

EV Battery EPR - Minister Heyman 16Nov2021.docx

From: Adrian Scovell <adrianscovell@ara.bc.ca>
To: Minister, ENV ENV:EX <ENV.Minister@gov.bc.ca>
Sent: November 16, 2021 9:33:25 AM PST
Attachments: EV Battery EPR - Minister Heyman 16Nov2021.docx, image003.jpg

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

The Honourable George Heyman
Minister of Environment and Climate Change Strategy
ENV.Minister@gov.bc.ca

Re: Alternatives to EPR for Electric Vehicle Batteries.

Please see attached letter on behalf of the Automotive Retailers Association Members and its partner associations. We support Government's mandate to ensure the full lifecycle management of electric vehicles (EVs) from manufacture to recycling. There is a solution for recycling car parts, including batteries, guided by legislation. This can be adapted to include EV batteries. The structure exists, industry supports it, and the cost on implementation would be minimal compared to a completely new program. We would like an opportunity to meet to discuss how industry can help government achieve its mandate.

Sincerely,

Adrian Scovell
President & CEO
Automotive Retailers Association





AUTOMOTIVE RETAILERS ASSOCIATION
Driving Industry Excellence

2021-11-16

The Honourable George Heyman
Minister of Environment and Climate Change Strategy
ENV.Minister@gov.bc.ca

Re: Alternatives to EPR for Electric Vehicle Batteries

Dear Minister Heyman,

I would like to first congratulate you on the CleanBC Program for Industry being awarded the most creative climate solution at COP26 in Glasgow recently. Now more than ever, we need to find innovative solutions to combat the effects of climate change and the work you have championed with CleanBC is something to be very proud of.

I am writing with respect to your recent announcement of adding electric vehicle (EV) batteries to the 5-year plan to advance recycling in British Columbia. B.C. has a history of leadership in environmental protection as it was the first province in Canada to introduce legislation regulating the vehicle dismantling industry and has been proactive in developing the tools and resources industry needs to dispose of these batteries safely and efficiently. B.C. is already recycling single-use and rechargeable batteries regulated under EPR and the automotive recycling industry is familiar with recycling older NiMH electric hybrid batteries. However, newer advanced lithium-ion batteries (typically ones found in pure electric vehicles) are relatively new to the vehicle dismantling and recycling industry.

The government's ZEV mandate – now moved forward to 2035 – does accelerate the concern for the end-of-life disposal of these products, as recyclers will begin to see more of them in the coming years. The Automotive Retailers Association (ARA), the Canadian Vehicle Manufacture Association (CVMA), Global Automakers of Canada (GAC) and Tesla Inc., share this concern but believe that EPR may not be the only solution, take too much time to structure, and take too much time to implement. We believe that B.C. is already equipped with the legislation (with a few regulatory amendments) it needs along with our industry-supported certification and training program to address many of the concerns that EPR is trying to solve with the end-of-life management of EV lithium-ion batteries.

I would like to respectfully request a meeting with yourself or your staff to discuss this in further detail. I can be reached at adrianscovell@ara.bc.ca to arrange a date and time that would be best suit your schedule.

Sincerely,

Adrian Scovell
President and CEO
Automotive Retailers Association

Cc Ken Hendricks, Senior Industry Advisor kenhendricks@ara.bc.ca



MEETING NOTE

MEETING DATE: February 14 2022

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

TOPIC: Automotive Retailers would like to discuss alternatives to Extended Producer Responsibility regulation for electric vehicle battery recycling.

