

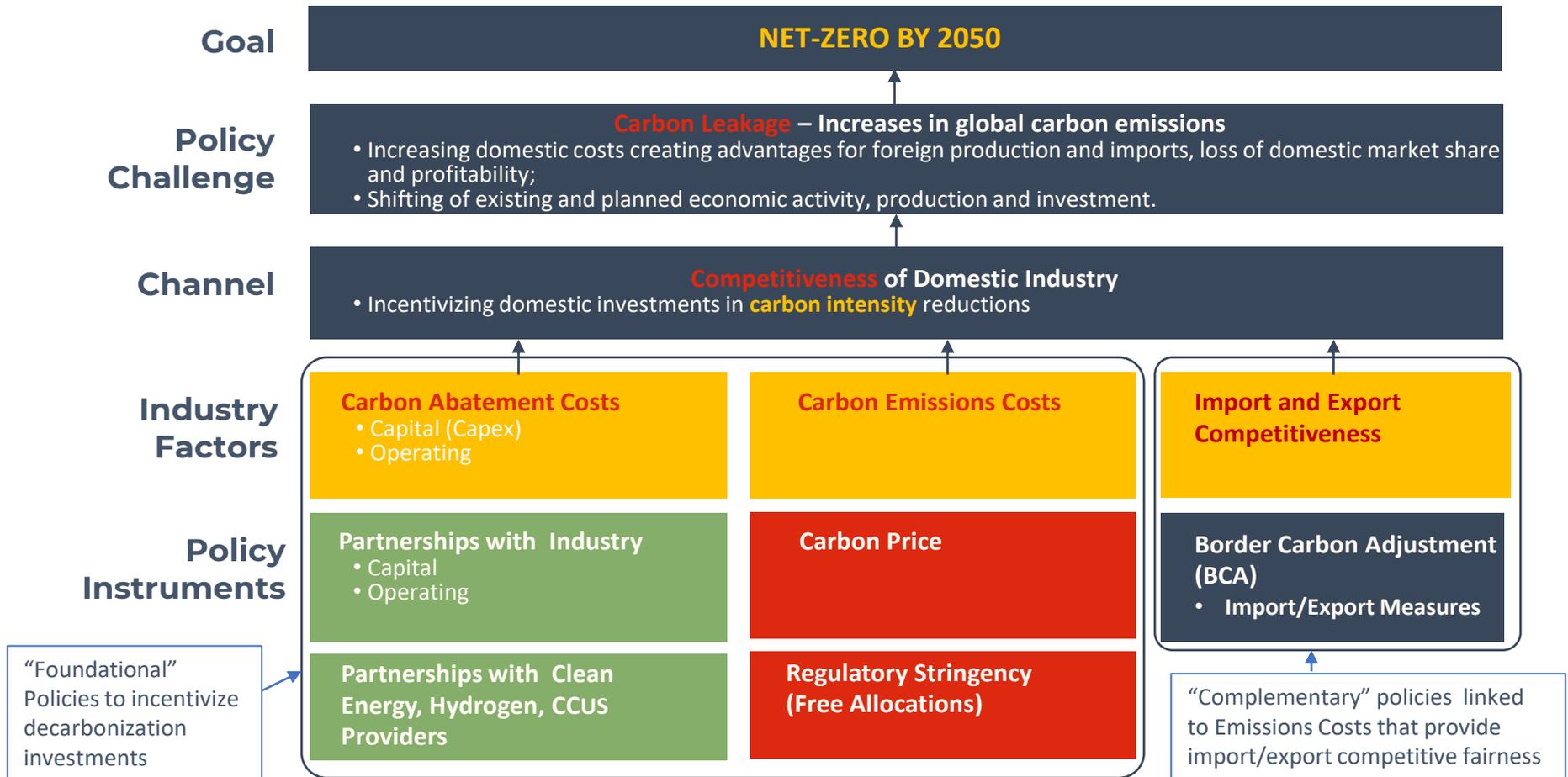
# The Road to Net-Zero: Policy Roles of Border Carbon Adjustments (BCA's)

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ERCST Town Hall  
February 22, 2022



# Accelerating decarbonization requires public/ private partnerships that create a virtuous investment circle...



Given the magnitude of carbon abatement costs and government partnerships required, emissions costs must be mitigated, with BCA’s in complementary alignment

## ...While working towards WTO-compliant and effective BCA's that provide import/export competitive fairness

- To accelerate decarbonization, policies must mitigate industry carbon abatement and emissions costs
  - Government partnerships
  - Maintaining free allocations at high levels
- BCA policy “mirrors” domestic emissions cost policy, for imports AND exports
  - Recognition of emissions costs in import/export country
- Export measures critical to an effective BCA
  - Prevents competitive and carbon leakage distortions and unintended consequences in supply chains
  - Canada/US considerations
- Government must work with industry, other governments/stakeholders, and WTO to create a path for effective BCA's
  - Reliance on environmental exceptions (currently narrow in scope);
  - Waivers; and
  - New agreement that governs BCA.

**Thank you !**