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Canada: Climate Change - Global Warming

17 September 2008

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In the past year, climate change has become among the most publicized issues in Canada and one of the main sources of political debate. Its global significance was reaffirmed in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, which concluded that evidence of climate change is "unequivocal, as is now evident from observations of increases in global average air and ocean temperatures, widespread melting of snow and ice, and rising global average sea level." On the basis of this science, the Canadian Council of Chief Executives, among others, has advocated aggressive global action, including government measures to raise the price of carbon-based energy. Similar calls by citizens, businesses, litigants and institutional investors have spurred federal and provincial governments to consider how best to mitigate the effects of global warming, at times turning to examples from our American neighbours. This article provides, first, a summary of the rapidly developing body of Canadian climate change regulation at both the federal and the provincial levels, and, second, a discussion of current trends.

CURRENT REGULATORY CLIMATE

Conservative Government Proposal

Canada ratified the Kyoto Protocol on December 17, 2002, committing the country to reduce its greenhouse gas (GHG) emissions by 6 per cent below 1990 levels between 2008 and 2012. So far, the federal government has not implemented the treaty, and the current Conservative government continues to characterize the economic consequences of complying with Kyoto as potentially disastrous. It has instead advocated flexible, domestic and long-term goals for emissions reductions. Indeed, although all the other major federal parties now advocate a domestic carbon trading regime, only the current Conservative government has advocated a plan that would not comply with Kyoto.

To facilitate its alternative to Kyoto targets, the Conservative government initially tabled Bill C-30, *Canada's Clean Air and Climate Change Act*. This bill was roundly criticized by the opposition parties and other groups, leading to its referral to a multiparty parliamentary committee. Under the influence of the opposition parties, the bill was drastically overhauled to incorporate Kyoto-compliant targets for industrial emitters. Perhaps not surprisingly, the Conservatives abandoned the revised bill and the idea of a stand-alone statute to regulate GHG emissions.

To fill the void, the government proposed a new plan for controlling industrial GHG emissions that would include sectorspecific regulations made under Canada's federal omnibus environmental statute, the *Canadian Environmental Protection Act, 1999*. Titled the "Regulatory Framework for Air Emissions" (the Framework), the Conservative's new plan would reduce Canada's total GHG emissions by 20 per cent below 2006 levels by 2020. This is still a significantly less aggressive target than the country's Kyoto commitment or, for example, the Lieberman-Warner proposed *Climate Security Act* (S. 2191), a bill expected to be voted on in the US Senate in June 2008 and which would cap and reduce US GHG emissions by roughly 19 per cent below current levels by 2020 and 70 per cent below current levels by 2050.

On March 10, 2007, the federal government released further details of the Framework. The recent release indicates how baseline emissions intensities for regulated facilities would be calculated for their industrial sector; describes how the government would calculate the initial intensity reduction targets for certain "new" facilities; and details how regulated facilities could use certain compliance mechanisms to meet their emissions-intensity reduction targets.

The government has indicated that it will release draft regulations for the Framework for public comment in the fall of 2008, and that these regulations are expected to come into force in 2010. According to the information released thus far, the key features of the Framework include the following:

- Regulated Emitters.** Facilities in the following sectors would be required to meet published GHG emissions reduction targets, provided that their emissions exceed certain thresholds: fossil fuel electricity generation; oil and gas; pulp and paper; smelting and refining; iron and steel; iron ore pelletizing; potash; cement; lime; chemicals; and fertilizers.
- Regulated Emissions.** The Framework would not require facilities to reduce fixed-process emissions – that is, emissions from a process such as calcination in lime production that produces an amount of GHGs that cannot be reduced by known techniques or technology.
- Emissions Intensity Targets.** The targets would be based on intensity rather than absolute reductions, potentially allowing an increase in GHG emissions if production also increases. Facilities in regulated sectors with their first year of operation in 2003 or earlier would be required to reduce emissions intensity on average by 18 per cent of 2006 levels by 2010, and by an additional 2 per cent in every subsequent year until 2020. Depending on the sector, the regulated facility's 2006 baseline emissions intensity would be calculated (1) on a facility-by-facility basis (for facilities in the iron ore pelletizing, potash, base-metal smelting, chemicals, fertilizers, iron and steel, ilmenite (titanium), oil sands, petroleum refining, natural gas pipelines and upstream oil and gas sectors); (2) on a sector-by-sector basis (for the lime, pulp and paper, aluminum, alumina and

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required to meet initial emissions-intensity targets based on sector-specific "cleaner fuel" standards, such as natural gas combined cycle technology for gas-fired generation facilities. In some cases, new facilities that are built ready for carbon capture and storage would have targets based on their own emissions intensity rather than on a cleaner fuel standard. Following these initial targets, new facilities would also have to make annual reductions of 2 per cent until 2020.