ATTENDEES: Adrian Scovell, President and CEO, Automotive Retailers Association
Ken Hendricks, Senior Industry Advisor, Automotive Retailers Association
Kevin Jardine, Deputy Minister, Ministry of Environment and Climate Change Strategy
Laurel Nash, Assistant Deputy Minister, Ministry of Environment and Climate Change Strategy
Sonya Sundberg, Executive Director, Environmental Standards Branch
Bob McDonald, Director, Extended Producer Responsibility
Kristi MacMillan, Senior Policy Analyst, Extended Producer Responsibility

KEY MESSAGES:

- Thank you for supporting B.C.'s mandate to ensure the full lifecycle management of electric vehicles (EVs) from manufacture to recycling.
- We published the Extended Producer Responsibility (EPR) Five Year Action Plan last year, which commits to adding EV batteries under the Recycling Regulation in 2023 as a ministry priority. To give industry enough time to adapt, the timeline allows for the operational logistics to be developed gradually by delaying program implementation until 2025.
- We understand the concerns expressed by associations during our consultation process, namely creating a unique provincial EPR system that may limit the economies of scale and the potential to participate in the rapidly evolving secondary life options across Canada.
- However, the Recycling Regulation is an outcome-based framework regulation giving producers the flexibility to find efficient and innovative ways to meet the regulatory requirements, including developing secondary life (i.e. reuse) and recycling options. Producers may develop their own EPR plans or join a non-profit agency.
- Furthermore, EV manufacturers and B.C. dealerships are familiar with our EPR approach as they are already obligated producers for lead-acid batteries and tires.
- We appreciate your association's work to develop environmental management plans under the Vehicle Dismantling Regulation.

- We are aware that ARA is seeking updates to the Vehicle Dismantling Regulation to include the addition of lithium-ion batteries as a specified waste and expand the definition of qualified professional within the meaning of the regulation. We will keep the ARA informed on the result of this analysis.
- However, EPR moves beyond basic environmental monitoring and offers a safety net by ensuring free end-of-life options exist for the scrap industry if commodity values are not sufficient to cover refurbishment or recycling.
- The timely regulation of EV batteries will allow producers to accumulate sufficient program funds and develop recycling practices before having to deal with unwanted batteries and the associated costs of having to manage larger volumes of batteries in the coming years.

KEY FACTS:

- The Recycling Regulation (the regulation) sets out the requirements for EPR in B.C., with newly obligated product categories added as schedules to the framework regulation. Under the regulation, producers (manufacturers, brand owners, retailers) are required to fund and manage EPR recycling programs for products sold in B.C. Producers are expected to develop and implement a ministry approved extended producer responsibility plan which details performance metrics such as collection or recovery rate, among other commitments. Program performance is tracked and monitored through the submission of an audited annual report.
- To fund the development of proper end of life recycling systems, EPR programs typically charge a fee (imbedded or visible) at the time of sale or import, which will likely increase the purchase price. Unlike lead-acid batteries, where lead commodity values reduce recycling costs, EV battery recycling is expensive, with one EV battery costing up to \$1,200 to recycle.
- Due to growing awareness about significant safety and environmental concerns for EV batteries, EPR program management has been identified as a priority. Local government waste management facilities, WorkSafeBC, the car dismantling industry, and battery recyclers/smelters have all expressed serious concerns regarding the safety and environmental risks associated with EV battery disposal practices, which must also be managed according to the Hazardous Waste Regulation. Quebec has recently announced their intent to regulate EV batteries.
- Furthermore, staff at the Clean Transportation Branch, Ministry of Energy, Mines and Petroleum Resources (EMPR) have stated that managing EV batteries at end of life is important for CleanBC's successful transition to EV light-duty cars and trucks. It may also provide needed innovation to enable battery reuse for energy storage applications, which is currently not feasible beyond limited industry-led trials.
- Consumers of EV's want recycling, but retailers don't want to be impacted by the cost of recycling and have concerns that vehicle manufactures will not participate in proper recycling programs. Dealerships also want a level playing field with Tesla that do not use B.C. locations.
- The Vehicle Dismantling and Recycling Industry Environmental Planning Regulation (VDR) is an industry-driven initiative that requires individual operators or industry associations (acting on behalf of their members) to develop environmental management plans that demonstrate how they will comply with environmental protection standards under the Environmental

Management Act (EMA) and its accompanying regulations. It also imposes a system of monitoring and reporting to ensure operations are carefully managed.

