

The Economics and Politics of Carbon Pricing

- Ontario has, in its Climate Change Action Plan (CAPP), set targets for the reduction of GHG, chosen a cap and trade system as the primary policy instrument for achieving those targets, and proposed that the proceeds of cap and trade be used to subsidize certain specific activities and technologies.
- Are the targets for GHG reductions reasonable? What are the implications if the targets are unreasonable?
- Is cap and trade the most effective policy instrument for achieving the targets and, if not, why not? How important is the choice of policy instrument if the targets are unreasonable?
- There are related, or collateral, requirements for the achievement of the GHG reduction targets, particularly electrification. Is the electrification target itself achievable and, if not, why not?

CCRE 2017

Energy Leaders' Roundtable

- What is the likely impact of the use of the cap and trade mechanism on Ontario's economy and on the role of the provincial government in that economy?
- Is there a better approach to the reduction of GHG than that proposed in the CAPP?
- What role has pure politics played in the setting of the GHG reduction targets and in the choice of cap and trade as the principal policy instrument to achieve them?
- What has been the European experience with the mechanisms chosen to achieve GHG reduction targets? What does the European experience say about the appropriate role of government in setting and achieving GHG reduction targets?