

November 16, 2018

Rick Roth
Chief of Staff to the Minister of the Environment, Conservation and Parks
77 Wellesley St W, 11th Floor, Ferguson Block
Toronto, ON
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RE: Consultation: A made-in-Ontario climate change plan

Dear Rick,

For more than a century, the Ontario Chamber of Commerce (OCC) has supported economic growth in Ontario by advocating for business priorities at Queen's Park on behalf of our diverse 60,000 members, including local chambers of commerce and boards of trades in over 135 communities across Ontario. As Ontario's business advocate, we would like to take this opportunity to submit our recommendations in advance of the Government of Ontario's release of its made-in-Ontario climate change plan.

In our [blueprint letter](#) to Minister Rod Phillips in June, the OCC emphasized the importance of ensuring that efforts to address global environmental challenges are effective for Ontario, fiscally responsible, maintain business competitiveness, and implemented with considerable stakeholder engagement and evidence-based thinking.

Industries and entrepreneurs across Ontario are developing effective, innovative climate solutions that range from the adoption of digital agriculture to the creation of algae from industrial greenhouse gas emissions. In doing so, the private sector has demonstrated that sustainability does not need to come at an economic cost. In fact, if done properly, sustainability can be profitable for companies, governments, and communities in Ontario by creating jobs, technology spillovers, and long-term savings through more efficient resource usage.

As Ontario develops climate solutions that are appropriate for its own context, it is worth looking to other jurisdictions for examples of what has worked well. For instance, Norway and other countries with abundant natural resources are using their sovereign wealth funds to invest in environmentally sustainable companies. Learning from the experiences of other provinces and countries can help Ontario develop effective, evidence-based solutions.

In order to strike the right balance between protecting our environment and supporting a prosperous economy, the OCC has identified four areas of priority.

1. Design Smarter Regulations

- **Reduce red tape.** Excessive regulation is limiting the private sector’s ability to develop successful climate solutions. Environmental benefits should be considered when deciding if and how to update regulation.

At present, the Environmental Compliance Approval (ECA) process is long and expensive, particularly when new technologies are proposed. Making the process shorter and more transparent would help de-risk investment and make Ontario a more competitive place to implement novel green technologies. For example, Ontario has been slow to adopt Landfill Gas to Energy (LFGTE) – a sustainable, renewable source of energy – because, under the current system, landfill approvals take upwards of ten years and cost millions of dollars in consulting fees, land options, and consultations.

- **Fix Ontario’s waste management systems.** The current *Waste-Free Ontario Act* has failed to increase diversion of recyclable materials to the Blue Box program, reform the ineffective stewardship structure, and move to a producer-led waste diversion system. Improving waste management systems will require consulting with impacted stakeholders to identify inefficiencies and conducting detailed economic impact analyses of potential alternatives.

For more information, see [Renewing Recycling in Ontario](#) and [our letter regarding amendments to the Blue Box program](#).

- **Take an outcome-based approach to environmental regulation.** Existing regulations are overly focused on processes over outcomes, limiting their effectiveness. For example, recycling regulations currently set waste diversion targets based on weight, whereas they should be based on greenhouse gas emissions (as they are in Oregon). Importantly, outcome-based metrics should be used to regularly assess environmental regulations and eliminate or change those that are not proven to be effective.

2. Invest Strategically in Sustainable Innovation

- **Leverage Ontario’s nuclear sector.** Nuclear facilities like the Bruce Power Nuclear Generation Station were critical in helping Ontario phase out coal by 2015. With lifetime carbon emissions of around 20 grams per kilowatt-hour, nuclear energy is one of the cleanest alternatives to fossil fuels available. Nuclear technology also generates many positive externalities for Ontario’s economy, including high-quality jobs and valuable innovations like Cobalt-60, a made-in-Ontario isotope used for cancer treatment and sterilization of medical devices. Ontario’s long-term environmental and energy planning should continue to reflect the importance of leveraging nuclear power to meet our environmental and economic objectives.

For more information, see [Pickering Continued Operations: An Impact Analysis on Ontario's Economy](#) and [our letter to the federal Minister of Innovation, Science and Economic Development](#).

- **Help the private sector commercialize and export local innovation.** Funding research is not the same as investing in innovation. Support for innovation should be allocated more effectively towards the commercialization, scaling, and export of green technologies. Despite Ontario's world-class research output, many new ideas are either commercialized outside the province or not taken to market at all. This is a tremendous lost opportunity in terms of job creation and tax revenues.

Additionally, clean technology that is developed in Ontario should be exported internationally to achieve global emissions reduction targets in a way that strengthens our own economy. Ontario's nuclear industry has already been quite successful in selling Canada Deuterium Uranium (CANDU) technology to countries such as China, South Korea, Romania, India, and Argentina. Work with the federal government to ensure that Ontario-based technology and expertise can efficiently access international markets.

- **Collect a direct return on investments.** When it comes to investing in sustainable innovation, the Ontario government can also consider more fiscally sustainable models. The Israel Innovation Authority provides a good example; the independent public entity receives royalties from successful projects and has enriched public-private partnerships in the country. A similar approach in Ontario would reduce the burden on taxpayers while enhancing accountability and support for private sector climate solutions.
- **Engage in sustainable procurement.** The Government of Ontario is the biggest procurer of goods and services in the province. Leveraging this position to create more demand for cleantech is a powerful way to drive local climate innovation, save taxpayers money with more efficient energy usage, and demonstrate environmental stewardship.

3. Support Community Resilience

- **Encourage municipalities' use of asset management planning.** Asset management planning is the optimal means of assessing and addressing long-term infrastructure needs that takes into account the impact of climate shocks. In order to build resilient infrastructure, municipalities need educational tools and predictable funding streams.
- **Adjust building codes.** New buildings can be made more resilient with more modern building codes. One example is the use of hurricane straps to prevent roofs from becoming detached during storms. Work with the insurers and infrastructure specialists to understand these opportunities.

- **Support the retrofit economy.** Retrofits are necessary to enhance the resilience of old buildings. The retrofit economy has the potential to create many jobs for Ontarians while protecting communities from long-term costs related to climate shocks. Tax incentives and loans are effective ways to incentivize retrofitting.

4. Foster Collaboration

- **Work with insurers and other stakeholders to share data** that can help to better understand and manage climate risks, particularly those related to flooding and heating.
- **Break down silos.** The benefits of green technology are often diffused across many sectors, making it difficult for individual innovators to create strong value propositions. By breaking down silos within government and building public-private partnerships, Ontario's Ministry of the Environment, Conservation and Parks can help address environmental issues that cut across multiple domains.

To build a prosperous Ontario, we must work together to support evidence-based policies that protect our environment while also strengthening our economy. We look forward to the release of the new made-in-Ontario climate change plan and continuing to work with the Government of Ontario on behalf of Ontario's business community.

Sincerely,



Rocco Rossi
President and CEO
Ontario Chamber of Commerce

cc:

Hon. Rod Philips, Minister of the Environment, Conservation and Parks
Andrea Khanjin, Parliamentary Assistant to the Minister of Environment, Conservation and Parks
Serge Imbrogno, Deputy Minister, Ministry of Environment, Conservation and Parks

