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Submitted via email: [cleanairplan@metrovancover.org](mailto:cleanairplan@metrovancover.org)

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**RE: CleanAir Plan and Climate 2050 Framework**

The Business Council of British Columbia appreciates the opportunity to provide input on Metro Vancouver's CleanAir Plan and the related Climate 2050 Framework. We seek to provide fact-based information and work collaboratively on practical policy and regulatory solutions with all governments.

To this end, we submit that an appropriate and workable regional response to air pollution and greenhouse gas management needs to align with the efforts of senior levels of government and seek to fill policy and regulatory gaps, not add to the regulatory burden. Consequently, the CleanAir Plan should have a **tight focus on those areas of direct influence and squarely within the jurisdiction of Metro Vancouver (MV)**. The reality is that MV represents only a portion of the greater lower mainland population, geography, airshed, and economy. Regional leadership means showing sound judgement and choosing actions where the MV Board can have a material impact and enable practical and actionable solutions or incentives. In our view, this approach is lacking in the proposed CleanAir Plan and Climate 2050 Framework.

As drafted, the scope of actions within the CleanAir Plan is sizable, and we are not able to comment on many of the contemplated measures. Here, we offer our views generally and comment on a few specific matters of particular interest to our members.

By our count, approximately 25 percent of the proposed actions have a direct link to MV's jurisdiction, while the remaining three quarters are mainly or wholly outside the purview and jurisdiction of MV. For the 25 percent of actions within MV's remit, there is **significant potential for duplication, overlap, and unnecessary and significant additional costs for both businesses and residents**. This is true particularly when considered against the backdrop of CleanBC initiatives and targets, as well as the policies and programs being implemented by the federal government.

To focus the evaluation of MV's proposals, we suggest **adding an economic principle** to those identified on page 5 along with a clause to ensure "continuous improvement" that **results in least cost outcomes and make MV accountable for verifying that all options meet this test**. As with MV's current air permitting, the absence of economic criteria to help guide decision-making is a notable and concerning oversight. Therefore, we **urge full disclosure of MV's analysis** in this regard. At a minimum, this would be consistent with MV's

stated commitment to transparency. It is also important information for taxpayers, who will eventually be asked to absorb 100% of the costs of the CleanAir Plan — to say nothing of the many other municipal, regional, provincial, and national taxes, fees, levies, and regulatory costs being imposed on citizens and businesses under the rubric of climate policy.

In keeping with this concern, we are also troubled by the following statement on page 18: “The graph below shows the potential reduction in greenhouse gas emissions by 2050 implementing an aggressive and achievable suite of actions starting with the actions outlined in this CleanAir Plan.” It is our understanding that this conclusion is based on an engineering assessment of options plotted against the target. **Zero attention has been given to the economic impacts or to how the “suite of actions” may affect the broader business and competitive landscape.**

Metro Vancouver has been clear that this plan **does not** include any analysis of costs, nor impacts to consumers, businesses, or the economy, yet. Therefore, whether the plan is achievable at this stage is speculative. We submit that the final version of the plan must be **clear and explicit about assumptions, risks, and possible distortions** to the marketplace, including the impacts on consumers. B.C. already has high marginal carbon abatement costs because of our clean electricity and also as a result of the province having operated with the steepest carbon price in North America for a dozen years. Therefore, the final plan must **provide estimates of the marginal abatement costs for each action.** This is critical if we are to avoid distortions and disincentives in capital markets for climate related investments, and further undermine competitiveness and accelerate carbon leakage.

In terms of industry targets, we do not support action 3.1.2: Integration of GHGs into MV emissions regulations and permits, nor do we support the proposed MV sectoral targets. As you are no doubt aware, the Province of B.C. has adopted four sectoral greenhouse gas reduction targets. B.C. has also initiated conversations with stakeholders to develop GHG reduction roadmaps for each sector. The B.C. industry target is 38% to 43% below 2007 levels. MV’s target of 35% below 2010 levels **overlaps with provincial objectives and raises the real prospect of confusion, uncertainty, higher costs, and carbon and capital leakage from the region.** We see **no case for setting separate MV GHG reduction targets** and look to the provincial government to develop and implement sensible targets for B.C. overall. Put simply, CleanBC is the most appropriate policy framework for dealing with GHG emissions. As such, we urge MV to defer action 3.1.8 pending the outcome of the provincial roadmaps.

Regardless, and as we noted in our recent submission on the air permitting bylaw, in 2019 the Metro Vancouver region accounted for close to 60% of provincial GDP and for most of employment in B.C. The economic importance of the Metro region and the health of the MV economy are critical to the overall well being of British Columbians. Industry is integrated through supply chains, transportation infrastructure, and the built environment. Moreover, some industries and sectors in MV are price takers in global markets. This means they cannot pass additional government-imposed costs on through to the market. As such, none of the sectors affected by the plan can be evaluated in isolation. It is essential to consider the role of the Metro region as a supply link to the rest of B.C., Canada, and international markets. **MV’s analysis needs to scrutinize the effects of its actions on provincial and regional trade, the Gateway, and provincial and national GDP.** We see little evidence of this kind of analysis in the draft plan.

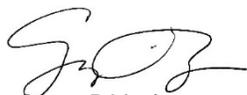
We are also concerned with **regulatory overreach** in areas such as building standards, energy system standards, marine and rail, heavy-duty trucks, and transportation in general. These are areas where senior levels of government are the main and the most appropriate locus for the development of standards and regulations. In addition, research and commercial development of carbon capture use and storage (CCUS) technology is becoming a crowded space. Metro Vancouver has a role to play here by adopting supportive policies and expediting pilots in the region. This may mean creating a “sandbox policy” that could help reduce barriers to capital and development including streamlining regulatory hurdles for investors who may wish to pilot new CCUS technology and/or expand CCUS use (e.g., Lafarge and Svante) within the region. Such an approach could also extend to the use of agricultural lands as an opportunity for local ag-tech firms to pursue nature-based sequestration solutions in partnership with the provincial and federal governments. Otherwise, we see **little scope for value added action by MV on CCUS as this is a complicated issue and an area being well advanced in other parts of the country and province.**

In terms of energy systems, electrification cannot be the primary pathway (and MV has no jurisdiction over electricity in B.C.) What is required is an integrated energy approach inclusive of all types of fuels. These options and package of energy choices must provide energy security and certainty of availability (i.e., reliable), be cost competitive on a capital and operating basis, maximize the use of existing infrastructure and utilities, and encourage innovation. Only a diversified portfolio of supply that includes both **electricity and natural gas along with other renewable and non-renewable sources** can ensure a reliable, resilient, and affordable energy system.

In summary, we believe Metro Vancouver needs to reflect further on its ambitions in this broad policy domain given the policies and measures being adopted by British Columbia and Canada. A regional body like Metro Vancouver should focus on what it can do directly with the most impact and possible success while supporting the economy and enabling citizens and businesses to leverage B.C.’s low carbon advantages to build a better economic future. Actions must complement not compete with programs, incentives, and regulatory approaches of B.C., Canada, and member municipalities. Unfortunately, the current draft CleanAir Plan sends a strong negative signal to those looking to invest and operate businesses in the region. A fundamental rethink is required.

We look forward to ongoing conversations.

Yours sincerely,



Greg D'Avignon  
President and Chief Executive Officer

cc: Honourable George Heyman, B.C. Minister of Environment and Climate Change Strategy  
Mr. Sav Dhaliwal, Board Chair, Metro Vancouver  
Ms. Linda Buchanan, Board Vice Chair, Metro Vancouver