

**METRO VANCOUVER REGIONAL DISTRICT
CLIMATE ACTION COMMITTEE**

REGULAR MEETING

**Friday, January 15, 2021
1:00 p.m.
28th Floor Boardroom, 4730 Kingsway, Burnaby, British Columbia**

A G E N D A¹

OPENING REMARKS

Director Sav Dhaliwal, Board Chair

1. ADOPTION OF THE AGENDA

1.1 January 15, 2021 Regular Meeting Agenda

That the Climate Action Committee adopt the agenda for its regular meeting scheduled for January 15, 2021 as circulated.

2. ADOPTION OF THE MINUTES

2.1 November 13, 2020 Regular Meeting Minutes

That the Climate Action Committee adopt the minutes of its regular meeting held November 13, 2020 as circulated.

3. DELEGATIONS

3.1 Ruth Simons, Project Lead, Howe Sound Biosphere Region Initiative Society

Subject: Howe Sound Biosphere Initiative

4. INVITED PRESENTATIONS

5. REPORTS FROM COMMITTEE OR STAFF

5.1 2021 Climate Action Committee Priorities and Work Plan

That the Climate Action Committee endorse the work plan as presented in the report dated January 4, 2021, titled "2021 Climate Action Committee Priorities and Work Plan".

5.2 Update on Establishing the Metro Vancouver Region Low Carbon Cities Canada (LC3) Centre

¹ Note: Recommendation is shown under each item, where applicable.

Verbal Update

Designated Speakers:

Brad Badelt, Assistant Director, Sustainability, City of Vancouver

Conor Reynolds, Division Manager, Air Quality and Climate Change Policy

Ann Rowan, Division Manager, Collaboration and Engagement

5.3 Alternative Fuel and Recyclables Recovery Interim Processing Strategy

That the Climate Action Committee receive for information the report dated January 6, 2021, titled "Alternative Fuel and Recyclables Recovery Interim Processing Strategy".

5.4 Manager's Report

That the Climate Action Committee receive for information the report dated January 4, 2021, titled "Manager's Report".

6. INFORMATION ITEMS

- 6.1 Correspondence re: recommendations that would help BC rapidly transition to a sustainable economy and advance the goal of net-zero carbon emissions, dated November 9, 2020, from Dr. Janis Sarra, Professor of Law, University of British Columbia to The Honourable John Horgan, Premier of British Columbia.**

7. OTHER BUSINESS

8. BUSINESS ARISING FROM DELEGATIONS

9. RESOLUTION TO CLOSE MEETING

Note: The Committee must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.

10. ADJOURNMENT/CONCLUSION

That the Climate Action Committee adjourn/conclude its regular meeting of January 15, 2021.

Membership:

Carr, Adriane (C) - Vancouver

Dhaliwal, Sav (VC) - Burnaby

Arnason, Petrina - Langley Township

Baird, Ken - Tsawwassen First Nation

Dupont, Laura - Port Coquitlam

Hocking, David - Bowen Island

Kruger, Dylan - Delta

McCutcheon, Jen - Electoral Area A

McIlroy, Jessica - North Vancouver City

McLaughlin, Ron - Lions Bay

Patton, Allison - Surrey

Royer, Zoe - Port Moody

Steves, Harold - Richmond

Yousef, Ahmed - Maple Ridge

**METRO VANCOUVER REGIONAL DISTRICT
CLIMATE ACTION COMMITTEE**

Minutes of the Regular Meeting of the Metro Vancouver Regional District (MVRD) Climate Action Committee held at 1:02 p.m. on Friday, November 13, 2020 in the 28th Floor Boardroom, 4730 Kingsway, Burnaby, British Columbia.

MEMBERS PRESENT:

Chair, Councillor Adriane Carr, Vancouver
Councillor Petrina Arnason, Langley Township
Chief Ken Baird*, Tsawwassen
Councillor Laura Dupont*, Port Coquitlam
Councillor David Hocking*, Bowen Island
Councillor Dylan Kruger*, Delta
Director Jen McCutcheon*, Electoral Area A
Councillor Jessica McIlroy*, North Vancouver City
Mayor Ron McLaughlin, Lions Bay
Councillor Allison Patton*, Surrey
Councillor Harold Steves*, Richmond
Mayor Val van den Broek*, Langley City
Councillor Ahmed Yousef*, Maple Ridge

MEMBERS ABSENT:

Vice Chair, Councillor Sav Dhaliwal, Burnaby

STAFF PRESENT:

Roger Quan, Director, Air Quality and Climate Change, Parks and Environment
Klara Kutakova, Deputy Corporate Officer

1. ADOPTION OF THE AGENDA

1.1 November 13, 2020 Regular Meeting Agenda

It was MOVED and SECONDED

That the Climate Action Committee adopt the agenda for its regular meeting scheduled for November 13, 2020 as circulated.

CARRIED

*denotes electronic meeting participation as authorized by Section 3.6.2 of the *Procedure Bylaw*

2. ADOPTION OF THE MINUTES

2.1 October 16, 2020 Regular Meeting Minutes

It was MOVED and SECONDED

That the Climate Action Committee adopt the minutes of its regular meeting held October 16, 2020 as circulated.

CARRIED

3. DELEGATIONS

No items presented.

4. INVITED PRESENTATIONS

4.1 Tzeporah Berman, Chair, Fossil Fuel Non-Proliferation Treaty

Tzeporah Berman, Chair, Fossil Fuel Non-Proliferation Treaty, and Liz McDowell, SAFE Cities Director, provided members with an overview of a fossil fuel non-proliferation treaty, highlighting climate change and weapons of mass destruction as two main global threats, the impact of fossil fuels on global warming, the need for a global approach to the fossil fuel industry phase out, three pillars of the treaty, the role of cities in climate actions, SAFE cities initiative, and support provided by the organization.

Members were presented with a video highlighting the importance of fossil fuel industry being phased out; the video is not retained with the agenda.

Discussion ensued on global municipal treaty signatories, nature-based solutions as means to meet greenhouse gas emission reductions, corporate and other challenges facing municipal environmental actions, the importance of a global approach, fossil fuel global registry project, concern about the effectiveness of international treaties, and Metro Vancouver's involvement in the treaty.

Presentation material titled "The Fossil Fuel Non-Proliferation Treaty" is retained with the November 13, 2020 Climate Action Committee agenda.

It was MOVED and SECONDED

That the Climate Action Committee direct staff to report back with an assessment of the Fossil Fuel Non-Proliferation Treaty and recommendations for Metro Vancouver's involvement.

CARRIED

5. REPORTS FROM COMMITTEE OR STAFF

5.1 **Update on Engagement for *Clean Air Plan* and Related *Climate 2050 Roadmap* Development**

Report dated October 19, 2020, from Laura Taylor, Public Engagement Coordinator, Parks and Environment, and Lucy Duso, Policy Coordinator, External Relations, updating the Climate Action Committee on engagement undertaken for a series of discussion papers that support development of both the *Clean Air Plan* and the *Climate 2050 Roadmaps*, including highlights of feedback received and how that feedback will be incorporated.

It was MOVED and SECONDED

That the Climate Action Committee receive for information the report dated October 19, 2020, titled "Update on Engagement for *Clean Air Plan* and Related *Climate 2050 Roadmap* Development".

CARRIED

5.2 **Carbon Neutral Modelling to Support Clean Air Plan/Climate 2050**

Morgan Braglewicz, Senior Policy and Planning Analyst, John Lindner, Air Quality Planner, and Jason Emmert, Senior Planner, Parks and Environment Department, provided members with a presentation on preliminary results of modelling of a carbon neutral region, highlighting Metro Vancouver's emission reductions targets, the objective of the modelling project, preliminary results of business-as-planned and carbon-neutral scenarios, key model policies and results for transportation, buildings and industry sector, and the next steps.

Discussion ensued on the need to reduce the number of cars rather than type of fuels used, potential shift to less carbon-heavy construction material, existing building efficiencies and buildings policy challenges, the importance of sustainable communities planning, trade offs of various proposed solutions such as mass timber construction instead of concrete or burning of biosolids rather than using it as fertilizer, and modelling of efficiencies of autonomous vehicles.

