

MINISTRY OF ENERGY, MINES AND LOW CARBON INNOVATION

BRIEFING NOTE FOR INFORMATION

PREPARED FOR: Honourable Josie Osborne, Minister of Energy, Mines and Low Carbon Innovation

ISSUE: Open Discussion with the Climate Solutions Council and Honourable George Heyman on various topics including a Climate-Aligned Energy Framework

KEY MESSAGES/SUMMARY:

Based on recommendations within the Climate Solutions Council (CSC)'s 2022 Annual Report "Minding the Gap: Accelerating the Implementation of the CleanBC Roadmap to 2030" (the Annual Report), the CSC's key messages are likely to include:

- Firm support for the concept of a Climate-Aligned Energy Framework (the Framework), with recommendations to focus on:
 - fuel-switching to electricity in all sectors,
 - supporting this transition through "a secure and sufficient supply of electricity and a rate structure that supports substitution away from fossil fuels,"
 - priority principles suggested by the CSC to guide allocation of British Columbia's (BC's) clean electricity resources, and
- Concern that approval of any further Liquefied Natural Gas (LNG) or other large fossil fuel project(s) could threaten achievement of BC's legislated greenhouse gas (GHG) targets. The CSC has recommended that:
 - The Ministry of Energy, Mines and Low Carbon Innovation (EMLI) and Climate Action Secretariat (CAS) work closely to ensure BC policy and regulation to meet BC's sectoral and methane reduction targets is in place by 2023, and align with federal requirements,
 - BC follow through on commitments to eliminate any subsidy to upstream oil and gas and/or LNG sectors,
 - All LNG facilities that are not yet in operation be required to submit plans demonstrating how they plan to achieve the BC's legislated and sectoral targets, and become net zero by 2050, and
 - BC work with the Federal Government fund transition for communities, First Nations and workers in oil producing regions, and identify and implement economic diversification opportunities.
- A strong urging to strengthen and/or expedite the CleanBC Roadmap to 2030 (Roadmap) policy actions to close projected shortfalls in reaching BC's legislated 2025 and 2030 GHG emissions reductions targets¹, including the Greenhouse Gas Reduction Standard (GHGRS).

¹ At the time the Annual Report was released, the projected shortfalls were 1.6 million tonnes (MT) for 2025, and 0.8 MT for 2030.

MINISTRY RESPONSE:

- EMLI supports the delivery of the Roadmap objectives and legislated GHG emissions reduction targets and is beginning work on a proposed Energy Framework that aligns with these priorities.
- The Framework will also take other key criteria into consideration, such as energy affordability for households and businesses, energy resiliency during periods of peak use, and the availability of firm clean resources, which will be considered along with CSC's preference on economy-wide electrification to achieve these goals.
- In the short- and medium-term challenges to economy-wide electrification associated with affordability, energy resiliency, and availability of firm energy resources may be mitigated through decarbonization of the Province's gas system and encouraging further co-planning and optimization of BC's electric and gas systems.
- EMLI is working in collaboration with CAS to explore the opportunities and challenges associated with aggressive electrification as part of the Framework. EMLI intends to continue collaborating with CAS on other Mandate Letter Deliverables that will be guided by the Framework, including support for BC Hydro's Electrification Plan, examination of opportunities for Indigenous participation in clean energy infrastructure projects, and adapting the role of the BC Utilities Commission (BCUC).
- EMLI is making good progress in reducing oil and gas sector emissions, for example:
 - Federal modelling indicates BC's methane emissions reductions will exceed the 45% target for 2025, and regulatory development is underway to achieve a 75% reduction by 2030; and
 - A royalty review was completed that has resulted in elimination of outdated incentives. and a revised royalty system will be put in place to include a new Healing the Land and Emission Reductions Program.Additional measures are being considered to advance Roadmap objectives and other priorities.

- s.12; s.13

BACKGROUND:

Under its current Terms of Reference,

- the CSC is required, among other things, to provide an annual summary report of the Council's advice to the Minister of Environment and Climate Change Strategy (ENV), which is to be made publicly available through a website, and include comment on progress to meeting climate targets and reducing emissions, and mitigating and addressing climate risks and impacts, and
- the Minister of ENV is required to include advice from the CSC in his/her annual accountability report to the Legislature and respond to advice received.

The Annual Report centres around the Council's concerns that BC may miss its 2025 and 2030 legislated GHG reduction targets if it does not accelerate implementation of Roadmap initiatives and rapidly develop additional policies, regulations and/or programs.

