

Bay, Robert

From: Ministre / Minister (ECCC) <ministre-minister@ec.gc.ca>
Sent: August 29, 2022 10:24 AM
To: Premier
Subject: Reply from the Honourable Steven Guilbeault, Minister of Environment and Climate Change - MIN-290191
Attachments: SIGNED REPLY - Houston - MIN-290191.pdf
Follow Up Flag: Follow up
Flag Status: Flagged

**** EXTERNAL EMAIL / COURRIEL EXTERNE ****

Exercise caution when opening attachments or clicking on links / Faites preuve de prudence si vous ouvrez une pièce jointe ou cliquez sur un lien

Original letter will follow by mail.

Ministre de l'Environnement et
du Changement climatique



Minister of Environment
and Climate Change

Ottawa, Canada K1A 0H3

AUG 29 2022

The Honourable Tim Houston, M.L.A.
Premier of Nova Scotia
Government of Nova Scotia
P.O. Box 726
Halifax NS B3J 2T3

Dear Premier:

I am writing in response to the “Better than Carbon Tax” plan that the Government of Nova Scotia published on August 18, 2022.

First, I would like to thank you for your hospitality and that of the Government of Nova Scotia during my visit to the province from August 17 to 19. I am very pleased that our respective governments are making progress on a variety of measures to collectively protect nature in Nova Scotia, leading toward a joint agreement by next year.

I appreciate Nova Scotia’s commitment to climate action you describe in your letter. The targets and policies detailed in your plan are important contributions to ensuring a clean and prosperous Nova Scotia, now and into the future.

Canadians expect their governments to take action to reduce emissions in a way that is cost-effective and creates opportunities to lead in the global transition to clean industries and technologies. Putting a price on carbon pollution is widely recognized as the most efficient means to drive innovation and energy efficiency in order to reduce greenhouse gas (GHG) emissions. It is a critical part of a comprehensive climate plan—as the Supreme Court of Canada concluded on March 25, 2021, “...the evidence reflects a consensus, both in Canada and internationally, that carbon pricing is integral to reducing GHG emissions.”

That is why a price on carbon pollution remains a necessary and foundational pillar of the federal government’s climate change plan. Since 2019, every jurisdiction in Canada has had a comparable price on carbon pollution aligned with common national stringency standards to ensure fairness and effectiveness. The federal government is committed to continuing to put a price on carbon pollution, with clear requirements that are implemented consistently across Canada and provide certainty to businesses and households. These requirements are set out in the *Update to the Pan-Canadian Approach to Carbon*

.../2

Canada

- 2 -

Pollution Pricing 2023–2030 (www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/carbon-pollution-pricing-federal-benchmark-information/federal-benchmark-2023-2030.html), published in summer 2021.

You have raised affordability as a primary concern, and I could not agree more. Governments need to be helping families with the everyday costs of goods and services. Of course, pricing pollution can be used as a tool to help make life more affordable for Canadians. Provinces can use the proceeds from their carbon pollution pricing systems to support a range of goals and priorities. I understand that under Nova Scotia's current system, those revenues are directed to the provincial Green Fund. In provinces where the fuel charge component of the federal system applies, approximately eight out of ten Canadians get more money back than they paid. Should the federal system apply in the province, Nova Scotians could expect to receive Climate Action Incentive payments via quarterly cheques totalling hundreds of dollars per year. Regarding the specific concerns you raised for rural Canadians, the federal approach adds an extra 10 percent in money back for rural Canadians and special provisions for farmers. To give you an idea of the amount of rebates in backstop provinces, in 2022–2023, the federal system will give a family of four \$745 in Ontario, \$832 in Manitoba, \$1101 in Saskatchewan, and \$1079 in Alberta.

At the federal level, a price on carbon pollution is complemented by numerous other measures. The *2030 Emissions Reduction Plan: Canada's Next Steps for Clean Air and a Strong Economy* is a sector-by-sector roadmap to reduce emissions in a fair and affordable way. It is backed this up with well over \$100 billion in climate action and clean technology investments to support putting the economy on a trajectory of clean and long-term growth.

I appreciated seeing the range of actions under way in Nova Scotia. The Government of Canada will support the province in these commitments. For example, the Atlantic Loop project is a shared priority for our respective governments and part of a larger collective initiative to transition Nova Scotia away from coal power and toward cleaner renewable energy sources (e.g. hydrogen, and solar, wind, tidal and hydro power). Actions such as the transition away from coal power, along with changes in Nova Scotia's industrial landscape, have led to substantial decrease in the province's current emission profile compared to 2005 levels. However, this is not a reason to avoid having a price on pollution—a requirement in all jurisdictions under the Pan-Canadian Approach to Pricing Carbon Pollution.