Presentation material titled "Carbon Neutral Modelling to Support Clean Air Plan Climate 2050" is retained with the November 13, 2020 Climate Action Committee agenda.

5.3 ***Climate 2050 Discussion Paper on Water and Wastewater Infrastructure***

Report dated October 16, 2020, from Dana Zheng, Program Manager, Source Control, Liquid Waste Services, Jesse Montgomery, Division Manager, Environmental Management, Water Services, and Sheryl Cumming, Project Engineer, Parks and Environment, providing the Climate Action Committee with information about the *Climate 2050 Discussion Paper on Water and Wastewater Infrastructure* to support development of the *Climate 2050 Roadmaps* and updates to the *Drinking Water Management Plan* and the *Liquid Waste Management Plan*.

It was MOVED and SECONDED

That the Climate Action Committee receive for information the report dated October 16, 2020, titled "*Climate 2050* Discussion Paper on Water and Wastewater Infrastructure".

CARRIED

5.4 Consultation on Proposed Amendments to Air Quality Permit and Regulatory Fees

Report dated October 19, 2020, from Ray Robb, Environmental Regulation and Enforcement Division Manager, and Derek Jennejohn, Lead Senior Engineer, Parks and Environment Department, providing a summary of the results of public opinion research that will inform the engagement on amendments to Metro Vancouver's air quality permit and regulatory fees, and describing proposed changes to air quality permit and regulatory fees.

Members were provided with an overview of the proposed amendments to air quality fees, including Metro Vancouver Air Quality regulatory services, regulatory costs and drivers, regulatory services funding, community engagement process and schedule, public opinion polling results, principles, proposed amendments to fees, and the engagement schedule.

Discussion ensued on the range of public opinion research participants, concern about the impact of the fees on the viability/competitiveness of the industry, and the exemptions of the farming industry.

Presentation material titled "Proposed Amendments to Air Quality Fees – Phase 2: Engagement" is retained with the November 13, 2020 Climate Action Committee agenda.

It was MOVED and SECONDED

That the MVRD Board receive for information the report dated October 19, 2020, titled "Consultation on Proposed Amendments to Air Quality Permit and Regulatory Fees".

CARRIED

5.5 Air Aware: Air Quality and Citizen Science Project Results

Report dated October 18, 2020, from Amy Thai, Acting Senior Policy Analyst, and Ken Reid, Superintendent, Environmental Sampling and Monitoring, Parks and Environment Department, providing the Committee with the results of Air Aware: Air Quality and Citizen Science.

The Committee was provided with a live demo of the Air Aware website sections, including Air Quality Basics, Difference between Sensors, Choosing and Using a Small Air Sensor Questionnaire, Making Sense of the Data, and Case Studies and Resources.

Presentation material titled “Air Aware Air Quality and Citizen Science” is retained with the November 13, 2020 Climate Action Committee agenda.

It was MOVED and SECONDED

That the Climate Action Committee receive for information the report titled “Air Aware: Air Quality and Citizen Science Project Results”, dated October 18, 2020.

CARRIED

- 5.6 Metro Vancouver Electric Vehicle Programs and DC Fast Charger Project Update**
Report dated October 19, 2020, from Brendon James, Special and Community Events Coordinator, Morgan Braglewicz, Senior Policy and Planning Analyst, and Navjot Hundle, Policy Analyst, Parks and Environment Department, informing the Committee of the changes to Metro Vancouver EV Program delivery due to COVID-19, and results from the Metrotower III DC Fast Charger demonstration project, which was funded under the Regional District Sustainability Innovation Fund.

It was MOVED and SECONDED

That the Climate Action Committee receive for information the report dated October 19, 2020, titled “Metro Vancouver Electric Vehicle Programs and DC Fast Charger Project Update”.

CARRIED

5.7 Manager’s Report

Report dated October 20, 2020, from Roger Quan, Director, Air Quality and Climate Change, Parks and Environment Department, providing an update on the Committee’s 2020 Work Plan and member municipality climate action planning.

It was MOVED and SECONDED

That the Climate Action Committee receive for information the report dated October 20, 2020, titled “Manager’s Report”.

CARRIED

6. INFORMATION ITEMS

No items presented.

7. OTHER BUSINESS

No items presented.

8. BUSINESS ARISING FROM DELEGATIONS

No items presented.

9. RESOLUTION TO CLOSE MEETING

No items presented.

10. ADJOURNMENT/CONCLUSION

It was MOVED and SECONDED

That the Climate Action Committee conclude its regular meeting of November 13, 2020.

CARRIED

(Time: 4:25 p.m.)

Klara Kutakova,
Deputy Corporate Officer

Adriane Carr, Chair



To: Metro Vancouver Climate Action Committee

Summary of presentation January 15, 2021

Subject: Átl'ka7tsem/Howe Sound Biosphere Region nomination endorsed by the Canadian Commission for UNESCO.

The [Howe Sound Biosphere Region Initiative Society](#) is pleased to confirm the submission of Átl'ka7tsem/Howe Sound to become Canada's 19th UNESCO Biosphere Region.

Confirmation from the Sébastien Goupil, Secretary-General of the [Canadian Commission for UNESCO](#) (CCUNESCO) was received in early September:

"On behalf of the Canadian Commission for UNESCO, I am pleased to confirm submission of the nomination dossier for the proposed Átl'ka7tsem/Howe Sound Biosphere Region to UNESCO for consideration. I would like to congratulate you on this important milestone in your efforts to achieve the prestigious UNESCO designation."

The nomination package has now been sent to UNESCO in Paris for review by the International Advisory Committee. The recommendations from this review panel will be known in April/May 2021. All being well, formal designation would be announced in the fall/winter of 2021.

[Download the Executive Summary here.](#)

Metro Vancouver endorsed the nomination November 2019.

Click here for latest news [About the Howe Sound Biosphere Region Initiative Society's programs and initiatives.](#)

The Howe Sound Biosphere Region Initiative is a collaboration with Squamish Nation and engages locally to set an example globally of finding balance between environmental conservation and economic development.

Biosphere Reserves are regions of global ecological significance that make an ongoing commitment to the United Nations to strive for sustainability. They are not parks, and

they have no legal authority. They are places where people are inspired to find ways to live, and work in harmony with nature.

The framework of UNESCO Biosphere Reserve program aligns with the overarching objectives of communities around the region that are striving for a low carbon future, while balancing livability, resilience and prosperity. A UNESCO designation recognizes the best practices implemented in the region towards management of biodiversity and sustainable development.

Howe Sound's glass sponge reefs are of global ecological significance. While individual glass sponges are found worldwide, glass sponge reefs have only been found in the Northeast Pacific. Scientists have likened the discovery of glass sponge reefs in B.C. to discovering a herd of dinosaurs on land. They provide habitat for 84+ species of fish and invertebrates and according to Fisheries and Oceans Canada, Howe Sound reefs are some of the most biologically productive found to date. They provide essential services for Howe Sound by filtering 17+ billion litres (6,800 Olympic swimming pools) of water every day. It would take the reefs just two hours to pump the equivalent of Metro Vancouver's daily wastewater volume and they remove 436 kg of total organic carbon from the water each day.

A UNESCO designation would bring pride to those collaborating towards being an outstanding model of sustainability and ecological health, now and in the future.

For media inquiries contact:

Ruth Simons

www.howesoundbri.org

To: Climate Action Committee

From: Roger Quan, Director, Air Quality and Climate Change
Parks and Environment Department

Date: January 4, 2021 Meeting Date: January 15, 2021

Subject: **2021 Climate Action Committee Priorities and Work Plan**

RECOMMENDATION

That the Climate Action Committee endorse the work plan as presented in the report dated January 4, 2021 titled "2021 Climate Action Committee Priorities and Work Plan".

EXECUTIVE SUMMARY

The Climate Action Committee 2021 work plan has been prepared, based on the 2021 Budget approved by the MVRD Board.

