

24 August 2018

Ministry of Environment & Climate Change Strategy
Clean Growth Intentions Papers Consultation

Hon. George Heyman,
Minister of Environment & Climate Change Strategy

Via email at clean.growth@gov.bc.ca.

Via email at ENV.Minister@gov.bc.ca.

Dear Sirs/Mesdames:

Re: Comments on Clean Growth Intentions Papers

Thank you for the opportunity to comment on the three Clean Growth Intentions Papers and the accompanying Introduction (collectively, the “Intentions Papers”) released by your government.

Connecting Targets and Climate Initiatives

At a general level, we are glad to see the government grappling with the challenge of how to meet BC’s legislated greenhouse gas reduction targets. We recognize, as discussed in your Introduction to the papers, that these Intentions Papers are not the full range of activities and strategies being examined by the government.

Nonetheless, we believe that the Intentions Papers betray a lack of ambition. The Buildings and Transportation papers are strikingly similar to recommendations made a decade ago by BC’s Climate Action Team¹ and there is no indication in the Papers that the described policies will be sufficiently stringent to achieve BC’s climate targets. There is also no discussion of the relationship between these policies and the targets.

The BC government has a history of adopting tough greenhouse gas (GHG) reduction targets *and* a selection of climate policies, and then pretending that the latter will somehow guarantee that we achieve the former. That is what happened two years ago when the previous BC government developed a Climate Leadership Plan, which entirely failed to explain how it would achieve BC’s climate targets.²

After mentioning BC’s climate targets in the Introduction, these goals are not discussed in the Intentions Papers. We understand that the government intends to release climate modeling related to different climate initiatives in the fall, but for now, it is not clear what impact the climate initiatives will have.

Need for Climate Accountability Framework

A government seeking to deliver a legacy on climate leadership, or indeed a coherent strategy, must put in place a framework³ to encourage or require subsequent BC governments to pursue higher levels of climate leadership aimed at achieving the legislated targets – no matter what party is in power.

¹ <https://www.bcsea.org/solutions/government/policy/climate-action-team-final-report>.

² <https://www.wcel.org/blog/bcs-climate-plan-shows-why-real-leadership-requires-accountability>.

³ For further elaboration of the concepts described below, see our report *A Carbon Budget for Canada* (2015), available at [https://www.wcel.org/sites/default/files/publications/CarbonBudget%20\(Web\)_0.pdf](https://www.wcel.org/sites/default/files/publications/CarbonBudget%20(Web)_0.pdf).

A Climate Accountability Framework must include:

- a permanent, independent, science-based committee that will advise the government on how to achieve its targets, and will monitor progress. This could be a permanent, legislated and beefed up version of the current Climate Solutions and Clean Growth Advisory Council, or it could be a smaller science-based committee such as is used in the UK.
- 5-year carbon budgets - targets that lay out the tonnes of GHGs that we can afford to emit while still making sufficient progress to meet our targets, over a time-frame which is short enough for political and planning purposes. Figure 1 shows the relationship between 10-year targets and 5 year carbon budgets. The circles indicate the province's 10-year targets, the grey line shows the decline in emissions, and the boxes show the amounts of GHGs that might be emitted under a series of 5-year carbon budgets.
- a legal requirement for government to develop plans on how to achieve the carbon budgets. The independent climate-change committee would be mandated to review such plans and publicly comment on whether they will achieve future carbon budgets.
- legal requirements to ensure that government decisions under the *Environmental Assessment* and *Environmental Management Acts* are consistent with achieving future carbon budgets. The government has committed to including a climate test in environmental assessments, and a carbon budget structure could help achieve this goal. However, emissions authorizations under the *Environmental Management Act* and other legislation must also consider carbon budgets.
- meaningful public reporting on progress towards achieving the carbon budgets. The government has created this requirement, to a large degree, in its 2-year reporting commitments in the Climate Accountability Act. However, the independent committee would help increase accountability.

Figure 1. BC Carbon Budgets – 2023-2050.



As your Introduction makes clear, the province is considering a number of initiatives which will contribute to developing ambitious climate action (as well as some, such as LNG, which will move us away from achieving our targets). However, there does not appear to be a structure to coordinate each initiative and measure how they will collectively achieve our targets. Although the Climate Solutions and Clean Growth Advisory Council exists in policy, these measures are not required by law.

We note that the UK adopted a climate accountability law with the above features in 2008, and as Marc Lee at the CCPA notes: "...the UK has been the most successful country in the world at reducing its emissions, which have dropped to 42% below 1990 levels and are now at 1890 levels (*yes, 1890, that is not a typo*)."⁴ This progress occurred under successive Conservative governments, largely because the climate accountability law forced them to take meaningful action.

Reductions in the UK were achieved by shutting down coal power plants, which BC (fortunately) doesn't have. But New Zealand, which has an emissions profile and population that is similar to BC's, is in the process of adopting a similar climate accountability regime.⁵

If BC had had these types of accountability measures in law in 2008, there's a good chance that many of the recommendations contained in the Intentions Papers would have already been adopted and implemented over the past decade, and that our 2020 target would have been achieved. If we put accountability measures in place now, we can hope to go further by 2028, and meet or perhaps beat our 2030 target.

