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April 5, 2016

Grant Crack, MPP
Chair, Standing Committee on General Government
Bill 172, *Climate Change and Low-Carbon Economy Act, 2016*
c/o Sylwia Przezdziecki, Committee Clerk

Dear Mr. Crack,

The Association of Municipalities of Ontario would like to provide its strong support for Bill 172, the *Climate Change and Low-Carbon Economy Act, 2016* to you and the members of the Standing Committee on General Government.

Municipal governments in Ontario have long taken climate action to heart. We have invested in transit, green buildings and development standards, active transportation, sewer separation and stormwater systems as well as waste reduction, landfill gas, and streetlight replacements.

We know that these actions lower greenhouse gas emissions and that they make our local economies more sustainable. In fact, municipal governments believe that the low-carbon economies we are seeking to build can only be built with investments in our communities and the services which support them. But there is more to be done. To that end we were pleased to see municipal services in the Bill 172 Schedule 1 as eligible for investments.

However, to make the transition to a low-carbon economy as quickly and successfully as possible, we believe that there are some other issues in need of your attention as you and the Standing Committee members consider this Bill and lay out the framework for Ontario's low carbon future. Specifically, these are:

1. The need for dedicated and stable funding for municipal governments to draw on to plan and make investments in low carbon, sustainable communities. Transit, cycling lanes, waste reduction and management, water conservation and wastewater energy recovery, low emission buildings and development are all examples of initiatives that need support.

2. Climate adaptation and infrastructure resilience need their own dedicated funding. All communities across the province will need to adapt to a changing climate, whether in the north or south, over 1 million residents or under 1,000. The recent past flooding in communities like Burlington, Wawa, Bracebridge, and Minden Hills underscores this. AMO is pleased that the federal government has created a Green Infrastructure Fund specifically to help with adaptation and if we are to be successful, Ontario must do the same.
3. Better climate modelling and energy mapping to help municipal governments make the right investments at the right time for our communities and this is a role the provincial government could play.
4. The cap and trade market must recognize municipal GHG reducing projects through offset credits which can be marketed to emitters. This would create a modest but meaningful opportunity for reinvestment in communities. If municipal projects were recognized historically, back to the year 2000, for these credits, this would allow communities to realize an immediate benefit from their previous actions to be put toward future ones.

We hope that as you and the Standing Committee on General Government members review this Bill, you will think of the kind of communities you and your constituents want to live in. Investing in municipal services can increase productivity and quality of life for all our businesses and residents and underpins provincial and national prosperity. AMO urges you to fully consider the issues we have raised and to return the Bill to the Legislature for Third Reading.

Sincerely,



Gary McNamara
AMO President

Attachment – AMO’s Submission to the Government on Cap and Trade and Climate Change Partnership

ONTARIO MUNICIPAL GOVERNMENTS AND CLIMATE CHANGE: A PARTNERSHIP FOR A LOW CARBON FUTURE

The Province of Ontario intends to be a leader in climate action at the sub-national level. The Province has set aggressive greenhouse gas (GHG) reduction goals with GHGs diminished to 50 per cent of 1990 levels by 2020 and 80 per cent of 1990 levels by 2050. Ontario has identified that these reductions will need to come significantly from transportation, buildings and industry to meet its targets. This will require a substantial change in Ontario's economy and behaviour of residents and business sectors.

To reach these goals in a way that creates a safer, healthier and more prosperous Ontario, the Province will need to have the commitment and help of municipal governments. Municipal governments own more infrastructure than any other government in Ontario; control land use and transportation; implement building standards and galvanize and facilitate community organizations.

Municipal governments, individually and collectively through AMO, are ready to contribute to this effort. In fact, municipalities have been leading climate action for a long time with efforts to enhance transit and active transportation; create local green building standards and incent building renewal, stormwater and management and green roofs; as well as reduce the energy needs of our buildings, fleets and streetlighting systems.

This document contains specific recommendations supported by AMO's Climate Change Task Force on what these resources and supports should include to help the municipal sector help the Province on its path forward to meet its goals and our shared objectives.

Climate Mitigation Needs – Local Efforts to Reduce Greenhouse Gases

Land use and building standards are key drivers of energy requirements. Participation in a modern, productive economy requires energy to live and connect to others directly through transportation and indirectly through a variety of technologies. The types of communities we build, where we locate residences and businesses and the facilities we choose to use all have a very direct impact on energy and transportation needs. Influencing those choices and investing in smart infrastructure can reduce those needs and change the choices people make. This is best done at the local level by municipalities with the right supports to influence actions positively. Recommendations to allow municipalities to do this include:

- 1. Provide supports, examples and pilot projects to help smaller urban and other municipalities and developers to apply the principles contained in the Provincial Policy Statement (PPS).*
- 2. Support energy reductions in buildings and residences through energy labelling, limited grants to undertake retrofits (caulking, insulation, etc.), long-term low interest loans and on-bill financing, and support municipalities and interested community groups with establishing local solar cooperatives, urban forestry and tree planting, green roofs, water conservation and wastewater energy recovery/green generation and other beneficial activities.*

3. *Help to encourage better energy intensity mapping by helping municipal governments get better information from all sources to standardized electronic energy consumption data and energy use.*
4. *Support the creation and implementation of enforceable local green building standards to improve energy efficiency and reduce energy intensity of new developments.*
5. *Funding to support local transportation initiatives and major facilities upgrades will be necessary.*

Funding Sustainability: Cap and Trade and Municipalities

The government has decided on a Cap and Trade Mechanism similar to California and Quebec to help change the behaviour of individuals and organizations over time. Estimates of revenues from this mechanism are around \$2 billion annually when implemented fully.

