

CleanBC Review Panel Government of British Columbia CleanBCReview@gov.bc.ca

July 18, 2025

Dear CleanBC Review Panel,

The Zero Emissions Innovation Centre (ZEIC) is pleased to provide input to the *CleanBC Review* process. ZEIC is an independent non-profit charitable organization with a mission to accelerate and scale urban decarbonization across Metro Vancouver and urban areas in British Columbia (BC). We have emerged as BC's premier industry capacity-building organization working to enable the energy transition in practical ways. Our program networks have over 12,000 engaged followers and we train over 5,000 people annually from across the public, private and non-profit sectors. Additionally, as an endowed organization, we grant and invest to support BC's clean economy in diverse ways. In 2025, ZEIC was named BC's CleanTech Supporter of the Year by Foresight. We welcome the opportunity to offer insights to support the evolution of BC's climate action agenda.

Our submission, informed by our extensive implementation-oriented climate action programs and established practitioner networks, offers perspective on the current state of play and thematic recommendations. Our recommendations prioritize the long-term success of climate action in BC through effective and pragmatic solutions that also advance affordability, economic development, and reconciliation.

Despite BC's long history of climate action across sectors, we are not on track to achieve our climate targets. We risk being left behind in the global energy transition. This is an opportunity to recalibrate *CleanBC* for the coming era of urgently needed climate action, while attuning to changing global risks and priorities.

Current State of Play

Climate action in BC today exists amidst significant sources of optimism and growing risks.



Positive factors include:

- Increasing capacity and support to achieve provincial climate policies, especially the BC Energy and Zero Carbon Step Codes. In <u>ZEIC's recent BC building</u> industry survey, 81% said that they are either already or will soon meet the 2030 code requirements.
- Increasing availability of high-quality, lower-cost zero-carbon technologies across all sectors of the economy, and continent-leading adoption in certain categories, such as e-bikes and passenger zero-emission vehicles (ZEVs).
- Leading regulatory and programmatic work from public sector institutions, including BC Hydro, BC Housing, and the BC Financial Services Authority.
- Leading actions from Indigenous Nations and local governments across BC, especially on building energy development and building decarbonization.

Headwinds include:

- The Government of BC's conflicting policy and investment approach to energy futures, which includes both substantial climate targets and policies that perpetuate a path dependency on fossil fuels for domestic use. There is an absence of strategic and integrated energy transition planning, at multiple scales, backed through legislation, that articulate specific regional and sectoral pathways and timelines for practically moving beyond fossil fuels.
- **'Start-stop' program and policy development,** where 2030 roadmap elements, such as Home Energy Performance labels and the Low Carbon Building Materials Strategy, have seemingly been deprioritized or abandoned, without consultation.
- A radically different fiscal and economic environment with the removal of BC's consumer carbon tax and critical rebates, effectively decreasing consumer and investor confidence.
- Unclear direction for BC's corporate and financial sectors as the global reporting landscape becomes increasingly strict and climate-focused, while Canadian and provincial regulators lag.
- Insufficient integration of CleanBC-related workforce needs and opportunities in an overarching workforce plan for energy and climate.



Recommendations

1. Climate Legislation, Leadership, and Governance

Provincial leadership is essential. Accordingly, the Government of BC should:

- 1.1. Adopt a series of escalating, granular targets for GHG reducing technology adoption (e.g., heat pumps), capital flows, and energy system configurations (e.g., distributed renewables penetration), acknowledging the challenge of reaching the 40% GHG target by 2030.
- 1.2. Align with the Government of Canada and the corporate sector by setting a net-zero by 2050 target.
- 1.3. **Reimagine the BC Climate Solutions Council** as a true third-party expert advisory body, in the spirit of the UK Climate Change Committee, and formally connect it to other governance mechanisms, such as the Energy Step Code Council and ZEV Advisory Council.
- 1.4. Continue to raise climate leadership as a national priority at the Council of the Federation and push opportunities for strategic, nation-building projects (e.g., an East-West electricity grid or national building retrofit mission) and critical trade policies (border carbon tariffs, re-evaluating ZEV tariffs).
- 1.5 Support Indigenous climate leadership and priorities, as reflected in the <u>BC</u> <u>First Nations Climate Change Strategy and Action Plan</u>, and create governance structures aligned with 1.3, integrating groups like the Indigenous Climate Adaptation Working Group.

