

Publication

Climate Change and Energy Policy in North America

Challenges and Strategies

The Need for Climate Action in North America

Climate change is a pressing global challenge with significant impacts on ecosystems, human health, and economies. North America plays a critical role due to its substantial greenhouse gas (GHG) emissions, accounting for about 15% of global emissions despite comprising only 5% of the world's population. The interconnectedness of the U.S., Canada, and Mexico positions these countries as key players in addressing climate issues.

However, tackling climate change is fraught with challenges. Political polarization complicates consensus on energy policy, as seen in the U.S., where debates over fossil fuel reliance versus renewable energy persist. Canada faces similar tensions, balancing resource extraction with climate commitments, while Mexico grapples with energy reforms that prioritize state control over private investments in renewables. These challenges illustrate the complexities of formulating effective climate and energy policies in the region.

National Strategies for Combating Climate Change

United States

The U.S. has made significant strides under the Biden administration, aiming for net-zero emissions by 2050. The Inflation Reduction Act allocates over \$370 billion to clean energy initiatives, promoting electric vehicle (EV) adoption with a goal of 50% of new car sales being EVs by 2030. The U.S. targets a 40% reduction in emissions from 2005 levels by 2030, yet fossil fuels still account for about 60% of electricity generation.

Canada

Canada is equally ambitious, targeting net-zero emissions by 2050 and a 40-45% reduction in emissions below 2005 levels by 2030. The government's carbon pricing system, which started at CAD \$20 per ton in 2019 and will increase to CAD \$170 per ton by 2030, is a significant element of its strategy. Canada is committed to phasing out coal-fired power by 2030 and promoting indigenous leadership in renewable energy projects.

Mexico

Mexico's climate strategy includes a commitment to reduce emissions by 22% by 2030 compared to business-as-usual scenarios. Recent energy reforms, however, prioritize state control over resources, raising concerns about limiting private investment in renewables. While Mexico generated about 29% of its electricity from renewables in 2021, political shifts complicate its transition from fossil fuels.

Conclusion: Key Insights and Future Considerations

North America's efforts to combat climate change reveal a landscape of ambition and complexity. The commitment to net-zero emissions by 2050 across all three countries is promising, but divergent strategies highlight critical areas for attention.

Key future considerations include fostering political consensus on climate policies, investing in renewable energy infrastructure, and integrating indigenous knowledge in environmental strategies. Collaboration among the U.S., Canada, and Mexico will be essential to create cohesive policies addressing shared environmental challenges.

As the climate crisis intensifies, focusing on equitable transitions—ensuring accessible economic opportunities for all communities—will be crucial for successful implementation. Continued monitoring of policy developments and stakeholder engagement will be vital as North America navigates its path toward a sustainable future.