



Volume 2, Chapter 3—Climate Change: Ontario's Plan to Reduce Greenhouse Gas Emissions

2019 Value-for-Money Audit

Why We Did This Audit

- Canada produces 1.5%, or 716 megatonnes (Mt), of global emissions of 47,200 Mt. Ontario produces 22.2% (159 Mt) of the Canadian total and 0.3% (Transportation, Industry and Building contributed 138 Mt; Agriculture and Waste 18 Mt and Electricity 2 Mt) of global emissions.
- In April 2019, the *Environmental Bill of Rights* was amended, transferring some responsibilities of the former Office of the Environmental Commissioner of Ontario to our Office. This includes the option of reporting on the progress of activities in Ontario to reduce greenhouse gas emissions.

Why It Matters

- High concentrations of greenhouse gases in Earth's atmosphere, mainly from humans burning fossil fuels, have contributed to an increase in the planet's average surface temperatures. Ontario is warming faster than the global average. Climate change impacts have already been observed in Ontario.
- With Ontario's well-educated population and its history of innovation in technology, it is well positioned to demonstrate leadership with its decisions to further reduce its emissions while being economically competitive.

What We Found

- In November 2018, the Ministry of the Environment, Conservation and Parks (Ministry) released an Environment Plan for public consultation. It had not been updated at the completion of our audit.
- The Plan sets a target to reduce Ontario's emissions 30% below 2005 levels by 2030. Based on emissions data available to the Ministry when drafting the Plan, this represents a reduction to 143.3 (Mt) by 2030—17.6 Mt lower than the 160.9 Mt (slightly up from 2017—159 Mt) projected for 2030 if no further provincial emission-reduction actions are taken.
- To achieve this target, the Plan outlines eight areas where the Ministry expects emissions reductions to occur.
- The Ministry did not use best practices (such as an integrated energy-emissions-economy model) to select and design initiatives, nor to estimate emissions reductions in all areas.
- The Ministry's projected emissions forecast for 2030, and the estimated emissions reductions for all eight areas, are not yet supported by sound evidence. Specifically:
 - The opening emissions projection of 160.9 Mt had still included the impact of various initiatives, such as renewable energy contracts and the cap and trade program, even though these initiatives had been cancelled.
 - The Ministry projected the number of electric vehicles to increase from 41,000 in 2019 to 1.3 million by 2030, but had no policy mechanisms to drive this uptake, and incentives for leasing or buying electric vehicles, and installing charging stations, were cancelled.
 - Several estimated emissions reductions were based on illustrative scenarios with no feasibility analysis or identified policy mechanisms to achieve them.
 - The Ministry improperly counted emissions reductions expected through diverting exported organic waste.
 - Some emissions reductions were double counted and overstated because the overlapping effect of all initiatives was not considered.
- The Ministry did not fully evaluate or consider the costs of all emission-reduction initiatives.
- The Ministry does not have direct control over most of the emission-reduction areas, and recent decisions by other ministries and agencies may undermine progress on reducing Ontario's emissions.
- The Ministry acknowledged that more time is needed to develop, refine and update the Plan for future publications.

Conclusions

- Implementation of the current Plan is not likely to achieve the proposed 2030 emission-reduction target.
- We estimated that the proposed initiatives have the potential to achieve 6.3 Mt to 13.0 Mt of the Plan's 17.6-Mt emission-reduction target.
- Ministry internal analysis also estimated that the proposed actions are not enough to achieve the 2030 target; staff now estimate that the initiatives in the Plan would achieve a reduction of about 10.9 Mt.

Read the audit report at www.auditor.on.ca