

A resilient economy and safe climate

Our vision for B.C.

October 2020



Photo: Pembina Institute

Protecting the health of British Columbians, building a resilient economy, and taking strong action on climate change are different pieces of the same puzzle. As B.C. and the world continue to grapple with the COVID-19 pandemic, governments are increasingly looking to put the clean economy and job growth at the centre of recovery efforts.

A big threat to B.C.'s economic prospects is stalling — or worse, going backwards — where important gains have been made on climate action and clean growth. B.C.'s leadership on this front is one of our crowning achievements. The climate plan currently in place lays out a vision for a prosperous, clean economy and a plan to transition from fossil fuels to renewable energy and

dramatically reduce our climate pollution. Following through on this plan will help position the economy to withstand future global disruptions. If we get the recovery right, we can create jobs and economic activity in the short term and set B.C. up for long-term success in the decarbonizing global marketplace.

B.C. needs a plan to achieve net-zero by 2050

B.C.'s 2018 climate plan introduced a suite of programs and policies that were among the most ambitious in North America. The CleanBC plan laid out a vision for reducing B.C.'s carbon pollution by 40% by 2030, and 80% by 2050. Ground-breaking policies included plans to reduce the carbon footprint of natural gas, gasoline, and diesel; a move toward 100% new zero-emissions vehicle sales by 2040; and a system to publicly report on the progress of climate programs and emissions reductions. Two years on, **we've identified three outstanding issues that B.C.'s next government needs to address with an enhanced climate plan.**

1. We need to chart the course to net-zero emissions by 2050

Canada has set a target of achieving net-zero emissions by 2050; B.C. should follow suit. Signalling a long-term goal to eliminate carbon pollution from B.C.'s economy within the next 30 years means all policies, programs, and investments in projects must be compatible with a net-zero future. There is no wiggle room in B.C.'s carbon budget for any new projects, such as [new liquefied natural gas plants](#), that increase B.C.'s carbon pollution. To do our part to help the world avoid the worst impacts of climate change, B.C. too must decarbonize by 2050.

2. We need more information to evaluate the effectiveness of our climate policies

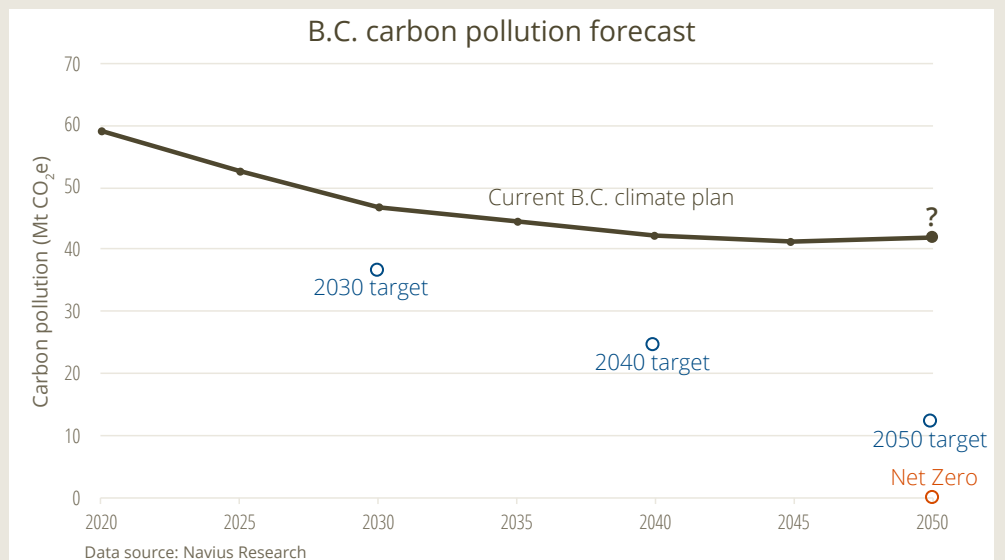
The Climate Change Accountability Act was amended last year to mandate public reporting of B.C.'s progress to meeting its climate targets. Until we see the first report under the updated Act — expected this fall —

we won't have a clear picture of where these policies will land us in 2030. Moving forward, comprehensive annual reporting is needed for British Columbians to see if what we're doing is succeeding at bringing carbon pollution down. Importantly, annual reporting is essential for tracking the impact industrial projects have on B.C.'s carbon pollution levels as they come online. We simply can't afford to keep missing targets for reducing carbon pollution. We can't afford it now, and future generations will not stand idly by as we pass the buck on to them.

3. We need close the gap to the 2030 climate target

Once fully implemented, B.C.'s climate plan is officially projected to get us 75% of the way to our 2030 target of reducing carbon pollution by 40% from 2007 levels. However, the real figure may fall short, making the timely release of the first accountability report that much more important. We must have a robust plan to close the gap and achieve the 2030 target to have any hope of hitting our 2050 goal.

We must have a robust plan to close the emissions gap and achieve the 2030 target to have any hope of hitting our 2050 goal.



