In 2008, British Columbia imposed a “revenue-neutral” carbon tax on the purchase and use of fuels within the province, revenues from which are returned to taxpayers through the reduction of other taxes. Fuels subject to this tax include gasoline, diesel, natural gas, heating fuel, propane, coal, and certain other materials including peat and tires when used to produce energy. The B.C. government has estimated that this measure alone may, by 2020, reduce the province’s greenhouse gas (GHG) emissions by approximately 3 million tonnes of carbon dioxide (CO₂) equivalent annually. In its 2017 Budget Update, the province announced that the carbon tax would no longer be “revenue-neutral.”

As of April 1, 2019, the tax rate is $40 per tonne of CO₂ equivalent emissions, and as a result the tax per unit of fuel consumed differs depending on type – from $7.60 per cubic metre of natural gas to $83.08
per tonne of high heat value coal. The tax rate will continue to rise by $5 per tonne of CO₂, equivalent emissions until 2021, topping out at $50.

THE GREENHOUSE GAS INDUSTRIAL REPORTING AND CONTROL ACT

The *Greenhouse Gas Industrial Reporting and Control Act* (the Act) came into force on January 1, 2016. The Act goes much further than previous greenhouse gas (GHG) emissions legislation in the province, providing for the establishment of specific performance standards for industrial facilities or sectors. Specifically, the Act takes direct aim at coal-based electricity generation facilities and liquefied natural gas (LNG) facilities, by requiring each of these newly regulated operations to report its GHG emissions and comply with an emissions benchmark.

The emissions limit for LNG facilities is 0.16 tonnes of GHG emissions for each tonne of LNG produced by the operator. LNG operations include all GHG emissions from the point where gas enters a facility to the point when it is loaded onto a mode of transportation such as a ship or a rail car. This appears to capture emissions from ancillary operations to the LNG plants such as “inside the fence” natural gas-fired power generation.

Much of the legislation’s mechanics are set out in the regulations adopted under the Act, which combine several pieces of existing GHG legislation into a single legislative framework. The regulations, like the Act, came into effect in January 2016 and include the following:

- **Greenhouse Gas Emission Reporting Regulation** – Requiring industrial operations that emit over 10,000 CO₂ equivalent tonnes per year to report their GHG pollution annually to the province. Operators who emit over 25,000 tonnes of CO₂ per year are required to have their emissions independently verified. The regulation also prescribes the compliance reporting requirements.
- **Greenhouse Gas Emission Control Regulation** – Establishing the B.C. Carbon Registry to monitor compliance unit transactions and enabling the issuance, transfer and retirement of compliance units. This regulation also enables regulated operators whose emissions exceed prescribed limits to comply with the legislation by purchasing offsets from the market or funded units from the government. Moreover, offset units can be earned through the removal or reduction of GHG emissions by way of an approved emission offset project verified by third-party verification procedures.
- **Greenhouse Gas Emission Administrative Penalties and Appeals Regulation** – Prescribing applicable administrative penalties for non-compliance with the Act and regulations. This regulation also outlines the appeal process after a decision has been made by the Director under the Act.

BILL 28 – ZERO-EMISSION VEHICLES ACT

In May 2019, *Bill 28, Zero-Emission Vehicles Act* received Royal Assent. Bill 28 sets out the following targets for light-duty vehicles:

- In 2025 and in each subsequent year, at least 10% of all new light-duty motor vehicles sold or leased in British Columbia must be zero-emission vehicles.
- In 2030 and in each subsequent year, at least 30% of all new light-duty motor vehicles sold or leased in British Columbia must be zero-emission vehicles.
- In 2040 and in each subsequent year, 100% of all new light-duty motor vehicles sold or leased in British Columbia must be zero-emission vehicles.

Manufacturers that do not comply with the zero-emission requirements can purchase offset credits from
the provincial government to remain in compliance with Bill 28.

GREENHOUSE GAS REDUCTION (EMISSIONS STANDARDS) STATUTES AMENDMENT ACT

Passed in 2008, the Greenhouse Gas Reduction (Emissions Standards) Statutes Amendment Act (the Act) focuses on reducing GHG emissions from certain industrial operations while, at the same time, creating additional opportunities for the bioenergy sector.

The Act requires waste-management operations to manage GHGs by reducing emissions or capturing them. It also provides authority for the Landfill Gas Management Regulation. Additionally, it enables regulation of zero and net-zero GHG emissions for electricity generation.

