
News Release – December 10th, 2008

Nova Scotia needs to implement carbon cap and trade now

Late to game, Nova Scotia can learn from successes and challenges of other jurisdictions

With a commitment to fixed caps on carbon emissions coming from the newly-minted American President, Canada and Nova Scotia will be pulled into a system of paying for carbon, no matter what internal strategy they may choose. The provincial government needs to design and implement their climate action plan right away, so that Nova Scotians can take advantage of the new carbon economy, rather than suffer in its wake.

One year after the high profile public consultations on a Renewed Energy Strategy and Climate Change Action Plan by the Department of Energy last fall, many issues have been clarified by world events and global actions. “It’s not a matter of if the price on carbon is coming, but it’s a question of how. The way policy is implemented will determine who the winners and losers will be”, said Gay Harley, Carbon Management specialist with Scotian WindFields. “How Nova Scotia designs its Climate Change Action Plan will be key to its practical and economic success.”

Just one month after election, the Obama administration has already signaled its intention to take strong leadership in climate change planning, policy strategies, and regulatory innovation. In a highly publicized statement to the US Governors climate conference, Obama declared his intention to join the world in a post-2012 agreement on international climate cooperation and most significantly to Nova Scotia, to implement a fixed cap and trade system for the entire United States of America. Nova Scotia will feel the repercussions of this system through mechanisms of the North American Free Trade Agreement (NAFTA).

The USA already enjoys a regional fixed cap regulatory system on emissions. The Regional Greenhouse Gas Initiative (RGGI) of the Northeastern States came into force in September, 2008. Nova Scotia has been working with these states through the New England Governor-Eastern Canada Premiers (NEG-ECP) Climate Action Plan. This framework is well established with joint goals and mechanisms for monitoring and benchmarking emissions.

Nova Scotia could build on this structure, in place since 2001 and link to the regional cap and trade initiative of ten North East US States that is already functioning. In fact, the policy analysts at Environment Northeast have recommended the regional approach as the most effective route to an effective cap and trade system for our area.

Here in Nova Scotia, smart organizations and businesses are already strategizing to deal with carbon risk and carbon opportunities. Minas Pulp and Paper registered their first carbon credits just weeks ago. Jacques Whitford has committed to operating their business in a completely carbon neutral way. Smart



municipalities, such as Annapolis Royal and Bridgewater are implementing sustainability strategies that account for liability and take advantage of the green economy.

Nova Scotian businesses, organizations and municipalities have shown the capacity to be innovative and entrepreneurial in the face of large challenges. However, they can't continue to work in isolation. Scotian WindFields COO, Dan Roscoe said, "to succeed in today's business environment, Nova Scotia companies need to know the policies and price on carbon. In order to produce good business plans, we need federal and provincial leadership and the certainty that comes from knowing long-term strategies, regulations, and programs."

The design of our cap and trade system can be shaped to bring in new wealth to the province and considerable community economic development by including project based credits in the cap and trade system. Project based credits allow small and medium enterprises, farmers, foresters, fishers, municipalities and all manner of entities to take advantage of the system. Carbon credits for emission reducing projects encourage innovation and investment in the type of small to medium projects that fuel economic growth in rural regions.

The Government of Nova Scotia has established aggressive goals for carbon emission reductions in their Environmental Goals and Sustainable Prosperity Act (EGSPA). These goals are law and yet it is difficult to envision the province meeting these goals without fixed caps on emissions that could be established under a cap and trade system. Carbon intensity levels have decreased by 25% since 1990 and yet our emissions have risen by 3.3%. It is time to scrap the illusion of intensity based caps and targets. Fixed caps have proven to be the most effective practice in jurisdictions throughout the world. Nova Scotia can capitalize on the experience elsewhere and design the best system possible for meeting the ambitious goals of EGSPA.

In order to be effective and practical, the NS Climate Change Plan, which is to be announced by the Minister of Environment January 9th, 2009, must include a Cap and Trade system, or it runs the risk of being incompatible and out of step with our neighbours.

Scotian WindFields has prepared a short technical document outlining considerations for the design of a Cap and Trade system that will benefit Nova Scotia.

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About Scotian WindFields

Scotian WindFields Inc is a Nova Scotian corporation that is dedicated to ensuring Nova Scotians take ownership of the province's abundant renewable energy resources. The company was formed by an agreement among eight Nova Scotian community-owned WindFields Community Economic Development Corporations. Scotian WindFields Inc is mandated to develop investment opportunities in renewable energy for funds raised within Nova Scotia by the eight community WindFields.

We are experts in developing innovative partnerships to implement renewable energy solutions.