2. Climate Action Resourcing and Public Sector Leadership

BC's public sector, especially local governments, has long been at the forefront of climate action. To build on the strengths, the Government of BC should:

2.1. Use public sector procurement to build markets with guaranteed demand for proven solutions. For example, BC Housing should continue to exceed code minimums per the Zero Carbon and Energy Step Codes, particularly given positive or nominal cost implications and associated industry capacity-building benefits.



- 2.2. Rationalize and create stable local government and Indigenous Nation climate funding, including an enhanced Local Government Climate Action Program (LGCAP).
- 2.3. **Reimagine the Carbon Neutral Government Program** and redirect money for offsets into an internal revolving decarbonization fund for public assets.
- 2.4. Develop and implement a coherent, cross-government approach for mandatory access to and use of all climate-relevant public and private datasets, including account-level and aggregated gas and utility data for building owners, tenants, relevant program operators, and the public sector.
- 2.4. Fully implement the International Public Sector Accounting Standards Board's sovereign climate risk disclosure recommendations through the Treasury Board.

3. Energy Policy and Practice

BC's pathway to continued prosperity and successful action will be made or lost in its energy policy. Several key policies are needed to move forward:

- 3.1. **Deliver a comprehensive energy plan** that builds on *Powering Our Future* and clarifies direction on major energy issues and policy areas. This plan should include:
 - 3.1.1. A pathways assessment (as Ontario has done) on viable ways for BC to meet its economic and net-zero goals synergistically, including the development of multiple credible scenarios and, importantly, an energy use hierarchy.
 - 3.1.2. Direction and clear accountabilities to the BC Utilities Commission (BCUC) for overseeing mandatory, ongoing, net-zero compliant joint planning between BC Hydro, FortisBC, and other utilities (e.g., municipal, Indigenous).
 - 3.1.3. A framework and process for doing regional and area-based energy planning, including as part of conventional land-use processes, with specific roles and resourcing for local governments and Indigenous Nations' participation.



- 3.1.4. Specific direction around the future of thermal energy in BC, recognizing regional needs, including the ability for southern regions to move towards an all-electric future for heating and cooling of buildings in all but the most extenuating of circumstances.
- 3.2. **Continue investment in clean power** generation with subsequent BC Hydro calls for power to 2035, ensuring that all future resource plans (gas and electric) are compliant with a net-zero future by 2050.
- 3.3. **Review and update the** *BC Hydrogen Strategy* and ensure that the resources and attention to that strategy are right-sized to present-day cost and climate-effectiveness of hydrogen as a climate solution, including market signals on hydrogen's limited role in heating buildings.
- 3.4. **Update the findings of the** <u>BC Renewable and Low-Carbon Gas Supply</u>

 <u>Potential Study</u> with present-day economics and realistic feedstock availability, as a resource for future BCUC and other decision-making processes.
- 3.5. Develop and implement a distributed energy resource (DER) potential study, followed by a roadmap and implementation plan, learning from the work of Ontario's Independent Electricity System Operator (IESO)

4. Transportation and Land Use Policy

Decarbonization of urban road transportation remains challenging, driven by rising GHGs from medium- and heavy-duty vehicles and the increasing size and weight of light-duty vehicles that offset efficiency gains. The Province should adopt a pan-government sustainable mode hierarchy and an explicit transportation demand management framework to guide investment, policy, and programs.