Assistant Deputy Minister:

Laurel Nash

Environmental Protection

250 953-4004

Alternate contact for content:

Bob McDonald

Extended Producer Responsibility

778-698-4860

Prepared by:

Kristi MacMillan

ESB Extended Producer Responsibility

778 698-4872

From: [Carter, Elizabeth S ENV:EX](#) on behalf of [Carter, Elizabeth S ENV:EX <Elizabeth.S.Carter@gov.bc.ca>](#)
To: [Meadows, Jennifer L ENV:EX](#); [O'Brien, Kellie ENV:EX](#)
Cc: [Eckardt, Dana R PREM:EX](#); [Mattu, Jamin ENV:EX](#); [Carter, Elizabeth S ENV:EX](#)
Subject: MGH mtg : Automotive Retailers Association - Meeting Summary and Resulting Actions
Date: February 16, 2022 3:27:55 PM

Good afternoon,

Please see our comments from an MGH meeting that happened on February 14 from 3:00-3:30 pm.

Meeting Request	
Topic	MGH mtg : Automotive Retailers Association Recycling of EV batteries
Staff Attendees	Laurel Nash, Sonya Sundberg, Bob McDonald and Kristi MacMillan
Cliff Log #	384306
eApprovals #	13271
Meeting Follow-up, Actions and Notes	
MGH MA present (name):	Desmond Pollard
Action Items	EPR staff to continue discussions with ARA on practical means of regulating sector.
Additional info/comments	
ADMO Action	n/a
DMO Action	n/a

Thanks,

Liz Carter | Program Assistant

She/her

Assistant Deputy Minister's Office | Environmental Protection Division

Ministry of Environment and Climate Change Strategy

 236-478-3325 |  Elizabeth.S.Carter@gov.bc.ca

 Please consider the environment before printing

I respectfully acknowledge, that I live and work in the territory of the Lekwungen-speaking peoples.

Today, Lekwungen refers to the Songhees and Esquimalt First Nations Communities and their descendants.

This e-mail may contain privileged and confidential material and its transmission is not a waiver of that privilege. It is intended for the sole use of the person to whom it is addressed. Any other distribution, copying or disclosure is strictly prohibited



MEETING NOTE

MEETING DATE: February 3, 2022

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

TOPIC: Implementing CleanBC Initiatives in Northern, Rural, and Interior B.C.

ATTENDEES:

B.C. MLA Attendees:

Katrine Conroy, Kootenay West
Nathan Cullen, Stikine
Harwinder Sandu, Vernon Monashee
Roly Rusell, Boundary Similkameen
Jennifer Rice, North Coast
Brittany Anderson, Nelson-Creston

ENV Attendees:

Jeremy Hewitt, Assistant Deputy Minister

KEY MESSAGES:

- The CleanBC Roadmap to 2030 plan accelerates measures in B.C.'s continent-leading climate plan and introduces new ideas to help B.C. achieve the Paris emissions reduction targets for 2030 and reach net-zero by 2050.
- Budget 2021 commits an additional \$506M to climate change related initiatives; together with StrongerBC's \$190M for climate change projects, this brings the total CleanBC allocation to nearly \$2.2B since 2019/20.
 - The new investments will reduce emissions in transportation, support low-carbon innovation, restore and protect critical watersheds and habitat, and tackle climate change while preparing for its impacts.
- On January 17, 2022, the governments of Canada and British Columbia committed up to \$134M towards a third intake of the Green Infrastructure - CleanBC Communities Fund (CCF), to support cost-sharing of infrastructure projects in communities across the province. The CCF invests in public infrastructure owned by local governments, Indigenous communities, not-for-profits and projects in partnership with for-profit entities.
 - Together, the federal and provincial governments have committed more than \$244M to the first, second and third intakes of CCF.