The CSC notes "While government must ensure all sectors reduce emissions, the Council is particularly concerned about the oil and gas, transportation and buildings and communities' sectors. With respect to oil and gas, there are numerous LNG terminals that, if built, would lead to direct emissions – and significant indirect emissions from the upstream production and transportation of gas – beyond those factored into the Roadmap's currently GHG projections. The transportation sector, meanwhile, has emissions trending rapidly in the wrong direction. Due to slow vehicle stock turnover, this presents a particular challenge. Similarly, the challenges retrofitting the extensive stock of buildings...indicate that projected emission reductions will not be enough to meet that sectoral target."

"To inform our recommendations, and provide constructive guidance to government, we have identified 13 policy and process pitfalls that must be avoided if BC is to successfully implement Roadmap and achieve its climate targets." The Annual Report also articulates the CSC's support for the Minister of EMLI's Mandate Letter deliverables, including the development and implementation of a Framework.

DISCUSSION:

a) Climate-Aligned Energy Framework

Both EMLI and the CSC agree upon the need for a revised policy and regulatory energy framework to support achievement of BC's legislated climate targets, and that increasing the level of electrification within BC's energy system should be an important component within that framework. s.13

s.13

The CSC appears to suggest the objective of the Framework should be to achieve full electrification of the economy as soon as possible, based on these proposed principles for use of BC's clean electricity which prioritize meeting the needs of:

- "1) All British Columbia households, businesses and industries that are increasingly choosing (or are required to) electrify their homes, buildings, vehicles, and operations to reduce current emissions,
- 2) New homes, buildings, and vehicles to avoid new emissions,
- 3) New industrial operations so they can electrify and avoid new emissions, and
- 4) Our neighbours, via clean electricity exports (reducing current and avoiding new emissions)."

Consistent with the CSC's key messaging around accelerating climate action, the Annual Report appears to suggest the Province should focus on GHG emissions reductions above all other

Government priorities. In its Annual Report, it urges Government to avoid 13 pitfalls for implementation of the Roadmap, including:

- “Pitfall #5: “Concerns about affordability can thwart policy adoption” in which it acknowledges climate action will increase energy prices until such point when technological improvements and economies of scale in production of alternatives can moderate or offset the increases;” and
- “Pitfall #11: “Overstating the economic impact of the energy transition away from fossil fuels, saying, that “while jobs and economic activity from a low carbon resilient economy are growing and present an opportunity...for province-wide benefits, they take time to come to fruition and appear riskier than depending on fossil fuels for jobs and tax revenues”. The CSC encourages the Province to take the riskier path, however, it does not elaborate in how long the transition might take or make suggestions on managing the transition in such a way that BC’s economy remains robust and continues to generate the tax revenues required to implement Roadmap initiatives as the transition takes place.

While EMLI is undertaking further analysis with BC Hydro, preliminary indications suggest this

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Experience in BC shows that building out electricity supply for demand that may not materialize could result in significant rate impacts for BC Hydro customers. In its 2008 Long Term Acquisition Plan, BC Hydro projected that demand for electricity would increase, before savings from Demand-Side Measures, by over 30% over 20 years. These growth assumptions, as well as expectations of high market demand for clean or renewable generation, led to aggressive procurement through a Clean Power Call and bioenergy call in 2010, and the launch of a Standing Offer Program that was ultimately suspended in 2019. When this demand growth did not materialize, BC Hydro had to sell the excess energy on markets at much lower prices than it paid for the contracts. In the 2019 Davidson Report (“Zapped”), these losses were estimated as high as \$800 million per year. This, in turn, contributed to rate increases that brought average residential rates from 7.4 cents per kilowatt-hour in fiscal 2010 to 11.8 cents by fiscal 2019.

The Roadmap primarily leverages several other mechanisms (e.g., energy efficiency, demand destruction, low carbon gases and fuels, carbon pricing) to reach its targets. s.13

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b) LNG and other Oil and Gas Development

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c) Greenhouse Gas Reduction Standard (GHGRS)

Under the Roadmap, Government has committed to implementing a legislated requirement for FortisBC and Pacific Northern Gas (the Gas Utilities) to limit the GHG emissions of their buildings and industry (excluding LNG and upstream oil and gas) customers to ~6 Mt by 2030 (about a 47% drop over 2007 emissions levels) under the legislative initiative, the GHGRS. The proposed emissions cap aligns with BC's sectoral GHG targets.

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NEXT STEPS:

The CSC is likely to express an interest in ongoing updates on development of the Framework.