- Technology Fund and Pre-certified Investments.** Until 2018, regulated emitters would be able to get credit for a percentage of the required reductions by contributing to a technology fund at the rate of \$15 per tonne (metric ton) of excess carbon dioxide equivalent (CO₂e) from 2010 to 2012, rising to \$20 per tonne in 2013 and escalating annually thereafter by the growth rate of Canada's nominal gross domestic product. The technology fund would invest primarily in technology and infrastructure projects that are likely to reduce GHG emissions. As an alternative to contributing to the Technology Fund, regulated emitters would be eligible to receive credits for investing directly in large-scale and transformative projects, including their own or joint-venture projects, that have been pre-certified by the federal government. Contributions to pre-certified investments could be made at the same rate as to the Technology Fund. The federal government has indicated its intention to start discussions with industry and the governments of Alberta and Saskatchewan to pre-certify carbon capture and storage projects.
- Tradable Emissions Credits.** The federal government would also issue credits to each regulated party with emissions intensity below its limits for the same year. These credits could be banked for compliance in future years or sold to other regulated parties through an emissions trading market that the federal government has indicated it will leave the private sector to establish. In that respect, for example, on March 14, 2008, the Montréal Climate Exchange, a joint venture between Montréal Exchange and the Chicago Climate Exchange, announced its plan to launch trading of physically settled futures contracts with respect to Canadian CO₂e units on May 30, 2008.
- Domestic Offset System.** Regulated emitters would also be able to purchase domestic offset credits, each representing one tonne of verified CO₂e reduction or removal achieved by a project not otherwise required to do so by regulations under the Framework. To be eligible for offset credits, projects must fall into a category of activity approved by the federal government.
- Early Action Credits.** The Framework would allow a small one-time allocation of credits for regulated parties that previously (between 1992 and 2006) reduced emissions. Phase I of the Early Action Program will run from June 2 to 27, 2008, during which time facilities wishing to earn early action credits must submit an estimate of the total amount of reductions for which they are claiming eligibility. Only facilities that participate in Phase I of the Program will be allowed to submit a final estimate of potentially eligible emissions in fall 2008 or to receive an allocation of early action credits, likely in spring 2009.

These features reflect what the Conservative government has described as its "made in Canada" approach to emissions reduction. For example, acknowledging the potential for carbon capture and storage in the oil sands for upgrader and in-situ facilities in this sector that begin operation in 2012 or later, the government intends to develop targets that assume these facilities will capture and store a certain amount of their CO₂ emissions. The targets would take effect in 2018 and would also apply to new coal-fired electricity-generating facilities. And the government has proposed linking the Canadian regime to others only where doing so would not bind Canada to any external commitments. For example, the Framework would allow regulated companies to purchase Certified Emissions Reductions generated by Clean Development Mechanism projects undertaken in the developing world under the Kyoto Protocol, but only to meet up to 10 per cent of emissions intensity limits; and domestic emissions credits would not be deemed Assigned Amount Units for the purposes of the Protocol. On the other hand, the Conservatives have indicated a willingness to work with US actors to explore opportunities to link a Canadian regime with any regional, state and federal emissions trading systems in the United States that become operational.

Existing Federal Regulation

As the current federal government is a minority government, the opposition parties have significant influence, and if sufficient members of Parliament of the opposition parties and like-minded Conservative party MPs can agree on an issue, they can form a majority with the power to pass binding legislation on that issue. Such agreement was reached to pass a private member's bill called the *Kyoto Protocol Implementation Act* (the *Implementation Act*), which came into force on June 22, 2007. The *Implementation Act* requires the federal government to take actions designed to ensure that Canada meets its obligations under the Kyoto Protocol. Notably, it requires the Minister of the Environment to prepare and report on the implementation of a climate change plan that describes how the government will ensure that Canada reduces its emissions by 6 per cent below 1990 levels between 2008 and 2012. The *Implementation Act* also requires the government to ensure that its Kyoto obligations are being fully met, authorizing it to limit GHG emissions and establish a trading regime.

