



environmental
defence



The Right Honourable Prime Minister Justin Trudeau
The Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance
The Honourable Steven Guilbeault, Minister of Environment and Climate Change Canada
The Honourable Jonathan Wilkinson, Minister of Natural Resources

October 13, 2022

Dear Prime Minister Trudeau and Ministers Freeland, Guilbeault and Wilkinson,

Re: Letter to premiers regarding provincial carbon pricing plans

Please find attached our letter to provincial and territorial leaders, concerning provincial plans for carbon pricing from 2023-2030.

Under the *Greenhouse Gas Pollution Pricing Act*, provinces were required to submit their 2023-2026 carbon pricing plans to Environment and Climate Change Canada in September. The minister must now make a determination as to whether each plan meets the federal benchmark and implement the federal backstop in provinces that do not meet the benchmark.

We are concerned and disappointed by media reports that some provinces are seeking to suspend or undermine the GGPPA and misrepresenting the economic impacts of this key climate policy. Furthermore, there is variable coverage of emissions across provinces. Some provinces have implemented or proposed pollution pricing schemes for the industrial sector that result in little incentive to reduce emissions. As the Canadian Climate Institute found in its [review of carbon pricing in Canada](#), there is incoherence in pricing across Canada, the risk of a 'race to the bottom' between provinces in order to attract industry, and the resulting scheme does not send the long-term signal needed to favour low-carbon investment decisions.

Carbon pricing is a critical part of Canada's emissions reduction plan and essential to meet Canada's commitments under the Paris accord. Consistently implementing the price trajectory set out in the Healthy Environment and a Healthy Economy plan will also provide certainty to investors and position Canada to benefit from cost-effective opportunities to meet science-based national and provincial greenhouse gas reduction targets.

As you know, the GGPPA was affirmed by the country's highest court. The federal government now has a duty to apply the law and its regulations fairly and consistently across the country.

We urge you to reject provincial plans that do not meet the minimum criteria in the federal benchmark and to apply the federal backstop where necessary, without additional concessions or exemptions, and continue to fund programs that help people in Canada reduce both energy costs and emissions.

In some provinces where the federal backstop will be imposed for the first time in 2023, provincial governments will lose a revenue stream from the provincial pollution charge that has been used for climate action. We encourage the federal government to collaborate with affected provinces to ensure people living across Canada are supported in taking the steps necessary to reduce their dependence on fossil fuels without eroding the carbon price.

We urge you to show unity and to stay steadfast in your commitment to tackle greenhouse emissions across the country, all the while attending to affordability challenges facing Canadian households.

Signatories

Yours truly,



Severn Cullis-Suzuki
Executive Director
David Suzuki Foundation

Tim Gray
Executive Director
Environmental Defence

Chris Severson-Baker
Executive Director
Pembina Institute

Lois Corbett
Executive Director
Conservation Council of New Brunswick

Maggy Burns
Executive Director
Ecology Action Centre

Caroline Brouillette
Director Federal Policy
Climate Action Network

Attached: Letter to Premiers dated October 13, 2022