On transit and active transportation, the Government of BC should:

4.1. Work with regional districts to solve transportation and transit-related revenue challenges by providing all with clearer and more flexible mechanisms to raise additional tax revenue, such as sales taxes, fuel charges, and other relevant opportunities.



- 4.2. Work with the Mayors' Council and TransLink to solve the structural limitations of its revenue model permanently, specifically ensuring that the <u>Access for Everyone Plan</u> is fully funded and implemented.
- 4.3. Recommit to and fully resource <u>Move, Commute, Connect</u>, BC's active transportation strategy; mandate the use of the <u>BC Active Transportation Design</u> <u>Guideline</u> as the minimum design standard in all infrastructure in BC; and ensure that the BC Ministry of Infrastructure and Transit produces annual progress report cards.
- 4.4. Introduce an escalating annual motor vehicle levy based on vehicle GHG intensity and commit to the adoption of a vehicle-kilometres-travelled charging framework as electric and automated vehicles are introduced.
- 4.5. Improve and align ICBC's Community Grants Program with UBCM-distributed gas tax funds for road safety and active transportation.
- 4.6. Ensure the BC Building Code and/or relevant regulations adopt the <u>best</u> practices developed by the BC Local Government EV Peer Network with 100% EV-readiness for all newly constructed parking spaces, and appropriate active transportation amenities.
- 4.7. Develop the next phase of the <u>BC Road Safety Strategy</u> with a focus on legislative amendments to the *Motor Vehicle Act*, including resources and legislation to deploy automated traffic enforcement, reduce urban speed limits, and other recommendations from the position paper by the <u>Road Safety Law Reform Group of British Columbia</u>.

On ZEV policy, the Government of BC should:

- 4.8. Maintain the long-term goals within the Zero Emissions Vehicles Act's timeline with flexibility for short-term implementation and inclusion of plug-in hybrids as a compliance fulfillment.
- 4.9. Continue to provide zero-emission vehicle purchase incentives for light-duty vehicles, e-bikes, and other solutions on a financial capacity- and geographic-indexed basis.



- 4.10. Reinstate the PST exemption for used ZEVs below a reasonable price-point and consider exemptions for new vehicles for income-qualifying purchasers.
- 4.11. Fund ZEV purchase rebates and tax exemptions through the introduction of an escalating motor vehicle sales tax on vehicles with a threshold purchase price.
- 4.12 Expand and accelerate Capital Cost Allowance (CCA) deductions for lightduty and medium/heavy-duty zero-emission vehicles and charging equipment to incentivize faster fleet electrification across BC.
- 4.13. Continue to provide capital grants for the installation of EV infrastructure, for light-duty vehicles, off-road equipment for construction and sector-specific needs such as within the film and port industries.
- 4.14. Phase in medium and heavy-duty vehicle (MD/HDV) sales mandates per major vehicle segment, aligning and coordinating with other major markets (e.g., California and Quebec).

On planning policy, the Government of BC should:

- 4.15. **Modernize the** *Motor Vehicle Act* **to set a lower default speed limit** (e.g. 30 km/h) on local streets and enable municipalities to easily designate car-free, reduced-vehicle, and pedestrian zones.
- 4.16. Strengthen and expand land use conditions tied to provincial transit and infrastructure funding to accelerate compact, low-carbon development. Increase zoning, density and employment near rapid transit and frequent bus routes and require municipal plans to align with climate goals like reduced VKT and higher active and transit mode share.

