

Premier Christy Clark
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VICTORIA, BC
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Via: Email

August 20th, 2015

Re: Climate Action Consultation

Dear Premier Clark,

The Energy Forum is a collaboration of British Columbian power producers, industry associations and non-government organizations that are working together to address the challenges and opportunities presented by the nexus of energy, climate and ecosystems. We were glad to see the creation of the Climate Leadership Team and applaud your initiative in developing a climate leadership plan.

This letter outlines British Columbia's success to date on meeting the dual goal of reducing carbon pollution while growing the economy, what a successful climate leadership plan would accomplish and our initial thoughts on the types of government actions that we support to achieve these outcomes.

Success to Date:

British Columbia has demonstrated to the world that it is possible to drive down carbon pollution while growing the economy. Policies like the carbon tax, clean electricity standard and renewable and low-carbon fuel requirements regulation have helped to drive this change. The clean electricity sector has contributed to this success.

Over the past five years \$6 billion dollars have flowed into the renewable electricity sector in British Columbia, adding 1.75 GW¹ of new clean electricity capacity and growing the number of people employed in the sector to over 14,000². Across British Columbia over 130 First Nations groups have positive relationships with clean energy projects.

What Success Looks Like

Unfortunately, British Columbia's carbon pollution is starting to increase in nearly every sector and is projected to continue increasing without new climate policy³, signalling that it's time to reinvigorate the climate action plan. A signal the Government of British Columbia is responding to with the creation of the Climate Leadership Team.

¹ Clean Energy Canada estimates to be released in the fall 2015, estimates available upon request.

² <http://www.pembina.org/bcjobsmap/>

³ Environment Canada (2015) National Inventory Report 1990-2013 – Table A10-20.

In our opinion, a successful climate leadership plan would see British Columbia leverage its clean electricity resources as one way to help meet its climate targets, generate local, distributed and permanent jobs and maintain British Columbia’s competitive edge in a cleaner economy. The Energy Forum fully supports other necessary actions such as energy efficiency, renewable fuels and better designed communities.

How to Achieve Success

Buildings, transportation and industry produce nearly 80 percent of British Columbia’s carbon pollution. Over the next 35 years⁴ a combination of sector policies designed to encourage a switch to clean electricity, more energy efficient design and lower carbon pollution designs will be necessary to reduce this carbon pollution. The **carbon tax** would support these policies by ensuring that carbon pollution is incorporated into many decisions made in British Columbia. Finally, a **strategic fund** could be established to both make it easier for B.C. citizens and businesses to reduce carbon pollution while ensuring that B.C. domestic expertise translate into world class companies that compete in the growing \$780 billion global clean energy technology market⁵.

Table 1 summarizes these policies, the segment of the economy they apply to and provides a more detailed description of how the policies would work. Energy Forum members created these recommendations based on previous Energy Forum submissions and draft results of ongoing research. We expect to refine them over the coming months and would welcome the opportunity to discuss them with you.

Table 1: Summary of policies to achieve climate leadership plan success

Area	Policy Description
Buildings (12% of emissions)	<p>Zero-emission Equipment Standard: Move towards a standard where new energy using equipment within new and existing buildings may not emit greenhouse gases.</p> <p>Net-zero Buildings Standard: Move towards a standard where new buildings are designed to produce as much energy as they consume over a given year.</p> <p>Government could help build the skills and capacity needed to achieve these standards by accelerating their adoption in new and existing government buildings and applying what is learned more broadly.</p>
Transportation (39% of emissions)	<p>Renewable and Low-carbon fuel requirements regulation: Strengthen the policy to reduce greenhouse gas intensity by 30% between 2020 and 2030 and broaden coverage to include all vehicle fuel use with the exception of aviation fuel.</p> <p>Clean vehicle standard: Gradually introduce a clean vehicle standard that becomes more stringent over-time so that consumers have access to new vehicle technology. This would likely be best coordinated with</p>

⁴ Based on preliminary results of Navius Research (2015) A Climate Leadership Plan for British Columbia and climate plans for other jurisdictions

⁵ Analytica Advisors (2015) Clean Technology Industry Report

	the eight states that have signed a Memorandum of Understanding to support clean vehicle adoption to mitigate barriers for small jurisdictions ⁶ .
Industry (37% of emissions)	<p>Natural Gas: Move towards zero-emissions for natural gas extraction, processing and transmission which could be achieved by a combination of technology requirements, performance standards, and increasing and broadening the carbon tax.</p> <p>Industry: Similar approaches will be required for other industrial sectors.</p>
All - Carbon Tax and Clean Electricity Standard	<p>Increase and expand the carbon tax by doing the following:</p> <p>Planned increases: Implement a 10 year schedule for carbon tax increases, increasing at \$5 - \$10 a year, indexed to inflation, with a review after 5 years.</p> <p>Broaden Coverage to 85% of emissions: Broaden coverage to include all sources that can be accurately measured.</p> <p>Increase the low-income tax credit: The low-income tax credit should be increased to keep pace with increasing costs.</p> <p>Support for emission intensive, trade exposed sectors: Support should not undermine the incentive to reduce emissions and should be justified based on the impact of carbon pricing. Two constructive ways to support emission intensive, trade exposed sectors are to reduce corporate income taxes and provide temporary financial support to help reduce emissions like the temporary cement industry incentives.</p> <p>Maintain the clean electricity standard and increase it to 100% clean electricity overtime.</p>
Strategic Fund	Establish a fund to support B.C. citizens and businesses to reduce carbon pollution while nurturing emerging B.C. businesses to compete in the global clean technology market. This fund could support infrastructure investments like transmission lines and transit and help remote communities adopt clean electricity. The funds could come from a portion of the increased carbon tax revenue.

Tackling carbon pollution will require a combination of actions including switching to clean electricity, more efficient use of energy, better designed communities and using renewable fuels. We look forward to working further with you on the climate leadership plan.

⁶ State Zero-Emission Vehicle Programs (2013) <http://www.oregon.gov/deq/docs/MOUzev.pdf>

Sincerely,



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