electricity in Nova Scotia
 - Goal of 1.2 million electric vehicles in Quebec by 2030



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Going forward, Canada will continue to implement its plan to achieve the additional reductions required

- Regulated GHG performance standards being developed for the remaining major sources of emissions with priority on:
 - The oil and gas sector
 - Emission-intensive trade exposed sectors
- Further measures also being developed for the transportation sector
 - Heavy-duty vehicles standards by 2014
 - More stringent light-duty vehicles post-2016
- Working with provinces to upgrade building codes to achieve a 20% energy efficiency improvement over 2011 standards by 2016
 - \$400 million in new funding for the ecoENERGY Retrofit Homes program



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Canada is committed to achieving its 2020 target

- Canada will continue to implement its systematic plan for reducing emissions until it reaches its target
- Canada's approach will provide industry with regulatory certainty through clear, robust environmental standards
 - Allow companies to formulate future investment plans
 - Drive investments in clean energy technologies
- Investment decisions taken today will affect the future economic prosperity and carbon footprint of Canadians

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