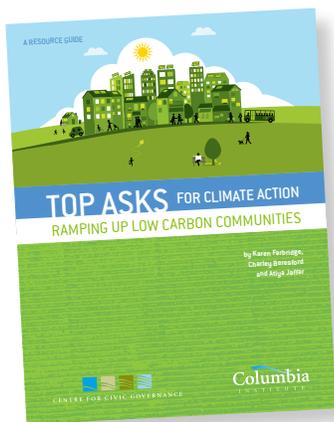




TOP ASKS FOR CLIMATE ACTION: RAMPING UP LOW CARBON COMMUNITIES 2017 FEDERAL REPORT CARD



The June 2016 *Top Asks* report set out 18 federal policies and 24 provincial/territorial policies dedicated to ramping up low carbon communities.

A year later, this report card takes stock of where we've seen progress.

Download the report at columbiainstitute.ca

LOCAL GOVERNMENTS, who directly and indirectly influence more than 50 per cent of Canada's greenhouse gas emissions, are taking climate leadership in communities across the country. Enhancing their ability to act is both necessary and a powerful opportunity for meeting Canada's climate commitments.

Having asked the question 'what federal, provincial and territorial initiatives would boost local government climate initiative,' Columbia Institute released *Top Asks for Climate Action: Ramping up Low Carbon Communities* in June 2016. In this report, we laid out 18 federal policies and 24 provincial/territorial policies dedicated to ramping up low carbon communities.

A year later, this 2017 *Top Asks* report card looks at the federal policy positions and takes stock of where we've seen progress in three areas:

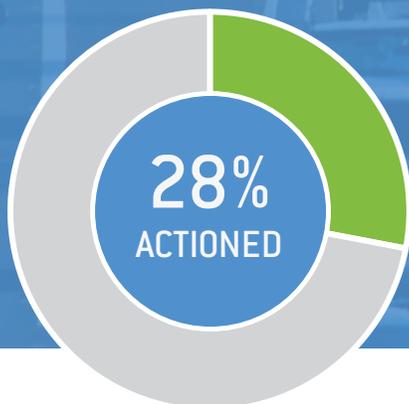
- Commitment;
- Funding; and
- Implementation.

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MAY 2017

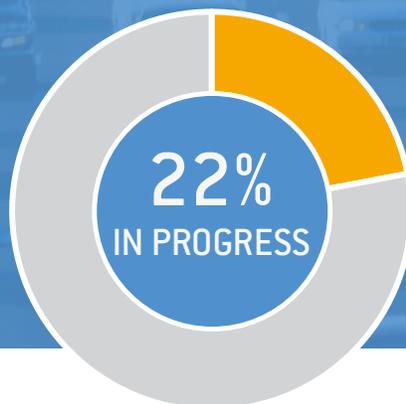
BOTTOM LINE



28% of Top Asks have been **ACTIONED**

- ✓ A national price on carbon.
- ✓ Funding for local government capacity building, including additional support for the Partners for Climate Protection program.
- ✓ A national transportation strategy.
- ✓ Matching provincial/territorial government transit funding to local governments.

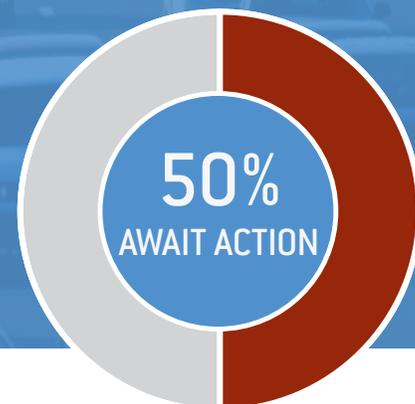
5 of 18 Top Asks implemented



22% of Top Asks are **IN PROGRESS**

While commitments and funding allocations have been made that should enable local governments to act in the building and transportation sectors, they are still largely in development and not yet implemented. Also, while the 2017 federal budget allocates \$87 million for developing new building codes to retrofit existing buildings, these programs have not yet been developed.

4 of 18 Top Asks in progress



50% of Top Asks **AWAIT ACTION**

- ✗ Establishing scientific GHG targets aligned with the Paris Agreement.
- ✗ Guaranteeing new infrastructure funding that won't lock Canadians into a high carbon path.
- ✗ Moving faster on eliminating fossil fuel subsidies.
- ✗ Providing all communities with baseline energy and emissions data, including funding to establish natural capital baselines to protect carbon sinks.
- ✗ Prioritizing transit and active transportation over auto-only infrastructure.
- ✗ Giving priority to community- and Indigenous-owned renewable energy projects to advance energy democracy in Canada.
- ✗ Developing a national thermal energy strategy.
- ✗ Helping local governments transition to low carbon fleets.