RENEWABLE AND LOW CARBON FUEL REQUIREMENTS REGULATION

Fuel suppliers who each produce more than 75 million litres of gasoline and diesel combined are subject to various requirements under the provincial government’s Renewable and Low Carbon Fuel Requirements Regulation (the Regulation). These large producers are required, under the possibility of administrative sanction, to ensure that fuels have a minimum renewable fuel content by volume (4% for diesel and 5% for gasoline), and to meet targets for the reduction of the carbon intensity of fuels by 2020.

Companies who supply less than a total of 75 million litres of gasoline and diesel class fuels in a year are required to report gasoline and diesel fuel volumes, but are otherwise exempt from the requirements of the Regulation.

CLIMATE CHANGE ACCOUNTABILITY ACT

In November 2018, the Greenhouse Gas Reduction Targets Amendment Act, 2018 amended the Greenhouse Gas Reduction Targets Act, renaming it the Climate Change Accountability Act (the CCAA). The amendment established new targets to reduce GHG emissions to 40% below 2007 levels by the year 2030, and 60% below 2007 levels by 2040. It also reiterated its commitment to its existing 2050 target of reducing emissions by 80% by the year 2050.

The CCAA now also enables the Minister of Environment and Climate Change to establish sector-specific targets for GHG reductions. In its final report, the previous government’s BC Climate Leadership Team recommended three such sector-specific targets:

- **Industry:** 30% below 2015 levels by 2030
- **Transportation:** 30% below 2015 levels by 2030
- **Built Environment:** 50% below 2015 levels by 2030

CLEAN ENERGY ACT

Since 2010, British Columbia’s Clean Energy Act (the CEA) has sought to make the province self-sufficient in electricity generation beginning in 2016 and continuing each year after that, with a clean and renewable energy target of 93%. The Act also seeks to make the province a net exporter of clean and renewably generated electricity. The legislation further creates a smart-metre requirement for electricity consumption management, mandates reductions in the province’s GHG emissions to 2050, and establishes a feed-in tariff program for emerging technologies. Under the CEA, biomass, biogas,
geothermal heat, hydro, solar, ocean and wind are classified as renewable sources of energy. Natural gas, when used to power LNG plants, has since been added to this list by through the Energy Efficiency Standards Regulation.

HYDRAULIC FRACTURING SCIENTIFIC REVIEW REPORT

In February 2019, a three-member independent scientific panel released a report reviewing British Columbia’s hydraulic fracturing regulatory framework. The panel found that the current regulatory framework is robust, but nonetheless made 97 recommendations to the British Columbia government. The recommendations are primarily focused on addressing knowledge gaps and concerns regarding environmental impacts of hydraulic fracturing. The provincial government is expected to release its long-term action plan in response to the panel’s recommendations in December 2019.

CLEANBC STRATEGY

Released in 2018, the CleanBC Strategy outlines the provincial government’s goal to

- make every new building constructed in the province “net-zero energy ready” by 2032
- ensure all new cars are zero-emission vehicles by 2040
- increase the low carbon fuel standard to 20% by 2030 and increase the production of renewable transportation fuels
- increase tailpipe emissions standards for vehicles sold after 2025
- require that a minimum of 15% of residential and industrial natural gas consumption come from renewable gas
- reduce methane emissions from upstream oil and gas operations by 45%
- increase access to clean electricity for large operations with new transmission lines and interconnectivity to existing lines

Through these actions, the British Columbia government expects to meet 75% of its GHG reductions commitment by 2030. The remaining 25% will be addressed through a Phase 2 update of the CleanBC Strategy not yet released.

CLIMATE SOLUTIONS AND CLEAN GROWTH ADVISORY COUNCIL

Established in 2018, the Climate Solutions and Clean Growth Advisory Council provides strategic advice to the British Columbia government on climate action and economic growth. It includes members from First Nations, environmental organizations, industry, academia, labour and local government.

CLIMATE LEADERSHIP PLAN

On August 19, 2016, the province released its Climate Leadership Plan (the Plan), which updates the province’s 2008 Climate Action Plan. The Plan sets out 21 actions B.C. will take to meet its 2050 emissions reduction target of 80% below 2007 levels. Sectors targeted by these actions include: (i) natural gas; (ii) transportation; (iii) forestry & agriculture; (iv) communities and built environment; (v) industries and utilities; and (vi) the public sector.

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