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Attachments: s.12, s.13

s.12

DRAFTED BY:

Katherine Rowe, Dir, GRB
778-698-7190

APPROVED BY:

Amy Sopinka, A/ED, EPB ✓
Les MacLaren, ADM, EAED ✓
Shannon Baskerville, DM

Input from:

Michelle Schwabe, ED, RIB, OGD

Page 10 of 58 to/à Page 14 of 58

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Page 37 of 58

Withheld pursuant to/removed as

s.12 ; s.13

From: Venn, Tania GCPE:EX(Tania.Venn@gov.bc.ca)
Gilmore, Christopher EMLI:EX (Christopher.Gilmore@gov.bc.ca); Merilovich, Zackary
To: EMLI:EX (Zackary.Merilovich@gov.bc.ca); Gosman, Nat EMLI:EX
(Nathaniel.Gosman@gov.bc.ca)
To: Hunt, Thomas GCPE:EX (Thomas.Hunt@gov.bc.ca)
Subject: RE: EMLI Media Request: Climate Solutions Council on Greenhouse Gas Reduction
Standard
Sent: 05/23/2023 21:28:26

Great, thanks all. I've shared those with ENV now.

From: Gilmore, Christopher EMLI:EX <Christopher.Gilmore@gov.bc.ca>
Sent: Tuesday, May 23, 2023 2:25 PM
To: Merilovich, Zackary EMLI:EX <Zackary.Merilovich@gov.bc.ca>; Venn, Tania GCPE:EX
<Tania.Venn@gov.bc.ca>; Gosman, Nat EMLI:EX <Nathaniel.Gosman@gov.bc.ca>
Cc: Hunt, Thomas GCPE:EX <Thomas.Hunt@gov.bc.ca>
Subject: RE: EMLI Media Request: Climate Solutions Council on Greenhouse Gas Reduction Standard

This is fine by me.

Can we just remove 'power some of our industries' and just say 'industry'.

Think we can say an intro bullet.

- The government thanks the CSC for their input and recommendations on this key Clean BC commitment. Ministries are reviewing and analyzing the recommendations to inform future implementation efforts.
- Add the three bullets from below.

From: Merilovich, Zackary EMLI:EX <Zackary.Merilovich@gov.bc.ca>
Sent: Tuesday, May 23, 2023 2:20 PM
To: Venn, Tania GCPE:EX <Tania.Venn@gov.bc.ca>; Gilmore, Christopher EMLI:EX
<Christopher.Gilmore@gov.bc.ca>; Gosman, Nat EMLI:EX <Nathaniel.Gosman@gov.bc.ca>
Cc: Hunt, Thomas GCPE:EX <Thomas.Hunt@gov.bc.ca>
Subject: RE: EMLI Media Request: Climate Solutions Council on Greenhouse Gas Reduction Standard

Hi Tania,

If we had to provide holding lines, I would suggest using the CleanBC language verbatim and include that the Province is working on policy development for the GHGRS.

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However, this may not provide any value as the recommendations in the letter are quite detailed and the above information has been public for quite some time. Therefore, it may simply be better to say that government will respond to the CSC letter before talking about it in the media.

Zack

From: Venn, Tania GCPE:EX <Tania.Venn@gov.bc.ca>
Sent: Tuesday, May 23, 2023 2:01 PM
To: Merilovich, Zackary EMLI:EX <Zackary.Merilovich@gov.bc.ca>; Gilmore, Christopher EMLI:EX <Christopher.Gilmore@gov.bc.ca>; Gosman, Nat EMLI:EX <Nathaniel.Gosman@gov.bc.ca>
Cc: Hunt, Thomas GCPE:EX <Thomas.Hunt@gov.bc.ca>
Subject: RE: EMLI Media Request: Climate Solutions Council on Greenhouse Gas Reduction Standard

Hi there,

CAS told us to lead on the response, which means that no call will happen with Minister Heyman and we are sending a written response.

As the deadline for this is in 2 hours and I still need to get it through ADM, MO and Issues Director, is it possible to respond to the reporter that EMLI is drafting a response to the letter and in the meantime here are one or two holding lines? OR, we can just respond to say that it would be best to respond to the CSC letter before talking about it to the media.

Thoughts?

