

It's important to clarify a few points raised by Ms. McKenna in her opinion piece "PC government working to 'deliver on our commitments'" so that readers can fully understand the repercussions of scrapping the Cap and Trade program.

1. Ms. McKenna should provide evidence about how the Cap and Trade program (not "cap-and-trade carbon tax") was "ineffective" or "failed" before making such drastic and broad generalizations.
2. Cap and Trade is fundamentally different than a Carbon Tax. Cap and Trade puts an upper limit (the "cap") on large greenhouse gas (GHG) emitters and lowers that cap over time, creating a market for businesses to buy and sell GHG allowances based on whether they are over or under their permitted emissions threshold (the "trade"). Therefore, the majority of the funding comes from large polluters including electricity importers, facilities or natural gas distributors that are large emitters, and fuel suppliers selling more than 200 litres of fuel per year.

The resulting revenue is distributed by the government to further reduce GHG emissions across sectors, such as the cancelled \$100 million to Ontario schools for infrastructure improvements. It's also used to incentivize home energy efficiency retrofits, purchase of electric vehicles, fund public transit projects and social housing retrofits, and so on, all of which create benefits to home owners and society. Cap and Trade encourages large emitters to find innovative ways to do business while reducing their harmful impact on the environment and the resulting funding also helps society transition to a low-carbon economy. This helps mitigate climate change and creates local jobs. It's no coincidence that Tesla set up shop in Oakville.

3. A Carbon Tax, is a tax like any other (e.g. sales tax), but it's applied specifically to activities that generate GHGs. The price increase on gasoline and diesel was largely due to fuel producers passing on Cap and Trade costs down to consumers, not due to a government-imposed tax. Over time, conservation programs and innovation may have reduced this cost. Alternatively, consumers may have elected to drive less, use alternative modes of transport, or purchase an electric vehicle. On the other hand, the funds generated by a Carbon Tax go to reduce income tax, essentially giving the money back to taxpayers that fund the program.

Some additional clarifications regarding the statement, "For far too long, families here in Burlington have been saddled with the cost of this unaffordable tax:"

4. The program was only implemented in January 2017, operating for roughly 17.5 months.
5. Families do not pay the brunt of the cost of Cap and Trade. Large polluters do.
6. It's not a "tax."

Some additional points:

7. Regarding Ms. McKenna's statements about annual savings to families and generation of jobs, that's simply not true. The elimination of Ontario's Cap and Trade program will cost both businesses and individuals. Businesses that have bought allowances will seek compensation for their sunk costs. Green businesses such as electric vehicle manufacturers will be negatively

affected by this move. Also, many individuals who need or want to take advantage of energy efficiency and electric vehicle incentives are now left hanging. Many of them have put down non-refundable deposits.

8. If the PC government does not support either Cap and Trade or a Carbon Tax, how does the party propose to deal with these very serious and pressing issues?

The public and voters look forward to hearing the proposed “made in Ontario” solution put forth by Ms. McKenna and her PC party, including mechanisms, timelines, projected costs to industry and taxpayers, and expected outcome on reducing climate change.

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