

Memorandum

To: Mayor & Council
From: Larry Plourde, Administrator
Date: March 14, 2017
Re: 2016 Climate Action Revenue Incentive Public Report (CARIP)

The Province provides an annual Conditional Grant to local governments for the Carbon Tax paid during the year if the local government has signed onto the Climate Action Charter. In order to be eligible for the conditional CARIP grant local governments are required to report publicly on their plan and progress towards meeting their climate action goals. The Ministry has provided and staff has completed a template to report on the actions taken in the previous year (2016) and the proposed actions for the next year (2017). Staff has calculated our Conditional Grant for Carbon Tax Paid to be \$8,763 and submitted our claim. Approval for the Village to receive this funding is subject to filing the Survey with the Ministry and publically reporting by June 1, 2017 our activities and our progress to achieving Carbon Neutrality and Carbon Neutral Progress.

The Survey identifies actions taken or planned to be taken to meet our commitment under the Climate Action Charter to which the Village is a signatory. We currently track our energy use (electricity, gas, propane and diesel) to measure, reduce and report on corporate emissions as required and to implement actions to reduce our carbon footprint. We have not instituted a Committee or hired a "sustainability manager" as larger communities have in an effort to meet this Provincial mandated requirement. Existing staff do what we can within our limited knowledge and resources that we can commit to this requirement. Staff looks for measures we can consider and implement on any projects (i.e. lighting, heat recovery systems, energy efficient motors, recycling options, etc.) and consider operational changes (i.e. reducing power, energy efficient vehicles, etc.). This "off the corner of our desk" approach will never achieve the level of GHG reductions required to achieve Carbon Neutrality.

The Climate Action Charter required the signatories to become GHG Neutral in 2012 offsetting each tonne of Green House Gas produced through our operations and Contract Services. In previous Reports I outlined the difficulty to be carbon neutral based on our operations. To do so we would need to develop "offsets" through carbon reductions (i.e. generation of bio gas, sequester of carbon with tree reserves) which are expensive undertakings and require independent third party validation by a qualified professional to be verifiable and accurate. The other option and simplest to become "carbon neutral" in accordance with the Climate Action Charter is the purchase of Carbon Credits from approved Carbon Offsetters. Alternatively we could opt-out and forgo the Carbon Tax Grant for the carbon tax paid through our fuel purchases.

In the past Council chose not to pursue either of these options but instead established a Reserve Account to set aside funds in the amount it would cost to purchase carbon offsets. This Reserve and the funds allocated will be used to fund projects that will result in community carbon reductions. These options alone (i.e. energy efficiency, LED lighting conservation) will not achieve carbon neutrality as specified under the Climate Action Charter but rather will only reduce our Carbon Footprint (make progress to carbon neutrality).

Previously the Province has accepted our measurement of Green House Gases and these reserves as "progress towards Carbon Neutrality" and approved our CARIP Grant which is the amount of Carbon Tax the Village pays on its Fuel and Propane purchases during the year. The use of a self-imposed Reserve based on local GHG's to undertake carbon reduction projects, (i.e. energy efficient lighting, bio-fuel vehicles) when utilized on Projects may reduce a municipalities' carbon footprint but on its own will not achieve carbon neutrality. In the future the Province's view on eligibility of Reserves as "working toward carbon neutral" may change to actually being carbon neutral.

Staff has calculated the Village's Green House Gas tonnes at 348.7 for 2016 (330.02 for 2015). Based on a current price of \$20-\$30 per carbon tonne the cost to be carbon neutral would be \$6,974 for the general offsets and \$10,461 for the Gold Standard Offsets. We have booked to our 2016 costs \$6,974 to be placed in the Carbon Offset Reserve in accordance with the Gold River Carbon Fund Policy.

The Province will assess our CARIP Grant eligibility based on our actions taken including our commitment and efforts towards Carbon Neutrality. These actions have been minimal due to the many limitations of our expertise and capacity. The Reserve Account established by the Village shows our good faith working towards Carbon Neutrality while we determine our direction and increase our understanding of our options. The effort to measure and calculate Green House Gases is significant and the planning and action to reduce GHG's is more significant. Many of the Regional Districts and larger communities have hired sustainability Managers to administer their Program and have contracted Consultants to undertake various programs from measuring GHG to developing comprehensive Carbon Neutral Action Plans.

Considerable time is spent on this initiative calculating carbon tax, measuring GHG's and reporting as required at the cost of other Staff priorities. Resources needed to aggressively pursue Carbon Neutrality including a Strategy and then the cost to implement any identified Projects would be significant likely costing more than the Carbon Tax credit. A review of the GHG spreadsheet will show fossil fuels (gas and propane) are the significant contributors to our carbon footprint. It is unclear how we could reduce our fossil fuels without significant investment (i.e. bio-mass fuel to heat the Pool). This should be viewed both as a financial and environmental consideration. Council as previously identified may wish more formal action (Council Committee or Village Working Group, dedicated staffing) to review our activities and opportunities towards achieving Carbon Neutrality.

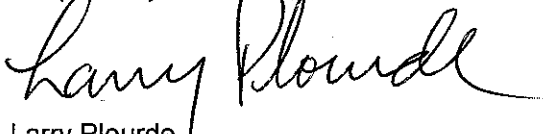
The Provincially produced Community, Energy and Emissions Inventory report for 2010 was released in February 2014. The reliability of the information is somewhat questionable as there

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are many broad interpretations and assumptions used in collecting the data. The CEEI Report showed a reduction in our Community Green House Gas Emissions from 6,535 CO₂e (t) in 2007 to 6,165 CO₂e (t) in 2010 (almost 6%). It is unknown what occurred to achieve this reduction. Our community GHG reduction target is 33% reduction goal of GHG emissions by 2020, 80% reduction by 2050 based on 2007 levels (as had been measured by the Province for 2007). Our corporate (Village) GHG's have bounced between 330 and 380 CO₂e (t) since we began measuring GHG's in 2010. I suspect we will not achieve corporate GHG neutrality without direct purchase of carbon offsets and it is unclear how we would develop a strategy to reduce community GHG emissions by 33% by 2020 or 80% by 2050 based on the 2007 GHG emissions.

Staff has completed the 2016 CARIP Climate Action and Carbon Neutral Progress Survey. The Province requires the Climate Action and Carbon Neutral Progress Survey be reported publically by June 1st. Please find the report attached for Council information and to meet our Provincial Reporting requirements. The Report should meet the Provincial requirement for approval of the Carbon Tax Grant calculated at \$8,763. It is unknown if the Province will continue to accept "working towards Carbon Neutrality" eligible for the CARIP Grant in the future.

Respectfully submitted,

A handwritten signature in black ink that reads "Larry Plourde". The signature is written in a cursive style with a large, prominent initial "L".

Larry Plourde
Administrator