And lastly, on infrastructure, the Government of BC should:

4.17. **Refresh BC's strategy as a Pacific economic gateway**, working with organizations like Greater Vancouver Gateway Council and the Vancouver Maritime Centre for Climate Change (VMCC), to **double down on the decarbonization of the Port of Vancouver and its associated supply chains.**



5. Buildings Policy

Building decarbonization is a mainstay of ZEIC's programs and will feature in other letters for the review team in those capacities. Generally, BC should:

- 5.1. Maintain and harmonize the Zero Carbon and Energy Step Codes to be fully implemented, province-wide, by 2032.
- 5.2. **Move forward on the proposed Highest Efficiency Equipment Standard** (HEES) regulatory package with a point-of-sale regulation for residential equipment and a point-of-installation for larger commercial and industrial equipment.
- 5.3. Develop and implement the promised Low Carbon Building Materials and Circular Economy Strategies, with accompanying targets and resources, to accelerate embodied carbon reductions in all buildings and looking for opportunities to repatriate relevant supply chains to BC.
- 5.4. Restart work to develop a provincial home energy labelling program and align it with the BC Financial Services Authority (BCFSA) efforts to develop a climate risk index for homes, building on the recommendations of the Insurance Bureau of Canada and Canada Mortgage and Housing Corporation (CMHC).
- 5.5. Work with Metro Vancouver to utilize its existing delegated authorities on air quality under the *Environmental Management Act* to develop and implement a regional air pollution reduction mechanism in the form of a Building Performance Standard (BPS), building on lessons from the Energize Vancouver program.
- 5.6. Direct the Air Quality Monitoring and Analysis Branch to **provide Ministerial** allowance for other regional districts to also advance BPS voluntarily.
- 5.7. **Develop and implement a <u>BC Offsite Building Manufacturing Roadmap</u>**, linking together work under the Mass Timber Action Plan, the BC Manufacturing and Industrial Strategy, and the Zero Carbon and Energy Step Codes.

6. Enabling Workforce, Financing, and Scaling Conditions

Commendably, the Roadmap to 2030 focuses on a wide range of policy areas. Enhanced integration of workforce and financial policy is an opportunity. On workforce development, the Government of BC should:



- 6.1. **Develop a revised** *Future Ready Action Plan*, building on the Federal Sustainable Jobs Plan, and leveraging ZEIC's Sustainable Workforce Coalition (SWC), coordinate, and execute workforce development activities necessary to meet climate and economic development goals.
- 6.2. Continue to invest in the FutureReady Skills grant, working with SkilledTradesBC, Indigenous services organizations, the SWC, and the College of the Building Trades, prioritizing funding for energy transition-critical roles, especially in the trades.
- 6.3. **Deliver the commitment to invest \$150 million over three years into SkilledTradesBC** with a focus on increasing the number of training seats, enhancing support for Indigenous apprentices, and adding greater flexibility in terms of allocating grant funding to union- and industry-run training programs.
- 6.4. Invest in ongoing industry and public sector capacity building beyond the trades, such as ZEIC's Zero Emissions Building Exchange, Building to Electrification Coalition, and Carbon Leadership Forum of BC
- 6.5. **Expand support for workplace diversity, inclusion, and cultural safety** through organizations like the <u>BC Centre for Women in the Trades (BCCWITT)</u> and ZEIC's programs like the <u>SWC</u> and <u>Women4Climate</u>.

On financial sector issues, the Government of BC should:

- 6.6. Continue to work with the ZEIC-hosted BC Leadership Group on Sustainable and Resilience Finance (the "Leadership Group") and use that as a platform for pursuing the development of a BC Roadmap on Sustainable Finance, learning from Quebec and with a strong focus on BC's emerging Indigenous finance ecosystem.
- 6.7. Work with the Leadership Group and others to **strengthen BC's financial sector to climate risks, including the 2023 recommendations by the Canada Climate Law Initiative.**
- 6.8. Direct the BC Securities Commission to work with other Canadian Securities Administrators to adopt and implement the <u>climate-related financial disclosures</u> <u>guidelines from the Canadian Sustainability Standards Board</u> in the near term.



Closing

ZEIC is grateful for the opportunity to contribute to this CleanBC process and would welcome further engagement. The review is a vital opportunity to recalibrate assumptions underpinning climate action and affirm strategies and commitments to accelerate progress for a fair, prosperous, and zero-carbon economy.

Sincerely,

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