9 of 18 Top Asks not implemented

While 2017 federal budget allocates \$87 million for developing the building codes and retrofitting existing buildings, programs have not yet been developed.

ROOM FOR IMPROVEMENT

1. Establish science-based targets in the next round of Paris Agreement implementation. As part of the Paris Agreement, the UNFCCC (United Nations Framework Convention on Climate Change) calls for a facilitative dialogue in 2018 and new “Nationally Determined Commitments” by 2020. The gap between Canada’s current targets and targets that are compatible with Paris Agreement goals needs to be bridged. To meet this test, Canada’s targets need to be ratcheted up to 50 per cent below 2005 levels by 2030 from the current goal of 30 per cent. (Climate Action Network Canada)
2. Establish a mechanism to guarantee that infrastructure spending will promote best practice and deliver low carbon infrastructure.
3. Move quickly to support deep energy retrofits to achieve substantial market penetration in existing residential and commercial buildings. More robust tools for retrofitting homes and commercial buildings need to be in place. In many communities, 30 per cent of emissions are from heating and cooling buildings. In some communities it is as high as 50 per cent.
4. Promote community and Indigenous owned renewable energy projects. The promotion of greater energy democracy is recognized as a best practice in accelerating the transition to a low carbon economy.
5. Provide all communities with energy, emissions and natural capital (carbon sinks) baseline data.



T'SOU-KE NATION BECAME THE FIRST ABORIGINAL COMMUNITY IN THE WORLD TO BE DESIGNATED A SOLAR COMMUNITY.

The promotion of greater energy democracy is recognized as a best practice in accelerating the transition to a low carbon economy.

SUMMARY BY ASK

- ✓ Price on carbon (Top Ask 4)
- ✗ Scientific targets for greenhouse gas reduction (Top Ask 2)
- IP Capacity building for local governments (Top Asks 1, 2, 3, 4, 5, 6)
- ✗ Lining up infrastructure funding with climate goals (Top Ask 15)
- ✗ Providing communities with baseline data (Top Asks 3, 7)
- ✗ Energy democracy: enabling community and indigenous owned renewable energy (Top Asks 8, 9, 10)
- IP Programs/legislation to reduce emissions from buildings (Top Asks 11, 12, 13)
- IP Programs/legislation to reduce emissions from transportation (Top Asks 14, 15, 16, 17, 18)

ASK BY ASK

1		Ramp up climate action by empowering low carbon communities.
2		Adopt climate change legislation that includes targets for reducing GHG emissions to levels consistent with limiting the rise in average global temperatures to below 2°C, and as close to 1.5°C as possible, with net zero emissions by 2050.
3		Empower Environment Canada to provide every local government with community energy and emissions data.
4		Put a price on carbon to serve as a baseline for all provinces and territories. Increase annually to support achieving zero emissions by 2050.
5		Line up sustainable infrastructure spending programs with local climate action. Allocate subsidies to GHG-friendly industries.
6		Support the Partners for Climate Protection program [administered by FCM (Federation of Canadian Municipalities) and ICLEI – Local Governments for Sustainability] to close the gap between national / provincial / territorial policy and local action on climate change.
7		Fund local government baseline assessments of natural capital. Include the carbon storage value of natural capital (e.g., forest, wetlands, and floodplains) in national GHG accounting.
8		Develop a renewable energy strategy that promotes local ownership models. Enable publicly-owned utilities to develop renewable energy strategies.
9		Fund community- and Indigenous-owned renewable energy capacity.
10		Develop a thermal energy strategy, including funding and capacity support, to promote the uptake of district energy, combined heat and power, and other thermal energy systems in communities.
11		Lead the transition toward net zero energy buildings by amending building codes.
12		Change the building code to make renewable-energy-powered new homes and buildings.
13		Incentivize energy efficiency retrofits in homes and commercial buildings.
14		Develop a national transportation strategy in collaboration with provincial, territorial and local governments, as well as Indigenous peoples.
15		Match provincial and territorial government transit funding to local governments.
16		Prioritize transit and active transportation infrastructure projects over auto-only infrastructure.
17		Incent the purchase of low- and zero-emission vehicles for local government fleets.
18		Change building codes to make electric-vehicle-ready homes and buildings.