Tania

From: Merilovich, Zackary EMLI:EX <Zackary.Merilovich@gov.bc.ca>
Sent: Tuesday, May 23, 2023 1:55 PM
To: Gilmore, Christopher EMLI:EX <Christopher.Gilmore@gov.bc.ca>; Gosman, Nat EMLI:EX <Nathaniel.Gosman@gov.bc.ca>
Cc: Hunt, Thomas GCPE:EX <Thomas.Hunt@gov.bc.ca>; Venn, Tania GCPE:EX <Tania.Venn@gov.bc.ca>
Subject: RE: EMLI Media Request: Climate Solutions Council on Greenhouse Gas Reduction Standard

Hi Chris and Nat,

EMLI and CAS are currently coordinating on a response to this letter from the CSC – response currently led by Nat.

As the request seems to ask for a call with Minister Heyman to discuss the CSC letter, I would recommend that call be postponed until after the response is approved by both Ministries.

Thoughts?

Thanks,

Zack

From: Gilmore, Christopher EMLI:EX <Christopher.Gilmore@gov.bc.ca>
Sent: Tuesday, May 23, 2023 12:30 PM
To: Venn, Tania GCPE:EX <Tania.Venn@gov.bc.ca>; Merilovich, Zackary EMLI:EX <Zackary.Merilovich@gov.bc.ca>
Cc: Hunt, Thomas GCPE:EX <Thomas.Hunt@gov.bc.ca>
Subject: RE: EMLI Media Request: Climate Solutions Council on Greenhouse Gas Reduction Standard

Zack,

Do we have some KMs to use on this?

I guess their advice letter got posted.

Chris

From: Venn, Tania GCPE:EX <Tania.Venn@gov.bc.ca>
Sent: Tuesday, May 23, 2023 12:13 PM
To: Gilmore, Christopher EMLI:EX <Christopher.Gilmore@gov.bc.ca>
Cc: Hunt, Thomas GCPE:EX <Thomas.Hunt@gov.bc.ca>
Subject: EMLI Media Request: Climate Solutions Council on Greenhouse Gas Reduction Standard

Hi Chris,

I understand that you're my best candidate in the ministry to start a response to this media request? My ENV contact tells me that Climate Action Secretariat says EMLI should lead, although CAS will want to review.

Can you please suggest a recommended response? With a short turnaround to hit the deadline, I'm hoping to get a response ASAP.

Thank you,

Tania

From: Tania Venn <Tania.Venn@gov.bc.ca>
Sent: Tuesday, May 23, 2023 12:04 PM
To: Venn, Tania GCPE:EX <Tania.Venn@gov.bc.ca>
Cc: Karn, David GCPE:EX <David.Karn@gov.bc.ca>; Borghese, Matthew GCPE:EX <Matthew.Borghese@gov.bc.ca>
Subject: EMLI Media Request: Climate Solutions Council on Greenhouse Gas Reduction Standard

Reporter

Alec Lazenby, Reporter
BC Today
alec@britishcolumbiatoday.ca
604-366-5610

Deadline Tuesday, May 23, 2023 4:00 PM

Request

I was wondering if Minister Heyman had any time today to discuss the Climate Solutions Council and its response to the new Greenhouse Gas Reduction Standard?

Here is the letter: https://www2.gov.bc.ca/assets/gov/environment/climate-change/advisory-council/2023_ghgrs_letter.pdf.

Recommendation

Background

From: McGuigan-Scott, Katie ENV:EX(Katie.McGuigan-Scott@gov.bc.ca)
To: Gosman, Nat EMLI:EX (Nathaniel.Gosman@gov.bc.ca); Merilovich, Zackary EMLI:EX (Zackary.Merilovich@gov.bc.ca)
To: Gilmore, Christopher EMLI:EX (Christopher.Gilmore@gov.bc.ca); Parker Hall, Kristine ENV:EX (Kristine.ParkerHall@gov.bc.ca)
Subject: RE: Climate Solutions Council Letters regarding GHRS
Sent: 05/16/2023 16:55:55
Attachments: GHGRS Letter from Climate Solutions Council May 11 2023.pdf

Thanks Chris.

Nat and Zack I'm hoping to connect and coordinate a response to the CSC letter, thinking a quick 15 minute call would be best.

Nat please let me know if you have a staff person that I should include on the invite. Copy and pasted the CSC main concerns & recommendation below for quick review.

