



RESPONSE TO PETITION

No.

2-17(5)

EXECUTIVE COUNCIL

Petition tabled by Mr. Bob Bromley on March 7, 2014

Response by the Honourable J. Michael Miltenberger
Minister of Environment and Natural Resources

Climate and Energy Action Plan

Carbon pricing mechanisms including taxes or a cap and trade system in the Northwest Territories (NWT) are identified in *A Greenhouse Gas Strategy for the NWT (2011 – 2015)* as options for further investigation. The Government of the Northwest Territories (GNWT) has previously considered carbon taxes during revenue options round table discussions hosted by the Minister of Finance in 2010. In early 2011, the Department of Environment and Natural Resources (ENR) conducted a more detailed study of carbon pricing mechanisms as a means to encourage reductions in greenhouse gas emissions. Through these discussions it was recognized that introducing a carbon tax would be a complex initiative requiring more detailed research, analysis and consultation.

One of the constraints identified in ENR's study in 2011 was that low carbon energy sources needed to be accessible to consumers if the intent of the carbon tax was to encourage reduced emissions by switching to cleaner fuels. Actions taken under the Greenhouse Gas Strategy since then have helped to encourage greater availability and effectiveness of emission reduction opportunities including energy efficiency, biomass fuel, expansion of the hydro-electricity grid and solar energy. ENR intends to re-evaluate carbon pricing options before renewing the Strategy in 2015. The carbon levy scenario described in Petition 2-17(5) will be one of the options evaluated. This study and other aspects of renewing the Greenhouse Gas Strategy will be undertaken in consultation with the public and other government departments.

Currently there are international efforts being made through the United Nations to reach a new global agreement in 2015 including contributions to mitigate or reduce emissions by all nations in the world to address climate change. At the same time, the Government of Canada is proposing to develop sector specific regulations including the upstream oil and gas industry that could be implemented by provinces or territories in their own jurisdictions through equivalency agreements to achieve comparable outcomes. All of the provinces and territories have established their own policies and systems to manage greenhouse gas emissions and some of them have taxes or cap and trade programs. If the NWT establishes a carbon pricing system consideration should be given to how our territorial system links to the systems in the rest of Canada.