

Despite our geographic proximity and close economic ties, Canada doesn't get a lot of press attention in the U.S. But unknown to many, Canada has been taking aggressive steps forward in climate policy.

Prime Minister Justin Trudeau rejected Trump's decision in no uncertain terms:

We are deeply disappointed that the United States federal government has decided to withdraw from the Paris agreement. . . Canada is unwavering in our commitment to fight climate change and support clean economic growth. Canadians know we need to take decisive and collective action to tackle the many harsh realities of our changing climate.

Canada actually has taken some important steps toward dealing with climate change. Last year, the Canadian government ordered the provinces to impose at least a \$10/ton price on carbon effective at the end of this year. The price is scheduled to increase to \$50/ton by 2022. Alberta and British Columbia already have carbon taxes in place. In fact, British Columbia has been an international leader in this regard. (However, as a reader points out, there is controversy about the effectiveness of its tax in reducing emissions.) Ontario and Quebec have chosen instead to use a cap-and-trade system with auctions of carbon allowances. Quebec has linked its trading system with California, and there is talk that Ontario may follow suit.

For provinces that fail to enact their own measures, the federal government will impose a carbon tax of its own on fuel suppliers. As I understand it, the tax does not apply to fuel that is exported. Industry in those provinces has the option of paying the carbon levy or opting into a fee-and-credit system.

The Albertan approach is especially noteworthy. It's often called the "Texas of Canada" because of its fossil fuel production. In addition to the carbon tax, Alberta has adopted several other key policies. It plans to phase out coal use by 2030, coupled with a program of assistance for coal communities. By 2030, it will also add 5000 megawatts of renewables. Oil sands are subject to carbon fee and, just to be safe, their emissions are capped.

Because it uses parliamentary government, policy in Canada seems to be more

electorally responsive – or to put another way, less stable. A shift in political control could cause a rapid shift in climate policy. But for now, at least, Canada seems to be living up to Trudeau’s promise of “decisive and collective action.”

In the meantime, Canada provides an important example for the United States. Compared with California, it has more diverse regional economies and a broader range of climates, making it more comparable to other parts of the U.S. With any luck, after 2020, maybe we’ll follow the lead of our northern neighbor.