Thanks
Katie

Concerns:

- BCUC capacity and alignment with climate targets
- Notional RNG (credits for RNG produced and/or used outside B.C.)
- BC Hydro task force connection in the GHGRS
- Briefing on the outcomes of GHGRS consultations

Recommendations:

- a) The current Greenhouse Gas Reduction Regulation should be updated immediately to enable utilities to procure up to 30% RNG; this should not be delayed until the GHGRS is finalized.
- b) The government needs to establish clear targets for minimum RNG content requirements and specific measures to achieve these targets, so that the BCUC or a *designated government agency* can fulfill its current responsibility for determining a cost-effective means to achieve climate targets.
- c) Renewable gas credits from other provinces (i.e., "notional RNG") to meet compliance obligations should be limited in time and amount and only if there is a rigorous carbon accounting system in place that clearly demonstrates a concomitant decrease in natural gas consumption in the exporting province.
- d) As stressed in the previous Council's *letter of November 2020*, any other domestic offsets/credits toward GHGRS compliance must be real, additional, permanent, verifiable, quantifiable, enforceable, and provide co-benefits, and should be limited to ensure that the focus is on reducing emissions from transportation, buildings, and industry. Quebec's framework serves as a useful example.² *While all these criteria are crucial, in a rapidly changing climate the requirement for permanency may make a number of the options challenging.*
- e) *Credits in B.C. for out-of-country notional RNG should not be accepted unless there is clarity that the credits will apply to Canada's reduction commitment under the Paris Agreement, and that there will not be double counting.*
- f) *We reiterate the recommendation in 2022 carbon pricing letter that the province create a tool to help households and businesses make informed choices based on anticipated changes in prices of different forms of energy when they make major equipment purchases. Affordability will be top of mind for households and communities, especially those with more limited means to help cover capital costs.*
- g) *We would like to reiterate council advice from 2021 on the Clean Portfolio Standard (CPS – predecessor to GHGRS): Work commissioned by the provincial government to support the development of the hydrogen*

From: Gilmore, Christopher EMLI:EX <Christopher.Gilmore@gov.bc.ca>
Sent: Tuesday, May 16, 2023 9:20 AM
To: McGuigan-Scott, Katie ENV:EX <Katie.McGuigan-Scott@gov.bc.ca>; Gosman, Nat EMLI:EX <Nathaniel.Gosman@gov.bc.ca>
Cc: Merilovich, Zackary EMLI:EX <Zackary.Merilovich@gov.bc.ca>
Subject: FW: Climate Solutions Council Letters regarding GHRS

Nat Gosman - with input from my team – Zack et al.

Chris

From: McGuigan-Scott, Katie ENV:EX <Katie.McGuigan-Scott@gov.bc.ca>
Sent: Tuesday, May 16, 2023 8:48 AM
To: Gilmore, Christopher EMLI:EX <Christopher.Gilmore@gov.bc.ca>
Subject: FW: Climate Solutions Council Letters regarding GHRS

Morning Chris- can you tell me who I can connect with on the GHRS? I am working with Kristine to draft a response to the attached CSC advise. Fyi- the letter was also sent to your minister.

Thanks,
Katie

From: Nancy Olewiler <nancy_olewiler@sfu.ca>
Sent: Thursday, May 11, 2023 6:50 PM
To: Heyman, George ENV:EX <George.Heyman@gov.bc.ca>; Minister, ENV ENV:EX <ENV.Minister@gov.bc.ca>
Cc: Hewitt, Jeremy ENV:EX <Jeremy.Hewitt@gov.bc.ca>; Jardine, Kevin ENV:EX <Kevin.Jardine@gov.bc.ca>; Parker Hall, Kristine ENV:EX <Kristine.ParkerHall@gov.bc.ca>; Minister, EMLI EMLI:EX <EMLI.Minister@gov.bc.ca>; Baskerville, Shannon EMLI:EX <Shannon.Baskerville@gov.bc.ca>; Colleen Giroux-Schmidt <CGSchmidt@innnergex.com>
Subject: Re: Climate Solutions Council Letters regarding CTAP and ZEV

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Dear Minister Heyman,

On behalf of the Climate Solutions Council, please find a letter addressing policy development for the Greenhouse Gas Reduction Standard (GHGRS) that expands upon advice in our 2022 Annual Report on this important issue. We look forward to further discussions on these important initiatives.

Best,

Nancy and Colleen

Nancy Olewiler

Professor, School of Public Policy
Simon Fraser University

515 West Hastings Street

Vancouver, BC Canada V6B 5K3

Contact via email: olewiler@sfu.ca

website: www.sfu.ca/mpp



I respectfully acknowledge that I live and work on the unceded territories of the xʷməθkwəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and Səlílwətaʔ/Selilwitulh (Tsleil-Waututh) Nations.

