

February 3, 2021

The Honourable Jonathan Wilkinson, P.C., M.P.
Minister of Environment and Climate Change
House of Commons
Ottawa, ON
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Jonathan.Wilkinson@parl.gc.ca

Re: Climate Action Plan – *A Healthy Environment and a Healthy Economy*

Dear Minister Wilkinson,

On behalf of the Saskatchewan Chamber of Commerce (SCC), I would like to request a meeting to discuss the changes to the Climate Action Plan that were announced in December. As the voice of business in Saskatchewan, the SCC represents a diverse business community and we would appreciate the opportunity to ensure that the needs of our economy and businesses are reflected.

On a positive note, the funding announced in *A Healthy Environment and a Healthy Economy* targeted several areas of longstanding issue. We applaud the return of Output Based Pricing System funds to emitters to support carbon emission reductions – the Saskatchewan Technology Fund has been a part of our made-in-Saskatchewan approach to climate change and we are excited that this will be offered across Canada. Additionally, the Saskatchewan steel industry is in favour of border carbon adjustments and we are interested in continuing to engage in the development of this proposal.

We also appreciate that several of our recommendations appeared in the plan with investment funding attached. These include working with provinces and territories to connect parts of Canada with abundant clean hydroelectricity with regions that are currently more dependent on fossil fuels, leveraging Canada's purchasing power to support emerging clean technologies across Canada's economic sectors, and ensuring rural, remote and Indigenous communities presently relying on diesel have the opportunity to be powered by clean, reliable energy by 2030.

However, there are a number of concerns. The significant raising of the carbon tax to \$170 per tonne by 2030 when viable alternatives from fuel and energy are still not widely available for all carbon emitting processes, and Canadian producers cannot pass on these increased costs, is a critical issue. Saskatchewan producers are especially sensitive due to the province's high emissions energy grid and high number of exporting industries. The cumulative costs of carbon pricing, compliance costs for multiple regulations, and related factors will deter investment in Saskatchewan, especially in exporting industries.

As you are aware, the SCC does not support the carbon tax; we know the best way to reduce emissions from Saskatchewan businesses is through technological investments and energy efficiency incentives. We applaud your partnerships on clean energy production, such as for small modular reactors. To accomplish an accelerated low carbon transition, direct federal investment

in clean energy and electricity production is essential. We look forward to a conversation on the transition to a clean energy supply in Saskatchewan and on renewing and expanding the Carbon Action Incentive Fund program so businesses can receive incentives for retrofits.

Another concern is the commitment to reviewing benchmark criteria. This may lead to moving standards for businesses already struggling to adapt to the government's net zero goal. Now more than ever is the time for consistency to allow for strategic planning and investing. The SCC strongly encourages you to offer the necessary stability to businesses and refrain from moving standards.

Finally, accessing the Strategic Innovation Fund's Net-Zero Accelerator Fund and the Low-carbon and Zero-emissions Fuels Fund must be straightforward and have efficient reporting to be successful.

While it is vital and commendable to make long-term plans with the well-being of future generations in mind, we would like to discuss several elements in the approach further to ensure the future viability of the Saskatchewan business community.

Thank you for your attention in this matter. Mykensie Kendrick, Director of Research and Policy Development, can be contacted at mkendrick@saskchamber.com or 306-781-3125. Steve McLellan, CEO can be reached at smclellan@saskchamber.com or 306-781-3122. We will contact your office directly to schedule a meeting at your earliest convenience. Select members of our Board with specific and relevant sector expertise and insight may also be in attendance.

Our reflections on the Clean Fuel Standard will arrive in a separate letter.

Yours sincerely,



Monica Kreuger, Chair
Saskatchewan Chamber of Commerce

CC: Saskatchewan Chamber of Commerce Environment Committee
The Honourable Seamus O'Regan, Minister of Natural Resources Canada
Honourable Warren Kaeding, Minister of Environment
Honourable Bronwyn Eyre, Minister of Energy and Resources
Christine Hogan – Deputy Minister, ECCC
Jean-François Tremblay – Deputy Minister, NRCan
Sarah Harrison – Deputy Minister, ENV
Doug MacKnight – A/Deputy Minister, MER