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JOINT STATEMENT

**Fossil fuels are driving affordability crisis;
smart climate policy is the answer**

As civil society organizations working for environmental protection, public health, climate justice and equity, we are sounding the alarm about recent attacks on Canada’s carbon pricing system, a cornerstone climate policy.

People throughout Canada are struggling to pay their bills. We get it — we’re feeling the pinch too. Governments must help families struggling with the cost of heating their homes.

But addressing affordability should not come at the expense of Canada's commitment to climate action. In fact, these two challenges can — and must — be addressed together.

Opponents of climate action are spreading misinformation and disinformation to scapegoat carbon pricing in a bid to perpetuate fossil fuels. But let’s be clear and logical: **carbon pricing isn’t causing affordability challenges.**¹ Global geopolitical factors and profiteering by oil and gas corporations are mainly responsible for surging fossil fuel prices that have driven inflation. A pivotal solution is to help households get off fossil fuels.

Weakening or dismantling carbon pricing is a short-sighted, irresponsible and ineffective approach to addressing household energy affordability issues.

Carbon pricing is an efficient way to reduce emissions and — in most cases — puts more money into people’s pockets, thanks to rebates (in provinces where the federal backstop applies).

Over the past year, Canada faced an unprecedented wildfire season, communities evacuated and blanketed in smoke, warming oceans on all three coasts, droughts and floods.

If we fail to reduce emissions, these climate change–related extreme weather events will intensify and become more frequent, increasing risks and costs for communities, individuals and businesses

¹For example, from 2020 to October 2023, the cost of heating oil jumped by 75 cents per litre. A mere 12 cents of that increase came from carbon pricing.

throughout Canada and worldwide. Health professionals warn that climate change is a health emergency that is already costing lives and shortening lifespans, resulting in adverse health outcomes and mental health impacts. **We cannot afford to delay the shift to low-carbon, energy-efficient solutions that will create new jobs, leave households and communities better off and improve health outcomes.** Canada has a global **responsibility** as a major oil and gas producer to not stall climate action. Canada has an **opportunity** to lead the transition to renewable energy, to the benefit of our workers, families and communities.

The recent commissioner of the environment and sustainable development audit found that the suite of policies in Canada's emissions reduction plan are a strong foundation, but **more — not less — action is needed** to achieve our climate targets, prioritizing high-emission sectors (the highest of which is the oil and gas sector at 28 per cent of our national emissions — and that doesn't even include downstream emissions from when the fuels are burned).

Rolling back climate action and ad hoc exemptions create uncertainty that undermines innovation and investments in energy efficiency, renewables and electrification.

We call on elected officials at all levels of government to work together constructively to address the climate emergency and affordability challenges in tandem, emphasizing mutually beneficial solutions. This requires:

1. Providing support to low-income families struggling with energy costs through **free heat pumps and turnkey retrofits**, and facilitating affordable access to energy efficiency, heat pumps and home electrification for all households.
2. **Rejecting further rollbacks of environmental regulations** and instead building on existing progress to expedite decarbonization and advance climate justice, in line with the principle of continuous improvement and the **United Nations climate action acceleration agenda**.
3. Maintaining a **consistent, economy-wide price on pollution** without additional loopholes or exemptions and ensuring that large emitters pay their fair share to drive down industry emissions. Carbon pricing is a cost-effective tool that complements other measures to drive investments required for emissions reduction.
4. **Countering the dissemination of misinformation and politicization of climate policy** and educating people in Canada about the urgency of climate action, as well as the opportunities and benefits of the growing zero-emission economy.
5. **Addressing the emissions reduction gap identified by Canada's environment commissioner**, prioritizing sectors with the largest emissions, and accelerating implementation of climate regulations and programs.
6. Implementing a **windfall profit tax on the fossil fuel industry**, to help finance climate solutions and make them more affordable.

Statement issued by the following organizations:

Canadian Association of Physicians for the Environment
Canadian Environmental Law Association
Canadian Interfaith Fast for the Climate
Climate Action Network Canada
Conservation Council of New Brunswick
David Suzuki Foundation
Ecojustice
Ecology Action Centre

Environmental Defence
Équiterre
Greenpeace Canada
Nature Canada
Sierra Club Canada Foundation
Stand.Earth
West Coast Environmental Law
Wildsight