



Falling Behind:

Comparing Canadian and U.S. Efforts
on Clean Energy and Global Warming



POWERUP
CANADA

Introduction

Canada has come under significant international criticism on climate change. The Canadian government's primary and most persuasive reply is that the country will "match U.S. efforts."

There are sensible reasons for Canada to "harmonize" with the United States, but this report demonstrates that Canada is not matching U.S. efforts, that our delay in doing so already has serious implications, and that every moment we fall further behind increases the cost and missed opportunity for Canadians.

"Our future on this planet depends on our willingness to address the challenge posed by carbon pollution. And our future as a nation depends upon our willingness to embrace this challenge as an opportunity to lead the world in pursuit of new discovery."

– President Barack Obama, 2009

Report highlights:

- Canada's global warming emissions are growing significantly while U.S. emissions are declining.
- Every moment of delay means that Canada is starting from further and further behind although nominally aiming for the same finish line.
- The U.S. government is providing unprecedented levels of support to clean energy and efficiency while Canada's primary programs are expiring
- The U.S. is outspending Canada as much as 14-1 per capita on renewable energy.
- Moving forward, the U.S. is aiming for deeper carbon cuts than Canada's "target" by orders of magnitude. Although Canadian and U.S. targets proposed at Copenhagen are superficially similar, the U.S. "target" does not include many of the programs before the legislative branch and none of its executive branch programs. Canada has no program to meet its proposed cuts and past policy proposals were deemed inadequate by independent government and academic auditors.
- The U.S. federal government has accelerated to unprecedented levels of action on carbon restrictions, efficiency and clean energy in the past year while the Canadian federal government is "not even trying" to match U.S. efforts.

Global Warming Pollution

- U.S. absolute emissions are going down, Canada's are going up
- U.S. per capita emissions are declining, Canada's are increasing
- On a per capita basis since 1990: Canada Up 9%, U.S.A. down 2%, Europe (EU27) down 9.7%

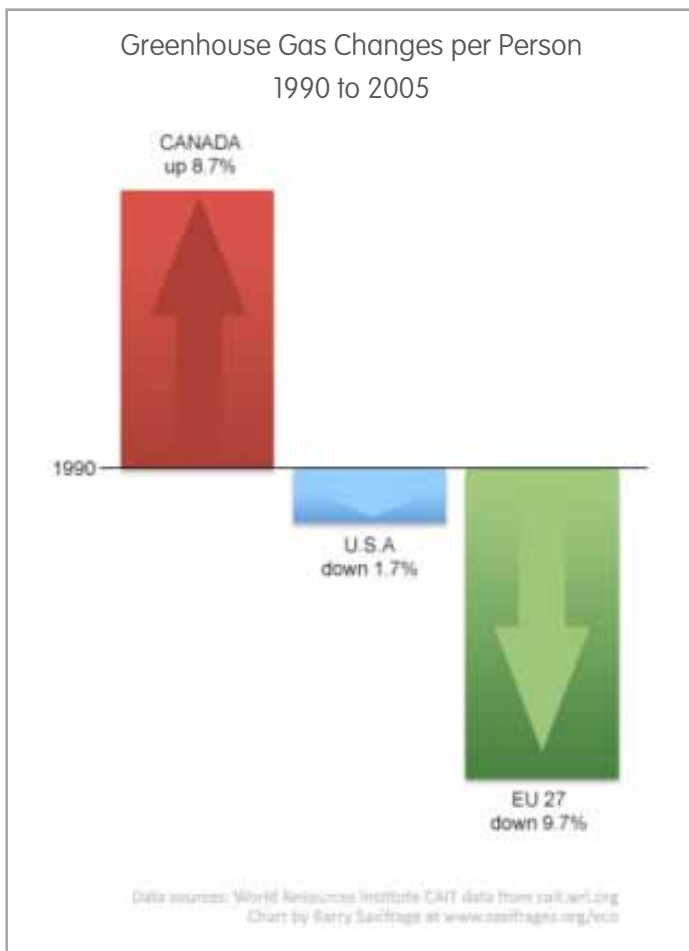
Canada's federal government has pledged to "match U.S. efforts" and begin a race to the same finish line by pledging to meet nominally similar emission reduction targets. Yet Canada's starting position in this race continues to slide further and further behind America's. Delay in catalyzing a low-carbon transition and Canada's ongoing growth in

