

ONTARIO MOVES TOWARDS GREEN ECONOMY

McGuinty Government Welcomes Progress on New Cap-and-Trade System

NEWS

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The Western Climate Initiative, of which Ontario is a member, has released its design recommendations of their North American market-based cap-and-trade system for greenhouse gas emissions.

The provinces and states in the Western Climate Change Initiative (WCI) account for approximately 73 per cent of the Canadian economy and 20 per cent of the U.S. economy respectively. An advantage of a cap-and-trade system is it provides incentives for continuous innovation in emissions reduction, new green technologies and future jobs.

Cap-and-trade is a market-based tool that will help transition Ontario to a low-carbon economy by rewarding clean technologies. It also will help Ontario meet its ambitious GHG reduction targets of six per cent below 1990 levels by 2014, and 15 per cent by 2020.

While additional program design work still needs to be undertaken, once adopted, the WCI system will put a cap, or limit, on big emitters of greenhouse gases (GHGs).

Ontario and Quebec signed a Memorandum of Understanding in June to work on the development of a cap-and-trade system for GHG emissions that could be in place as early as 2010. This collaboration is aimed at making links with broader North American and international cap-and-trade systems, such as WCI, and providing an intergovernmental forum between Canadian provinces and territories.

QUOTES

“Today is a milestone for Ontario’s efforts leading the way for a national cap-and-trade system. There is no question that we need to put a price on carbon, and more needs to be done,” said Environment Minister John Gerretsen. “Ontario is committed to developing a strong cap-and-trade system to bring about real reductions in greenhouse gases.”

QUICK FACTS

- Cap and trade systems set a limit on emissions and those firms that exceed their cap must buy allowances from those companies that reduce their emissions below their limit.
- Ontario benefits by working with WCI because it represents a strong trading system with a commitment to declining emissions for all participating jurisdictions.
- Membership in WCI is one more method Ontario is using to reach its own even more aggressive GHG reduction targets in the near-term (2014) and longer term (2020 and 2050).

LEARN MORE

Read how Ontario tackles [climate change](#).
Discover more about the [Western Climate Initiative](#).

John Karapita, Minister's Office, 416-314-6736
John Steele, Communications Branch, 416-314-6666

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