



# Promoting carbon markets in Canada: lessons from existing markets

May 13<sup>th</sup>, 2010  
The University of Ottawa  
Room DMS12110, Desmarais Hall, 55 Laurier Ave.

In co-operation with



British  
High Commission  
Ottawa



**Carleton**  
UNIVERSITY

Carleton Sustainable Energy Research Centre



uOttawa

L'Université canadienne  
Canada's university

**Sustainable Prosperity**  
Making markets work *for* the environment.

# Workshop aims

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How can we advance the development of climate policy in Canada? In particular, how can we help the development of carbon markets that might help reduce Canadian GHG emissions? Carbon markets, and climate change policy more broadly, are at an impasse. This workshop proceeds from the assumption that the key problem here is not technical, but political, in character. It thus aims to explore how the development of policy in other jurisdictions, notably in the EU, has been able to build political coalitions that see benefit in the use of carbon markets to achieve emissions reductions.

This is a small, focused workshop, which will bring together policymakers, businesspeople, and researchers with an interest and expertise in climate change, with the aim of advancing the policy knowledge about the design and implementation of climate change policy in Canada.

# Speakers and Program

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## 9:30am: Coffee

## 9:45am: Welcoming remarks

- Marcel Mérette, Dean of the Faculty of Social Sciences, University of Ottawa
- Joan DeBardeleben, Director, Canada-Europe Transatlantic Dialogue, Carleton University

## 10:00am-12:15pm: European carbon markets

- Moderated by: **James Meadowcroft**, Professor of Public Policy and Political Science, Carleton University
- **Doug Russell**, President of MDF Associates and Associate of the International Institute for Sustainable Development (IISD)
- **James Burt**, Special Advisor on Cap-and-Trade and Climate Action, Climate Action Secretariat (British Columbia); currently on loan from the UK's Department of Energy and Climate Change (DECC)
- **Denny Ellerman**, MIT Global Change Program

## 12:15-1:45: Lunch

## 1:45pm-4:00pm: Carbon markets in Canada

- Moderated by: **Alexander Wood**, Senior Director, Policy and Markets, Sustainable Prosperity
- **David McLaughlin**, President and CEO, National Round Table on the Environment and the Economy (NRTEE)
- **Bruce Ringrose**, Vice-President, Business Development, Climate Check

- **John Drexhage**, Director of Climate Change and Energy Program, International Institute for Sustainable Development
- **Matthew Paterson**, Professor of Political Science, University of Ottawa

#### 4:00pm: Closing remarks

- **James Meadowcroft**, Professor of Public Policy and Political Science, Carleton University
- **Alexander Wood**, Senior Director, Policy and Markets, Sustainable Prosperity

#### Reception to follow

*Courtesy: Sustainable Prosperity*

## Organisation

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The workshop is organised jointly by the Canada-Europe Transatlantic Dialogue Strategic Knowledge Cluster at Carleton University, the British High Commission in Ottawa, the School of Political Studies at the University of Ottawa, the Carleton Sustainable Energy Research Centre, and Sustainable Prosperity.

## Speakers

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### Doug Russell

Douglas Russell has spent over 20 years dealing with a variety of environmental issues—notably climate change and air quality—at the most senior levels of business and government. In the positions of Director and Director General of Air Pollution Prevention in the federal government, he has led Canadian negotiations to the UN Framework Convention on Climate Change (UNFCCC) and headed Environment Canada’s policy development for climate change and air issues such as acid rain, smog and stratospheric ozone depletion. After leaving government in 1996, he founded Global Change Strategies International Inc., a consulting company recognized as one of Canada's leading environmental consulting firms. GCSI projects included the development of a corporate climate change strategy for the Shell Group in London, climate policy design for the Canadian government, and capacity building related to sustainable development and global environmental issues in a variety of developing countries in the Caribbean, Latin America, Africa and Asia.