Building on engagement processes in 2020, a number of the initial *Climate 2050 Roadmaps*, as well as the *Clean Air Plan*, are planned for completion in 2021, to guide work in achieving 2030 and 2050 greenhouse gas and air quality targets. The *Climate 2050 Roadmaps* are intended to be dynamic, and responsive to evolving science and technology, and will be supported by ongoing performance measurement and reporting to the public. Staff have maintained an 'action while planning' focus and existing climate actions will be built into the roadmaps. The Committee also provides advice to the Board on the Sustainability Innovation Funds, which provide additional funding for climate action projects, and enable the development of innovative actions and policies.

Continued development of air quality regulations, to support continuous improvement in air quality and protection of public health, is also in the work plan.

PURPOSE

To provide the Climate Action Committee with the priorities and work plan for the year 2021.

BACKGROUND

At its October 16, 2020 meeting, the Climate Action Committee reviewed the 2021 Budget and Annual Work Plans for the air quality function, which served as the basis for the 2021 Budget approved by the MVRD Board on October 30, 2020. The 2021 Annual Work Plan(s) included in that budget includes a list of key actions that has been used to develop the Climate Action Committee's work plan presented in this report (Attachment 1).

The work plan presented in this report is consistent with the Climate Action Committee's terms of reference (Attachment 2) and with the *Board Strategic Plan* and is being brought forward for the Committee's information, review and endorsement.

2021 WORK PLAN

The Climate Action Committee is the standing committee of the Metro Vancouver Board that provides advice and recommendations on policies, bylaws, plans, programs, budgets, and issues related to climate action, air quality, energy, environment, and the sustainability innovation funds.

Key actions in the 2021 Work Plan for the Committee are described below and listed according to the Committee responsibilities in its Terms of Reference.

Climate 2050

- Through *Climate 2050* and the *Board Strategic Plan*, transformative targets have been adopted for a carbon neutral and climate-resilient region by 2050, aligned with the most current science from the Intergovernmental Panel on Climate Change. The year 2020 was focused on engagement on the 10 issue area roadmaps under *Climate 2050*, with adjustments made to engagement methods due to COVID-19.
 - Consultation was initiated on discussion papers for the first 7 issue areas during 2020, and the remaining three issue areas will be reviewed with the Committee in 2021.
 - With input from consultation, draft roadmaps will be developed in the first half of 2021, and a number of initial roadmaps will be completed in 2021.
 - Staff have maintained an “action while planning” focus, and key climate actions continue to be implemented and expanded, such as electric vehicle programs, building emissions benchmarking, and the strata energy advisor program.
 - Feedback has been sought on “Big ideas” during engagement on *Climate 2050 Roadmaps*. Greenhouse gas reduction and climate resilience actions continue to be developed and implemented, with linkages to partnerships with other local governments, organizations and the Sustainability Innovation Funds.
 - Modelling and assessment was initiated in 2020 to map out the pathway to a carbon neutral region in 2050, and achievement of interim targets for 2030; this modelling will be completed in 2021, informing the roadmaps.
 - An online reporting and communications tool and annual *Climate 2050* report will be developed in 2021, to track progress towards targets and engage stakeholders.
 - Partnerships, collaboration, and sharing of best practices on climate action will continue to be a key focus in 2021. This includes working with member jurisdictions, as well as senior orders of government, recognizing new emphasis in the federal *A Healthy Environment and a Healthy Economy* plan, and provincial mandate letters.
 - Metro Vancouver achieved carbon neutrality as an organization last year, and will continue to expand on its portfolio of greenhouse gas (GHG) reduction and credit projects, to maintain carbon neutral status and use that as a call for action for achievement of regional goals.
 - Corporate policies related to energy and climate change will continue to be updated, supporting corporate carbon neutrality.

Air Quality

- Complete consultation initiated in 2021 and bring forward for Committee and Board consideration, the next regional air quality management plan, the *Clean Air Plan*;

- Develop new air quality bylaws and regulations towards goals for protection of human health and the environment and continuous improvement in air quality, for Board adoption;
 - continue to expand the non-road diesel engine program;
 - amend bylaw governing system of user fees from permits and regulations, to recover the costs of developing regulations, monitoring compliance, and enforcement, while ensuring that fees provide incentives to reduce emissions and impacts;
 - develop new mechanisms to manage emissions from cannabis production;
 - prepare regional regulation for open-air burning of vegetative debris; and
 - develop proposals to further reduce emissions from boilers and process heaters;
 - implement new or enhanced approaches to manage odorous air contaminants; and
 - implement first phase of requirements under new bylaw for residential wood burning emissions, adopted by the Board in 2020.
- Complete review of air quality monitoring capabilities, including new and evolving technologies, to ensure provision of the evidence basis and performance measurement for the air quality program.

Outreach and Engagement

In 2020, staff reported on adjustments to outreach and engagement activities in light of COVID-19, and to some degree, new tactics helped to expand audience reach. It is expected that COVID-19 will continue to impact on engagement efforts. In 2021, staff will continue to improve public awareness and understanding of climate change, air quality, and environmental issues and initiatives, including:

- outreach and engagement on *Climate 2050* roadmaps, performance tracking and partnerships;
- outreach and engagement related to adoption and implementation of the *Clean Air Plan*;
- preparation of the annual Caring for the Air report;
- ongoing efforts to increase awareness and uptake of electric vehicles through the Emotive, EV Condo and EV Workplace charging programs; and
- ongoing enhancements to airmap.ca and provision of air quality data to the public, including response to air quality advisory situations and wildfires; and
- consultation on the development of bylaws, regulations and new initiatives as noted above.

Environmental Planning

- Receive annual report on the *Ecological Health Framework*.

Sustainability Innovation Funds

- Promote key themes in the use of the Sustainability Innovation Funds, including climate action and affordable housing;
- Review proposals for funding, from the Regional District, Liquid Waste, and Water Sustainability Innovation Funds and make recommendations to the Board on proposals to support in the 2021-2022 period; and
- Report on the status of projects and progress on deliverables that the Committee and Board approved funding for in previous years.

The 2021 Work Plan for the Climate Action Committee is provided in Attachment 1, including the expected time frame for reports to this Committee. The Committee will be updated on the status of the actions and projects in this work plan on a monthly basis per the Committee's schedule.

CLIMATE ACTION COMMITTEE TERMS OF REFERENCE

The Committee's Terms of Reference is provided as Attachment 2, outlining the Committee's responsibilities with respect to climate action and adaptation, air quality, energy, environment, and the sustainability innovation funds. The Terms of Reference previously included environmental reviews - examining the environmental impacts, regional economic benefits and social implications of significant energy and other capital projects proposed for the region. Recognizing that the scope of these major project reviews generally extends beyond environmental impacts, the provision of governance and oversight over key major projects has been included this year in the Terms of Reference of the Finance and Intergovernment Committee. However, major project reviews with a key focus on the environment will be referred to the Climate Action Committee on a project-specific basis, and staff will report on these as part of the 2021 work plan.

ALTERNATIVES

1. That the Climate Action Committee endorse the work plan as presented in the report dated January 4, 2021 titled "2021 Climate Action Committee Priorities and Work Plan".
2. That the Climate Action Committee endorse the work plan as presented in the report dated January 4, 2021, titled "2021 Climate Action Committee Priorities and Work Plan" with the amendments provided at the Climate Action Committee January 15, 2021 meeting.

FINANCIAL IMPLICATIONS

The priorities in the 2021 Work Plan of the Climate Action Committee are consistent with the 2021 Budget approved by the MVRD Board on October 30, 2020 and with key actions included in the Annual Work Plans.

CONCLUSION

The work plan presented in this report identifies the priorities for the Climate Action Committee in 2021 and is consistent with its terms of reference and the 2021 Budget approved by the MVRD Board. Staff recommend that Alternative 1 be approved.