Clean, Efficient Buildings

The built environment produces approximately 10% of BC's emissions (plus an additional 7% from waste).⁶ Buildings are ripe for emission reductions. The following table summarizes the recommendations related to buildings contained in the 2018 intentions paper and in the 2008 BC Climate Action Team recommendations. There's a lot of overlap, and in some cases the 2008 recommendations go further.

Recommendation	2018 Intentions Paper	2008 Climate Action Team
Energy efficiency labelling for buildings	Yes.	Yes, should be implemented by 2012.
Measures to encourage and/or require retrofitting of existing buildings	Yes. Incentives are proposed to encourage retrofitting.	Yes, "incentives and regulatory approaches ... co-ordinated across governments and utilities" would encourage and require retrofitting of existing building stock.
Stronger codes and standards	Yes, enhance energy efficiency requirements in Building Code in 2022 and 2027; make new	Yes, review Building Code every 3 years; require new publicly-funded buildings to

⁴ <https://www.policynote.ca/a-carbon-budget-framework-for-bc-achieving-accountability-and-oversight/>

⁵ <http://www.mfe.govt.nz/sites/default/files/media/Climate%20Change/Final-ZCB%20Summary%20document.pdf>

⁶ <https://www2.gov.bc.ca/gov/content/environment/climate-change/data/provincial-inventory>

	buildings 40% more efficient by 2027.	be net-zero GHG emissions by 2016 and all new buildings by 2020.
New energy efficiency standards for appliances	Yes.	Yes.
Low Carbon Innovation Program to encourage experimental design in new buildings	Yes.	No.
Training and certification for those involved in construction and retrofits	Yes.	Training to ensure access in rural and remote communities.

We believe that the government’s Buildings Intentions Paper should go much further. In 2015, the BC NDP (then in opposition) proposed an aggressive program of retrofitting public buildings across the province as a way of both creating jobs and reducing GHG emissions. This “Power BC” plan⁷ went well beyond the timid retrofit incentives proposed in the current intentions paper.

We do support the measures described in the Buildings Intentions Paper, but believe that we need to go further. Exactly how aggressive these types of measures need to be should be determined based on our provincial targets and a carbon budget framework. Until this is done it is difficult to comment on specific time-lines or standards.

However, in keeping with the 2008 Climate Action Team’s recommendations, and the Power BC Plan, we recommend:

- an aggressive program to retrofit public buildings and create jobs;
- certain minimum standards for existing buildings need to be adopted, in addition to incentives to retrofit private residences.
- the building code move quickly towards requiring net-zero GHG emission buildings.

Clean Transportation

Transportation makes up approximately 39% of BC’s GHG emissions (14% from domestic use, 25% commercial use). Decarbonizing the transportation system is a corner stone of climate policy.

⁷ <http://bcndpcaucus.ca/background-power-bc/>

As with buildings, many of the recommendations in the Clean Transportation Intentions Paper echo those of the BC Climate Action Team. A major exception relates to electric vehicles, which have come a long way since 2008.

Recommendation	2018 Intentions Paper	2008 BC Climate Action Team
Support for low or zero emission vehicles	<p>Yes. Incentives for electric vehicles until they reach 5% of the market, and for investments in infrastructure.</p> <p>Ban the sale of gasoline/diesel light duty vehicles by 2040.</p>	<p>Yes, in relation to freight and industry, but only incidentally for passenger vehicles. The Action Team recommended policies and programs aimed at increasing the efficiency of heavy-duty vehicles.</p>
Require fuel suppliers to decrease the carbon intensity of their fuels by 10% (compared to 2010 levels)	<p>Yes. Increase that requirement to 15% by 2030, and consider a further increase to 20%. Additional measures proposed to support this change.</p>	<p>Yes. Increase that requirement to 15% by 2020.</p>
Support for cleaner transportation systems.	<p>BC proposes to develop a plan to reduce emissions by re-designing transportation systems, but at this stage the intentions paper simply lists options for future consideration. These include:</p> <ul style="list-style-type: none"> • Encouraging car-sharing/car-pooling options; • Investing in public transit; • Investing in and planning for biking/walking infrastructure; • Building climate-resilient infrastructure; • Working with partners to explore innovative ferry designs. 	<p>In 2008 BC had an existing transit plan, which proposed to invest \$14 billion in public transit. The BC Climate Action Team expressed confidence that this plan, if implemented, would see reductions in passenger transportation emissions, but made the following recommendations related to freight and air travel:</p> <ul style="list-style-type: none"> • Remove barriers to efficient freight travel through BC’s ports; • Adopt policies to enhance the use of rail in transportation of freight.
Measures aimed at air travel	No.	Yes. Include air travel in a regional cap and trade system.

Again, we think that the measures proposed are worthwhile and should be pursued, but that their adequacy needs to be assessed against provincial carbon budgets. We recommend taking further action in order to meet or exceed our targets.