emissions have already created a serious handicap for the people of Canada. The handicap continues to grow as the performance gap worsens between the two countries (see graphs below). Every moment we spend moving in the wrong direction increases this handicap to Canadians.

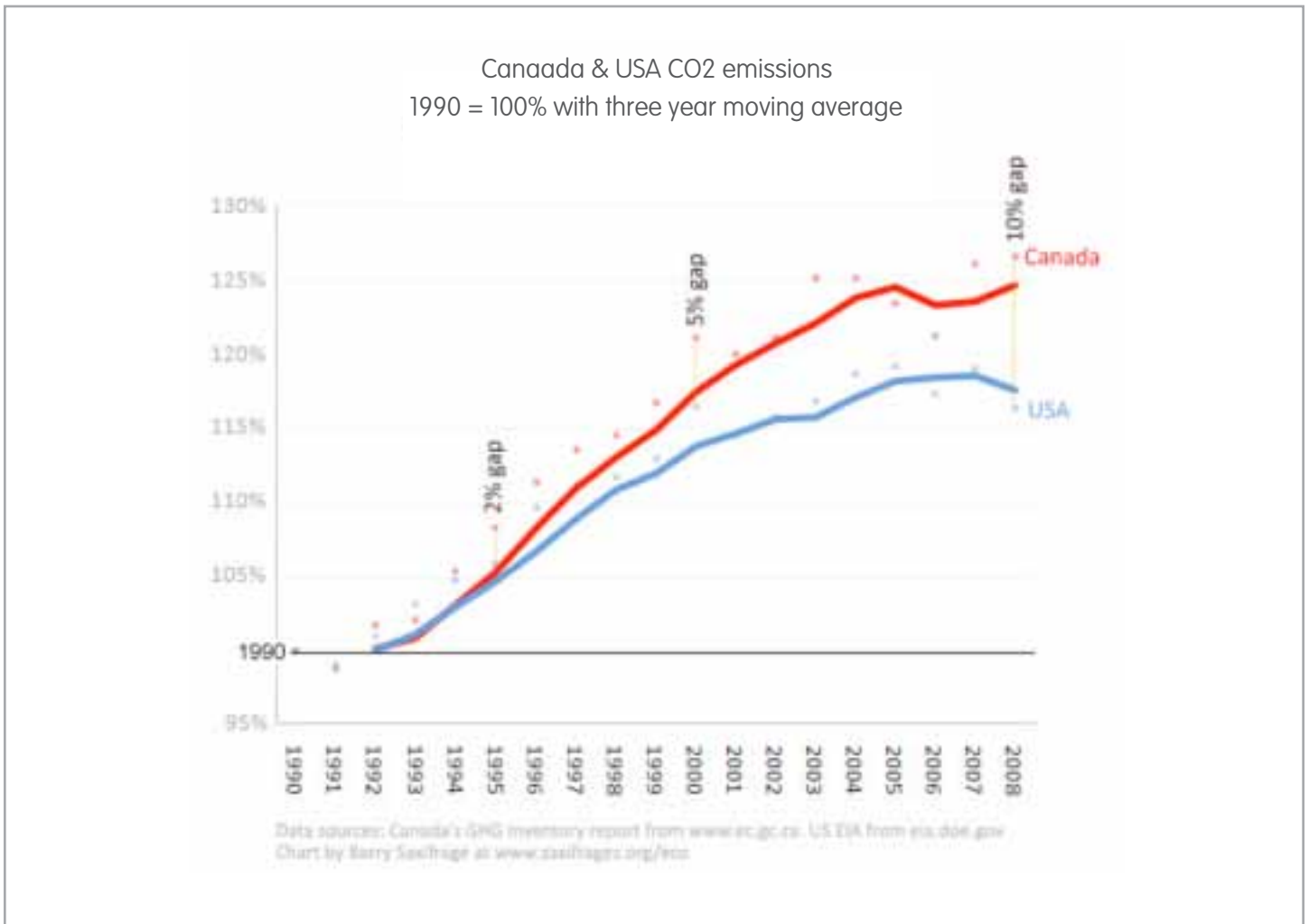
And the relative situation actually gets worse. As we will see in the following section, the U.S. "targets" greatly understate the actual carbon pollution reduction project underway in the United States.

