



February 4, 2019

Carbon Rebate  
Department of Finance  
Government of Yukon  
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## Yukon Conservation Society Comments on the Carbon Price Rebate Proposed Framework

The Yukon Conservation Society (YCS) is a grassroots environmental non-profit organization, established in 1968. Through a broad program of conservation education, input into public policy, and participating in project review processes, we pursue ecosystem well-being throughout the Yukon and beyond, recognizing that human well-being is ultimately dependent upon fully functioning healthy ecosystems. These comments were prepared on the territories of the Ta'an Kwäch'än Council and Kwanlin Dün First Nation.

Thank you for inviting the public to provide comments and input on the draft Carbon Price Rebate Framework. The Yukon Conservation Society (YCS) supports the use of carbon pricing as a mechanism to reduce carbon emissions.

### Global Context

As you receive feedback and work towards finalizing the carbon rebate framework, YCS would like to highlight the latest science that is the fundamental reason why a carbon levy is of value to our society.

The Intergovernmental Panel on Climate Change (IPCC), released a 2018 report examining the impacts and risks of 1.5°C of global warming due to greenhouse gas (GHG) emissions.

Climate models project robust differences in regional climate characteristics between present-day and global warming of 1.5°C, and between 1.5°C and 2°. These differences include increases in: mean temperature in most land and ocean regions (*high confidence*), hot extremes in most inhabited regions (*high confidence*), heavy precipitation in several regions (*medium confidence*), and the probability of drought and precipitation deficits in some regions (*medium confidence*).<sup>1</sup>

The same IPCC report also provides valuable information on how to achieve a 1.5°C future.

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<sup>1</sup> IPCC Special Report: Global Warming of 1.5°C, <https://www.ipcc.ch/sr15/chapter/summary-for-policy-makers/>



In model pathways with no or limited overshoot of 1.5°C, global net anthropogenic CO<sub>2</sub> emissions decline by about 45% from 2010 levels by 2030 (40–60% interquartile range), reaching net zero around 2050 (2045–2055 interquartile range).

Understanding that we have 11 years to reduce emissions by 45%, YCS asks the Government of Yukon to elevate the importance of climate policy (such as the carbon price) and act boldly and urgently to make Yukon a leader in GHG reductions and the transition to a green economy.

## Yukon Conservation Society's Comments

YCS provides the following comments on the Yukon government's recently released draft Carbon Price Rebate Framework.

### Exemptions for certain industries

YCS believes that the price of fuel must reflect its environmental cost and everyone should pay their fair share. By exempting or fully rebating industries that are heavy fuel users, as for example, placer and quartz mining, it creates a circumstance where those that burn more fuel simply get a bigger rebate cheque. This is inconsistent with research on effective carbon pricing and could be argued as unfair.

Fuel-intensive industries that are currently targeted for exemption represent major opportunities for GHG reduction. For example, a 10% reduction in fuel use within such industries might have the same GHG reduction as a 90% reduction for a business in Whitehorse.

**YCS respectfully recommends that Yukon government consider not granting exemptions or 100% rebates to fuel-intensive industries.**

### Exemptions for Utilities

Our electrical grid generates over 90% of its energy from hydro power, demonstrating that fossil fuels are not the only viable option for electricity generation. Territory-wide major GHG reductions will require a combination of energy conservation, efficiency, and fuel-switching.<sup>2</sup> Fuel switching will require an increase in electricity supply and to ensure net GHG reductions, the vast majority of that new electricity supply must come from renewable, sustainable sources.

Carbon pricing will directly increase the cost of diesel and LNG fueled electricity but won't directly increase the cost of low-carbon sources such as wind, solar, and hydro. This will make low-carbon alternatives more cost-competitive when compared to fossil fuel energy. The availability of sustainable energy on our electrical grid is of major importance in our transition to a green society.

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<sup>2</sup> Fuel-switching is used here to refer to switching from fossil fuel energy to electricity or another renewable source of energy. For example, switching from oil to electric heat, or from a gas car to an electric car.



It is not clear whether Whitehorse and other communities connected to Yukon's electrical grid are considered "remote communities" and whether this means the primary grid is exempt from carbon pricing.

**YCS respectfully recommends that Yukon government ensure that utilities pay the carbon tax for fuel used on the primary electrical grid.**

### **Eligibility of non-profit organizations**

By using corporate income tax return documents as the basis for the business rebate, Yukon government has overlooked some charities and non-profit organizations which do not fill out the same tax forms as a corporation.

**YCS respectfully recommends that Yukon government develop a solution to ensure that charities and non-profit organizations are not unfairly impacted by the carbon tax.**

Please contact me with any questions.

Sincerely,

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

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