



NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY
TABLE RONDE NATIONALE SUR L'ENVIRONNEMENT ET L'ÉCONOMIE

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News from the National Round Table on the Environment and the Economy

Advice on a Long-term Strategy on Energy and Climate Change for Canada: Outreach Initiative



Glen Murray, NRTEE Chair, and Ralph Torrie (ICF International) respond to questions about the Long-term Strategy on Energy and Climate Change for Canada.

The NRTEE's new Clean Air Act Program

At the request of the Minister of the Environment, the NRTEE is providing advice to the federal government on air pollutants and GHG emissions in support of Canada's proposed Clean Air Regulatory Agenda.

For air pollutants, the Minister requested that the NRTEE provide advice on national objectives for particulate matter and ozone in ambient air for the periods 2020–2025 and 2050. The NRTEE has also been asked to advise the government on national emission reduction targets for 2050 for sulphur dioxide, nitrogen oxides, gaseous ammonia, volatile organic compounds and particulate matter for the following sectors: oil and gas, electricity, base metals, iron and steel, aluminum, cement, chemicals, forest products, transportation, consumer products, commercial and institutional, residential and agricultural.

The NRTEE travelled to nine Canadian cities last fall to promote awareness of and gather feedback on its *Advice on a Long-term Strategy on Energy and Climate Change for Canada*, released in June 2006. By identifying and modelling 31 greenhouse gas (GHG) reduction wedges that correspond to existing technologies or strategies, the advisory note presents a scenario for reducing GHG emissions by 60 percent by the year 2050.

Invited stakeholders from all three levels of government, business, trade and professional associations, NGOs and academia participated in the sessions, which were held in Vancouver, Calgary, Edmonton, Yellowknife, Winnipeg, Toronto, Ottawa, Montréal and Moncton. Each day-long session provided an opportunity for participants to comment on the advisory note and exchange ideas on how they

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National Round Table
on the Environment
and the Economy

Table ronde nationale
sur l'environnement
et l'économie

Canada



Participants at the Ottawa outreach session exchange ideas.

envision achieving the required long-term GHG emission reductions.

Specifically, stakeholders shared their views on the three strategic priorities identified in the NRTEE's advisory note—energy efficiency, energy production (carbon capture and storage) and electricity production—and particularly on the policy signals required to reduce GHG emissions in each of these areas. They identified the broad policy instruments and tools that would be required to initiate action on the various emission reduction opportunities detailed in the advisory note.

Each outreach session confirmed strong support for the inclusion of a wide range of sectors and existing technologies in the wedge analysis. Participants emphasized that immediate policy signals and actions were needed in order to achieve significant GHG reductions over the long term. Specifically, they called for meaningful price signals for carbon emissions, which would promote capital stock turnover, major investments in productivity and structural change within industry. Participants considered the NRTEE's application of a wedge approach to GHG emissions "useful and relevant" to developing and focusing policy.

Participants called for future work in this area to

- use the best available science to inform the long-term targets;
- develop additional scenarios and analyses, including non-energy-related emissions;
- conduct further cost-benefit analysis; and
- analyze the impact of additional wedges, such as biosequestration, thermal energy, air

transportation and behavioural changes.

The NRTEE heard from many participants that an emphasis on behavioural and cultural change would help facilitate a shift to energy efficiency and ultimately, to a sustainable society.

By the end of March, the NRTEE delivers the synthesized results of its outreach sessions, online dialogues and written comments to the federal Minister of the Environment. These results will then be available on the NRTEE web site. The full text of the advisory note on Energy and Climate Change can be found at www.nrtee-trnee.ca. ■

The NRTEE hosts Sweden's Environment Minister

Sweden's Minister of the Environment, Andreas Carlgren, discussed his country's policies and the need for international agreements on climate change at a workshop held in Ottawa on January 16.

Addressing approximately 25 participants from government and non-government organizations, Minister Carlgren emphasized that Sweden would like to work with Canada to reduce GHG emissions. Sweden, like Canada, has a cold climate and a relatively small population for its geographical area, so heating and transportation costs are significant. Unlike Canada, however, Sweden does not produce oil, and is aiming to completely eliminate its dependence on this fossil fuel by 2020. The Minister said that Swedish companies are at the forefront in bioenergy, particularly in the use of biogas as an alternative fuel for cars.

The NRTEE workshop was part of an eight-day visit to North America by Minister Carlgren, which also included stops in Washington, D.C., California, and Toronto. ■

NRTEE member nominated for Nobel Peace Prize

NRTEE member Sheila Watt-Cloutier has been nominated for the 2007 Nobel Peace Prize.

The Canadian Inuit leader and climate change activist has been nominated for her grassroots work to save her people and the planet.

Watt-Cloutier, formerly from Kuujuaq, a community in northern Québec, lives in Nunavut. An Officer of the Order of Canada who was chosen last year by *The Globe and Mail* as a nation builder, Watt-Cloutier was also the



inaugural winner of the Governor General's Northern Medal in 1995.

Until last summer, Watt-Cloutier was the head of the Inuit Circumpolar Conference. She also oversaw the administration of the Inuit land-claims body established under the James Bay and Northern Québec Agreement as Corporate Secretary of Makivik from 1995 to 1998.

This year's Nobel Peace Prize winner will be announced in October. ■

Capital Markets and Sustainability: Investing in a sustainable future

When it comes to capital markets, creating a competitive advantage for the Canadian economy requires investor, corporate and political leadership to ensure the integration of environmental, social and governance (ESG) factors into capital allocation decisions. This is just one of the themes in the National Round Table's latest *State of the Debate* report launched at the Toronto Stock Exchange on Monday, February 12.