Attachments

1. Climate Action Committee 2021 Work Plan (42970838)
2. Climate Action Committee Terms of Reference (10674398)

42970838

Climate Action Committee 2021 Work Plan

Report Date: January 4, 2021

Priorities

1 st Quarter	Status
Climate Action Committee 2021 work plan and priorities	In progress
Climate 2050 – FCM Low Carbon Cities Canada initiative	In progress
Climate 2050 – carbon neutral modelling	In progress
Climate 2050 – electric vehicle programs review and recommendations	In progress
Air quality – monitoring network review and upgrades	In progress
Sustainability Innovation Fund (SIF) – 2021 proposals	In progress
2 nd Quarter	
Climate 2050 – draft Roadmaps: Buildings, Industry, Transportation	Pending
Climate 2050 – Energy Roadmap discussion paper	In progress
Air quality – draft Clean Air Plan	Pending
Air quality – second phase of consultation on open air burning emission regulation	Pending
10 th annual Caring for the Air report	In progress
SIF – status report on previously approved liquid waste projects	Pending
3 rd Quarter	
Climate 2050 – draft roadmaps: Agriculture, Nature and Ecosystems	Pending
Climate 2050 – Land Use and Growth Management Roadmap discussion paper	Pending
Climate 2050 – Metro Vancouver’s climate actions and carbon neutral progress	Pending
Climate 2050 – initiate consultation on proposed buildings regulatory initiative	Pending
Air quality – amendments to air quality permit and regulatory fees	Pending
Air quality – amendments to non-road diesel engine emission regulation	Pending
Air quality – update on regulatory initiative for cannabis processing	Pending
SIF – status report on previously approved regional district projects	Pending
SIF – status report on previously approved water projects	Pending
Ecological Health Framework – annual report	Pending
4 th Quarter	
Climate 2050 – annual report and progress tracking	Pending
Climate 2050 – Human Health and Well-being Roadmap discussion paper	Pending
Climate 2050 – final roadmaps: Buildings, Industry, Transportation	Pending
Climate 2050 – managing Metro Vancouver’s corporate GHG emissions and energy	Pending
Air quality – Clean Air Plan for Board approval	Pending
Air quality - initiate process to update boilers and process heaters regulation	Pending
Annual budget and 5 year financial plan	Pending

Climate Action Committee

Terms of Reference

The Climate Action Committee is the standing committee of the Metro Vancouver Board that provides advice and recommendations on policies, bylaws, plans, programs, budgets and issues related to the Air Quality & Climate Change service, and the Environmental Planning function within Regional Planning.

Committee Responsibilities

Within the scope of the *Board Strategic Plan, Integrated Air Quality and Greenhouse Gas Management Plan, Climate 2050 Strategic Framework, Ecological Health Framework, and Metro Vancouver Financial Plan*, the Committee provides guidance and oversight to staff on the implementation of the annual work plans and business plans that govern the Air Quality and Environmental Planning areas of service. Specific Committee responsibilities include the following:

- **Air Quality & Climate Change** – The Committee guides the implementation of the strategies and actions outlined in the *Integrated Air Quality and Greenhouse Gas Management Plan, and the Climate 2050 Strategic Framework*. The Committee monitors the progress made in achieving the *Plan's* vision of “healthy, clean and clear air for current and future generations”, the *Framework's* vision of Metro Vancouver demonstrating bold leadership in responding to climate change, and goals related to the protection of public health and the environment, the improvement of visual air quality, and monitoring progress to achieve a carbon neutral region by 2050. The Committee recommends to the Board changes and updates to the *Plan* and the *Framework*.
- **Energy** – The Committee oversees and guides the efforts of staff in working with municipalities, the private sector, not-for-profit societies and others to develop strategies and programs aimed at achieving the efficient use of energy, promoting the use of alternative energies, and reducing the region's overall carbon footprint, all in an effort to mitigate climate change.
- **Environment** – The Committee guides and monitors the organization's actions under the *Ecological Health Framework*. Recommendations on changes and updates to the *Framework* are made by the Committee to the Board.
- **Climate Change Adaptation** – The Committee works to develop, for recommendation to the Board, climate change adaptation policies and programs that align with the Climate 2050 vision of ensuring our infrastructure, ecosystems and communities are resilient to the impacts of climate change.
- **Sustainability Innovation Funds** – The Committee oversees the review of proposals for funding under Metro Vancouver's Sustainability Innovation Funds, and makes recommendations to the Board on proposals to support. The Committee receives case study reports on all funded projects, and monitors the overall performance of the Sustainability Innovation Fund program.

Committee Membership and Meetings

The Chair, Vice Chair and members are appointed annually by the Chair of the Metro Vancouver Board. The Committee meets monthly, except for August and December, and holds special meetings as required. A quorum of 50% plus one of the Committee membership is required to conduct Committee business.

Committee Management

The Committee Chair, or in the absence of the Chair the Vice-Chair, is the chief spokesperson on matters of public interest within the Committee's purview. For high profile issues the role of spokesperson rests with the Metro Vancouver Board Chair or Vice Chair. On technical matters or in cases where an initiative is still at the staff proposal level, the Chief Administrative Officer or a senior staff member is the appropriate chief spokesperson. Where necessary and practical, the Board Chair, Committee Chair and Chief Administrative Officer confer to determine the most appropriate representative to speak.

The Chief Administrative Officer assigns a Committee Manager for the Committee. The Committee Manager is responsible for coordinating agendas and serves as the principal point of contact for Committee members.

To: Climate Action Committee

From: Paul Henderson, General Manager, Solid Waste Services

Date: January 6, 2021 Meeting Date: January 15, 2021

Subject: **Alternative Fuel and Recyclables Recovery Interim Processing Strategy**

RECOMMENDATION

That the Climate Action Committee receive for information the report dated January 6, 2021 titled "Alternative Fuel and Recyclables Recovery Interim Processing Strategy".

At the November 15, 2019 Zero Waste Committee meeting, staff was requested to seek input from the Climate Action Committee on the Alternative Fuel and Recyclables Recovery Project prior to bringing the matter forward to the Board for final consideration. The attached report titled "Alternative Fuel and Recyclables Recovery Interim Processing Strategy" is provided here to the Climate Action Committee to seek feedback which will be communicated to the Zero Waste Committee at its January 22, 2021 meeting.

Attachment

1. "Alternative Fuel and Recyclables Recovery Interim Processing Strategy", dated, January 6, 2021

To: Zero Waste Committee

From: Terry Fulton, Senior Project Engineer, Solid Waste Services

Date: January 6, 2021 Meeting Date: January 22, 2021

Subject: **Alternative Fuel and Recyclables Recovery Interim Processing Strategy**

RECOMMENDATION

That the GVS&DD Board approve initiating procurement for the processing of approximately 60,000 tonnes per year of small load waste to recover recyclables and alternative fuel.

EXECUTIVE SUMMARY

With the development of the United Boulevard and Central Surrey Recycling and Waste Centres, approximately 60,000 tonnes per year of material delivered by small vehicles (small load waste) will be available for recovery of alternative fuel and recyclables. Recovering alternative fuel and recyclables from this material will reduce greenhouse gas (GHG) emissions through the offset of fossil fuels and recycling of materials such as metals. This report recommends proceeding with an interim approach for managing the small load waste by processing it at one or more existing private facilities. The GHG emission reductions resulting from the project are expected to be up to 20,000 tonnes per year. Metro Vancouver will continue to plan for/explore the feasibility of developing a permanent facility that has the potential to reduce GHG emission by up to 85,000 tonnes per year with the interim approach, providing important information in support of that work.

PURPOSE

To seek GVS&DD Board approval to initiate procurement for processing small load waste.

BACKGROUND

In March 2019, the GVS&DD Board authorized staff to engage a consultant to assist in the design and business casing of a pilot initiative to recover recyclables and alternative fuel from municipal solid waste, and directed staff to report back with a concept plan and procurement model.

Subsequent reports to the Zero Waste Committee updated the project scope to focus the work on small load waste from Metro Vancouver facilities to maximize the GHG benefit, material recovery and processing ease. This report provides a progress update on the project and recommends initiating procurement for an interim solution to recover recyclables and alternative fuel product from small load waste while continuing to proceed with planning for a permanent solution.