TOP ASKS REVIEW 2016/2017

The following section presents an overview of the status of the five priority areas for climate action, as outlined in our 2016 *Top Asks for Climate Action* report. As part of our research, we conducted a literature review of each federal ask, and then provided a rationale behind the grading (i.e., Actioned, In Progress, or Await Action).

Capacity Building

Local Government Capacity

 **TOP ASK 1:** Ramp up climate action by empowering low carbon communities

The Municipalities for Climate Innovation Program (MCIP) is a new five-year, \$75 million program that helps municipalities prepare for, and adapt to, climate change, and to reduce emissions of greenhouse gases (GHGs). Delivered by the Federation of Canadian Municipalities (FCM) and funded by the Government of Canada in Budget 2016, MCIP is available to all municipalities and their partners. *Reference: Federation of Canadian Municipalities, "Municipalities for Climate Innovation Program," 2017.*

Budget 2017 includes over \$300 million over 11 years to launch the Smart Cities Challenge to encourage cities and communities to adopt new and innovative approaches to city-building including climate mitigation. *Reference: Government of Canada, Department of Finance Canada, "Budget 2017: Building a strong middle class," March 22, 2017, p. 118.*

Budget 2017 includes \$83.8 million over five years (starting in 2017/18) to integrate traditional knowledge to build better understanding of climate change, and to guide climate adaptation and enhance Indigenous community resilience. *Reference: Ibid, p. 129.*

Budget 2017 also includes \$26.4 million over five years (starting in 2017/18) to Indigenous and Northern Affairs Canada to support Indigenous collaboration on climate change. *Reference: Ibid, p. 130.*

The important role of communities in fighting climate change is being recognized. There are emerging programs to ramp up climate action by empowering low carbon communities.

Targets

 **TOP ASK 2:** Adopt climate change legislation that includes targets for reducing GHG emissions to levels consistent with limiting the rise in average global temperatures to below 2°C and as close to 1.5°C as possible, with net zero emissions by 2050.

Federal targets for GHG pollution include a 17 per cent reduction from 2005 levels by 2020 and 30 per cent reduction by 2030. The latter represents an approximate 14 per cent reduction in GHG pollution by 2030 based on 1990 levels. Using a baseline year of 1990 is considered international best practice. Employing that baseline shows that Canada's current target is substantially less than the generally-accepted international target of an 80 per cent reduction by 2050 based on 1990 levels. This target is considered necessary to achieve net zero emissions by the latter



BIOMASS HEATING PLANT WITH DISTRICT HEATING AT UNIVERSITÉ ST. ANNE IN CHURCH POINT, NOVA SCOTIA. PHOTO DAVID DODGE/FLICR

half of this century in order to limit the rise in average global temperatures to below 2°C and as close to 1.5°C as possible. Climate Action Network Canada notes that Canadian targets need to be ratcheted up to 50 per cent below 2005 levels by 2030, from the current goal of 30 per cent. *Reference: "Liberals back away from setting tougher carbon targets," CTV News, September 18, 2016.*

Data, Inventories, and Mapping

X **TOP ASK 3:** Empower Environment Canada to provide local governments with community energy and emissions data.

No commitment has been identified.

Carbon Pricing

✓ **TOP ASK 4:** Put a price on carbon to serve as a baseline for all provinces and territories. Increase annually to support achieving zero emissions by 2050.

The Pan Canadian Framework establishes a national benchmark for carbon pricing. All jurisdictions must have carbon pricing by 2018. Provinces and

territories can implement an explicit price-based system or a cap-and-trade system. The carbon price will start at a minimum of \$10/tonne in 2018 and rise by \$10 per year to \$50 per tonne in 2022. The federal government will introduce an explicit price-based carbon pricing system that will apply in jurisdictions that do not meet the benchmark while returning revenues to the jurisdiction of origin. The overall approach will be reviewed in 2022. *Reference: Environment Canada, "Pan-Canadian framework on clean growth and climate change: Canada's plan to address climate change and grow the economy" (2016), p. 49.*

Local Action Plans

X **TOP ASK 5:** Line up sustainable infrastructure spending programs with local climate action. Allocate subsidies to GHG-friendly industries.

Budget 2017 included \$9.2 million over the next 11 years for bilateral agreements with provinces and territories to support priority projects, including those that reduce greenhouse gas pollution. *Reference: Government of Canada, Department of Finance Canada, "Budget 2017: Building a strong middle class," March 22, 2017, p. 122.*

Budget 2017 included only a small step towards phasing out of fossil fuel subsidies currently valued over \$3.3 billion. Subsidies to oil and gas producers undermine efforts like carbon pricing.