Capital Markets and Sustainability: Investing in a sustainable future presents key findings of the NRTEE's Capital Markets and Sustainability program, which was guided by a multi-stakeholder task force. It provides policy recommendations to the federal government and illuminates issues at the heart of Canada's future economic prosperity—competitiveness, environmental protection and social justice.

The report provides a brief summary of the state of corporate sustainability in Canada, examines the key drivers for change and explores why institutional investors (with a focus on capital providers and, in particular, pension plans) have been reluctant to integrate sustainability factors into strategic decisions. It suggests that while

companies and pension funds are beginning to pay attention to the marketplace, significant market barriers remain.

Among the report's findings are three key reasons sustainability factors are not considered in investment decisions to the extent required. First, pension fund trustees have long held the view that consideration of such "non-financial" factors is in conflict with their financial and legal obligations in their fiduciary duty. Second, the report highlights a lack of clarity over the definition of materiality and its inconsistent application and disclosure. Finally, because many ESG factors may only become significant over the long term, an obsession with short-term performance works against long-term sustainability—both in terms of not mitigating potential negative impacts and in lost opportunities.

In response to these barriers, the *State of the Debate* report provides detailed recommendations to encourage the integration of ESG factors into capital allocation decisions. These will contribute to a new and strengthened vision for investing in Canada's sustainable future.

A copy of this report can be downloaded from the NRTEE's web site at <http://www.nrtee-trnee.ca>. ■

Clean Air Act, continued...

The NRTEE's advice on GHG emission reductions will focus on medium-term reduction targets for 2020–2025 for the sectors named above. The advice will acknowledge projections for Canadian economic growth and the government's intention to build upon an emissions intensity approach with targets that will translate into a fixed cap on absolute emissions.

The NRTEE has also been asked to provide advice on a long-term (2050) national GHG emission reduction target within the range of 45 to 65 percent from 2003 levels,

along with possible scenarios for how such a target could be achieved.

The NRTEE will draw on a wide body of expertise and opinion in the development of its advice to the Minister by consulting with experts and stakeholders throughout the process.

This program is currently in the research phase. The NRTEE will provide an interim report to the Minister no later than this spring and a final report in the fall. Watch for more details in the next issue of this newsletter. ■

NRTEE has a new minister and five new members

The Honourable John Baird, P.C., M.P., is the new minister responsible for the National Round Table on the Environment and the Economy. He took over from the Honourable Rona Ambrose as the Minister of the Environment in January. The Government of Canada has also recently appointed five new members to the NRTEE.

David Chernushenko is an expert on sustainable development, clean air and active living. As owner of Green & Gold Inc. and an associate of Arborus Consulting, he helps organizations achieve sustainability and energy efficiency. Chernushenko is also the co-founder of Clean Air Champions, an active lifestyles advocacy group. He served on the International Olympic Committee's Advisory Commission on Sport and the Environment and has published three books on sustainable development. (Note: Chernushenko is currently on a leave of absence while seeking the nomination to run as a candidate in the next federal election.)

Timothy Haig has more than two decades of experience in the field of strategic business development and financing, with an emphasis on environmental technologies and engineering. He is the president and CEO of BIOX Corporation and chair of the Canadian Renewable Fuels Association. Prior to founding BIOX Corporation in 2000, Haig was a principal in a company that developed and financed several large wind farms in Europe.

Dr. Mark Jaccard has taught in the School of Resource and Environmental Management at Simon Fraser University in Vancouver since 1986, interrupted only by a five-year period as the CEO of the BC Utilities Commission. He also served on the Intergovernmental Panel on Climate Change and the China Council for International Cooperation on Environment and Development. Jaccard has chaired public inquiries, advised governments and won awards for his two books *The Cost of Climate Policy* (2002) and *Sustainable Fossil Fuels* (2005).

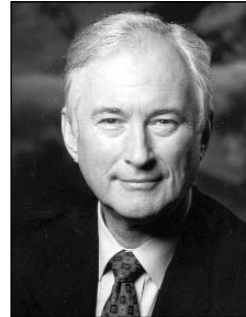
NRTEE Members, continued...

Janet Benjamin, from British Columbia, a consultant with close to 20 years of experience and a specialty in "green" projects, is a co-founder of BC Hydro's Power Smart program. She has worked on the development and marketing of sustainability and energy efficiency partnerships between the public and private sectors. An engineer by profession, Benjamin also co-founded H2Leader Inc., a company that leases vehicles with hydrogen internal combustion engines.

The **Honourable Pauline Browes**, P.C., from Ontario, has a

long history of involvement in issues related to the environment and the economy. She was first elected to the House of Commons in 1984 as the Member of Parliament for Scarborough Centre. Browes was Parliamentary Secretary to the Minister of the Environment from 1986 to 1989 and Minister of State for the Environment from 1991 to 1993. Browes also served on Ontario's Environmental Review Tribunal for a decade, and has been a director of the Waterfront Regeneration Trust in Ontario since 1999. ■

NRTEE member Richard Drouin appointed Companion of the Order of Canada



NRTEE member Richard Drouin has been appointed a Companion of the Order of Canada by Her Excellency the Right Honourable Michaëlle Jean. Recognizing a lifetime of achievement and merit of the highest degree to Canada and humanity, the award of Companion is the top level of the Order of Canada. Drouin, who was one of only three recipients named in the February 20 announcement, had previously been appointed an Officer of the Order of Canada and l'Ordre national du Québec. ■

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Inuit Circumpolar Conference
Iqaluit, Nunavut

Steve Williams
Chief Operating Officer
Oil Sands, Suncor Energy Inc.
Fort McMurray, Alberta

* Leave of absence

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Canadian Environmental Choice,
recycled paper, using vegetable inks.

Également publié en français

ISSN 1200-0442