To: Minister of Environment and Climate Change Strategy, Honourable George Heyman

cc: Minister of Energy, Mines and Low Carbon Innovation, Honourable Josie Osborne, Deputy Minister, Kevin Jardine; Deputy Minister Shannon Baskerville; Assistant Deputy Minister, Jeremy Hewitt

May 11, 2023

Dear Minister Heyman,

Re: Greenhouse Gas Reduction Standard

The Council was briefed on and examined the proposed new Greenhouse Gas Reduction Standard (GHGRS) prior to the province's announcement of a new climate aligned energy action framework on March 14 and 15, 2023. The Council looks forward to the further development of these vital actions. This letter addresses the information the Council has to date on the GHGRS.

We reiterate our advice provided in the [Council's 2022 Annual Report](#) augmented in this letter to reflect recent announcements. We highlight *in italics* comments and recommendations added to the advice in the Annual Report.

The Greenhouse Gas Reduction Standard (GHGRS) has been delayed to 2023 to allow for more consultation. *The Council awaits a briefing on the outcomes of these consultations.* Modelling by both the province and the [Canadian Climate Institute](#) anticipates that meeting B.C.'s 2030 emissions target cost-effectively and getting the province on a path to net zero in 2050 will entail a significant shift *in space heating* from gas to electricity *in the majority of buildings*.¹

The Council's [2020 report](#) emphasized "In addition to the 2030 target, reduction requirements should be set to align with the provincial government's 2040 and 2050 targets, including the overarching CleanBC objective of transitioning away from fossil fuels toward clean energy." However, the proposed GHGRS is at risk of implementation pitfalls. It relies in the first instance on gas utilities—whose core business is most directly threatened by that transition—to propose a compliance pathway.

The approach puts the onus on the B.C. Utilities Commission (BCUC) to evaluate the credibility of gas utilities' plans to meet their emissions obligations at a reasonable cost, presumably via renewable natural gas (RNG) and other low carbon gases (e.g., hydrogen). This is a very different role from the BCUC's historical mandate to regulate price and supply. Our concern is with delays in ramping up the capacity of the BCUC to acquire the personnel, experience, and expertise to take this on, and the absence of a clear mandate to the BCUC to align its decision-making with the province's legislated climate targets. Preparing to do so will entail a fundamental transformation of the Commission. *Alternatively, responsibility could be designated to a division within government as is done for other aspects of energy and GHG regulation. Our concern is that overconfidence in gas utilities' own emissions projections will either result in failure to meet our emissions targets or stranded fossil-fuel infrastructure and equipment, with higher costs as a result for households and businesses.*

We are also concerned that reliance on purchasing "notional RNG" (credits for RNG produced and/or used outside B.C.) will not have sufficiently robust accounting to guarantee a concomitant decrease in natural gas and GHG reduction in the other jurisdiction. Domestic production of RNG is also an important opportunity to create clean energy jobs and foster a circular economy, notably within the forest and agriculture sectors. Any reliance on international credits to meet these requirements would represent a significant shift in provincial policy without acknowledgement or public discussion. *Moreover, purchase of international notional RNG as envisioned in the proposal presented to the Council will not count*

¹ We recognize that in large buildings with complex heating equipment and infrastructure as well as homes and buildings in the coldest climate zones in B.C. that electrification may be technologically difficult and expensive. In these instances, *affordable combustible fuels not derived from fossil fuels (e.g., biomethane, green hydrogen) may be a temporary alternative to electricity.*

toward Canada's emissions target under the Paris Agreement.

We expect to see the GHGRS proposal modified in light of the energy action framework to expand and strengthen B.C.'s existing expertise in renewable electricity and provide more economic development opportunities across the province and support Reconciliation. BC Hydro, many First Nations, and renewable energy companies would benefit from a greater emphasis on producing more clean electricity in B.C, which includes a range of co-benefits. For example, small-scale hydro can produce co-benefits in the form of flood control. We would like to see as part of the BC Hydro task force announced in March 2023 specification of a clear role for BC Hydro in advancing affordable electrification of space heating in the GHGRS.

Our advice reiterates and builds upon the previous Council's advice on the predecessor policy proposal: the Clean Portfolio Standard.