- **At the 2021 Union of B.C Municipalities (UBCM) annual convention, Premier Horgan announced a new local government climate action funding program. Ministry staff are evaluating program options, in parallel with recommendations received from UBCM, and the Climate Solutions Council. Further details are expected in Budget 2022, with program launch expected early in the new fiscal year.**
- **The Ministry released phase 1 of a draft Climate Preparedness and Adaptation Strategy in 2021 informed by the 2019 Preliminary Strategic Climate Risk Assessment for B.C. This included input from the Union of BC Municipalities (UBCM), local governments, Indigenous Nations and others across B.C. Phase 2 of the strategy is anticipated for release in spring 2022, and will help to protect ecosystems, help community plan for and adapt to the impacts of climate change and keep people and communities safe.**

KEY FACTS:

- The CleanBC Clean Communities fund is an opportunity for northern communities and indigenous communities to apply for infrastructure funding to reduce emissions for community projects that are for community-use and benefit. Project examples, supported in partnership, by the Governments of Canada and BC include;
 - Prince George – Aquatic Center Building Envelope upgrade - \$6.3M
 - Kitasoo Band – Klemtu Hydropower Project - \$2M
 - Castlegar – Passive House Economic Development Hub - \$2.4M
 - Nuxalk Nation – Nooklikonnick Creek Hydropower Project – \$9.92M
 - North Coast – ChargeNorth EV Charging Network (55 Chargers) - \$.76M
- The Province recognizes that local governments have a critical role to play in meeting our provincial climate targets and preparing for and adapting to climate risks, and is aware that over thirty local governments in B.C. have adopted climate emergency declarations.
- The Climate Action Secretariat was part of the UBCM Special Committee on Climate Action comprised of elected officials and senior staff from local government along with other representatives from the province, non-governmental organizations, crown corporations and academia.
- The Province has received considerable feedback from the UBCM Special Committee on Climate Action, along with the Climate Solutions Council and other local governments in support of establishing new pathways to meet the goals of CleanBC.
- CleanBC Roadmap to 2030 includes a wide range of accelerated and expanded actions to reduce pollution and build a cleaner, stronger economy for everyone. This plan builds on the progress we've made. It will make polluting more expensive and make the shift from fossil fuels to clean alternatives easier and more affordable. The Roadmap includes actions across eight pathways: low-carbon energy; transportation; buildings; communities; industry; forest bioeconomy; agriculture, aquaculture and fisheries; and negative emissions technologies.

- Key features in the CleanBC Roadmap include:
 - A carbon price aligned with or exceeding federal requirements;
 - Increased clean fuel requirements in the transportation sector;
 - An accelerated zero emission vehicle mandate;
 - A new program to support local government climate action;
 - Development of a Low Carbon Building Materials Strategy by 2023;
 - Stronger methane reduction policies—seeing reductions from the oil and gas sector of 75 percent by 2030 and near total elimination of all industrial methane emissions by 2035;
 - Requirements that new large industrial facilities be aligned with B.C.’s emission reduction targets and be net zero by 2050;
 - A cap on emissions for natural gas utilities; and
 - A 100 percent clean electricity standard for the BC Hydro grid.

Attachments:

- Appendix 1: MLA Bios

Assistant Deputy Minister:
Jeremy Hewitt, ADM
Climate Action Secretariat
250 387-1134

Alternate contact for content:
Chris Gilmore, Executive Director
Climate Partnerships and Engagement
778-698-1670

Prepared by:
Ryan O’Grady, Manager, Communities
Climate Partnerships and Engagement
236-478-3676

Appendix 1: MLA Bios

Katrine Conroy – MLA – Kootenay West (since 2005) – NDP - Minister of Forests, Lands, Natural Resource Operations and Rural Development. Previous Minister of Children and Family Development and Minister Responsible for the Columbia Basin Trust, Columbia Power Corporation and the Columbia River Treaty. While in opposition was Caucus Whip.

Nathan Cullen – MLA – NDP - Stikine and Minister of State for Lands and Natural Resource Operations. Chair of the Environment and Land Use Committee and a member of the Cabinet Committee on Economy. Former MP and held opposition critic roles for Finance, Ethics, Environment, and Democratic Reform.