Budget 2017 included at least \$5 billion for the *Canada Infrastructure Bank* over the next 11 years for green infrastructure projects, including those that reduce greenhouse gas pollution. *Reference: Ibid, p. 122.*

Budget 2017 included an additional \$2.8 billion over the next 11 years through a series of climate-focussed national programs. *Reference: Ibid, p. 122.*

Budget 2017 included only a small step toward phasing out of fossil fuel subsidies, currently valued over \$3.3 billion. Subsidies to oil and gas producers undermine efforts like carbon pricing. The deadline for phasing out all fossil fuel subsidies is 2025. *Reference: Climate Action Network, "The elephant in the room: Fossil fuel subsidies undermine carbon pricing efforts in Canada," November 15, 2016.*

While the federal government has allocated new funding for infrastructure and has indicated climate change as a priority, it remains to be seen how much of the funding will be directed toward local projects that reduce emissions. More work is necessary to ensure infrastructure investment won't lock Canadians into a high-carbon path. The programs do not represent a sustainable source of funding for local governments.

 **TOP ASK 6:** Support the Partners for Climate Protection Program (PCP) to close the gap between national/provincial/territorial policy and local action on climate change.

Indirectly, funding for the Municipalities for Climate Innovation Program (see above) supports the PCP program by providing access to funding for municipalities at each milestone in the PCP process.



MACOUN MARSH PHOTO COURTESY LEVEILLEM/WIKIMEDIA COMMONS

Natural Capital

 **TOP ASK 7:** Fund local government baseline assessments of natural capital. Include the storage value of natural capital (e.g., forest, wetlands, and floodplains) in national GHG accounting.

No commitments have been identified.

Harnessing Local Energy

Renewable Energy

 **TOP ASK 8:** Develop a renewable energy strategy that promotes local ownership models. Enable publicly-owned utilities to develop renewable energy strategies.

While Budget 2017 included \$200 million to support the deployment of emerging renewable energy technologies nearing commercialization, there is no indication whether local ownership models will be promoted, nor could any reference be found to developing an overarching renewable energy strategy. *Reference: Government of Canada, Department of Finance Canada, "Budget 2017: Building a strong middle class," March 22, 2017, p. 123.*



SOUTHEAST FALSE CREEK NEIGHBOURHOOD ENERGY UTILITY PHOTO COURTESY FRANCL ARCHITECTURE

TOP ASK 9: Fund community- and Indigenous-owned renewable energy production.

X The Pan Canadian Framework committed \$10.7 million over two years to implement renewable energy projects in off-grid Indigenous and northern communities that rely on diesel and other fossil fuels to generate heat and power. *Reference: Environment Canada, “Pan-Canadian framework on clean growth and climate change: Canada’s plan to address climate change and grow the economy,” 2016, pp. 48–49.*

Budget 2017 included \$21.4 million over four years starting in 2018/19 to support the deployment of renewable energy projects in Indigenous and northern communities to reduce the reliance on diesel. Also included was an additional \$220 million to reduce the reliance of rural and remote communities south of the 60th parallel on diesel fuel and to support the use of more sustainable, renewable power solutions. An additional investment of \$400 million in an Arctic Energy Fund will also address energy security for communities north of the 60th parallel, including Indigenous communities. *Reference: Government of Canada, Department of Finance Canada, “Budget 2017: Building a strong middle class,” March 22, 2017, pp. 127–128.*

However, there is more work to be done to ensure that these programs are led by Indigenous communities where revenue can stay within communities and contribute to the overall well-being of community members. *Reference: Pembina Institute, “Reconciliation and Budget 2017: Unlocking support for Indigenous communities’ transition to clean energy,” March 30, 2017.*

Thermal Energy

X **TOP ASK 10:** Develop a thermal energy strategy, including funding and capacity support, to promote the uptake of district energy, combined heat and power and other thermal energy systems in communities.

Budget 2017 included a favourable tax change for geothermal energy. *Reference: Pwc-Canada, “2017 Federal budget analysis,” 2017.*

Natural Resources Canada (CanMet) continues to provide some research and development support for thermal energy projects in Canada. *Reference: Government of Canada, Natural Resources Canada, “Communities and infrastructure,” 2017.*

However, there is no reference to the development of a thermal energy strategy.

Building Sector

Building Code

IP **TOP ASK 11:** Lead the transition toward net zero energy buildings by amending building codes.