In 2002, Mr. Russell successfully guided GCSI through an acquisition process by Natsource LLC, one of the world’s largest carbon asset management firms. As a Managing Director of Natsource, he provided risk assessment and carbon management advice to a number of large corporations in the Canadian energy sector. He has originated carbon purchase opportunities throughout Southeast Asia and South Africa, led the development of a number of papers on the design of emissions trading systems and represented Natsource in public forums, parliamentary and senate hearings and in media interviews. In December 2008, Mr. Russell re-established his consulting practice in a new company, MDF Associates Inc. and in August 2009, became a Senior Associate with US-based Cogent Analysis Group focusing on international and US energy and environmental policy. He received his Bachelor of Science and Master of Public Administration from Dalhousie University.

## **James Burt**

Mr. Burt, Special Advisor on Cap-and-Trade and Climate Action, Climate Action Secretariat (British Columbia); currently on loan from the UK's Department of Energy and Climate Change (DECC) Since February, James has been on loan from the UK's Department of Energy and Climate Change (DECC) to the Climate Action Secretariat in British Columbia, acting as a special advisor on cap-and-trade and climate action. The loan is being funded by the UK's Consulate General in Vancouver as a project under the Foreign and Commonwealth Office's Strategic Programme Fund.

Prior to this, James was the policy lead in DECC on meeting the carbon budgets set under the UK's 2008 Climate Change Act and before that was closely involved with implementing the first and second phases of the EU ETS as a key part of the UK Climate Change Programme. He has worked on climate change mitigation strategy since 2002, when he was the project manager for the UK's voluntary emissions trading scheme in the run up to its launch.

## **Denny Ellerman**

Dr. Ellerman is an internationally recognized expert on energy and environmental economics with a particular focus on climate policy, emissions trading, and interactions with energy markets. He recently retired as a Senior Lecturer at MIT's Sloan School of Management, where he was for many years executive director of the Center for Energy and Environmental Policy Research and the Joint Program on the Science and Policy of Global Change.

He is a co-author of the leading books on the US SO<sub>2</sub> and the EU CO<sub>2</sub> Allowance Trading Programs, *Markets for Clean Air: The US Acid Rain Program* and *Pricing Carbon: The European Emissions Trading Scheme*.

Prior to coming to MIT, Denny spent 18 years in Washington, D.C., working for the US Government (primarily the Department of Energy and its predecessors), the National Coal Association, and Charles River Associates, an economic consulting firm. In 1990, he was President of the International Association for Energy Economics. He has a Ph.D. in political economy and government from Harvard University.

## **James Meadowcroft**

A Professor in both the School of Public Policy and Administration and in the Department of Political Science. He has a BA in Political Science from McGill University, and a Doctorate from the University of Oxford.

His research is focused on the ways in which governments are adjusting their practices and policies in order to cope with the emergence of problems of the environment and sustainable development.

## **Alex Wood**

Alex brings extensive experience in the integration of economic and environmental issues in both the U.S. and Canada and joins Sustainable Prosperity from TD Bank Financial Group where he served as Special Advisor, Corporate Environmental Affairs. Before helping to position TD as a leader among North American financial institutions on the issue of climate change, Alex served as Acting Chief Executive Officer and President of the National Round Table on the Environment and the Economy (NRTEE). In his tenure at NRTEE he also developed a national program examining the role of fiscal policy in promoting

the long-term reduction of carbon dioxide emissions. Alex started his career with the World Wildlife Fund in Washington, D.C., where he worked on issues related to international financial institutions.

## **David McLaughlin**

David McLaughlin has over 20 years of experience as a senior public policy professional at both the federal and provincial levels of government.

David began his policy career with the government of New Brunswick. He went to Ottawa in 1984 to work in the federal government first as Senior Policy Advisor and then Chief of Staff to a number of federal cabinet ministers .

After earning his M.B.A. in England, Mr. McLaughlin returned to Ottawa as Senior Policy Advisor to the Minister of Constitutional Affairs. In 1992, he joined the Prime Minister's Office as Senior Advisor, Operations, before being appointed Chief of Staff in 1993.

From 1994 to 1999, Mr. McLaughlin worked in the private sector as Partner and Executive Vice President of Veritas Communications Inc., a healthcare communications firm.