.../3

- 3 -

Environment and Climate Change Canada officials and I have considered Nova Scotia's proposal of August 18, 2022. As it does not mention to put a price on carbon pollution, I can confirm that it does not meet the *Pan-Canadian Approach to Carbon Pollution Pricing* for 2023–2030. You are proposing to end Nova Scotia's cap and trade system, with no replacement that would put a price on pollution.

Departmental officials remain available to engage on alternative proposals that would meet the requirements of the *Pan-Canadian Approach to Carbon Pollution Pricing*, ahead of the September 2, 2022 final deadline. As you likely know, there has been active engagement between our respective officials since updated carbon pollution pricing plans were first requested in August 2021, and following the April 1, 2022 deadline for draft proposals.

The Government of Canada's authority to ensure consistent and comparable carbon pricing across Canada under the *Greenhouse Gas Pollution Pricing Act* has been upheld by the Supreme Court of Canada. As the Court's March 2021 ruling emphasized, "any province's failure to act threatens Canada's ability to meet its international obligations, which in turn hinders Canada's ability to push for international action to reduce GHG emissions. Therefore, a provincial failure to act directly threatens Canada as a whole."

The federal government is committed to taking steps to ensure that the same carbon pricing incentives to reduce emissions are in place in Nova Scotia and across Canada. Under the *Pan-Canadian Approach to Carbon Pollution Pricing*, the federal carbon pollution pricing system (the "backstop") will be applied in provinces and territories that request it or that do not implement a system that aligns with the common minimum national stringency criteria.

The federal approach to fighting climate change and to carbon pricing in particular will continue to prioritize effectiveness and affordability. The Government of Canada has shown that pollution pricing can be used to drive down emissions while keeping life affordable for households. The Affordability Plan outlined by the Government in June 2022 will also work to address ongoing global pressures from increased energy prices and the cost of living, especially for lower- and middle-income and rural families.

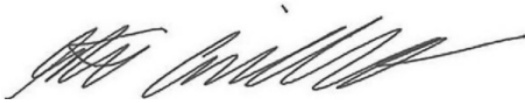
My federal colleagues and I look forward to continued collaboration on shared priorities to help Nova Scotia tackle climate change and transition to clean energy and a robust clean economy.

.../4

- 4 -

Please accept my best regards.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Guilbeault". The signature is fluid and cursive, with a long horizontal stroke at the end.

The Honourable Steven Guilbeault, P.C., M.P. (il/lui/he/him)

Bay, Robert

From: Ministre / Minister (ECCC) <ministre-minister@ec.gc.ca>
Sent: September 1, 2022 8:15 PM
To: Premier
Cc: 'premier@gov.nl.ca'; 'premier@gov.pe.ca'; 'premier@gnb.ca'; Minister, Env; 'gary.crossman@gnb.ca'; 'samyersminister@gov.pe.ca'; 'ecc-minister@gov.nl.ca'
Subject: Reply from the Honourable Steven Guilbeault, Minister of Environment and Climate Change - MIN - 291378
Attachments: SIGNED REPLY - Houston - MIN-291378.pdf
Follow Up Flag: Follow up
Flag Status: Flagged

**** EXTERNAL EMAIL / COURRIEL EXTERNE ****

Exercise caution when opening attachments or clicking on links / Faites preuve de prudence si vous ouvrez une pièce jointe ou cliquez sur un lien

Original letter will follow by mail.

Page 07 to/à Page 08

Withheld

12(1)(a)(i) ; 12(1)(b)

Bay, Robert

From: Gould, Samantha E
Sent: November 21, 2022 6:31 PM
To: Stevens, Michelle L
Subject: FW: A Letter from the Honourable Tim Houston, Premier of Nova Scotia
Attachments: Letter to Honourable Steven Guilbeault November 21, 2022.pdf

Sorry I meant to BCC you on this

From: Gould, Samantha E
Sent: November 21, 2022 6:28 PM
To: Steven.Guilbeault@parl.gc.ca
Cc: Minister, Env <Minister.Environment@novascotia.ca>; sean.fraser@parl.gc.ca; Andy.Fillmore@parl.gc.ca; chrystia.freeland@parl.gc.ca
Subject: A Letter from the Honourable Tim Houston, Premier of Nova Scotia

Attached, please find a letter from the Honourable Tim Houston, Premier of Nova Scotia to Letter to the Honourable Steven Guilbeault.

Thank you,
Samantha

Samantha Gould

Senior Executive Administrative Coordinator

Office of the Premier

One Government Place
1713 Barrington Street, 7th Floor
PO Box 726
Halifax, Nova Scotia B3J 2T3
P: (902) 424-6210
E: Samantha.E.Gould@novascotia.ca

Publicly available at:
<https://novascotia.ca/news/docs/2022/11/22/Letter-to-Honourable-Steven-Guilbeault-November-21-2022.pdf>

Page 10 to/à Page 15

Withheld

4(2)(a)