Recommendations to the Province:

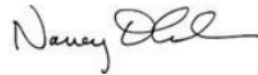
- a) The current Greenhouse Gas Reduction Regulation should be updated immediately to enable utilities to procure up to 30% RNG; this should not be delayed until the GHGRS is finalized.
- b) The government needs to establish clear targets for minimum RNG content requirements and specific measures to achieve these targets, so that the BCUC or a designated government agency can fulfill its current responsibility for determining a cost-effective means to achieve climate targets.
- c) Renewable gas credits from other provinces (i.e., "notional RNG") to meet compliance obligations should be limited in time and amount and only if there is a rigorous carbon accounting system in place that clearly demonstrates a concomitant decrease in natural gas consumption in the exporting province.
- d) *As stressed in the previous Council's letter of November 2020, any other domestic offsets/credits toward GHGRS compliance must be real, additional, permanent, verifiable, quantifiable, enforceable, and provide co-benefits, and should be limited to ensure that the focus is on reducing emissions from transportation, buildings, and industry. Quebec's framework serves as a useful example.² While all these criteria are crucial, in a rapidly changing climate the requirement for permanency may make a number of the options challenging.*
- e) *Credits in B.C. for out-of-country notional RNG should not be accepted unless there is clarity that the credits will apply to Canada's reduction commitment under the Paris Agreement, and that there will not be double counting.*
- f) *We reiterate the recommendation in 2022 carbon pricing letter that the province create a tool to help households and businesses make informed choices based on anticipated changes in prices of different forms of energy when they make major equipment purchases. Affordability will be top of mind for households and communities, especially those with more limited means to help cover capital costs.*
- g) *We would like to reiterate council advice from 2021 on the Clean Portfolio Standard (CPS – predecessor to GHGRS): Work commissioned by the provincial government to support the development of the hydrogen strategy showed a wide range of carbon intensities for hydrogen derived from fossil fuels. Whether there is a role for hydrogen derived from fossil fuels within the CPS that is aligned with CleanBC targets will depend on maximum carbon intensity thresholds for hydrogen and the accounting methodologies used to estimate those carbon intensities.*

The Council would welcome updated information from the government regarding the carbon intensity of hydrogen, which reflects the latest information regarding CCUS technology and rates of capture, the oil and gas emission caps, and methane emissions.

² Carbon Markets: Offset Credits. Québec Ministère de l'Environnement de la Lutte contre les changements climatiques, de la Faune et des Parcs. Page 45 of 58 EML-2024-40225



Colleen Giroux-Schmidt
Vice President, Corporate Relations Innergex
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B.C. Climate Solutions Council Members:

George Benson, Managing Director, Climate Displacement Planning Initiative

David Black, Past President, MoveUP

Ian Bruce, Climate Policy Advisor

Kathryn Harrison, Professor, Political Science, University of British Columbia

Mark Jaccard, Professor, School of Resource and Environmental Management, Simon Fraser University

Eden Luymes, Masters student, University of British Columbia

Scott Maloney, VP Environment, Teck Resources

Skye McConnell, Manager of Policy and Advocacy, Shell Canada

Patrick Michell, Community Leader

Kurt Niquidet, Vice President, Council of Forest Industries

DJ Pohl, President, Fraser Valley Labour Council

Chief Lynda Price, Chief of Unlatch First Nation

Merran Smith, Chief Innovation Officer, Clean Energy Canada

Karen Tam Wu, Climate Policy Advisor

Jill Tipping, President & Chief Executive Officer, BC Tech Association

Tamara Vrooman, President & Chief Executive Officer, Vancouver Airport Authority

Climate Solutions Council – Meeting Agenda

September 5-6, 2023

Venue: Teck resources Ltd., Gold Boardroom, 3300-550 Burrard Street., Vancouver B.C.

Council Members: Colleen Giroux-Schmidt, Nancy Olewiler, George Benson, David Black, Tom Green, Kathryn Harrison, Mark Jaccard, Eden Luymes, Scott Maloney, Skye McConnell, Patrick Michell, Kurt Niquidet, DJ Pohl, Andrea Reimer, Merran Smith, Michelle Staples, Karen Tam Wu, Jill Tipping

Government Attendees: Jeremy Hewitt, Elaine Cross, Vimala Jeevanandam, Christina Ianniciello, Rebecca Abernathy, Guy Gensey, Kristen Littler, Chris Fleming, Caitlin Copage, Hurrian Peyman, Adria Fradley, Nat Gosman

External: Kate Harland, Canadian Climate Institute

Regrets: TBD

Materials:

- Roadmap and CPAS Status update presentation
- Clean Transportation Action Plan presentation and backgrounder
- Canadian Climate Institute's space heating presentation
- Greenhouse Gas Reduction Standard update backgrounder and presentation
- Oil and gas sector emissions cap and offsets backgrounders and presentations
- Methane backgrounder and presentation

Objectives:

