

BACKGROUND

\$1 BILLION FOR CLIMATE ACTION

Balanced Budget 2008 provides an additional \$1 billion over four years for operating and capital expenditures and tax incentives to encourage environmentally responsible choices, implement new regulatory requirements, undertake cutting-edge research, and make needed low-carbon investments.

New climate action initiatives include:

- \$98 million for the new LiveSmartBC: Efficiency Incentive Program and other initiatives to encourage individuals and communities to make more energy-efficient choices for their homes, businesses and vehicles;
- \$370 million for capital and operating expenses to improve and expand public transportation in British Columbia;
- \$33 million for transportation initiatives to reduce emissions from commercial truck and ship traffic at B.C.'s ports and in technology to reduce idling at truck-stop and weigh-scale locations;
- \$130 million in capital and operating expenses for a carbon-neutral public sector by 2010, including energy-efficiency retrofits for public buildings, establishing the Pacific Carbon Trust, and the use of desktop video-conferencing technology and low-carbon procurement practices;
- \$9 million for key commitments from the 2007 Throne Speech and the Energy Plan such as designing a Green Building Code, creating emissions standards for landfills and new motor vehicles, and developing a "cap and trade" system for large greenhouse gas emitters;
- \$57 million for bioenergy and alternative energy solutions such as establishing a Bioenergy Network, introducing a biodiesel production incentive, expanding solar thermal energy systems, and supporting the Innovative Clean Energy Fund;
- \$98 million for climate change research through an endowment to the Pacific Institute for Climate Solutions and the Pacific Climate Impacts Consortium, and to undertake a feasibility analysis on carbon capture and storage technology for natural gas production;
- \$111 million — including \$62 million for contingencies to develop additional climate action solutions — to undertake stakeholder consultations, establish and fund the Citizens' Conservation Council, assist the Climate Action Team, and support public outreach to promote greener choices;
- \$31 million to support innovation in the pulp and paper industry to further reduce its carbon footprint and enhance the carbon storage potential of B.C. forests;
- \$49 million to improve B.C.'s ability to adapt to climate change implications, including funds to enhance climate data collection systems and funding for flood protection and planning;
- \$15 million over three years to increase the equity tax credit budget by \$5 million per year and set a tax credit budget of \$7.5 million for clean technology businesses;
- Expanding intellectual property to include green-related patents;

- \$33 million to provide tax relief for the purchase of conventional fuel-efficient vehicles that meet the fuel efficiency criteria set out in the federal government's ecoAuto rebate program;
- Providing PST exemptions for:
 - ENERGY STAR-qualified residential refrigerators, clothes washers and freezers,
 - energy efficient residential gas fired water heaters,
 - insulation for hot water tanks, hot and cold water pipes, and ductwork,
 - production machinery and equipment for local governments for power production and cogeneration,
 - biodiesel fuel or portion of biodiesel fuel for heating, and
 - aerodynamic devices for commercial tractor-trailer vehicles;
- Providing relief from passenger vehicle rental tax for rentals of eight hours or less;
- Expanding the PST exemption on bicycles to include electric-assisted two and three wheel cycles and non-motorized adult tricycles;
- Reducing the tax payable on electric motorcycles;
- Reducing PST payable on hydrogen fuel cell buses to match the tax reduction available for other alternative fuel buses;
- Repealing PST exemption on purchases of coal and coke, except for residential use; and,
- Classifying biodiesel and ethanol as alternative motor fuels for all purposes.

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For the Finance Minister's speech and more details on *Balanced Budget 2008*, visit www.gov.bc.ca/bcbudget online.

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