

MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

TERRITORIAL CARBON PRICING REGIME

March 6, 2017

MR. O'REILLY: Merci, Monsieur le President. Last Wednesday, the Premier gave the economic development and environment committee a briefing on progress towards an Energy Plan and Climate Change Strategic Framework. An update was provided on public engagement, and work on the Pan-Canadian Framework, that will form the national plan for climate change action. The Premier and committee witnesses had very little to say about carbon pricing, as no one seems to have the clear lead. I had to pry for facts on cross-departmental collaboration, both there and in the Committee of the Whole review of the ENR budget last week. There is no sense of urgency or leadership on carbon pricing that I can see. It seems like we are simply waiting for the federal government to tell us what to do.

We need to kick start this work now, if we are to get a made-in-the-NWT carbon price and take best advantage of funding that is available from the federal government. So here are a few suggestions to get things under way.

First, the departments need to cooperatively determine our strategic interests, with input from the Regular Members' committees. This will include clear analysis of our fossil fuel use patterns, greenhouse gas emissions, the costs of displacing fossil fuels and its effect on cost of living, opportunities to tap into federal support funding, and a look at local employment and business opportunities.

Next, we need to determine the pros and cons of different methods of carbon pricing; compare and contrast a carbon tax versus cap and trade, or any other mechanism.

Then, we need to construct some carbon pricing options for the two approaches. For a carbon tax, we need to know the extent of coverage, the price per tonne, for various fuel types and economic sectors. For cap and trade, we need to look at how the NWT could be linked to national and international schemes.

Finally, we analyze the scenarios to determine economic and financial impacts, look at tools to address issues including tax rate reductions and direct rebates, and look at the other GHG reductions that could come about if we invest some revenues in other green projects.

This work should have been well underway by now. Our standing committees also need to step up to the plate and take a leadership role in development of an NWT carbon pricing scheme given the lack of progress to date. I will have questions for the Premier, as the Chair of the Ministerial Energy and Climate Change Committee of Cabinet. Masi, Mr. Speaker.