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## **B.C. Climate Leadership Plan Phase 2 Consultation - Submission from Sustainable Prosperity**

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## About Sustainable Prosperity

Sustainable Prosperity (SP) is a national research and policy network based at the University of Ottawa. SP focuses on market-based approaches to build a stronger, greener, more competitive economy. It brings together business, policy and academic leaders to help innovative ideas inform policy development.

Research for this submission was provided by Cora Hallsworth Consulting with direction from Stephanie Cairns, Director, Sustainable Communities at Sustainable Prosperity.

## Introduction

Sustainable Prosperity is pleased to provide the Province of British Columbia feedback on its second phase of consultation for the development of its 2016 Climate Leadership Plan. The comments presented in this submission are drawn from Sustainable Prosperity's Policy Brief: [\*'Provincial Climate Action Plans and Local Governments – Lessons from BC'\*](#), which was released on January 14, 2016. The Policy Brief provides an overview and assessment of the tools the Province developed to support local government climate action as part of its 2008 Climate Action Plan. It was principally developed as a means of sharing lessons learned with other jurisdictions that are pursuing opportunities to engage and collaborate with local government to advance climate change objectives. We feel that the analysis contained in this brief can also provide valuable insight for the Province of BC as it develops its Climate Leadership Plan.

This submission summarizes the key lessons learned from this recent Policy Brief, namely the strengths and gaps in the Province's existing tools to support local government climate action, and the extent to which the Climate Leadership Team (CLT) recommendations address these strengths and gaps.

## Assessment of the BC Climate Leadership Team Recommendations

The CLT Recommendations Report encourages the Province to “leverage past successes and renew its commitment to lead”. There is great opportunity to do this within the sphere of supporting tools for local government. The CLT recommendations were intended to provide strategic-level recommendations, and detailed policies and programs are to be developed at a later date, leaving opportunity for additional local government policies and programs.

However, from a local government lens, the CLT recommendations fall short in terms of:

- (1) land use and urban planning measures that will help local governments achieve the charter commitment of creating more energy efficient, complete and compact communities; and
- (2) detail on supports for local government climate action compared to other recommendation areas.

### CLT Local Government Recommendations

The CLT’s recommendations relating to the Province’s stated objective to “further the Province’s collaboration with local governments within the context of mutually-beneficial climate actions” includes the following:

- Undertake a collaborative review and update of the Climate Action Charter to align provincial and community goals. **(Recommendation 21)**
- Create a waste-to-resource strategy that reduces GHG emissions associated with food waste, organic waste, and landfills. **(Recommendation 22)**
- Support increased use of public transit and other mobility options that reduce GHG emissions. **(Recommendation 23)**
- Undertake a series of climate mitigation initiatives. **(Recommendation 24)**
- Establish mechanisms to provide local governments with funding for projects that will result in demonstrable reductions in GHG emissions. **(Recommendation 7)**
- Establish a strategy (including funding) to phase out, by 2025, diesel generation in remote communities and replace it with reliable, low-GHG electricity service. **(Recommendation 13)**
- Support increased use of public transit and other mobility options that reduce GHG emissions. **(Recommendation 23)**

There are also a number of recommendations that will indirectly support GHG emission reductions at the local government level, in particular:

- Creating a target of 100 per cent renewable electricity by 2025
- Developing a low-carbon transportation strategy to reduce GHGs from the transportation sector 30 per cent by 2030
- Accelerating improvements in the building code’s energy efficiency requirements.

### Land use and urban planning

Land use measures to support the formation of complete, compact, energy efficient communities were lacking from the CLT recommendations. It could be argued that the framework that was presented to guide the consultation process, specifically, the ‘areas of action’ - the way we live, the way we travel, the way we work and what we value - diverted focus from system-wide changes, such as land use planning measures. These categories de-emphasize the importance of developing energy efficient, complete, compact communities. They result in a focus on near-term emission reductions from buildings and vehicle travel, as manifested in CLT recommendations, rather than long-term emission reductions that can be achieved through changes to urban form which have profound influence on mobility pattern, demand and preferred mode.

Sustainable Prosperity, with legal research from the Environmental Law Centre at the University of Victoria, examined possibilities to expand local governments powers to use fiscal tools to support goals for complete, compact, and energy efficient urban form in a November 2015 research report entitled [\*‘Creating Complete, Compact, and Energy Efficient Communities in BC: How fiscal tools can be an opportunity for local governments’\*](#). Local governments already have a variety of fiscal tools to do this, but additional opportunities exist to amend local government powers relating to development cost charges, property taxes and parcel taxes, transportation pricing, parking pricing, and services and fees. These tools can allow local governments to reinforce planning and zoning goals by making it more profitable for developers to focus on infill and revitalization. They also make it less expensive for residents and businesses to choose to locate in those areas, and could as well help local governments recover and reduce their financial costs and internalize currently externalized costs. A dialogue between the BC government and local governments could help to identify and refine the existing opportunities for local government action and for provincial legislative reform that will provide local governments added flexibility and capacity.

