

February 22, 2022

## BACKGROUND 2

### **Building a stronger environment for our future**

Recent climate-related disasters have challenged British Columbians and reinforced the need to secure a low-carbon future for B.C. Budget 2022 helps fight climate change, build back better from recent disasters, and make sure people and communities throughout B.C. are protected from future disasters.

#### **Fighting climate change with CleanBC**

Budget 2022 builds on \$2.3 billion in funding for CleanBC to date and invests in the fight against climate change with more than \$1 billion in new funding for CleanBC and the Roadmap to 2030, including:

- Investing in the Low Carbon Economy with \$9 million over the fiscal plan to expand the Low Carbon Fuel Standard and to develop a new emissions cap on natural gas utilities – two of the most effective measures in reducing emissions and helping B.C. meet its legislated emissions reduction requirements.
- Supporting cleaner transportation over the fiscal plan, including:
  - PST exemption for used Zero Emission Vehicles (ZEVs), effective now until 2027, and a higher threshold for luxury surtax on passenger ZEVs to a base of \$75,000.
  - Motor Fuel Tax exemption for the use of hydrogen in internal combustion engines, encouraging use and development of hydrogen fuel cell vehicles, effective immediately.
  - \$79 million to continue the Go Electric program to provide rebates for electric-vehicle charging systems, fund hydrogen refueling infrastructure and support commercial vehicle pilot projects.
  - Making grants totalling \$30 million available to local governments to improve active transportation infrastructure, like bike lanes and multi-use pathways.

- Developing a Clean Transportation Action Plan to reduce emissions in the transportation sector.
- Authorizing \$249 million in Low Carbon Fuel Credits to continue light-duty zero-emission vehicle rebates.
- Investing \$5 million over two years to continue the Heavy-Duty Vehicle Efficiency Program, which partners with industry to educate drivers and install fuel-efficiency measures in heavy-duty vehicles.
- Supporting energy efficient buildings by:
  - Continuing incentives through the CleanBC Better Homes, Better Buildings program.
  - Introducing a Clean Buildings Tax Credit to encourage major retrofits for multi-unit residential and commercial buildings to meet CleanBC standards, effective April 1, 2022 and expiring April 1, 2025.
  - Introducing a PST exemption on heat pumps, paired with an increase to the PST on fossil fuel heating equipment to 12%, effective April 1, 2022, helping fund the cost of a new incentive to make heat pumps more affordable for rural and northern communities.
- Supporting industry to decarbonize with \$310 million to maintain competitiveness while reducing emissions and preparing for requirements to be net zero by 2050. This includes:
  - Identifying ways to reduce methane emissions.
  - Developing a provincewide approach to carbon capture, utilization and storage.
  - Increasing funding for CleanBC Program for Industry in line with the carbon tax, while enhancing the CleanBC Industry Fund.
- Reducing emissions from communities and land-based activities by:
  - Establishing a new \$76-million Local Government Climate Action Program that will help local governments take action to reduce emissions and prepare for and adapt to climate change.
  - Promoting emissions reductions in B.C.'s forests with \$22 million over three years to improve the province's forests' ability to sequester carbon, and to expand the Indigenous Forest Bioeconomy Program.
  - Supporting on-farm upgrades to sustainable and climate-resilient agriculture practices with \$15 million over three years for the Beneficial Management Practices program.
- Advancing circular economy programs that reuse and collect plastic materials from the existing waste stream each year, with \$13 million for further development of the Circular Economy Strategy.
- Investing \$25 million in Cleantech innovation and partnership opportunities with the federal government to support CleanBC objectives, and increasing access to venture capital for cleantech investment for small businesses by providing a temporary top up to the small business venture capital tax credit.

## Protecting people and communities from climate-related disasters

Budget 2022 protects people and communities from climate-related disasters, while supporting efforts to build back better from recent events, with a total investment of over \$2.1 billion from 2021 through the end of this fiscal plan. This includes:

- \$1.5 billion to help communities and build critical infrastructure back better after disastrous weather events in 2021, including:
  - \$400 million in 2022-23 for Emergency Management BC to support people and communities.
  - \$1.1 billion earmarked in contingencies for disaster recovery costs over the next three years to have the flexibility to be responsive and support communities as the costs of recovery become better known.
  - This is in addition to \$5 billion allocated by the Government of Canada to help response and recovery efforts in B.C.
- \$600 million in operating and capital funding for continuing the response to climate-related disasters, disaster prevention and recovery projects, and to support British Columbians through future emergencies.
  - \$145 million in new funding will strengthen B.C.'s emergency management and wildfire services:
    - The BC Wildfire Service will shift from a reactive to a proactive approach by moving to a year-round workforce that will deliver all pillars of emergency management: prevention and mitigation, preparedness, response and recovery.
    - Additional resources at Emergency Management BC will improve the public alerting system for wildfires and better support people and communities during climate-related events.
  - An additional \$98 million over the fiscal plan to fund wildfire prevention work and maintain forest service roads used to respond to forest fires.
  - \$210 million to support community climate-change preparedness and emergency management, including through the FireSmart program, the Community Emergency Preparedness Fund, Indigenous-led emergency management priorities, and to support communities and First Nations to build more resilient dikes, floodplain mapping and other risk-reduction activities.
  - Investing in proactive strategies with \$83 million to begin implementation of a new Climate Preparedness and Adaptation Strategy, which includes:
    - Expanding climate monitoring networks.
    - Working with local and Indigenous governments to lead climate resilience initiatives.
    - Developing an extreme heat response framework.
    - Expanding the River Forecast Centre and provincial floodplain mapping program.

- Building data collection and expertise to pinpoint where and how to mitigate climate risks.
- Investing in climate-ready transportation networks.
- Providing \$30 million in grants to help safeguard B.C.'s watersheds.

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