

## **Co-operate to create climate solution**

David McGrane, *Saskatoon StarPhoenix*, December 18<sup>th</sup>, 2009, A14

Following is the viewpoint of the writer, assistant professor of political studies at St. Thomas More College at the University of Saskatchewan.

The editorial, Climate change politics threaten unity in Canada (SP, Dec. 16) was correct to point out Canada's struggle against climate change coming out of the Copenhagen Summit has the potential to threaten national unity if it chokes the growth of Western Canada's resource-intensive economy.

No one would be well served by another National Energy Program that would both increase regional tensions and hurt one of Canada's most important economic engines.

However, there does not have to be a tradeoff between national unity and western Canadian economic growth. Rather, Saskatchewan needs to co-operate with the federal government, other provinces and even American states to find methods of controlling greenhouse gas emissions that are fair to regions of Canada.

If any policy area cries out for co-operation across jurisdictions, it is climate change.

The effects of climate change cross borders, and any benefit from the reduction of greenhouse gases in one jurisdiction is instantly negated through the increase in another.

Despite such obvious incentives for inter-jurisdictional co-operation, the Saskatchewan government appears to have adopted a "go it alone" approach on climate change. The Management and Reduction of Greenhouse Gases Act it tabled on Dec. 1 requires companies that emit greenhouses above a certain threshold to pay penalties into a green technology fund.

While the regulations of the act have yet to be released, the penalties under this system are likely to be very low and the threshold at which penalties are triggered very high, given our government's modest target for emission reductions.

Indeed, the Saskatchewan act is a carbon copy of Alberta's climate change plan that has been heavily criticized for doing little to reduce emissions, because it sets low penalties and a high emissions threshold for penalties to kick in.

Instead of joining Alberta as a climate change pariah, Saskatchewan has two options to co-operate with other jurisdictions.

The first, outlined in a recent IRPP report by Tracy Snoddon and Randall Wigle, is for this province to enter negotiations with the federal government and other provinces to create a national carbon tax.

The national carbon tax envisioned by the federal Liberals' Greenshift and the recent Pembina Institute/Suzuki Foundation report saw almost all accrued tax revenues going to the federal government, leading to a massive shift of wealth out of Saskatchewan. Snoddon and Wigle argue that all revenue from a carbon tax collected in a province could be returned to the government of that province.

They estimate that Saskatchewan and Alberta would be net beneficiaries under this system, since they would be paying the most in carbon taxes due their resource intensive economies.

The revenues returned to Saskatchewan could be used to fund green technology or reduce business taxes to make our economy more competitive. The large advantage of a national carbon tax instead of the threshold approach proposed by the Saskatchewan government is that companies will be encouraged to get to zero emissions as quickly as possible since every tonne of carbon is taxed.

A second option for inter-jurisdictional co-operation for Saskatchewan is to participate in constructing a North American cap and trade system. This system allows companies whose emissions are below a specified "cap" to sell credits to companies that exceed their limit, so that overall result is a reduction in emissions. British Columbia, Manitoba, Ontario, Quebec and seven American states are part of the Western Climate Initiative that is seeking to launch a cap and trade system.

The federal governments of the U.S. and Canada, too, are working on their own versions of cap and trade, which could someday merge with the Western Climate Initiative. Instead of sitting on the sidelines as these systems are being set up, Saskatchewan should join the climate initiative group to argue for a mechanism to share revenues from credit auctions in a regionally fair manner.

Clearly, the details would have to be worked out of Saskatchewan's participation in a national carbon tax or a continent-wide cap and trade system. With a little ingenuity and co-operation, Saskatchewan can lead the way in finding ways to combat climate change that do not threaten national unity or hurt our economic growth. Trying to figure this one out on its own just isn't going to work.