In particular, we are disappointed that BC is not further along in developing a transportation plan and that the commitments for the redesign of the transportation system are so vague in the Intentions Paper. Other than listing some positive sounding proposals, the Intentions paper does not even identify many of the most challenging issues. For example:

- There are no real proposals relating to freight and air transportation, both of which are much larger sources of emissions than passenger vehicles. On this front we would like to see:
 - carbon pricing applied to air travel;
 - an aggressive strategy to shift freight from trucks to train, with electrification of major train routes; and
 - specific standards related to heavy-duty vehicles.
- The lack of low emissions options related to long-range travel for passengers is striking.

We need to revitalize train travel and/or reverse the loss of inter-community bus service.

- The paper does not address specific challenges for low emissions travel in rural communities.
 - Within a carbon budgeting model it is possible to clarify expectations that transportation emissions reductions may initially come more from urban centres.
 - Train and bus service are essential to rural communities reducing their transportation emissions.
- The paper does not address challenges of reducing emissions with existing transportation infrastructure.
 - Direction, incentives and support given to municipalities and regional districts to build infrastructure that shifts modes of travel.
 - The Ministry of Transportation and Highways must be given direction to aggressively repurpose its infrastructure to encourage mode shifting and low emission travel options.

Clean Growth for Industry

The province's final Intentions Paper, related to industry, proposes just two related measures, to be funded through revenues raised from industry as a result of increases in the carbon tax:

- An "Industrial Incentive" that reduces the carbon tax for industrial operations that approach "world-leading" GHG standards (the "Incentive"); and

- A “Clean Industry Fund” that industrial operations can apply to for financial assistance in implementing measures that reduce GHG emissions (the “Fund”).

These programs apply only to “regulated, large industrial operations” that emit more than 10,000 tonnes of GHG emissions per year. The question of what incentives, rules and opportunities may exist for smaller industrial operations or businesses has been left for another day. This is a clear gap.

The Intentions Paper is somewhat imprecise in its explanation of how the Incentive and Fund will be financed, stating that they will be “funded by the incremental carbon tax above \$30 per tonne as paid by industry.”⁸ We presume that the Intentions Paper means to say that the funds will come from the carbon tax paid by the same large-scale industries that benefit from the programs. If the intention is to also use carbon taxes paid by smaller industry, who are not eligible for the program, then we oppose such a shifting of carbon tax dollars.

Funding these industrial climate programs through the increases in the carbon tax from industry will mean that, at least in respect of those industrial players, the carbon tax will once again be “revenue neutral” (albeit returned to industry in a manner that may be better at creating a financial incentive to reduce emissions). This suggests that the government has yet to grapple with the difficult question of how it will pay for climate-related impacts in the years to come.

Building higher sea-walls, addressing wildfire-interface areas and mapping flood plains (not to mention the funds for fighting forest fires and helping displaced residents) are all real costs that the government will need to pay for. If those costs are not to be taken from the carbon tax (reflecting the polluter pays principle), then it will need to be raised from other sources.⁹ If industry does not pay this amount, then it will fall disproportionately to other taxpayers. Consequently, we recommend that:

- Some portion of the carbon tax from all sectors, including large-scale industry, should be put in trust for addressing climate adaptation and loss and damage. Only amounts above this portion should be used to fund the Industrial Incentive and the Clean Industry Fund.
- Government consider raising the carbon tax further as needed to address climate adaptation, loss and damage and to fund transition programs such as the Incentive and Fund.

In terms of the design of the programs, the devil is always in the details. There will presumably be considerable pressure on the government from industry to set weaker standards. Will the “world-leading” standards be enough to achieve BC’s climate targets?

We recommend that:

- The Incentive and Fund should both be designed in light of established carbon budgets, and sectoral targets for industry. This approach will contemplate a ratcheting up of standards over time as the province moves from one budget into another (reduced) budget.

⁸ A Clean Growth Program for Industry Intentions Paper, p. 3.

⁹ We have, of course, recently suggested that some of those funds should be recovered from the fossil fuel industry, but we have never suggested that it is possible to recover all such costs in this way. See Joint Letter to Premier John Horgan, July 16, 2018, Re: Liability for Climate-related Harms Act and Climate Leadership.

- The independent climate committee should review whether the standards do enough to achieve the carbon budgets and report publicly on its findings.

Conclusion

The programs described in in your Intentions Papers are long-overdue first steps. They should be implemented, but they and other programs must be designed and implemented in ways that give us the best chance of meeting our climate goals.

BC desperately needs true climate change laws that create a framework to coordinate between those various climate-change programs and to judge how stringent each program and standard must be to ensure that we will meet our climate targets. This type of framework also encourages successive governments to ever tougher climate action, requiring them to explain how they will achieve near-term carbon budgets and allowing independent assessments as to whether their plans will do so.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Gage". The signature is fluid and cursive, with a large initial "A" and a long, sweeping underline.

Andrew Gage,
Staff Lawyer