Harwinder Sandu – MLA – Vernon Monashee – NDP – Nurse – An active member of the BC Nurses' Union, she served as Provincial Chair of the Mosaic of Color caucus

Roly Russell – MLA – NDP - Boundary-Similkameen – NDP - Parliamentary Secretary for Rural Development. PhD in ecology. His science focused on biodiversity and sustainability, including decision-making under factors of uncertainty such as climate change. Helped establish a new model of community-led disaster recovery.

Jennifer Rice – MLA – North Coast – NDP - former Councilor for the municipality of Prince Rupert. Experiences with the Heiltsuk First Nation during the Nathan E. Stewart oil spill as well as two earthquake and tsunami evacuations. Interest in emergency preparedness, indigenous rights and protection of North Coast (Great Bear)

Brittany Anderson – MLA – NDP - Nelson-Creston. Has worked for Regional District of Central Kootenay in the environmental services department. Co-founded The Cannabis Conservancy. Master of Science in Environmental Science and Policy from the Central European University in Budapest. Brittany is also the youngest member of the B.C. legislature and was appointed by the Premier as his special advisor on youth.



MEETING NOTE

MEETING DATE: February 14, 2022

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

TOPIC: Meeting with Canadian Home Builders' Association – British Columbia (CHBA BC) to discuss implementation of CleanBC and work related to sectoral GHG targets.

ATTENDEES: Carmine Tupe, Director, Policy & Government Relations
Neil Moody, CEO
Pauline Rupp, Director of Technical and Building Innovation
Matt McCurach, Homex Development and CHBA BC Government Relations Chair
Alex Tavuchis, Coast Construction and CHBA BC President '21-'22
Jeremy Hewitt, ADM Climate Action Secretariat, ENV
Matt Horne, Executive Director, CleanBC Implementation, Climate Action Secretariat, ENV
Nat Gosman, Executive Director, Built Environment, EMLI

KEY MESSAGES:

- The Province is aware that the CleanBC Roadmap to 2030 includes several commitments relating to the 'Buildings and Communities' sectoral target, which will impact CHBA BC members including;
 - **Home energy labelling:** The Ministry intends to have stakeholder involvement in the development of the virtual home energy rating system and will engage CHBA BC once software development is underway. Advice on the labelling requirement roll-out is also welcomed, particularly what types of industry capacity building might be required in advance of, and along with, the new requirements.
 - **PACE implementation:** The Ministry is currently seeking Cabinet direction on the approach and scope of PACE and will report back to stakeholders afterward.
 - **Highest efficiency standards:** EMLI staff, in conjunction with Buildings and Safety Standards Branch at the Attorney General and Minister Responsible for Housing (BSSB), will be engaging industry on plans for equipment standards over the coming year. Early engagement is a priority as we are aware that there is much work to be done on market readiness prior to regulations coming into force in 2030.
 - **Zero-carbon new construction:** While EMLI staff continue to support BSSB in the development and implementation of carbon pollution standards, detailed questions and feedback should be directed to the Attorney General and Minister Responsible for Housing.

- Combined with broader measures such as the Greenhouse Gas Reduction Standard (emissions cap for natural gas utilities) and the increasing carbon price, these actions are designed to help the province achieve its target of reducing emissions from Buildings and Communities by between 59 percent and 64 percent below 2007 levels by 2030.