In 1999, he returned to New Brunswick to serve as Deputy Minister of Intergovernmental Affairs (2001) and Deputy Minister of Policy and Planning (1999-2003). In 2000, he was also appointed as Secretary to the Cabinet Committee on Policy and Priorities.

In 2003, Mr. McLaughlin was appointed as Deputy Minister to the New Brunswick Commission on Legislative Democracy, an independent, non-partisan commission examining democratic reform. In May 2005, Mr. McLaughlin became the Executive Director of the Council of the Federation's Advisory Panel on Fiscal Imbalance.

From March 2006 to August 2007, Mr. McLaughlin served as Chief of Staff to the federal Minister of Finance.

David McLaughlin has a B.A. degree with Honours in History and Political Science from Mount Allison University in Sackville, New Brunswick (1978), an M.A. degree in International Affairs from Carleton University in Ottawa (1980), and an M.B.A. degree from the University of Bath in the United Kingdom (1991).

David was appointed as President and CEO of the National Round Table on the Environment and the Economy in August 2007.

## **Bruce Ringrose**

Mr. Ringrose leads solutions development, commercial partnership programs and client management at ClimateCHECK. Bruce has established two start-up companies in Canada with a mandate of international technology partnerships. His experience includes 8 years of private sector and 4 years of public sector work in multi-stakeholder initiatives and strategic management of taking new technology to market. He specializes in clean technology innovation, partnerships and investments.

Bruce has over 12 years experience in commercializing clean technology from R&D concepts through market entry. His management of a \$5 million R&D program led to a \$90M acquisition of a company operating division. Furthermore, Bruce was instrumental in developing 17 clean technology demonstration projects valued in excess of \$85 Million and managed a portfolio of an additional 28 projects valued at \$145 Million during his tenure at the Government of Canada Technology Investment fund. These strategic investments and partnerships during 2002 - 2005 enabled the technology stakeholders to attract follow on investment and now achieving global market deployment.

## **John Drexhage**

Mr. Drexhage is Director of IISD's Climate Change and Energy Program. With a team of 18 staff and associates across Canada and overseas, Mr. Drexhage's work on climate change is based on 17 years of experience on the issue, first as a domestic advisor and international negotiator on climate change with the government of Canada and then as an expert analyst and manager for IISD.

Drexhage's expertise covers a broad range of areas related to climate change, and he is currently focusing on regulatory frameworks for greenhouse gas emissions, post-2012 climate change regimes, market based instruments (covering allowance and credit based systems), climate change in the context of sustainable development, governance issues, energy policy and more fully exploring linkages between adaptation, mitigation and sustainable development. Drexhage was a Leading Author with Working Group 3 of the Intergovernmental Panel on Climate Change and a Lead Author on Chapter 11 of WG 3, focusing on mitigation from a cross-sectoral responsibility. His specific responsibilities focused on international spillover effects, synergies and trade offs with other policy areas and mitigation and adaptation – synergies and trade offs. He holds an M.A. in International Affairs from Carleton University, B.Ed from the University of Toronto and his BA from Calvin College, USA.

## **Matthew Paterson**

Mr. Paterson has been researching the politics of climate change since 1989. His work approaches the subject from a political economy perspective emphasizing the way that the political dynamics of the global economy structure responds to climate change. The book based on his PhD thesis, *Global Warming and Global Politics* (Routledge, 1996), was the first book length treatment attempting to explain the dynamics of international climate negotiations. Since then, as well as more general work on global environmental politics, and a recent book *Automobile Politics: Ecology and Cultural Political Economy* (Cambridge University Press 2007), which won the prize for the best book in international political economy published that year, he has worked specifically on the role of the insurance sector in climate politics, and since 2004 on the increasingly market-led character of climate change governance. He has recently completed a book with Peter Newell (University of East Anglia, UK) provisionally entitled *Climate Capitalism: global warming and the transformation of the global economy*, which will be published in June 2010 by Cambridge University Press. His current research project is entitled 'Governance and legitimacy in carbon markets', and is jointly being carried out with Matthew Hoffmann, Steven Bernstein and Michele Betsill.