On August 21, 2007, the government released its Climate Change Plan through Environment Canada, as required by the *Implementation Act*. Although the Plan highlights Canada's compliance with various requirements under the Kyoto Protocol, such as providing financial assistance to developing countries and submitting national reports to the UNFCCC, it also reiterates the Conservative government's view that achieving the country's Kyoto targets through domestic reductions would have grave economic consequences and that purchasing international credits would not necessarily promote real, verifiable and incremental reductions to global emissions. As discussed below, this Climate Change Plan is currently being challenged in the courts.

Provincial Regulation

The federal government has not been the only jurisdiction to consider GHG regulation. The Constitution does not specifically assign the authority to regulate climate change matters to either the federal Parliament or the provincial legislatures. Accordingly, regulation can take place at both the federal and the provincial levels as well as at a more micro level the municipal level. In fact, the province of Alberta was the first to set regulatory limits on GHG emissions in Canada, in part to fill this regulatory space before the federal government attempts to limit the emissions of the province's carbon-intensive oil sands projects.

It is unclear how overlapping federal, provincial and other initiatives will coexist. Industry, though, uniformly dislikes the uncertainty of a patchwork approach. To alleviate that anxiety to some extent, the federal Conservatives have proposed entering into equivalency agreements with provinces that choose, like Alberta, to establish a regulatory regime that is not inconsistent with the federal plan.

In Alberta, the province's *Specified Gas Emitters Regulation* (the *Regulation*) came into force in summer 2007. Like the federal Framework, it employs an emissions intensity approach: every facility that emits more than 100,000 tonnes of CO₂e per year must reduce its GHG emissions intensity by up to 12 per cent of its average 2003–2005 emissions between July 1 and December 31, 2007, depending on the age of the facility. For example, new facilities are required to start reducing emissions intensity by 2 per cent per year only after their third year of operation. The *Regulation* also employs some other features found in the federal Framework:

- Technology Fund.** Regulated facilities can pay \$15 for every tonne of CO₂e emitted in excess of compliance targets.
- Tradable Emissions Credits.** Facilities with actual emissions that are below specified targets can earn emissions performance credits, which can then be sold to others.
- Domestic Offset Credits.** Parties may purchase offset credits *generated by projects in Alberta* that are independently verified as having reduced GHG emissions after 2002 when not otherwise required to do so.

According to the Alberta provincial government, regulated emitters in Alberta bought 2.6 million offset credits and paid \$40 million into Alberta's Technology Fund to comply with the initial emissions reduction targets.

The province of Québec has taken a distinctly different approach to Alberta's to deal with the issue, becoming the first province to enact a carbon tax on energy producers. The tax is expected to raise \$200 million (obviously with the potential to escalate over time) in annual tax revenues for the province's Green Fund, which was established in 2006 to help fund reductions in GHG emissions and improvements to public transportation. The tax will apply to approximately 50 companies that sell hydrocarbon products in bulk to retailers that operate in Québec and that use a significant amount of hydrocarbons. The rate will vary for each fuel, depending on the amount of carbon that it produces during combustion: 0.8 cents per litre of gasoline sold in bulk to

retailers in Québec; 0.9 cents for diesel fuel; 0.96 cents for light heating oil; 0.5 cents for propane; and \$8.00 per tonne for coal.

British Columbia, meanwhile, has proposed a carbon tax with a much broader application. First announced as part of the province's 2008 budget, the tax has now been introduced for first reading as Bill 37, the *Carbon Tax Act*, and would be applied to the purchase in BC of gasoline, diesel fuel, natural gas, home heating fuel, propane, coal and other fossil fuels. It would also apply to certain transfers of fuels into the province or into ships, trains and airplanes. According to Bill 37, this new tax will take effect on July 1, 2008, and will be revenue neutral. The tax would be phased in, starting at a rate of \$10 per tonne of carbon dioxide equivalent (CO₂e) emissions released from the burning of each particular fossil fuel. This initial rate would translate to a tax of \$0.0241 per litre of gasoline purchased or used in BC; \$0.0276 per litre of light fuel oil; \$0.4966 per gigajoule of marketable natural gas; \$20.79 per tonne of high-heat-value coal, including Canadian bituminous coal; and \$17.72 per tonne of low-heat-value coal, including sub-bituminous coal. Although the initial price per tonne of CO₂e is lower than that advocated in many jurisdictions, the tax rate would increase to \$15 per tonne on July 1, 2009; \$20 per tonne on July 1, 2010; \$25 per tonne on July 1, 2011; and \$30 per tonne on July 1, 2012. For gasoline, the 2012 rate would translate to a tax of approximately 7.23 cents per litre.

