

CITIZENS FOR
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Consultation on Framework for an Oil and Gas Sector Emissions Cap

Submission to the Canadian Regulatory Framework for an Oil and Gas
Sector Greenhouse Gas Emissions Cap Consultation, February 2024

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Citizens for Public Justice (CPJ) is a faith-based policy organization that believes federal policy can and must serve the public good. Our research, policy analysis, education, and advocacy work are grounded in an understanding of the sacredness of creation and the dignity of all people. From this perspective, the central role of government is to promote the well-being of all citizens and residents, and the flourishing of the Earth.

To the oil and gas emissions cap consultation,

Thank you for the opportunity to provide input regarding the regulatory framework for the greenhouse gas (GHG) emissions cap on the oil and gas sector. The alarming fact that global warming reached an average of 1.48°C in 2023 is a stark reminder that we are perilously close to surpassing the dangerous threshold of 1.5 degrees.¹ A large portion of historical as well as current emissions are caused by the oil and gas industries' business model. Due to this, it is important that a strong framework specific to the sector is implemented and enforced.

From coast to coast to coast, our members, representing hundreds of faith communities and people of conscience across Canada, are calling for the robust implementation of strong environmental protection policies like the oil and gas emissions cap. Citizens for Public Justice is a charitable organization that is inspired by faith to act for social and environmental justice. As concerned residents of Canada, we advocate for the Earth. As a governing body with the power to make large-scale change, we pray that you listen.

It is heartening to see Canada taking steps towards implementing this crucial regulation. However, in this submission, we voice four concerns we have with the proposed emissions cap. These are issues that will determine the health of the environment and the health of the communities who share its resources. This is particularly vital when considering the impact on systemically marginalized groups who are disproportionately affected by the climate crisis despite their negligible contributions to emissions.

1 Copernicus Climate Change Service. "Copernicus: 2023 is the hottest year on record, with global temperatures close to the 1.5°C limit." January 9, 2024. <https://climate.copernicus.eu/copernicus-2023-hottest-year-record>.

1. Time is of the essence.

As of today, we only have close to six years to undo decades of cumulative GHG emissions if we want to meet the framework's goal of a 30% decrease from 2005 levels by 2030. If this new policy is not implemented until 2026, that will further reduce the timeline to a mere four years. That is simply too little time. Nor can the target year of 2030 be pushed back, no matter how difficult or costly it may be to the oil and gas companies. To wait any longer is to risk catastrophic consequences; even now we can see the result of our lack of action as fires overtake our forests every summer, as floods and droughts alternate and bring a variety of harm, and as the melting glaciers and permafrost bring permanent change to our country, damaging our non-fossil-fuel natural resources and Indigenous communities.

Instead, the cap must be implemented as soon as possible, with details released before the end of 2024 and implementation beginning by 2025. Oil and gas companies cannot delay any longer in pursuit of profit; they must begin taking responsibility for their production of GHGs.

2. Targets must be improved.

The current targets are not consistent with the climate goals of 2030 and place unfair burdens on other industries and sectors of the economy. If the gas and oil industry is to take on the appropriate responsibility in meeting Canada's environmental obligations as per Canada's Nationally Determined Contribution and the Canadian Net-Zero Emissions Accountability Act, they have responsibility for reducing their own emissions by at least 40-45% from 2019 levels, rather than the 35-38% proposed in the current framework. Even then, the loopholes and carveouts in the proposed plan allows them to reduce emissions by as little as 20%, or half of the rest of Canada's climate obligations. But for reductions in Canada's oil and gas emissions to make a real difference, experts say a 60% decrease is required. This goes to show that the current requirements are absurdly low and are giving the oil and gas industry permission to transfer their obligations to other sectors of the economy.

In fact, though Canada as a whole has decreased GHG emissions by 8.4% between 2005 and 2021, the oil and gas industry has increased their emissions by over 12% in the same timeframe. Additionally, the oil and gas sector produces 28% of GHG emissions in Canada,² a larger percentage than any other industry, and thus have a larger amount to account for and a larger necessary reduction.

