

TOWARDS A CLEAN GROWTH FUTURE FOR B.C.

Introduction

BUILDING A CLEAN GROWTH FUTURE FOR B.C.

Climate leadership means building a strong, sustainable, and innovative economy that works for now, for the future and for people. Clean growth will improve our quality of life – today and for generations to come. It promotes ideas and approaches that can generate greater prosperity and an economy that works for more people while at the same time providing climate change solutions.

Already, global markets are shifting as people demand better solutions. The shift to clean growth is moving to the forefront of government and business decision-making as more and more people begin to see the evidence that actions to cut greenhouse gas (GHG) emissions can be win-win. And B.C. is renewing its commitment to stimulating long-term, sustainable economic prosperity throughout the province by making the most of our low carbon energy and driving down emissions.

We're working for a future where clean energy powers our homes, businesses and vehicles; where we use energy more efficiently; where B.C. consistently attracts new investment; where we have a wider range of job opportunities; where our natural resource industries have the smallest possible environmental footprint; where we work in full partnership with Indigenous peoples; where our clean exports make a difference in the lives of millions; and where we all enjoy cleaner air and a healthier natural environment – important for public health as well as the economy.

To guide this work, we are developing a long-term clean growth strategy for release in the fall of 2018 and inviting British Columbians to share their ideas.

The strategy will be a living document, continually updated and expanded as new opportunities arise. It will build on B.C.'s strong foundation – our legacy hydro assets, our abundant clean resources, our broad based carbon tax and experienced sectors across our economy that understand that their best competitive advantage is to do things better than anywhere else in the world. Our strategy will begin laying out a framework for a clean growth future and a pathway to meeting our emission reduction targets.

Initially, actions will focus on transportation, buildings and B.C.'s Clean Growth Program for Industry. The province is also developing plans to reduce methane emissions in the oil and gas sector and promote the further electrification of industries. Consultations on other topics, such as communities, global energy opportunities, low carbon energy and adapting to a changing climate will begin in 2019 – as we move forward with actions already identified and start to see their benefits. Across

What is B.C.'s strategy for a clean growth future?

It will bring together our action on climate change and work underway on our energy roadmap to drive sustainable economic growth with cleaner energy and fewer emissions.

It will be integrated with the province's:

- ▶ Economic Development Strategy
- ▶ #BCTech Strategy
- ▶ Emerging Economy Task Force

It will set out our vision for a clean growth future and a pathway to our GHG targets.

all sectors, the strategy will emphasize the critical importance of clean energy, providing better access for industries, transportation systems and communities, and the unique role our resource industries can play in turning that success into global leadership.

In short, our clean growth strategy will integrate the province's goals for climate action, clean energy and sustainable prosperity, recognizing that the same innovations that reduce our emissions and improve our quality of life can help us capture a larger share of the global market for clean energy solutions, technologies and expertise and create a global brand and be recognized for our efforts and creativity.

Not too long ago, some people would have dismissed this idea, believing that GHG emission reductions would only come at the expense of economic growth. Real world experience has proven quite the opposite. For example, Sweden, Denmark, the UK, and California have reduced their emissions significantly while realizing solid economic growth. And we've seen the same trend here in B.C., since the province introduced North America's first comprehensive carbon tax.

Between 2007 and 2015, our net greenhouse gas emissions declined by 4.7%; at the same time, our GDP grew by 16% – demonstrating that climate solutions and clean growth can go hand in hand.

As our population and economy grow, the need for climate action will only intensify. That's why the government set new 2030 and 2040 targets for GHG emissions in May 2018. Compared to 2007 levels, we're now aiming for reductions of:

- ▶ 40% by 2030,
- ▶ 60% by 2040, and
- ▶ 80% by 2050.

Thanks largely to the legacy of BC Hydro, our province is already a world leading *producer* of renewable power. However 60% of the energy we *consume* across our economy is still fossil-fuel based. This means B.C. must increase the use of lower carbon fuels, including electricity, in key sectors of our economy to achieve these targets – shifting away from fossil fuels by increasing the use of clean, renewable electricity energy sources for transportation, industry, and housing.

Worldwide, more and more jurisdictions are taking similar action, generating new demand for clean energy, technologies, products and services. Analysts expect the global market to be worth more than C\$2.5 trillion by 2022.¹

British Columbia is well-positioned to take advantage of these opportunities. We have a wealth of human talent, innovation and ambition. We have abundant low-carbon natural resources, including clean electricity; national and international leaders in clean technology; forward-looking climate and energy policies; and a strong, diverse economy.