Municipal governments can have a significant influence on residential and industrial/corporate land use patterns and the transportation connections to facilitate commerce if they are appropriately supported. For example, almost every trip taken in Ontario will begin and end on a local road. With proper and predictable investments in transit and active transportation as well as electric or alternative vehicle supports, municipalities can have a significant impact on the choices people make. Similarly, municipal initiatives such as water conservation and wastewater heat recovery and green energy generation have important practical and symbolic benefits for GHG reduction and community sustainability and should be supported through carbon offset recognition.

In addition, municipalities need to work to ensure those transportation, water, wastewater and other systems that allow modern economies to function are safeguarded against changing weather patterns with more frequent and intense storms. Doing so will ensure communities and economies can function better and more efficiently. Already in some parts of Ontario communities are seeing frozen pipes in recent years that are having detrimental effects on local businesses. Washed out roads and bridges and overwhelmed wastewater systems are bad for businesses and residents. Predictable annual funding supports, through the cap and trade revenues or another mechanism to undertake infrastructure resilience is needed.

6. *Municipalities need funding to invest in expensive infrastructure (transit, active transport, green buildings for example) which can reduce greenhouse gas emissions.*
7. *Municipal projects should be recognized for the value of their emission reductions as offsets under the program.*
8. *Credit for previous municipal projects should be given to recognize the offset value of previous municipal actions and credits owned by other orders of government for these should be transferred to municipalities to be monetized and reinvested in local climate action.*
9. *A dedicated program to support municipal infrastructure resilience should be created from a portion of Cap and Trade revenues or other programs to safeguard residents and local economies.*

Adaptation

Beyond necessary funding for infrastructure resilience, municipal governments, residents and businesses need specific supports to improve resiliency and allow communities to guard against and recover from extreme weather events. Amongst these supports would be updated climate modelling and mapping to ensure changes to weather patterns and storm loading can be built into new and upgraded infrastructure systems and buildings and encouraging the creation of private insurance products for overland flooding for property owners.

10. *Request updated local mapping/climate modelling to upgrade infrastructure systems for climate resilience.*
11. *The Province, with the insurance industry should create the necessary conditions to allow the offering of homeowners insurance for overland flooding.*

Rural and Northern

Rural and northern areas support their urban neighbours through providing food and ecological resources that benefit the population as a whole. While their influence over GHG emissions may be less than urban areas, these communities and populations must adapt to a changing climate just the same and must be supported in doing so. In addition to funding for resilient infrastructure resilience rural communities would benefit from a provincial food security strategy that could contribute to mitigation and safeguard food supplies. Recent effects of drought in California, a major food producer and supplier to Ontario suggest the need for such a strategy and its benefits for the province.

Forestry communities in northern and eastern could also benefit from the province working with the forestry industry to create a strategy to market wood as a sustainable building material. Wood products harvested sustainably and at the right time can provide permanent carbon capture for certain greenhouse gases. The government should determine with the industry and stakeholders what necessary steps it could take to better promote this resource for the benefit of Ontarians and forestry communities.

Finally, communities outside of Ontario's major population centres need access to broadband networking facilities. Broadband promotes social, economic and cultural linkages regionally, nationally and globally. Investing in these facilities can benefit the economy as well as potentially reduce transportation demand in some cases.

12. *Provincial food security strategy that includes greenhouse growing and Ontario sourcing/canning.*
13. *Explore creating a strategy with forestry industry stakeholders and communities to expand and market Ontario forestry products as sustainable building materials that trap carbon dioxide and reduce greenhouse gases.*
14. *Work with municipalities and the federal government to develop a program for high speed network services with appropriate funding for expansion to underserved rural and northern communities.*

Conclusion

AMO, through Ontario Municipal Knowledge Network, had dedicated resources, with provincial funding assistance, to develop ‘best practices’ and support innovation and to promote their transference throughout the sector. As one example, we did this for the *Promoting Local Food Act*, with the enthusiastic support of the Premier who was also the agricultural minister. I would hope we could talk about a similar type of initiative on this important policy work as we also look at how the above recommendations can be implemented as part of the package to assist municipal governments in partnership with the Province. We agree that municipal governments in Ontario have influence over a number of activities which account for greenhouse gas emissions, particularly land use and transportation. We believe that these recommendations are a good starting point to make even more progress.