- Provide a 'big-picture' update on Roadmap implementation
- Update and discussion of Clean Transportation Action Plan (including modelling)
- Update on Greenhouse Gas Reduction Standard and presentation from Canadian Climate Institute (CCI) to inform potential advice
- Update from Technical Committee and Adaptation Committee
- Update on oil and gas sector emissions cap, offsets and methane to inform upcoming advice
- Council starts developing themes for its 2023 annual report

DAY ONE – September 5, 2023

No.	Time	Agenda Item	Lead	Purpose	Outcome
12:00pm		Lunch available (30 min)			
1.0	12:30 pm (30 min)	Welcome and opening <ul style="list-style-type: none"> • Territorial acknowledgment • Safety briefing • Approve meeting minutes • Review agenda • Meeting guidelines • Icebreaker 	Co-Chairs	Set up day for success and build CSC relationships	<ul style="list-style-type: none"> • Approved agenda and minutes • Review guidelines • Members continue getting to know each other
2.0	1:00 pm (40 min)	Roadmap and CPAS status update <ul style="list-style-type: none"> • CAS update (15 min) • Q&A (25 min) 	CAS	Update on Roadmap/CPAS implementation	Council has current information on implementation

No.	Time	Agenda Item	Lead	Purpose	Outcome
3.0	1:40 pm (65 min)	Clean Transportation Action Plan (CTAP) <ul style="list-style-type: none"> Overview presentation (10 min) Q&A (10 min) Breakout groups (20 min) Report back and council discussion (25 min) 	EMLI/ MoTI	Update on CTAP and modelling	CSC is briefed on status of Clean Transportation Action Plan and modelling
2:45 pm		Break (15 min)			
4.0	3:00 pm (20 min)	Canadian Climate Institute Space Heating presentation Q&A	CCI	Council briefing from policy experts	CSC considers input from Canadian Climate Institute (CCI)
5.0	3:20 pm (50 min)	Greenhouse Gas Reduction Standard Update <ul style="list-style-type: none"> Overview presentation (10 min) TC update (5 min) Q&A and Council discussion (35min) 	EMLI	Update on status of GHGRS, including response to May 2023 advice	CSC receives update on GHGRS
6.0	4:10 pm (30 min)	Adaptation and Technical Committee updates	AC/TC Chairs	CSC is updated on AC/TC activities	CSC is updated on AC/TC activities
7.0	4:40 pm (30 min)	Wrap the day: <ul style="list-style-type: none"> Action items/key messages Group debrief of the day 	Co- Chairs	Summarize key points from the day	Close day one of the meeting
5:10– 7:00 pm		CSC Social Event			

DAY TWO – September 6, 2023

No.	Time	Agenda Item	Lead	Purpose	Outcome
8:30 am		Coffee and breakfast available (30 min)			
1.0	9:00 am (30 min)	Welcome and opening <ul style="list-style-type: none"> Territorial acknowledgment Review agenda for the day Ice breaker 	Co- Chairs	Set up day two	CSC members continue to get to know each other
2.0	9:30 am (90 min)	Oil & Gas Emissions Cap and Offsets <ul style="list-style-type: none"> Overview presentation (20 min) TC questions and CAS answers (20 min) Q&A and group discussion (50 min) 	CAS	Update on oil and gas cap and offsets	CSC receives update to inform advice
11:00 am		Break (15 min)			
3.0	11:15 am (45 min)	Methane Policy Update <ul style="list-style-type: none"> Overview presentation (10 min) Q&A and group discussion (35 min) 	CAS	Update on methane policy	CSC receives update to inform advice

No.	Time	Agenda Item	Lead	Purpose	Outcome
12:00 pm		Lunch (60 min)			
4.0	1:00 pm (75 min)	Annual Report Drafting Discuss contents/direction <ul style="list-style-type: none"> Intro/overall direction (10 min) Small group breakouts (30 min) Report back to larger group (35 min) 	Co-Chairs / All	Time for CSC to work on year-end report	CSC begins development of themes for 2023 annual report
5.0	2:15 pm (45 min)	Reflections and key takeaways: <ul style="list-style-type: none"> Roundtable of reflections and key takeaways (1-2 minutes per member) 	All	Opportunity for CSC to reflect on key takeaways from the meeting	CSC reflections feed into action items
6.0	3:00 pm (30 min)	Close out meeting: <ul style="list-style-type: none"> Next steps Identify key messages Provide feedback on meeting format 	Co-Chairs	Close the meeting	CSC has clear actions for next steps and CAS has feedback on format
3:30 pm		Departure			

Greenhouse Gas Reduction Standard Backgrounder

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