ALTERNATIVE FUEL AND RECYCLABLES RECOVERY PROJECT

Metro Vancouver receives approximately 120,000 tonnes per year of small load waste at regional solid waste facilities. Small load waste is typically delivered by residents or contractors in hand-unloaded vehicles and is composed primarily of wood (approximately 60%) and other building materials. This material is currently disposed, but represents an opportunity to extract recyclables and create a low carbon alternative fuel product through processing. Compared to regular garbage as an alternative fuel source, the small load waste has:

- higher material recovery potential;
- higher GHG emission reduction potential;
- broader potential use as an alternative fuel; and
- lower processing costs.

Wood-based alternative fuels can be used in facilities such as cement plants, biomass-to-energy plants and district energy systems. Approximately 60,000 tonnes per year of small load waste will be available to be segregated from the waste stream upon completion of the United Boulevard and Central Surrey Recycling and Waste Centres by early 2022. The full 120,000 tonnes per year will become available over time as the regional solid waste system is modernized, allowing separation of the small load waste from other waste at all regional facilities.

In May 2020, Metro Vancouver engaged a consultant to undertake the alternative fuel and recyclables recovery project business case. The project includes developing a concept design, evaluating the business model, and analyzing potential impacts of a Metro Vancouver-owned facility that would process small load material to extract recyclables and create an alternative fuel product. This initiative has the potential to reduce GHG emissions through the replacement of fossil fuels and recyclable materials such as metals.

Interim Approach

Work on planning for a permanent facility is underway, but given the long time lines to develop a permanent facility, an interim solution for managing small load waste has been identified. The project team has concluded that there are local private construction and demolition recycling facilities capable of processing the expected 60,000 tonnes per year of small load waste. Market sounding has indicated that existing construction and demolition material processors in the region are currently willing and capable of receiving this material. Some of the existing facilities have a relatively low recovery rate (portion of inbound material recycled rather than landfilled); therefore, ensuring maximum recovery from the small load waste will be a key aspect of the procurement process. This interim approach will provide valuable information to assess the feasibility of a permanent facility in a number of areas:

- Contract requirements to maximize alternative fuel and recyclable material recovery;
- Typical recovery rates of alternative fuel and recyclables from small load waste;
- Costs associated with the transport, processing, and storage of material;
- Ability of end-users to accept and effectively utilize the fuel product produced; and
- Regulatory requirements to utilize alternative fuel recovered from the small load waste.

The development of a permanent facility is included in the Solid Waste Services capital budget, and planning/feasibility assessment for a permanent facility will continue in parallel to implementing an interim solution.

Emission Reductions

Each tonne of small load-based alternative fuel would emit approximately 0.9 tonnes less CO₂ equivalent compared to the amount of coal necessary to generate the same amount of energy. Assuming 40% of 60,000 tonnes of small load feedstock could be recovered, this could result in approximately 20,000 tonnes per year of GHG emission reduction. A high performance permanent facility could increase both the recovery rate and the amount of material processed, thereby increasing the GHG reduction to up to 85,000 tonnes per year. The interim approach of contracting with existing construction and demolition material processors will provide important information on GHG emission reduction potential.

Climate Action Committee Feedback

At the November 15, 2019 Zero Waste Committee meeting, staff was requested to seek input from the Climate Action Committee on the Alternative Fuel and Recyclables Recovery Project prior to bringing the matter forward to the Board for final consideration. Feedback on this report from the January 15, 2021 Climate Action Committee meeting will be communicated at the January 22, 2021 Zero Waste Committee meeting.

ALTERNATIVES

1. That the GVS&DD Board approve initiating procurement for the processing of approximately 60,000 tonnes per year of small load waste to recover recyclables and alternative fuel.
2. That the Zero Waste Committee receive for information the report dated January 6, 2021, titled "Alternative Fuel and Recyclables Recovery Interim Processing Strategy" and provide alternate direction to staff.

FINANCIAL IMPLICATIONS

If the Board approves Alternative 1 and authorizes initiating procurement, a procurement process will be started to manage the small load waste. The net cost of processing the small load waste will depend on the outcome of the procurement process. Separately, processing small load waste will reduce landfill requirements and thus reduce landfill disposal costs. Award of a contract will require Board approval and as such information on the financial implications of processing the small load waste will be provided at that time. Under Metro Vancouver's *Carbon Price Policy*, GHG emission reductions can be valued at up to \$150 per tonne CO₂ equivalent. The expected value of the emission reductions under the *Carbon Price Policy* will be reported back to the Board as part of the financial implications of entering into a contract for processing the small load waste.

CONCLUSION

Small load waste represents an opportunity to decrease regional waste disposal and reduce GHG emissions by extracting recyclables and creating a low-carbon alternative to traditional fuel sources. Metro Vancouver continues to explore the development of a permanent facility to recover recyclables and alternative fuel from small load waste. In the interim, in advance of a permanent facility being developed, existing construction and demolition processors have indicated they are able to receive and process a portion of this material. Staff recommend initiating a procurement process to manage approximately 60,000 tonnes per year of small load waste following the completion of the United Boulevard and Central Surrey Recycling and Waste Centres.

To: Climate Action Committee

From: Roger Quan, Director, Air Quality and Climate Change
Parks and Environment Department

Date: January 4, 2021 Meeting Date: January 15, 2021

Subject: **Manager's Report**

RECOMMENDATION

That the Climate Action Committee receive for information the report dated January 4, 2021, titled "Manager's Report".

Climate Action Committee 2021 Work Plan

The Climate Action Committee 2021 Priorities and Work Plan was the subject of Report 5.1 in the Committee's January 15, 2021 agenda package. Beginning with the February meeting, the 2021 work plan will be attached to the Manager's Report for each Committee meeting, with updates on the status of each item.

Virtual Attendance at 2021 Standing Committee Events

Participation at external events provides important learning and networking opportunities. The following events that fall under the purview of the Climate Action Committee were included in the 2021 Leadership and Engagement budget. Only virtual attendance will be considered given travel restrictions under the COVID-19 pandemic:

Air Quality and Health Workshop (virtual attendance)

- Place and Date: Vancouver, British Columbia, March 3, 2021
- Number of attendee(s): 2
- This conference will focus on the latest research on the relationship between air quality and COVID-19.
- The conference will be held remotely for 2021.

Air and Waste Management Association Conference (virtual attendance, if available)

- Place and Date: June 14-17, 2021, Orlando, Florida
- Number of attendee(s): 1
- This conference brings professionals from major industry, private sector, consulting, government and education to explore the ever-expanding environmental challenges and provide solutions to becoming and remaining resilient.
- Remote attendance was available in 2020, and is expected to be an option again for 2021.

Renewable Cities Conference (virtual attendance, if available)

- Place and Date: Vancouver, British Columbia, May 2021 (to be confirmed)
- Number of attendee(s): 2
- This conference will focus on supporting cities through the transition to 100% renewable energy and increased energy efficiency.

If you are interested in attending any of the above-noted events, please notify the Committee Chair or Committee Manager as soon as possible, but no later than:

- the February 12 Committee meeting for the Air Quality and Health Workshop; and
- the March 12 Committee meeting for the other two events.

As the funds for these events are budgeted in general government, the Finance and Intergovernment Committee will consider approval of the events, but final approval on attendance rests with the Board Chair.

Resilient Region Strategic Framework

At its meeting held July 31, 2020 the MVRD Board endorsed the development of a Resilient Region Strategic Framework aimed at providing a consistent approach to integrating resilience across the organization starting with long-range management plans under development. The framework will seek to adopt a broad view of resilience, encompassing economic prosperity and equity, as well as physical and environmental conditions.

The Metro Vancouver region faces many challenges, now and into the future. The secondary economic impacts of the COVID-19 pandemic have accelerated, aggravated, and exposed existing vulnerabilities in our regional economy. Many of Metro Vancouver's fastest growing industries pre-pandemic were lower-skilled, temporary worker-dominated service industries, such as retail trade, tourism, and hospitality. These industries were most impacted by the COVID-19 pandemic. In the first six months of 2020, Metro Vancouver was one of the hardest hit urban centres in Canada in terms of unemployment and economic output, as well as the hardest hit region in British Columbia. The contraction of our economy has disproportionately impacted youth, women, racialized workers, and recent immigrants, all of whom are more likely to be low-wage and part-time workers within these low-skill service sectors.