## Communities

The CLT Report includes a set of recommendations for communities. This specific section misses some key opportunity areas for local government action, but a number of these are included in other sections of the report, as noted in the text box above. Nonetheless, it does appear that less detail is provided on local government supporting tools, compared to other recommendation areas. One specific opportunity that is missed pertains to a cornerstone objective of the Climate Leadership Plan: to maintain a strong economy. Local governments can become key partners in achieving this objective. For example, the Province could help facilitate local governments’ increased use of local carbon offset projects, which would help local governments meet their carbon neutral commitments and contribute to local community economic development simultaneously. In addition, the CLT recommends that the B.C. government “Undertake a collaborative review and update of the Climate Action Charter to align provincial and community goals” (Recommendation 21), yet no specific suggestions for updating the Charter are provided. The lessons learned presented in the Sustainable Prosperity Policy Brief could be considered in formulating a detailed plan, highlights of which are presented below.

## Lessons from the 2008-2012 Climate Action Agenda

The following summarizes a few of the strengths and gaps in the 2008-2012 climate action agenda as identified in the Sustainable Prosperity Policy Brief.

### Enabling Legislation

Legislative tools developed as part of the 2008 Climate Action Plan fostered action and removed barriers at the local government level. The most important of these were the requirement for local governments to set greenhouse gas (GHG) emission reduction targets, actions and policies, and the inclusion of enabling

tools in the Local Government Act relating to development cost charges, Development Permit Areas, and parking requirements. The Province could identify additional legislative tools to foster new action at the local government level and continue to remove barriers to action, as discussed above.

### The Climate Action Charter

The charter included both mandatory and voluntary elements to engage local governments. This ensured a minimum level of participation, but also provided local governments flexibility in forming their own unique action plans. It will be important to acknowledge that some local governments have indicated a preference for the Province to provide more specific guidance on what to do and how to do it, for example, by providing specific targets and identifying the actions that would be required to meet those targets.<sup>i</sup>

Less progress has been demonstrated on the third commitment contained in the charter, that is, the commitment to create complete, compact and more energy-efficient rural and urban communities. This should be a priority for action in the next climate action agenda, specifically by identifying ways to support local governments in land use planning activities that will reduce GHG emissions, including expanded emphasis on fiscal tools, as discussed above.

The carbon neutral framing of the Charter provided an easy to communicate call to action. The Province could consider evolving the Charter to acknowledge the growing interest in 100% renewable goals being explored by BC local governments.

### Highlights of Policy Brief

The policy brief focused on evaluating the following Provincial climate action tools:

**Enabling & Regulatory:**

1. Local Government (Green Communities) Statutes Amendment Act (Bill 27)
2. Climate Action Charter
3. Targeted legislation (landfills, solar, buildings)

**Information & Education:**

4. Community Energy and Emissions Inventory (CEEI)
5. Green Communities Committee (GCC) and Working Groups
6. Climate Action Toolkit

**Funding & Incentives:**

7. Climate Action Revenue Incentive Program (CARIP)
8. Targeted funding (energy efficiency, electric vehicles, clean energy)

These tools collectively drove progress towards climate mitigation goals, as indicated by the growth in the numbers of Community Energy and Emissions Plans, reported community-wide actions, Climate Action Charter signatories, and carbon neutral government operations. In addition, recent studies suggest that BC communities seem to face fewer challenges implementing energy and emission reduction initiatives compared to their provincial counterparts. This is likely in part a result of the Province’s provision of regulatory tools such as the Local Government Act, and enabling tools such as the Community Energy and Emissions Inventory (CEEI).

*The policy brief ‘[Provincial Climate Action Plans and Local Governments – Lessons from BC](http://sustainableprosperity.ca/provincial-climate-action-plans-and-local-governments)’ can be viewed at <http://sustainableprosperity.ca/provincial-climate-action-plans-and-local-governments>*

## **CARIP**

CARIP was successful at driving increased adoption of the Climate Action Charter. In addition, some local governments earmarked these funds for low carbon initiatives, but this was not required by the Province. Going forward, CARIP grants could drive climate action if the Province requires that they be used for low carbon initiatives.

## **Community Energy and Emissions Inventories**

BC's local governments now have more plans in place than in the rest of the Provinces combined. The Community Energy and Emissions Inventory (CEEI) has played a large role in this leadership. Going forward, it will be important for the Province to continue to provide and enhance the functionality of the CEEI, in consultation with the end-users of the tool.

