

Natural Resources

What federally mandated net-zero emission targets mean to Nova Scotia

By **Mohammad Ali Raza**

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(April 20, 2021, 1:15 PM EDT) -- Federal legislation designed to achieve net-zero greenhouse gas emissions by 2050 will be felt strongly in Nova Scotia. In the event the bill is passed (it is currently in its second reading) it will further impact Nova Scotian emitters already subject to strict emission, monitoring and reporting standards.

The proposed new legislation should surprise nobody. In 2016, Canada ratified the Paris Agreement and committed to national objectives to combat climate change. This proposed new legislation, Bill C-12, which falls short of setting specific targets on the way to achieving net-zero by 2050, is a legislative manifestation of the federal government's commitment to Paris.

As it stands, many Nova Scotia companies — most notably those in the oil and gas, transportation, building and electricity generation sectors — are already legislatively compelled to report their greenhouse gas (GHG) emissions. Further, under the province's cap and trade program, many industries must remain under a certain emission "cap."

The extent to which the federal government can further set restrictions to provincial economic sectors has been the subject of litigation at the Supreme Court of Canada. However, the debate around the constitutional jurisdiction of the federal government to legislate on climate change matters has appeared to be finally settled by Supreme Court in the landmark judgment delivered on March 25, 2021, in *References re Greenhouse Gas Pollution Pricing Act 2021 SCC 11* where the court ruled that the federal government enacted legislation on carbon/GHG pricing is constitutional.

Keeping this recent decision of the Supreme Court in mind, Bill C-12's impact, assuming it passes, will not be insignificant. While explicit changes in Nova Scotia are not part of the legislation, it is clear that, for Nova Scotia to participate in the reductions by 2050, significant changes to provincial infrastructure will be necessary. It's also worth noting that privacy issues may arise as enhanced accountability protocols require companies to deliver business practice information to the federal government. As a result, it is important that procedures are developed at the national and provincial level to safeguard against the ramifications of any enhanced informational deliverable required of provincial business sectors.

As written, Bill C-12 requires the federal minister of the environment to set national GHG emission targets for each "milestone" year. The first milestone is 2030, followed by a milestone every five years, and ending in 2050. In setting these targets, the minister will take into consideration sophisticated scientific materials and international climate change commitments.

Each emission target will be accompanied by an emission reduction plan which contains a description of the emission reduction measures to achieve the target, relevant sectorial strategies and reduction tactics for federal government operations. Bill C-12 specifies that when the emission reduction plans are being set or amended, the minister must consult provincial governments, Indigenous peoples of Canada and other interested parties.

The minister will also be required to submit progress and assessment reports throughout the 20 years of the purported emission reduction implementation. If the minister resolves that an emission

target has not been met, or will not be met for a milestone year, the minister must account for the reasons and shall respond with the appropriate actions to address the failure.

At this stage, the extent to which provinces will be required to implement emission reduction strategies is unclear as the thrust of Bill C-12 is particularly focused on making the net zero emissions commitment, the federal government's obligation (as opposed to a policy decision which may be prone to a potential reversal or mediation at the executive level of the federal government). However, further legislation and regulations on the subject matter to enable the federal government to implement the national GHG emissions target having direct impact at the provincial government and business levels can be certainly anticipated.

Ultimately, given Bill C-12's reference to provincial participation, Nova Scotia must take a practical approach in communicating provincial perspectives at the preliminary stages of the emission reduction plans. Early conversations will assist the province in anticipating and preparing for possible changes within its various business sectors.

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