Metro Vancouver as an organization is also faced with the challenge of ensuring regional utility services are able to manage and respond to shocks and stresses and the urgent need to take action on climate change.

Given these challenges, the Resilient Region Strategic Framework will support Metro Vancouver in:

- Enhancing our capacity to prepare for and recover from acute shocks and manage chronic stresses;
- Ensuring our contribution to shared prosperity throughout the region; and,
- Advancing our ability to integrate social equity considerations into our work across the region.

The framework is intended to cover the wide range of services that Metro Vancouver undertakes and will capture synergies between departments and support continuous improvement. Specific impacts to areas within the Climate Action Committee's purview will likely include:

- Integration of resilience concepts into forthcoming *Climate 2050* Roadmaps;
- Consideration of opportunities to contribute to shared regional economic prosperity; and,
- Evaluation of social equity impacts in future policy and program developments.

A Board Strategic Planning workshop will be held February 26 and 27, 2021 to receive the Board's direction on potential updates to the *2019-2022 Board Strategic Plan* in light of these critical issues.

Member Jurisdiction Climate Adaptation Planning Updates

On October 26, 2020, the **City of Coquitlam's** Mayor and Council adopted the City's Climate Adaptation Strategic Plan. This Strategic Plan will be a part of Coquitlam's overarching Environment and Sustainability Plan, and will focus on mitigating risks and adapting the City to future climate projections. The Plan identified climate risks to Coquitlam's infrastructure, services and community and will be the City's guiding document for climate resiliency. There are seven climate risk events with associated actions for adaptation considered. The Climate Adaptation Strategic Plan will be implemented with the principles of adaptation and resilience, equity, and education for citizen action in mind. Following adoption of the Climate Adaptation Strategic Plan, eight initiatives have been identified for implementation in 2021.

The **District of North Vancouver** has also taken proactive steps for climate adaptation planning with the recent council approval on November 23, 2020, of the North Shore Sea Level Rise (NSSLR) Risk Assessment and Adaptive Management Strategy. Climate projections have indicated an increase in sea level, and proactively adapting to the climate risks associated with sea level rise will be an important adaptation action taken by the District of North Vancouver. The NSSLR Strategy has been a collaborative effort with several organizations on the North Shore including other Metro Vancouver member jurisdictions, such as District of West Vancouver and City of North Vancouver. The Strategy provides information on vulnerability to coastal flooding on the North Shore due to sea level rise, and includes six priority next steps for District of North Vancouver and project partners to focus on for mitigating risks and implementing adaptive planning to the impacts of sea level rise.

These climate adaptation efforts of member jurisdictions (References 3, 4, 5) will support regional climate goals as outlined in Metro Vancouver's *Climate 2050* Strategic Framework and will strengthen the overall climate resiliency of the region.

Federal Climate Action Planning Update

On December 11, 2020, Environment and Climate Change Canada published, *A Healthy Environment and a Healthy Economy*, which builds on the existing *Pan Canadian Framework on Clean Growth and Climate Change*. It includes a commitment to increase employment post-COVID-19 pandemic, with climate action and clean growth at the forefront for economic development.

The Plan (Reference 6) includes 64 strengthened and new federal policies and programs, with \$15 billion in investments, in addition to \$6 billion through the Canada Infrastructure Bank. Through implementation, the updated plan will support efforts for Canada to meet and exceed the national 2030 target of 30% greenhouse gas (GHG) emission reductions from 2005 levels, and support a target of net zero emissions by 2050. The 2050 level is noteworthy, as it formalizes a target that the Climate Action Committee and MVRD Board had previously advocated to the Federal government to adopt.

The plan and associated actions align well with the carbon emission reduction and climate resiliency actions in Metro Vancouver, currently under development as part of *Climate 2050* and the *Clean Air*

Plan. The federal plan is categorized into five pillars for climate action and clean economic growth. In addition, to the five pillars, the plan also includes commitments for developing Canada's first national climate adaptation strategy, support for Indigenous climate leadership, as well as measures to mitigate emissions from waste and federal operations.

Key actions and investments of significance for Metro Vancouver include:

- Investments for reducing building carbon emissions, such as \$2.6 billion over seven years for home energy efficiency retrofits, as well as \$2 billion for financing of large building retrofits. The *Plan* also includes \$1.5 billion over three years towards investing in community buildings.
- Transportation-related emission reduction through additional investments of \$287 million over two years to incentivize zero emission vehicle uptake, as well as \$150 million over 3 years for charging infrastructure, and a 100% tax write-off for commercial zero emission vehicles. The *Plan* also promotes public and active modes of transportation with commitments to establish permanent transportation funding, and develop a national active transportation strategy.
- Transitioning to clean energy is identified both in *Climate 2050* and the *Clean Air Plan*, and federal support includes investments such as \$964 million over four years to advance renewable energy and grid modernization, \$2.5 billion in clean power projects over the next 3 years, and an investment of \$1.5 billion in a *Low-Carbon and Zero-Emissions Fuels Fund*.
- Increasing the carbon price by \$15 per year, starting in 2023, rising to \$170 per tonne of carbon pollution in 2030. Rebates will also support regional climate action, by further creating the business case for low carbon solutions in Canada. A potential border carbon adjustment will also help to strengthen the case for a low carbon economy.
- The *Plan* will also encourage nature based solutions to improve air quality, increase climate resilience and protect a variety of ecosystem services, with \$35 billion invested to plant 2 billion trees across Canada through various partners such as municipal governments.

As part of the next steps, the federal government is engaging with stakeholder groups, including plans to engage with municipalities. Metro Vancouver staff will continue to collaborate with the Government of Canada to advance mutual actions related to climate resiliency and achieving the shared climate mitigation target of carbon neutral by 2050.

Clean Air Plan and Climate 2050 Engagement Update

Throughout November and December, staff continued to seek input on a series of discussion papers to inform development of the *Clean Air Plan* and the *Climate 2050 Roadmaps*. Consultation for the Buildings, Industry and Transportation discussion papers closed at the end of September, with results reported to this Committee at the November 13 meeting. Consultation for Agriculture, Nature & Ecosystems, and Waste Management continued to the end of 2020.

In November, staff presented on all issue areas to the Canadian Council of Ministers of the Environment, Air Management Committee (AMC) and the Port Moody Environmental Protection Committee. The AMC manages intergovernmental approaches to air quality issues in Canada, and its

membership includes senior staff from environment agencies in each province and territory, as well as Metro Vancouver and Montreal. Engagement for agriculture included presentations to the Township of Langley Agricultural Advisory and Economic Enhancement Committee, the Metro Vancouver Agricultural Committee, and outreach to agricultural advocacy groups.

In December, staff hosted two workshops with other governments to review proposed actions. In addition, the Infrastructure Discussion Paper was published and promoted. Staff will host a climate action webinar series from January to March, covering the recent discussion papers, carbon neutral modelling, and the draft *Clean Air Plan*.

Metro Vancouver's Wood Stove Exchange Program Receives Additional Provincial Funding

Metro Vancouver received an additional \$60,000 from the provincial government in December 2020 for continuation of the regional Wood Stove Exchange Program (see Reference 1). The exchange program helps to reduce emissions from residential wood burning in the region by providing incentives to residents upon replacement of older, uncertified wood-burning appliances (e.g. fireplaces, wood stoves) with appliances that are more energy efficient and comply with more stringent emissions standards. A provincial media release on the funding is provided as Reference 2.

Metro Vancouver offers a \$250 rebate for the exchange of an uncertified wood burning appliance for a certified wood burning appliance or electric insert. A \$400 rebate is provided for exchanges to a natural gas or propane appliance, pellet stove or electric heat pump. Retailers participate in the program by entering into partnering agreements with Metro Vancouver. Operated properly, certified wood stoves and natural gas appliances can reduce fine particulate matter (PM_{2.5}) emissions by as much as 80% and 99% respectively, compared to uncertified appliances.