## **Communications and Engagement (including the Climate Action Toolkit)**

The Climate Action Toolkit has provided an important mechanism for the Province to communicate with local governments, and it provides a wealth of resources on best practices, guidance documents, and other tools. Nonetheless, even with the Toolkit and resources provided by the Province, a survey conducted by the Pembina Institute found that some local governments still lacked understanding about the purpose of the tools (the carbon tax, the Charter, Bill 27 and CARIP) and about how they work together.<sup>ii</sup> Staff at the Province also reported that staff turnover within municipal governments has created additional requirements for communication and engagement with local governments.<sup>iii</sup> In addition, many local governments found it challenging to evaluate the GHG impact of emission reduction initiatives, and to evaluate the validity of community-based emission reduction initiatives.

The Toolkit could provide an ongoing avenue for engaging and informing staff at local governments and to provide an opportunity to communicate how the Province's various initiatives work together. It will be important for the Province to maintain communications with local governments, assess their needs for support, and continue to provide the required technical guidance and access to information about implementation best practises.

## **Providing a Business Case for Action**

Some local governments used the carbon tax, Charter and CARIP to help build the business case for low carbon initiatives. However, the delay in updating the 2008 Climate Action Plan created uncertainty surrounding the carbon tax and the Province's commitment to supporting local government action. This uncertainty is weakening the arguments local governments can present to their Councils and community members. A long-term commitment to elements of the Climate Leadership Plan, including an increase of the carbon tax and supporting programs (including funding and other incentives) will serve to enhance the business case for local governments seeking to undertake low carbon projects.

## Alignment with Other Initiatives

It is important to build from existing strengths, capacities and initiatives, especially those that are already yielding successful results. For example, the growing number of sustainability and energy manager staff at the local government level can be active partners with the Province. Furthermore, a provincial climate action plan can build from and enhance existing programs offered by a variety of partners including, for example, the Federation of Canadian Municipalities and utilities.

## Conclusion

British Columbia has received global praise for its adoption of a province-wide carbon tax. However, the contributions of the numerous complementary climate action programs should also be acknowledged. There is great opportunity to build from the strengths of the Province’s existing and previous climate action initiatives and to consider lesson learned from the 2008-2012 climate action agenda.

Because BC’s local governments have control or influence over about 45% of GHG emissions in the province,<sup>iv</sup> maintaining and supporting local government leadership in the next generation of climate policies and programs will be critical to achieving provincial climate goals. A growing number of BC municipalities have become leaders in climate action, positioning this level of government as a key partner to the Province’s aspirations.

Sustainable Prosperity’s research on the experience with the Province’s tools directed at supporting and engaging local government climate action has identified a number of strengths, and gaps. Other research we have conducted on local governments’ powers to use fiscal tools to support goals for complete, compact, and energy efficient urban form has also identified opportunities to reinforce local government powers to influence urban form. These gaps and opportunities are not fully captured within the CLT recommendations. Sustainable Prosperity encourages the BC government to reinforce empowerment and partnerships with local governments for action on climate change as a strategic cluster in the Phase 2 Climate Leadership Plan, and to consider additional local government policies and programs, as discussed above.

*For more information, please see the policy briefs [‘Provincial Climate Action Plans and Local Governments – Lessons from BC’](http://sustainableprosperity.ca/provincial-climate-action-plans-and-local-governments): <http://sustainableprosperity.ca/provincial-climate-action-plans-and-local-governments>, and [‘Creating Complete, Compact, and Energy Efficient Communities in BC: How fiscal tools can be an opportunity for local governments’](http://www.sustainableprosperity.ca/content/creating-complete-compact-and-energy-efficient-communities-bc-how-fiscal-tools-can-be) <http://www.sustainableprosperity.ca/content/creating-complete-compact-and-energy-efficient-communities-bc-how-fiscal-tools-can-be>*

<sup>i</sup> Personal communication with Ben Finkelstein, Manager – Communities and Built Environment, BC Climate Action Secretariat, July 22, 2015

<sup>ii</sup> Shah, T. (2012, September). The Impact of the Carbon Tax on Local Government Low-Carbon Projects in B.C.. The Pembina Institute. <http://www.pembina.org/pub/2373>

<sup>iii</sup> Personal communication with Narissa Chadwick - Senior Planner, BC Ministry of Community, Sport and Cultural Development, August 5, 2015.

<sup>iv</sup> BC Climate Action Toolkit. (n.d.). Community Energy and Emissions Inventory Initiative <http://www.toolkit.bc.ca/community-energy-and-emissions-inventory-initiative>