The Pan Canadian Framework commits the federal, provincial, and territorial governments to develop and adopt increasingly stringent model building codes, starting in 2020, with the goal that provinces and territories adopt a “net-zero energy ready” model building code by 2030. *Reference: Environment Canada, “Pan-Canadian framework on clean growth and climate change: Canada’s plan to address climate change and grow the economy,” 2016, pp. 16, 48.*

In Budget 2017, \$87 million was allocated to develop and implement new building codes to retrofit existing buildings and build new net-zero energy consumption buildings across Canada. *Reference: Government of Canada, Department of Finance Canada, “Budget 2017: Building a strong middle class,” March 22, 2017, p. 149.*

X **TOP ASK 12:** Change the building code to make renewable-energy-powered new homes and buildings.

Not yet implemented.

Energy Retrofits

IP **TOP ASK 13:** Incentivize energy efficiency retrofits in homes and commercial buildings.

The Pan Canadian Framework recognizes the need to retrofit existing buildings and that the federal government could support efforts of provinces and territories through the Low Carbon Economy Trust (\$2 billion) and other infrastructure initiatives, but no specific programs have been announced. *Reference: Environment Canada, “Pan-Canadian framework on clean growth and climate change: Canada’s plan to address climate change and grow the economy,” 2016, p. 16.*

Budget 2016 included limited funding to retrofit some social housing units. *Reference: Government of Canada, Department of Finance Canada, “Budget 2017: Building a strong middle class,” March 22, 2017, p. 115.*

Budget 2017 includes \$67.5 million over four years (from 2018) to Natural Resources Canada to renew and continue existing energy efficiency programs improving energy efficiency. *Reference: Ibid, p. 128.*

In Budget 2017, \$87 million was allocated to develop and implement new building codes to retrofit existing buildings and build new net-zero energy consumption buildings across Canada. MONTREAL PHOTO COURTESY CEDRIC SERVAY



Transportation Sector

Transit and Active Transportation

 **TOP ASK 14:** Develop a national transportation strategy in collaboration with provincial, territorial, and local governments, as well as Indigenous peoples.

Transportation 2030 – A Strategic Plan for the Future of Transportation in Canada. *Reference: Government of Canada, Transport Canada, “Transportation 2030 – A Strategic Plan for the Future of Transportation in Canada,” 2017.*

 **TOP ASK 15:** Match provincial and territorial government transit funding to local governments.

Through the Public Transit Infrastructure Fund, Budget 2016 funded \$3.4 billion over three years to upgrade and improve public transit systems across Canada. *Reference: Government of Canada, Department of Finance Canada, “Budget 2017: Building a strong middle class,” March 22, 2017, p. 119.*

In Budget 2017, the Government of Canada funded \$20.1 billion over 11 years for transit infrastructure. The federal government will enter into bilateral agreements with provinces and territories, with provincial and territorial allocations determined using a formula based on ridership (70 per cent and population (30 per cent). The program provides a predictable, allocation-based funding plan for transit expansion. *Reference: Ibid, p. 120.*

As part of its mandate, the new Canada Infrastructure Bank will invest at least \$5 billion in public transit systems. *Reference: Ibid.*

 **TOP ASK 16:** Prioritize transit and active transportation infrastructure projects over auto-only infrastructure.

It remains to be seen what the relative investment is in transit and active transportation relative to auto-only infrastructure. This is not ensured by current commitments.



Green Vehicles

 **TOP ASK 17:** Incent the purchase of low- and zero-emission vehicles for local government fleets.

The Pan Canadian Framework committed the federal, provincial, and territorial governments to work with industry and other stakeholders to develop a Canada-wide strategy for zero-emission vehicles by 2018. *Reference: Environment Canada, “Pan-Canadian framework on clean growth and climate change: Canada’s plan to address climate change and grow the economy,” 2016, p. 18.*

The Pan Canadian Framework committed the federal, provincial, and territorial governments to work together, including with private-sector partners, to accelerate demonstration and deployment of infrastructure to support zero-emission vehicles, such as electric-charging stations. *Reference: Ibid, p. 18.*

Budget 2017 included \$30 million a year for four years starting in 2018/2019 for the deployment of electric vehicle charging infrastructure. *Reference: Government of Canada, Department of Finance Canada, “Budget 2017: Building a strong middle class,” March 22, 2017.*

However, no programs were identified that will incent the purchase of low- and zero-emission vehicles for local fleets. *Reference: Ibid.*

 **TOP ASK 18:** Change building codes to make electric-vehicle-ready homes and buildings.

Not yet implemented.



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