Metro Vancouver's exchange program is part of a provincial program operated by the BC Ministry of Environment and Climate Change Strategy and administered by the BC Lung Association. The Metro Vancouver program began in 2009, and since that time has received a total of approximately \$341,000 and completed over 820 exchanges, resulting in ongoing PM_{2.5} reductions of more than 15 tonnes per year, and air quality improvements in neighbourhoods across the region.

The exchange program supports *Metro Vancouver Regional District Residential Indoor Wood Burning Emission Regulation Bylaw No. 1303, 2020*. Bylaw 1303, adopted in March 2020, will reduce emissions from residential indoor wood burning and introduces phased measures that will ultimately require the use of cleaner wood-burning appliances, such as the ones for which incentives are provided under the exchange program.

UBC Odour and Health Research Study

In December 2020 researchers at UBC launched a web-based mobile app for that allows people in Metro Vancouver to log when they experience unpleasant odours and any symptoms experienced as a result. By mapping odour in the region through this "[SmellVan](#)" app, the researchers hope to better understand any links between odour and health. In addition to improving understanding of the types and locations of odour, this work may also offer insights into equity issues with respect to whether any negative health impacts disproportionately affect specific groups within the population.

The development of the app is part of a larger study that is expected to involve sampling air in the vicinity of potential odour sources identified from the recorded odour experiences, as well as investigate how well air quality models estimate odour and air contaminant emissions. It is anticipated that in later phases of the study, air contaminants associated with cannabis cultivation will be analyzed to assess the involvement of these compounds in producing other air contaminants that can affect health. The research study involves collaboration with the BC Centre for Disease Control, the National Collaborating Centre for Environmental Health, and Metro Vancouver, and was funded by the Tri-Council New Frontiers in Research Fund. It is expected to run until April 2023.

References

1. [Metro Vancouver Wood Stove Exchange Program](#)
2. BC Government News Release dated December 29, 2020, <https://news.gov.bc.ca/releases/2020ENV0064-002142>
3. District of North Vancouver Council Report dated November 3, 2020, <http://app.dnv.org/OpenDocument/Default.aspx?docNum=4572312>
4. [Draft North Shore Sea Level Rise Risk Assessment & Adaptive Management Strategy](#)
5. [City of Coquitlam Climate Adaptation Strategic Plan](#)
6. [Environment and Climate Change Canada: A Healthy Environment and a Healthy Economy Plan](#)

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**Canada Climate
Law Initiative** | **L'Initiative canadienne
de droit climatique**

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November 9, 2020

The Honourable John Horgan
Premier of British Columbia
PO Box 9041 Station Provincial Government
Victoria, BC V8W 9E1
premier@gov.bc.ca

Dear Premier Horgan,

Under your leadership, British Columbia (BC) has set ambitious targets for climate action and we applaud your government's CleanBC plan that lowers carbon emissions while simultaneously growing new markets for net-zero building technologies and zero-emissions vehicles. BC's leadership in implementing North America's first broad-based carbon tax has proven that we can reduce greenhouse gas emissions while building a strong, sustainable, and innovative economy that works for all British Columbians.

While we commend these efforts under your leadership, we are not on track to meet our 2030 targets. The United Nations' Principles for Responsible Investment recent publication, 'Inevitable Policy Response', reports that current reductions in carbon emissions are not sufficient to limit global warming to a 1.5°C target; that it is inevitable that governments will be forced to act more decisively than they have thus far, leaving investor portfolios and companies exposed to significant risk; and that the longer the delay, the more disruptive and abrupt regulatory policy will inevitably be.¹ Getting ahead of these risks by implementing our recommendations in 2021 will be much more supportive of the BC economy, protecting companies, jobs, pensions, communities, and the environment. The BC business community cannot afford to be surprised by external factors again.

As you commence the 42nd provincial parliament, the Canada Climate Law Initiative (CCLI), part of the University of British Columbia's (UBC) Centre for Business Law, offers five recommendations that will help mobilize key provincial ministries and crown corporations in pursuit of net-zero emissions:²

1. Clarify that the current duty of corporate directors to oversee and manage climate-related financial risks and opportunities also applies to pension trustees and other investment fiduciaries.
2. Amend securities and financial services regulations to make the Taskforce on Climate-related Financial Disclosures (TCFD) framework mandatory for issuers and financial institutions.
3. Require all crown corporations to implement action plans on greenhouse gas emissions reduction targets in line with TCFD and report annually on progress towards net-zero emissions.
4. Strengthen the government's procurement policies to advance decarbonization goals.
5. Make greenhouse gas reduction targets and partnership with Indigenous communities a priority in project approval and licensing.

Acting quickly to implement these recommendations can help accelerate positive change and support the business community and major institutions on the path towards a sustainable economy in a timely manner.

1. Clarify that the current duty of corporate directors to oversee and manage climate-related financial risks and opportunities also applies to pension trustees and other investment fiduciaries.

In their oversight and management in the best interests of the company, corporate directors have a duty to address climate-related financial risks and opportunities.³ The BC Government should clarify that this fiduciary obligation, including the duty of care, extends to pension trustees, asset managers, and other investment fiduciaries of provincially-regulated, publicly-accountable enterprises, including securities brokers/dealers, institutional investors such as mutual and pension funds, banks, credit unions, insurance companies, and investment banks. Provincial law regulating these enterprises should impose a duty to identify, manage, and report to beneficiaries and clients on material climate-related financial risks and opportunities.

Fiduciaries under the *Pension Benefits Standards Act*,⁴ *Financial Institutions Act*,⁵ *Credit Union Act*,⁶ *Insurance Act*,⁷ *Insurance (Captive Company) Act*,⁸ *Cooperative Association Act*,⁹ and other provincial statutes and the common law have a duty to act honestly and in good faith in the best interest of their enterprises, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.¹⁰ Legal opinions in Canada and elsewhere have made clear that management of climate risks is a core part of directors' duties.¹¹ However, the practical application of this duty by financial fiduciaries remains clouded in differing interpretations. The BC Government should clarify that fiduciaries have a duty to assess and implement strategies to address climate-related risks and opportunities and report annually on progress. Regulation in the United Kingdom and the European Union requiring companies, investment funds, asset managers, and financial institutions to address climate risks provide an example to British Columbia.¹²

2. Amend securities and financial services regulations to make the Taskforce on Climate-related Financial Disclosures (TCFD) framework mandatory for issuers and financial institutions.

Canadian Securities Administrators (CSA) 'Staff Notice 51-358 Reporting of Climate Change-related Risks' gave notice to publicly-listed companies in 2019 that climate change is a mainstream business risk, and they should be publicly reporting material risks, opportunities, financial impacts, and governance processes. While disclosure of material risks is already the law in BC, to date, resources for education and enforcement of climate-related disclosure have been inadequate. The CSA Staff Notice pointed out serious inadequacies in current climate-related reporting. The Government should direct the BC Securities Commission to increase monitoring and enforcement of disclosure of climate-related risks and opportunities. It should enact regulation to require publicly-listed issuers and publicly-accountable enterprises to disclose in line with the TCFD recommended reporting on governance, strategy, risk management, and targets and metrics for emissions reductions.¹³ The TCFD framework has been endorsed by 110 governments and regulators.¹⁴ The Canadian government signalled the importance of reporting to TCFD standards in its 2019 budget and it is requiring TCFD-based disclosure as a condition of companies receiving credit assistance under the COVID-19 Large Employer Emergency Financing Facility.¹⁵ Canada's Expert Panel on Sustainable Finance recommended adopting the TCFD's recommendations, beginning with large companies and crown corporations.¹⁶ Such disclosure requirements could be phased in for smaller enterprises.

At minimum, the BC Government should enact a regulation mirroring Ontario's requirement that each pension fund annually disclose, in its statement of investment policies and priorities (SIPP), how the fund has incorporated environmental, social and governance (ESG) factors, including climate-related financial risks, into its investment policies and procedures.¹⁷ The British Columbia Financial Services

Authority should be directed to supervise all regulated financial institutions' progress towards meeting the TCFD requirements.