"So at this moment, there is something big happening in America when it comes to creating a clean energy economy... And I have often said that the creation of such an economy is going to require nothing less than the sustained effort of an entire nation — an all-hands-on-deck approach similar to the mobilization that preceded World War II or the Apollo Project."

– President Barack Obama, 2009



Global Warming Pollution (cont'd)



“The low-carbon economy can also be a job-rich economy at a time of soaring unemployment...There is growing acceptance that the next wave of productivity and innovation could well come from smart technologies that enable a growing world economy to thrive in the context of deepening carbon as well as other natural resource constraints.”

– HSBC, 2009



Targets

- The U.S. is actually planning for much deeper cuts by 2020 than their Copenhagen pledge
- The upper estimates of U.S. planned cuts would be in line with European Union ambitions.
- U.S. targets beyond 2020 are much steeper than Canada's: 30% by 2025; 42% by 2030; and 83% by 2050 (below 2005 levels)
- Canada's long term direction is significantly weaker: 60-70% by 2050 (below 2006 levels; equivalent to 51-63% below 1990 levels)
- Canada's targets are not in any legislation. There is no plan to meet them.

Canada and the U.S. have proposed superficially similar targets of approximately 3% reductions (below 1990 levels by 2020) going into the Copenhagen negotiations. However, whereas the Canadian target is not backed by any plan or legislation, the U.S. target on paper is actually less ambitious than the expected results of U.S. legislation and executive actions.

The Obama administration proposed a target that represents only the reduction anticipated from the cap and trade program which is part of a bill going through the legislative branch. It does not include reductions from other measures in that legislation. Nor does it account for reductions from executive actions such as vehicle efficiency standards.

The World Resources Institute has [analyzed](#) the expected reductions from carbon cap proposals as well as complementary measures in the legislation

such as industrial performance standards, residential energy efficiency measures, international offsets and spending on international forestry projects. The total reduction lands in a range between 28% and 34% below 2005 levels. At the upper end, this represents a reduction of as much as 22% below 1990 levels which is in line with European Union proposals. Executive actions would make the cuts deeper still.

The American proposed target is weaker than what the country is actually set to deliver because of domestic political dynamics. The United States has had a difficult history with global warming treaties. Past American administrations have made commitments that were later blocked by the Senate. Unwilling to repeat this pattern, the present administration has proposed cuts that are less than what the House of Representatives has passed and the Senate is set to pass.

By contrast Canada's targets are not in any legislation. The country has no regulated emissions reduction framework. Although the federal government had promised to announce a cap and trade system in advance of Copenhagen, the announcement has been postponed.

Sources as varied as the [National Energy Board](#), the [Auditor General of Canada](#), the [National Roundtable on the Environment and the Economy](#) as well as leading [academic analysts](#) concur that even plans under consideration were inadequate to meet proposed targets.

Action at Home

- **Canada is far from “matching U.S. efforts” – The United States has accelerated action on clean energy, efficiency and carbon restrictions to unprecedented levels in the past year while Canada’s main programs are expiring.**

- For example, the Obama administration is out-investing Canada’s federal government as much as **14-1 per capita** on renewable power in the two governments’ most recent budgets.