Investing in clean innovation and clean jobs



Securing a resilient recovery

A resilient economic recovery must address the urgent and emerging health and employment needs of British Columbians while growing the clean economy and making progress on our climate commitments. To do this, the next government should **align recovery spending with these four priorities:**

1. Build an inclusive, low-carbon workforce that is resilient to future economic shocks
2. Prioritize investment in industries and businesses producing low- and zero-carbon goods and services to grow the clean economy and become a leader in the decarbonizing global marketplace
3. Incentivize decarbonization efforts that go beyond existing regulatory requirements
4. Ensure all economic relief and stimulus programs complement or accelerate progress on B.C.'s climate plan and targets

Powering the clean economy

As energy-intensive areas of B.C.'s economy rebound, **electrification needs to be made the obvious business choice** for us to meet our carbon pollution reduction targets. Establishing favourable rates and removing barriers (e.g. cost, timelines, and infrastructure) will incentivize the shift. Sectors that are harder to switch over from fossil fuels — in particular, medium- and heavy-duty transportation — could benefit from renewable fuels serving as a bridge to fully electric or fuel-cell electric vehicles as the economy decarbonizes.



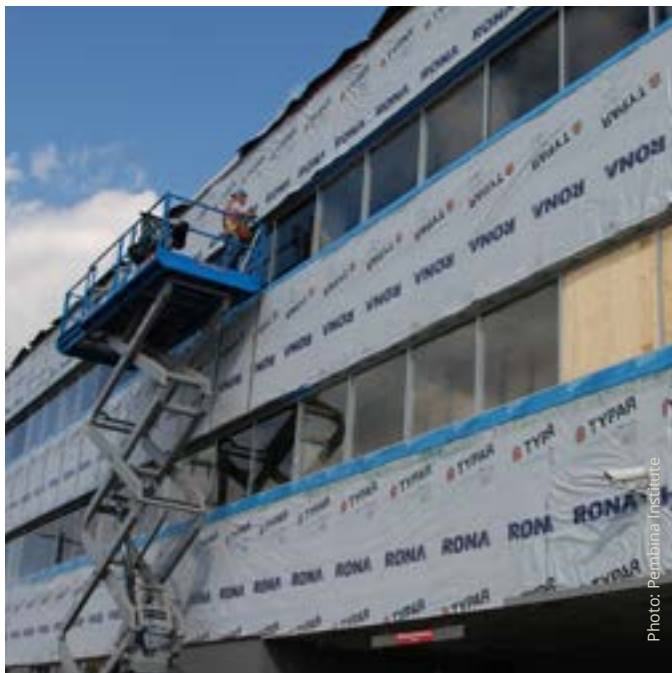
Creating a renewable fuels powerhouse

B.C.'s rapidly growing clean fuel sector is poised to provide clean energy solutions, and the province has the potential to be a leading supplier of renewable fuels. Growing the supply chain for biofuels (e.g. biomethane and biodiesel) could provide further support to rural communities dependent on the agricultural and forestry sectors. Reducing carbon pollution from waste (e.g. tallow, cow manure, wood waste from logging or sawmills, waste chemicals from pulp mills, and sewage) and creating a local, diversified, circular economy are additional benefits. Ramping these feedstocks up requires further investment to advance technology and supply chains.

B.C. could be the hub for Canada's hydrogen economy, and a leading producer and consumer of renewable hydrogen. To meaningfully reduce carbon pollution, a clear strategy that establishes milestones for shifting from low-carbon hydrogen to zero-carbon over time is needed. Investment in hydrogen made with



renewable electricity — while tightening emissions limits for gas production and increasing carbon-capture rates for hydrogen created from gas — is also needed.



Rebuilding the retrofit economy

From 2009 to 2012, B.C.'s retrofit industry boomed due to an influx of incentives following the 2008 recession. After these incentives were cancelled or fully allocated, the retrofit industry declined sharply and still hasn't recovered. **Economic stimulus is an opportunity to rebuild the retrofit industry in a sustainable manner.** Several key ingredients are needed to ensure the retrofit industry and the green building sector continue to thrive beyond the recovery phase: providing rebates to home and building owners for retrofits; growing and training the workforce; and leveraging limited public dollars to mobilize private capital to fund retrofits at the scale needed to achieve our climate targets. Investing in B.C.-based manufacturing of building components will also contribute to economic recovery.



Photo: Energiesprung International

Top 10 actions for a resilient B.C.

We need to build on B.C.'s climate plan, and not reverse course on any of its cornerstones, such as carbon pollution pricing. In addition to the recommendations above, **we call on the next government to take the following priority actions** needed to get B.C. on track:

1. Develop a clean energy plan that details the pathway for transitioning from fossil fuels to clean energy in B.C. This plan should integrate the disparate energy-related strategies under development (e.g. BC Hydro's Phase 2 transformative review, bioenergy strategy update, hydrogen roadmap) into a comprehensive picture of how renewable energy will meet the province's energy needs in 2050
2. Reinstate the carbon tax schedule of increases and commit to future increases
3. Implement carbon pollution reduction targets for specific sectors, including natural gas, and interim carbon reduction targets as per the Climate Change Accountability Act
4. Amend regulations to enable 15% renewable gas content requirement
5. Expand and extend the low-carbon fuel standard
6. Expand B.C.'s zero-emission vehicle policy framework to include medium- and heavy-duty vehicles
7. Raise incentive caps to deepen retrofits of homes and buildings, and invest in deeper retrofits of public buildings, including climate adaptation measures
8. Boost funding to accelerate construction of zero-emission affordable housing
9. Amend legislation to enable [property assessed clean energy \(PACE\)](#) financing
10. Enact requirements for energy efficiency and carbon intensity in existing homes and buildings to accelerate the decarbonization of the building sector