KEY FACTS:

- Canadian Home Builders' Association – British Columbia (CHBA BC) represents the residential construction sector in BC with 2,200 members and eight local associations across the Province.
- Home energy labelling: It sees upgrading of the existing building stock as a key area of opportunity for energy efficiency gains and agrees that labelling will help buyers factor energy cost into their decision-making
- PACE Implementation: The Roadmap commits to 'proceed with the next steps' on a PACE program. In its Budget 2022 submission, CHBA BC states support for legislation that enables PACE
- Highest efficiency standards for new space and water heating equipment: The Roadmap commits that by 2030 or earlier where feasible, all new space and water heating equipment sold and installed in BC will be at least 100 percent efficient, which will only allow for electric resistance, and various types of heat pump technology. EMLI staff are not aware of any current CHBA BC position on this matter
- Zero-carbon new construction by 2030: The standard will be performance-based, allowing for a variety of options including electrification, low carbon fuels like renewable natural gas, and low carbon district energy. Interim standards will be developed for 2024 and 2027.
- Budget 2022 submission, CHBA BC has advocated for renewed funding for the CleanBC Better Homes Residential New Construction program, which incentivizes high efficiency building envelopes and heat pumps in electrically heated new homes. This program has received overwhelming demand and exceeded its budgeted allocation this fiscal year, resulting in a temporary program closure. EMLI has included a request for additional funding in the CleanBC Roadmap Treasury Board submission and stakeholders have been informed that a program update will be provided upon release of Budget 2022

Assistant Deputy Minister:
Jeremy Hewitt
Climate Action Secretariat
250.387.1134

Alternate contact for content:
Matt Horne, Executive Director
CleanBC Implementation

Prepared by:
Robyn Hutchings, A/Policy Analyst
Climate Partnerships and Engagement
250.478.2729

Ministry of Finance

BRIEFING DOCUMENT

To: Honourable Selina Robinson
Minister of Finance

Date Required: February 18, 2022

Honourable George Heyman
Minister of Environment and
Climate Change Strategy

Initiated by: Steve Hawkshaw
Senior Executive Director
Tax Policy Branch

Date Prepared: January 20, 2022

**Ministry
Contact:** Mark Perry
Strategic Advisor
Tax Policy Branch

Phone Number: 778 698-9481
Email: Mark.Perry@gov.bc.ca

Don D'Souza
Director, Clean Growth Branch
Ministry of Environment and
Climate Change Strategy

Phone Number: 778 698-3662
Email: Don.Dsouza@gov.bc.ca

Cliff #: 491022 (FIN) / 385740 (ENV)

TITLE: s.13; s.17

PURPOSE:

(X) FOR DECISION

COMMENTS: This note was prepared jointly by the Ministry of Environment and Climate Change Strategy and the Ministry of Finance as part of the ongoing review of B.C.'s carbon tax and CleanBC Program for Industry.

DATE PREPARED: January 20, 2022

s.13; s.17

TITLE:

ISSUE:

BACKGROUND:

In December 2020, the federal government announced their new climate plan, which would require all provinces and territories to implement annual price increases of \$15/tonne, beginning in 2023, until a price of \$170/tonne is achieved in 2030. Federal benchmark criteria published in August 2021 indicate that provinces and territories must implement the new price trajectory by April 1, 2023. Staff level conversations with Environment and Climate Change Canada (ECCC) have suggested that jurisdictions will need to submit their carbon pricing plans by April 1, 2022, but staff anticipate working with ECCC throughout 2022 to confirm B.C.'s approach.

In a July 22 briefing,¹ the Ministers of Finance and Environment and Climate Change Strategy approved a project plan for reviewing the carbon tax in anticipation of a decision in Fall 2022, to support a revised carbon pricing system to be in place for 2023. The CleanBC Roadmap to 2030 (Roadmap) was published in October 2021 and included a provincial commitment to “meet or exceed any federal carbon price requirements for 2023 and beyond” as well as to assess the “price and program options that best support meeting our climate targets while protecting affordability and competitiveness for people and businesses.”

s.13; s.17

¹ CLIFF reference 486654 (attached as Appendix B).

Page 09 of 15 to/à Page 10 of 15

Withheld pursuant to/removed as

s.13 ; s.17

s.13; s.17

DECISION:

OPTION 1 / OPTION 2

Selina Robinson
Minister of Finance

George Heyman
Minister of Environment and Climate
Change Strategy

Date

Date

Attachments

Page 12 of 15 to/à Page 15 of 15

Withheld pursuant to/removed as

s.13 ; s.17