On April 3, 2008, the BC government also introduced its *Greenhouse Gas Reduction (Cap and Trade) Act*, which, if enacted, would establish a framework for the province to participate in the WCI's proposed regional cap-and-trade regime for large industrial emitters of GHGs. Under the proposed Act, BC would limit by regulation the amount of GHGs these emitters could produce; the exact limits would be set in regulations that have yet to be published. Regulated emitters could then comply with the applicable limits by making actual GHG emissions reductions; by purchasing credits from other emitters (whose actual GHG emissions were less than their prescribed limits); by purchasing credits from projects that resulted in verified reductions to GHG emissions from sources other than the large regulated emitters; or by purchasing certain approved credits from other jurisdictions.

Most of the other provinces have also adopted GHG reduction targets; and although some have taken steps to achieve them, none are as concrete as those in Alberta, Québec and British Columbia. Still other provinces, content to let the federal government regulate industrial GHG emissions, have concentrated instead on energy efficiency and renewable energy portfolios. As many of these initiatives are still in their infancy, the regulatory climate is rapidly changing.

THE CHANGING CLIMATE

Drivers for Kyoto Implementation

The major federal political parties remain divided, with the Conservative government clearly rejecting Kyoto and all the opposition parties supporting it. The strongest opposition party, the Liberals, continue to advocate Kyoto compliance by 2012 and emissions reductions of 20 per cent below 1990 levels by 2020 and 60–80 per cent below 1990 levels by 2050. The party has also advocated a revenue-neutral carbon tax, similar to that proposed by BC, but Prime Minister Harper's Conservative government is holding firm, for the time being. Canada has joined the Asian Pacific Partnership on Clean Development and Climate (ACP), a group to which the United States already belongs and that advocates voluntary, non-legally binding targets to reduce GHG emissions rather than the binding reduction obligations of the Kyoto Protocol.

Because of the divergence among the principal parties, the path that Canada will ultimately take remains unclear, especially in the context of the *Implementation Act* and the possibility of a change in government brought about by the inherent instability of a minority. On September 19, 2007, Friends of the Earth Canada (Friends) also formally weighed in by filing an application for judicial review with the Federal Court of Canada. The application seeks a declaration that the federal government is not complying with the *Implementation Act* and a court order requiring the Minister of the Environment to do so. According to the application, the Conservative's Climate Change Plan is aimed at avoiding Canada's Kyoto commitments and therefore does not conform to the requirements of the legislation. Although the threshold that an applicant must meet in judicial applications is high, if the challenge is successful, it could influence the direction of Canadian climate change policy.

An earlier application for judicial review by Friends, which has since been stayed, approached the same goal from a different angle in alleging that federal administrators have failed in their regulatory duties under a federal statute — namely, the *Canadian Environmental Protection Act, 1999 (CEPA)*. *CEPA* requires the Minister of the Environment to take certain actions if the release of a substance into the air from Canada may reasonably be anticipated to contribute to air pollution in another country or to air pollution in violation of Canada's international treaty obligations. The applicants, citing data that shows that Canada's GHG emissions are about 30 per cent above 1990 levels and still rising, argued that Canada will not have taken control of these emissions by 2012, and consequently is likely to violate its international treaty obligations. The applicants have asked the court to make a declaration to that effect and to order the government to comply with these terms of *CEPA*. As potential litigants increasingly consider the action and inaction of Canadian federal and provincial governments on climate change, further applications for judicial review may be filed.