There is a great deal of attention paid to “targets” but, as Canada demonstrated with Kyoto, targets are meaningless without substantive action in the form of laws, policies and investments. Indeed, much of the domestic controversy in Canada focuses on inaction by the federal government.

By contrast, here are some of the major initiatives by the U.S. federal government in the past year:

- \$90 billion in stimulus for low-carbon transition in the **American Recovery and Reinvestment Act** via direct investments and tax incentives. This bill is the largest investment in renewable energy in history.
- New vehicle efficiency standards and encouragement to states to set even higher ones; simultaneously the EPA for the first time set tailpipe emission standards at 250 grams per mile by 2016.

- Determination (“**endangerment finding**”) by the Environmental Protection Agency (EPA) that greenhouse gases are a pollutant that must be regulated since they threaten public health and welfare.

- New **household and commercial efficiency standards** for appliances;

- Doubling renewable energy in 3 yrs;

- Tax credits to get 1 million plug-in hybrids on the road;

- Funding of \$11 billion and regulations to jumpstart a 21st century smart electricity grid;

- A concerted effort to rally the public behind a clean energy jobs future. President Obama has made several “big speeches” on clean energy and climate and includes the issue in all major addresses. The administration has appointed world-leading experts to drive the climate agenda including Nobel Laureate Dr. Steven Chu as Energy Secretary, Dr. John Holdren as science advisor and Director of the Office of Science and Technology Policy, Dr. Jane Lubchenco to lead the National Oceanic and Atmospheric Administration.

“From China to India, from Japan to Germany, nations everywhere are racing to develop new ways to produce and use energy. The nation that wins this competition will be the nation that leads the global economy.”

– President Barack Obama, 2009

Action at Home (cont'd)

In addition, the U.S. federal government is moving comprehensive energy legislation. The House of Representatives has already passed the American Clean Energy and Security Act, which promotes clean energy investments and uses programs such as cap and trade to lower U.S. greenhouse gas emissions more than 80 percent by 2050 (below the 2005 level). The Senate continues to advance comprehensive legislation. The bills are expected to be merged and ready for the President to sign in 2010.

Far from “matching U.S. efforts,” [comparative budget analysis](#) by the Pembina Institute shows that clean energy support from the Canadian government is fourteen times less per capita than under the Obama administration.

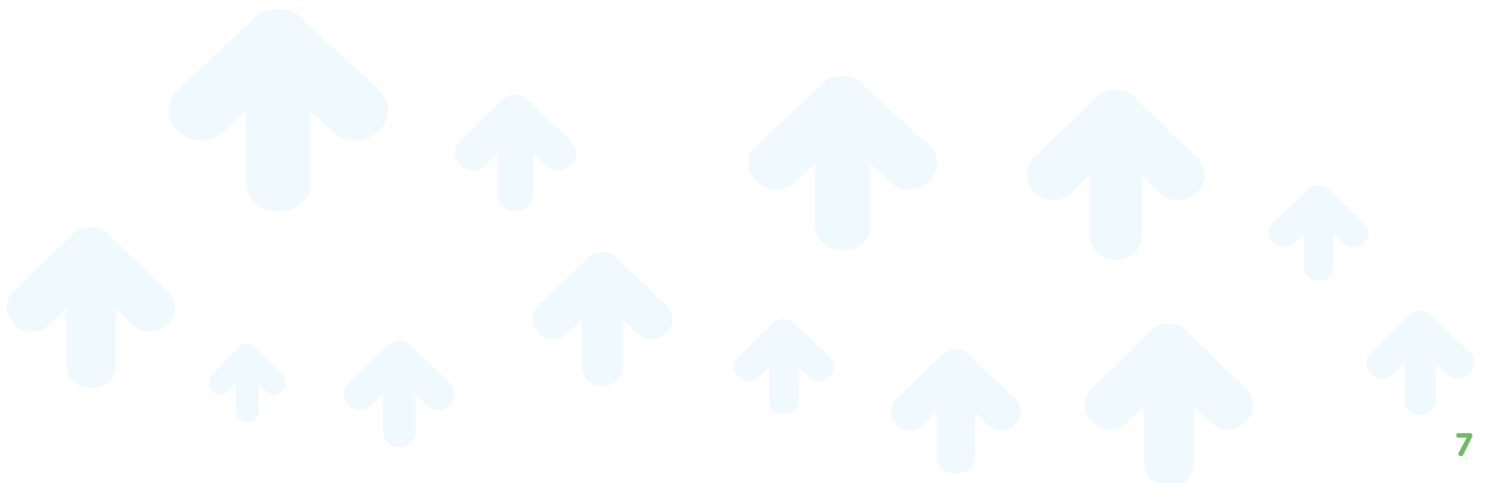
Not only is Canada falling behind U.S. efforts, recent [analysis of stimulus spending](#) by the HSBC bank demonstrates that Canada’s low-carbon stimulus is among the lowest percentage in the G20:

