

Carbon Cap- And-Trade Controversy:

IT'S TIME TO END EXEMPTIONS
FOR LARGE POLLUTERS

by **SHAUN TRAINOR** /// EAC Volunteer



Cap-and-trade

The oil and gas sector and coal mining sector are the largest sources of greenhouse gas emission in Nova Scotia. In order to ensure government targets are met, and the most severe impacts of climate change are averted, measures need to be put in place to reign in these sectors. One such method that is at the disposal of governments is a carbon emission cap. Carbon emission caps are often known as a cap-and-trade system. Currently, Nova Scotia has a cap-and-trade system in place (which will be in place until the end of 2022). At the start of 2023, Nova Scotia will have either an Output Based Pricing System standalone, or a hybrid system that also includes the federal carbon tax (with rebates)). The cap-and-trade system works by setting a total limit (a cap) on the emissions produced by all participating emitters. From here, a price is set and automatically adjusts to the target. Under this system any polluter that emits more than their quota must purchase the right to do so. They cannot, however, just buy any amount. The available emissions that can be bought are sold by polluters that emit less than their quota and thus have excess emissions to sell. Thus, emissions are kept to a capped amount per year that, over time, will be lowered by the government in order to bring down overall emissions and reduce the risk of global average temperatures rising above 1.5°C. This is the idea and the hope. However, there is a lot of criticism of this system saying that it distracts from larger systemic changes that are needed and is a status quo approach to addressing the climate crisis. Nova Scotia is no stranger to controversy around its own cap-and-trade system.

Exemptions: What is the point if the largest polluters are exempt?

Nova Scotia has received criticism for a number of reasons regarding its cap-and-trade system. One that has come to light recently is that of Donkin Coal Mine. Recently the mine started up operations again but had sat idle for two years. The mine began operations in 2017 and has exceeded Nova Scotia's cap on emissions nearly every year since. Even during the two years that the mine sat idle it exceeded the emissions cap. Additionally, as highlighted by the Sierra Club of Canada and Dave Risk, an Earth sciences professor at St. Francis Xavier University and lead researcher at the Flux Lab specializing in methane measurements, the Donkin Mine is likely the largest methane emitter in the province and its emissions need to be included in the cap-and-trade system.

The fact that Donkin Mine, and others, continue to receive exemptions from Nova Scotia's carbon emissions cap is having an effect on all Nova Scotians. Not only are exemptions ensuring that more carbon emissions are released into the atmosphere, thus locking in more global heating for decades to come, but there is a more immediate and tangible effect. One may not realize it, but just giving Donkin Mine an exemption from the cap-and-trade program is raising the price of electricity for all Nova Scotians. This is due to the fact that the cost of mitigation is shifted onto other parties. Instead of Donkin Mine paying its fair share and curbing its emissions, entities such as Nova Scotia Power, one of the province's largest greenhouse gas emitters, must carry the burden. And in order to do so Nova Scotia Power passes this additional cost onto the people of Nova Scotia through higher electricity rates.



TAKE ACTION

Email your MLA and demand a healthy carbon pricing system that will meet climate goals and ensure energy bills are affordable because of increased efficiency programs.

Systemic change

Exemptions for the largest emitters, for fossil fuel corporations, is a justice issue. These exemptions are a perfect example of larger, systemic failures that are hindering our ability to truly tackle the climate emergency. Continuing to enable the largest polluters and multi-billion-dollar corporations to be exempt from the cap-and-trade program, a program the current Nova Scotia government has brought to an end, is a slap in the face to Nova Scotians. The cost of living is on the rise, wages are not, yet the government looks away as the cost of enabling corporations to make ever greater profits comes at the expense of Nova Scotians and the planet. Nova Scotia needs greater accountability and a real plan to address the climate crisis through a climate justice lens. Exemptions, such as that given to Donkin Mine, need to come to an end. These exemptions are unfair to Nova Scotians who are working hard to make ends meet and to do their part in addressing the climate crisis. The government needs to step up and ensure that corporations, especially those in the fossil fuel and coal mining industries, are held accountable for the emissions that they produce. To enable these exemptions is fuelling greater levels of poverty and insecurity in Nova Scotia now and in the long term. Addressing the climate crisis today, with bold action, not exemptions for the largest polluters, is both the most cost effective and just thing to do. So, whether you approach this from a monetary or justice point of view, it is clear that the best way forward is to implement a system that tackles the climate crisis and holds the largest polluters in Nova Scotia to account.

Nova Scotians deserve better. It is time to bring exemptions for the largest polluters to an end.

Shaun Trainor (they/them) is a passionate advocate for mental wellbeing in the climate crisis and the role of art in fostering resilience and regeneration.