Canada's obligations under the Kyoto Protocol are also being examined internationally. On May 2, 2008, the Enforcement Branch of the Protocol's Compliance Committee decided to proceed with an investigation of Canada's failure to establish in a timely way a national registry for Kyoto-recognized emissions credits, a condition for the participation of Annex 1 country signatories (including Canada) to participate in the Protocol's flexibility mechanisms (i.e., the Clean Development Mechanism, Joint Implementation and the ability to trade national emissions allowances). National registries are linked to an international database (the International Transaction Log) that is used to monitor each country's holdings and transfers of Kyoto-recognized emissions credits. Although the Committee's Report indicated that Canada had not yet established a national registry, it also noted that the Canadian government had awarded the contract to do so and that the registry is expected to be connected to the International Transaction Log by May 28, 2008, enabling live updates to the country's inventory of credits by the second week of July 2008.

Regional Cooperation

Another significant source of pressure comes from regional North American efforts to mitigate global warming. Even though the federal Conservatives have been reticent about binding extra-jurisdictional commitments, several provincial governments have become increasingly interested in North American regional initiatives. The provinces of Ontario and New Brunswick, for example, have expressed interest in partnering with the Regional Greenhouse Gas Initiative (RGGI), the cooperative effort by northeastern and mid-Atlantic states to reduce carbon dioxide emissions. New Brunswick and the Secretariat of Eastern Canadian Provinces are already participating in this initiative as observers. British Columbia, Québec and Manitoba, meanwhile, are members of the Western Climate Initiative (WCI), the western version of RGGI that plans to develop a framework for regional cap-and-trade by August 2008, with Ontario and Saskatchewan participating as observers. Partnering with their US neighbours, Québec and the Atlantic provinces have also set emissions reduction targets together with the New England states. Such regional integration is growing as more provinces acknowledge the necessity, and even the benefits, of a multijurisdictional approach to mitigating climate change.

British Columbia, in particular, is working closely with California to implement vehicle emissions standards, having agreed to develop an equivalent Low Carbon Fuel Standard that will require the carbon intensity of transportation fuels sold in the province to be reduced by at least 10 per cent by 2020. Also influenced by California's *Global Warming Solutions Act of 2006* (AB 32), BC premier Gordon Campbell has promised to reduce the province's GHG emissions by 33 per cent below current levels by 2020. BC also plans to require electricity produced in the province to have zero GHG emissions by 2016.

Energy Trends

To reduce GHG emissions, many states and provinces are encouraging a transition to lower carbon or carbon neutral energy sources. In the Powering the Plains policy directive, certain Upper Midwest states are aiming to achieve a carbon-neutral infrastructure by 2055. Meanwhile, 26 states, including Connecticut, New Jersey, California and Texas, have adopted some form of renewable portfolio standards. So too have more Canadian provinces adopted this approach to GHG reductions. Notably, the Ontario government plans to increase its renewable energy capacity to help achieve its aggressive GHG reduction targets of 6 per cent below 1990 levels by 2014; 15 per cent below 1990 levels by 2020; and 80 per cent below 1990 levels by 2050. In particular, the Ontario government plans to retire all of the province's coal-fired generation plants by 2014, require a certain percentage of ethanol content in gasoline, ensure that new renewable energy projects account for 10 per cent of Ontario's capacity by 2010 and enter into more standard offer contracts for cogeneration and renewable energy generation. These initiatives will account for approximately half of the targeted reductions for 2014. Power plant emissions, in particular, are expected to drop by 85 per cent by 2014, the regulatory deadline for the closure of the province's coal-fired plants. This

expectation assumes that the province can meet its deadline, which will require sourcing sufficient new generation capacity in time (a goal that many believe to be unrealistic).

At least one major energy project is facing significant delays associated with the potential impact of its GHG emissions. On March 5, 2008, the Federal Court of Canada remitted the environmental assessment for Imperial Oil's proposed Kearl Oil Sands Project back to the joint federal/Alberta review panel that had recommended the project be approved. The review panel had concluded that, if proposed mitigation measures were implemented, the project was not likely to cause significant adverse environmental effects. On appeal, the applicants submitted that the review panel relied on technically and economically infeasible mitigation measures and failed to provide rationale for its conclusion. The Court agreed in part, ruling that the panel had not provided sufficient reasons for its conclusion that the project's GHG emissions would not cause a significant adverse environmental effect. In particular, the Court ruled that the panel must explain why the Kearl project's proposed mitigation measures, such as its intensity-based targets for reducing its GHG emissions, would reduce these emissions to a level of insignificance. Since this decision, the Federal Court of Canada has also upheld a decision of the federal Department of Fisheries and Oceans to revoke the project's authorization to harmfully alter fish habitat, a permit that can only be issued upon the proper completion of a federal environmental assessment. The implementation of the Kearl project has consequently been materially delayed.