- Canada 8%
- France 21%
- South Korea 81%
- China 38%

The main federal clean energy program (ecoENERGY for Renewable Power) is set to expire in January 2010, and no commitments have been made to renew it or to develop a substitute. The federal government has announced it is also suspending its program for emerging clean technologies – that it will “[take a breath](#)” on renewing funding for Sustainable Development Technology Canada (SDTC).

“Unless we free ourselves from a dependence on these fossil fuels and chart a new course on energy...we are condemning future generations to catastrophe.”

– President Barack Obama, 2009



Conclusion

The Canadian government responds to international criticism by claiming it will “match U.S. efforts.” However the U.S. has significantly outpaced Canada in terms of domestic action, international diplomacy, emissions reductions and support for efficiency and clean energy. The United States is planning much deeper cuts in global warming pollution than Canada.

The lack of action to date has left Canadians far behind U.S. efforts and consequently with much more work to do. With every further moment of delay Canada falls further behind increasing the cost and missed opportunity for Canadians.

“For investors who are looking at North America, they look to the U.S. and they see some policy certainty and a strong incentive. They look to Canada, they see an incentive that is in essence shutting down and no certainty going forward. That is where our challenge is at the moment.”

— Robert Hornung, President of the Canadian Wind Energy Association, 2009



Further Information

Canada's goal is to "match U.S. efforts:"

<http://www.nationalpost.com/todays-paper/story.html?id=2266887>

World Resources Institute analysis of US climate targets:

<http://www.wri.org/publication/usclimatetargets>

Pembina Institute comparison of US-Canada federal support for renewable energy:

<http://www.pembina.org/pub/1851>

HSBC analysis of low carbon stimulus spending:

http://www.globaldashboard.org/wp-content/uploads/2009/HSBC_Green_New_Deal.pdf

Canada's plans under consideration unable to meet stated targets:

Auditor General of Canada:

http://www.oag-bvg.gc.ca/internet/English/mr_20090512_e_32559.html

National Roundtable on the Environment and the Economy

<http://www.trnee-nrtee.gc.ca/eng/publications/KPIA-2009/Transmittal-Letter-KPIA-NRTEE-Response-2009-eng.php>

SFU's Dr. Mark Jaccard et al:

<http://www.sfu.ca/sfunews/Stories/sfunews10300807.shtml>





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canadians for climate leadership

www.powerupcanada.ca

PowerUP Canada is a leading voice for strong laws, investments and policies to support the expansion of a clean economy and combat global warming. The launch of PowerUP Canada, release of the “Time to Get Serious on Climate Change” statement and our green stimulus recommendations to the last federal budget were supported by large citizens groups such as CARP (Canadian Association of Retired Professionals) and many opinion leaders, including five former Prime Ministers, leading academics and Canadian celebrities.