The cap should be altered to a minimum requirement of a 40-45% decrease from 2019 levels. This wouldn't reach the levels experts recommend, but it would contribute to reaching our 2030 climate goals without unfairly burdening our other sectors of the economy.

3. An enforceable and loophole-free system.

The proposed framework allows the continuation of compliance, accountability, and enforcement challenges. Offsets and the decarbonization fund should not be considered as alternatives to actual reductions within the sector. Carbon capture technologies are often unproven at scale and do not meet stated GHG reduction targets. Furthermore, the potential for Internationally Transferred Mitigation Outcomes (ITMOs) would allow companies to shirk their responsibilities to our environment and continue to produce high levels of GHGs by passing their environmental responsibilities on to other nations. This makes it difficult for the government to assure that GHGs reduction levels are being met, is unfair to other nations, and looks irresponsible on the global stage.

To prevent this, any foreseeable loopholes must be removed from the system, and strong compliance mechanisms must be introduced from the start. This could include large financial fines or other forms of legal deterrence. Regular review would also be necessary to ensure that companies are following requirements, that new loopholes are not found, and that forms of deterrence are effective and not merely absorbed and passed on to consumers or considered as a cost of business.

2 Government of Canada. "Greenhouse Gas Emissions." Last modified May 29, 2023. <https://www.canada.ca/en/environment-climate-change/services/environmental-indicators/greenhouse-gas-emissions.html#oil-gas>.

4. Centered around communities and individuals, not profit.

The five largest oil and gas companies operating in Canada had a combined profit of over \$38 billion in 2022.³ Furthermore, the sector contributes significantly to inflation thanks to large profit margins and volatile prices; for each dollar of inflation, a quarter can be accounted for by the oil and gas industry. If oil and gas companies have lower profits, we may indeed benefit from greater affordability for the average Canadian. In the face of a struggling environment and economy, we can no longer prioritize the profit of oil and gas companies but instead focus on creating a community-led, gender-responsive, and Indigenous-centered solutions to reducing GHG emissions. We must focus on the people rather than the profits.

A just transition towards renewable energy has been proven to create more jobs, in turn helping our economy and providing new opportunities to historically marginalized communities. Additional funding for adaptation and mitigation measures in Canada and internationally could also be funded through the emissions cap. For example, two methods to gain this funding are through disciplinary fines posed to companies exceeding the cap or through auctioning emission allowances to companies rather than providing them for free. The overall benefit for communities and individuals that contribute barely any GHGs but suffer the result could be astounding.

Our biblical foundations for creation care unite spirituality with scientific, ecological, and political insights. Through a sense of wonder about creation, we are invited to seek God's will for a flourishing ecological community. In the face of the climate crisis, this need has never been more urgent. Ambitious action on climate change is not optional. It is necessary. The Bible calls for humans to be stewards of creation, caring for it and nurturing it. Without legal intervention, such as a functioning emissions cap, this task will become ever more difficult. We must act now, while we still can.

³ Our Commons, "M-92 Climate Crisis and Affordability," September 14, 2023, [https://www.ourcommons.ca/Members/en/mike-morrice\(110476\)/motions/12564152](https://www.ourcommons.ca/Members/en/mike-morrice(110476)/motions/12564152).

Implementing a strong policy on GHG emissions by oil and gas companies is absolutely crucial in Canada. As the largest contributor to Canadian emissions and the sector with the least compliance, it is important to establish a strong legal framework.

Citizens for Public Justice hopes that our concerns will be heard and considered as we continue in our mission to advocate for an ambitious and effective emissions cap with no more delays.

Sincerely,



Citizens for Public Justice seeks human flourishing and the integrity of creation as our faithful response to God's call for love and justice.

We envision a world in which individuals, communities, societal institutions, and governments all contribute to and benefit from the common good.

Our mission is to promote public justice in Canada by shaping key public policy debates through research and analysis, publishing, and public dialogue. CPJ encourages citizens, leaders in society, and governments to support policies and practices which reflect God's call for love, justice, and the flourishing of Creation.

Citizens for Public Justice

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