To make informed investment and voting decisions, institutional investors domestically and globally are seeking improved disclosure on climate-related risks and opportunities, financial impacts, and governance. The BC Municipal Pension Plan and British Columbia Investment Management Corporation already disclose in line with the TCFD framework as part of their commitment to climate action.¹⁸ The Ontario Capital Markets Modernization Taskforce has recommended that the Ontario Government mandate enhanced disclosure of material ESG information compliant with the TCFD or the Sustainability Accounting Standards Board (SASB) recommendations for issuers through regulatory filing requirements of the Ontario Securities Commission.¹⁹ Global Affairs Canada, in its recent consultation on Responsible Business Conduct, reported that addressing climate change is a priority and that executing ESG effectively helps combat rising operating expenses and enhances operating profits.²⁰ Implementing greater transparency in disclosures will create a conducive investment environment with competitive advantages, reduced borrowing costs, and greater satisfaction of public stakeholders.²¹

3. Require all crown corporations to implement action plans on greenhouse gas emissions reduction targets in line with TCFD and report annually on progress towards net-zero emissions.

As part of its climate leadership, the BC Government should require its 29 crown corporations to set ambitious targets to decarbonize and to report progress annually in line with the TCFD framework, setting out climate governance, strategies, risk management, metrics and targets for reducing greenhouse gas emissions in their annual accountability reports to the government. While some crown corporations have set emissions reduction goals, there is no consistency in governance or reporting that allows the government and stakeholders to assess progress towards emissions reduction year over year. We encourage the BC Ministry of Finance to collaborate with crown organizations to increase awareness of climate governance trends and ESG frameworks in industry standards and initiatives.

Government should also promote board education on climate governance, which would support its crown corporations and the Crown Agencies and Board Resourcing Office's (CABRO's) efforts to attract and retain the best possible people to serve on its boards and commissions. Doing so aligns with recommendations of BC's Emerging Economy Taskforce²² and would enhance the quality of disclosure in BC's Carbon Neutral Action Reports pursuant to the *Climate Change Accountability Act*.²³

4. Strengthen the government's procurement policies to advance decarbonization goals.

Responsibility for procurement in government is shared between program ministries, the Ministry of Citizens' Services Procurement Services Branch, and the Ministry of Finance Office of the Comptroller General. The BC Government's current policy of selecting vendors and issuing purchase orders to the bidder offering 'best value for specified goods'; its Social Impact Procurement Guidelines, which currently have a goal of using 'procurement strategically to improve social and environmental outcomes'; and its Guidelines for Environmentally Responsible Procurement²⁴ should be considerably strengthened to provide leadership on decarbonization as well as Indigenous reconciliation. Assessments of feasibility and cost effectiveness should account for the externalized costs of higher carbon emitting products and services and require that proposed vendors and service providers submit, as part of their proposals, their business plan to decarbonize, including targets to reduce emissions and report progress towards those targets.

These recommendations advance the Government's support of more BC-based small-to-medium-sized-enterprises (SME) in its procurement process and regulations, which in turn will significantly reduce transportation-related emissions. With an eye on supporting our BC-based companies that are making sincere efforts to decarbonize, the BC Guidelines for Environmentally Responsible Procurement

should be considerably strengthened to include supporting BC-based SME in making the successful transition to decarbonization and Indigenous reconciliation.

Renewals of contracts with the BC government should be contingent on meeting targets. For small enterprises with limited resources for disclosure and management of climate risks, CSA Staff Notice 51-358 provides a complementary framework for disclosure. Where possible, procurement policies should consider environmentally significant processes throughout the life cycle of products, from raw material extraction, production, assembly, and use, through to end-of-life treatment.

5. Make greenhouse gas reduction targets and partnership with Indigenous communities a priority in project approval and licensing.

The BC Government's continued leadership in environmental protection and respect for Indigenous rights has the potential to create novel synergies in biodiversity conservation and climate action that should be enhanced by embedding two conditions into the approval and licensing of all development and infrastructure projects with potential impacts on climate. First, in all proposals, project proponents should include climate action plans that specify their governance and risk management strategies with respect to climate change, decarbonization targets, biodiversity protection, and metrics for reporting progress.

Second, the BC Government should enhance its commitment to s 35 of the *Constitution Act 1982* and BC's adoption of the Calls to Action of the Truth and Reconciliation Commission of Canada.²⁵ BC's *Declaration on the Rights of Indigenous Peoples Act*²⁶ specifies that Indigenous peoples have the right to the conservation and protection of the environment and the productive capacity of their lands, territories, and resources,²⁷ and affirms the government's commitment to take appropriate measures to mitigate adverse environmental, economic, and other impacts.²⁸ The Government should require project proposals to demonstrate adherence to constitutional Indigenous rights. Priority should be given to projects that aim to create cooperative governance frameworks, demonstrate partnership and meaningful engagement with Indigenous peoples in the leadership, design, decisions, outcomes, and benefits of development projects and policies, especially those projects with the potential to conserve or restore natural capital, enhance cultural values, and provide measurable environmental co-benefits, metrics, and targets.

The Canada Climate Law Initiative believes that implementation of these five recommendations would help BC rapidly transition to a sustainable economy and advance the goal of net-zero carbon emissions. Our scholars and Canadian Climate Governance Experts are willing to support these efforts however we can.

Sincerely,

Janis Sarra

Dr Janis Sarra

Principal Co-investigator

Canada Climate Law Initiative

On behalf CCLI and its Principal Co-investigators Dr Carol Liao and Professor Cynthia Williams

CCLI acknowledges that the UBC Point Grey campus is situated on the traditional, ancestral, and unceded territory of the xʷməθkʷəy̓əm (Musqueam).



References

- ¹ UN PRI, 'Inevitable Policy Response, Preparing financial markets for climate-related policy/regulatory risks', (2020), at 2-3, 17, <https://www.unpri.org/download?ac=9833>.
- ² These recommendations are the result of consultations with our research partners and our 55 Canadian Climate Governance Experts. Our research partners include Osgoode Hall Law School, York University, and the Commonwealth Climate and Law Initiative, Smith School of Enterprise and the Environment, Oxford University, United Kingdom.
- ³ British Columbia *Business Corporations Act*, SBC 2002, c 57; *Canada Business Corporations Act*, RSC 1985, c C-44, as amended. Carol Hansell, 'Putting Climate Change Risk on the Boardroom Table', (June 2020), <https://law-ccli-2019.sites.olt.ubc.ca/files/2020/06/Hansell-Climate-Change-Opinion-1.pdf?file=2020/06/PUTTING-CLIMATE-CHANGE-RISK-ON-THE-BOARDROOM-TABLE.pdf>.
- ⁴ *Pension Benefits Standards Act*, SBC 2012, c 30.
- ⁵ *Financial Institutions Act*, RSBC 1996, c 141, as amended.
- ⁶ *Credit Union Incorporation Act*, RSBC 1996, c 82, as amended.
- ⁷ *Insurance Act*, RSBC 2012, c 1.
- ⁸ *Insurance (Captive Company) Act*, RSBC 1996, c 227.
- ⁹ *Cooperative Association Act*, SBC 1999, c 28.
- ¹⁰ Janis Sarra, *Fiduciary Obligation in Business and Investment: Implications of Climate Change* (Commonwealth Climate and Law Initiative, 2018), https://commons.allard.ubc.ca/cgi/viewcontent.cgi?article=1483&context=fac_pubs.
- ¹¹ Hansell, note 3; Noel Hutley SC and Sebastian Hartford Davis, 'Climate Change and Directors' Duties, Supplementary memorandum of Opinion' (2019), Australia Centre for Policy Development; and Noel Hutley SC and Sebastian Hartford Davis, 'Climate Change and Directors Duties, Memorandum of Opinion' (2016), <https://cpd.org.au/wp-content/uploads/2016/10/Legal-Opinion-on-Climate-Change-and-Directors-Duties.pdf>.
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