Carbon Disclosure

Meanwhile, institutional investors and capital markets commentators are increasingly examining how climate change regulation and the physical effects of global warming could affect their investments. Many Canadian investors have urged companies to disclose the business risks and opportunities that climate change presents, backing voluntary reporting mechanisms such as the Carbon Disclosure Project, whose signatories include major financial institutions and pension plans.

There are already developed avenues for reporting GHG emissions. On December 8, 2007, the federal Department of the Environment announced that large facilities in the industrial sectors to which the Framework would apply are required to report by May 31, 2008, certain information regarding designated air pollutants, GHGs and other substances for the 2006 calendar year. Facilities are required to report on a variety of substances, including carbon dioxide, methane, nitrous oxide, sulphur dioxide, benzene, dioxins, mercury, polycyclic aromatic hydrocarbons and particulate matter.

Furthermore, current disclosure requirements for publicly traded issuers are being re-examined in the context of climate change. In this light, Canadian securities laws require that management's discussion and analysis disclose any known trends, demands, commitments, events or uncertainties that are reasonably likely to have an effect on the company's business or that will materially affect the company's performance. Arguably, for certain issuers, this requirement captures risks related to climate change and climate change regulation. In a 2005 discussion brief entitled "MD&A Disclosure about the Financial Impact of Climate Change and Other Environmental Issues," the Canadian Institute for Chartered Accountants commented that issuers will need to account for assets and liabilities related to carbon transactions in their financial statements and notes; the CICA then went on to suggest best practices for climate risk disclosure. At the time of writing, we understand that the CICA is working on a further release on climate disclosure.

In the context of climate change, disclosure rules may also require a public issuer's Annual Information Form to discuss the financial and any operational effects of environmental protection requirements on the capital expenditure, earnings and competitive position of the company in the current financial year and the expected effect in future years; environmental policies fundamental to a company's operations and the steps taken to implement them; and risk factors and regulatory constraints that would be likely to influence investor decision-making.

Mindful of the limits of existing disclosure requirements, institutional investors in North America are calling for securities regulators to require increased reporting of climate change risks. In the United States, a broad coalition of investors, state officials and environmental groups petitioned the Securities and Exchange Commission on September 18, 2007, to issue an interpretive clause clarifying that material climate-related information must be included in disclosure under existing reporting requirements – that is, to require publicly traded issuers to assess and fully disclose their financial risks from climate change.

In Canada, on February 27, 2008, the Ontario Securities Commission (OSC) issued a notice on environmental reporting (Notice 51-716), highlighting its findings and recommendations following a staff review of the environmental disclosure of 35 reporting issuers. This is the first time the OSC has issued a notice that deals specifically with environmental disclosure and highlights the OSC's opinion that environmental matters generally need better disclosure by public issuers. It remains to be seen whether Canadian securities regulators will also require more specific climate change disclosure. We understand that Canadian securities regulators are monitoring the SEC's position in this regard.

CONCLUSION

Canadian climate change regulation is expanding rapidly, with almost weekly announcements of new initiatives and developments. While the federal government prepares to set domestic GHG reduction targets, opposition parties are exerting their influence to press the government to meet its Kyoto commitments, and environmental groups are doing the same through judicial process. Moreover, various investors and concerned citizens are increasingly urging government to consider new regulations requiring companies to disclose the impact of climate change on their businesses and to help mitigate effects on the global climate.

Governments are responding to these calls – especially in the provinces, which are experimenting with a variety of initiatives, from carbon taxes in BC and Québec to emissions trading regimes in Alberta and, soon, BC. With numerous new initiatives springing up south of the border as well, and with the tendency of the provinces to favour regional integration, the only thing that is certain is that the regulatory climate will continue to change rapidly.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

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[Weekly Climate Change Policy Update - August 25, 2008 \(Van Ness Feldman\)](#)

Back in July, the EPA released its Advance Notice of Proposed Rulemaking on GHG regulation; the ANPR was accompanied by statements by the EPA Administrator and several other agencies emphasizing that the Clean Air Act is an ill-suited vehicle for such regulation.

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