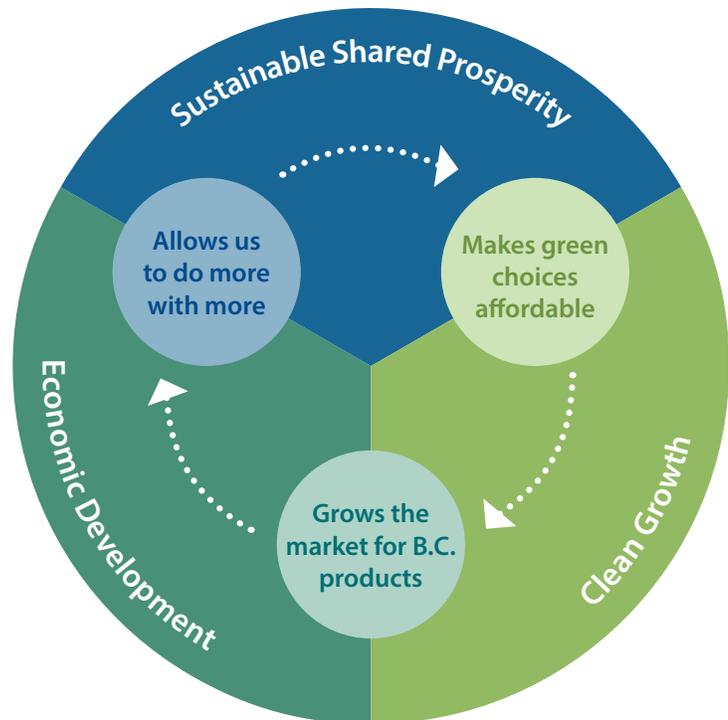
Growth of the Clean Economy

- ▶ C\$2.5T: Estimated global cleantech market by 2022.¹
- ▶ C\$105B: Estimated size of the energy efficient vehicle market by 2020.²
- ▶ C\$303B: Estimated global investment in energy efficiency in 2016.³
- ▶ C\$72B: Projected global market for water treatment technologies by 2020.⁴

These competitive advantages can:

- ▶ help businesses and industries harness the potential of clean growth,
- ▶ support the transition to a low carbon economy,
- ▶ improve our quality of life with lower energy costs and healthier communities, and
- ▶ make B.C. a global leader in exporting cleaner natural resources and products.

This in turn will drive innovation, economic opportunities and future job growth, making green choices more affordable while ensuring B.C. meets its commitments on greenhouse gas reductions and is able to adapt to a changing climate.



Imagining the Future

What will a clean growth future look like? Over time, we imagine a province where all British Columbians:

- ▶ use energy more efficiently,
- ▶ use clean energy to power homes, workplaces and vehicles; and industries have access to transportation systems that run on cleaner fuels,
- ▶ move easily between home, work and other destinations,
- ▶ live in healthier, more comfortable and energy efficient homes,
- ▶ live in communities with cleaner air, more resilient infrastructure and more resilient ecosystems,
- ▶ have new job opportunities as we leverage technology and innovation to expand trade,
- ▶ produce, brand and export the cleanest natural resources and value-added products to support sustainable development around the world, and
- ▶ benefit from industries that embrace clean growth and serve as the engines of economic prosperity.

Getting there will mean making changes over time, including using lower carbon fuels and finding new ways to reduce the carbon footprint of natural resource industries.

Adapting to a changing climate will also mean adjusting things like community planning, highway construction and tree species selection, based on scientific knowledge about what lies ahead. B.C. will also need a comprehensive training plan to help ensure that skills keep pace with the growth of our new low-carbon economy.

Government will lead by example, meeting the highest standards and demonstrating new clean technologies in its own buildings, fleets and transportation infrastructure. B.C.'s public service has been carbon neutral across its operations since 2010.

PROCESS AND PUBLIC CONSULTATION

Government will seek public input this summer with the release of three intentions papers:

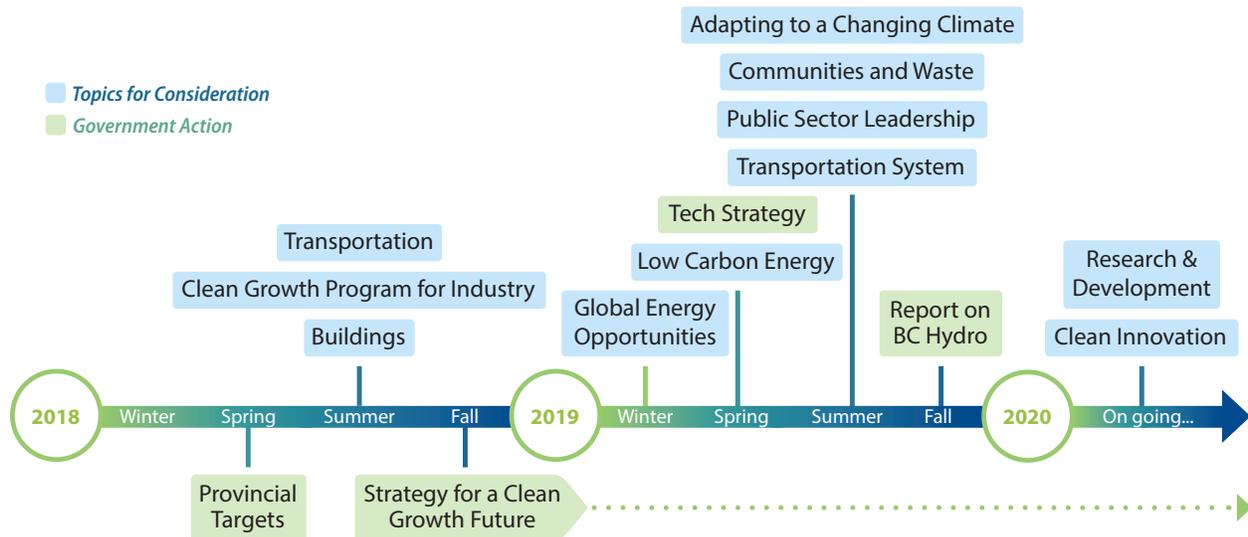
- ▶ Clean Transportation,
- ▶ Clean, Efficient Buildings, and
- ▶ A Clean Growth Program for Industry.

Feedback on the papers and your ideas for a clean growth future will help to shape the strategy, which will be released in the fall of 2018. It will begin laying out a framework for clean growth and a pathway to meeting our emission reduction targets. It will also include early actions in transportation, buildings and industry.

As we begin to implement the strategy, we will continue to seek public input in areas such as waste, low carbon energy, global energy opportunities and adapting to a changing climate, as illustrated below. More consultations in areas such as research and development and clean innovation will follow in the future. This approach will allow us to continually update and expand the strategy as new ideas are presented and more opportunities arise.

We will continue to collaborate with the federal government through the Pan Canadian Framework on Clean Growth and Climate Change. We will work in full partnership with Indigenous communities. And we will continue to receive advice from the Climate Solutions and Clean Growth Advisory Council.

Building a clean growth future for B.C.



We encourage everyone to take part in these and upcoming engagement opportunities.

Visit [EngageBC](#) to learn more.

PRIORITY AREAS FOR CONSULTATION IN SUMMER 2018

Clean Transportation

A central element of clean growth is changing the way we move people and goods. Almost 40% of climate pollution in B.C. is from the transportation sector, so taking action here has great potential to deliver lasting results.

We already have technologies supporting low- and zero-emission transportation for both personal and heavy-duty uses. We're investing in urban transit. And we're seeing good results from initiatives such as the B.C. Low Carbon Fuel Standard, and the Clean Energy Vehicle program. The transportation intentions paper proposes further measures to build on these programs.

Clean, Efficient Buildings

Research and development, training, incentives and updated regulations are all tools that government can use to foster clean growth in the building sector. This could include support for retrofitting existing buildings, training key professionals and increasing energy-efficiency requirements. Training in this sector could be the starting point for a comprehensive training strategy that spans the range of sectors involved in clean growth. Over the coming years, government will also develop new funding and programs to cut emissions from residential, commercial and public sector buildings.

A Clean Growth Program for Industry

Clean growth can happen in every sector of our economy. Our traditional industries have been on a cleaner path for years, reducing the carbon intensity of their operations through efficiencies, technology improvements, electrification and retrofitting. Rio Tinto, which operates an aluminum smelter in Kitimat, is among the partners working to commercialize carbon free smelting. Electrification continues to grow in the natural gas industry. And concrete plants in Canada are using new technology to reduce their product's carbon footprint.

Our traditional industries are also key for a cleaner future. For example, Canada is home to 14 of the 19 minerals needed for building solar panels and natural gas will fuel much of the developing world for decades to come.

B.C.'s carbon tax has encouraged cleaner choices since its introduction in 2008, but not all jurisdictions have a price on carbon. To help level the playing field, the Clean Growth Program for Industry will direct a portion of carbon tax revenues from industry to support greenhouse gas emission reductions, innovation and clean growth while reducing "carbon leakage" (where production moves from a jurisdiction with stringent climate policies to a jurisdiction with weak or no climate policy).

More Measures

The papers released today are the first step in getting your feedback as we build our strategy for a clean growth future. More measures to leverage our climate leadership and clean energy advantages will be proposed in the future.

By integrating our work on economic, climate and energy issues – and engaging with British Columbians as we do so – we will maximize the benefits for all and reduce emissions further across all economic sectors.

Endnotes

- 1 Canadian Clean Technology Industry Report, Analytica Advisors, 2016
- 2 The Energy Efficiency Market Report, International Energy Agency, 2014
- 3 The Energy Efficiency Market Report, International Energy Agency, 2017
- 4 Water and Wastewater Treatment Technologies: Global Markets, Research and Markets, 2016