

**REPORT TO ENVIRONMENTAL SERVICES COMMITTEE  
MEETING OF WEDNESDAY, JULY 17, 2024**

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**SUBJECT**     **Update to Provincial Local Government Climate Action Program**

**ISSUE SUMMARY**

To provide an update on the BC Local Government Climate Action Program and recommended internal funding distribution.

**BACKGROUND**

In spring 2022, the Province first announced the BC Local Government Climate Action Program (LGCAP) as a replacement to the previous Climate Action Revenue Incentive Program (CARIP). CARIP provided participating local governments funding equal to the carbon taxes paid each year. The Capital Regional District (CRD) received approximately \$80,000 in CARIP funds annually, which supported priority corporate climate initiatives. The LGCAP funding must support local climate mitigation or adaptation activities. Both the previous CARIP and current LGCAP require annual reporting that is completed by the CRD's Climate Action service on behalf of the organization.

When first announced, the Province indicated that the CRD would receive \$126,082 in LGCAP funds per year for the years 2022, 2023 and 2024. The Board then approved an internal funding distribution model of these new funds (Appendix A). This considered the replacement of the CARIP funds for Climate Action Strategy implementation and provided an allocation to each of CRD's Electoral Areas (EAs) using a methodology informed by the per capita criteria within the LGCAP.

On March 20, 2024, the CRD received correspondence (Appendix B) that the Province extended the BC LGCAP through 2026. The CRD received a lump sum of \$369,429 to account for 2024, 2025 and 2026 annual disbursements. This equates to approximately 2% reduction in annual funding than received in 2022 and 2023. The Province has indicated that the reduction is to account for provincially-led programs under the LGCAP.

Appendix C provides a summary of the allocations to date and recommended for 2025 and 2026. This recommends a continuation of the previous funding distribution model and is informed by the funder's program distribution approach. The recommendation considers CRD's new *Guiding Principle for Distribution of Non-Application Based Grants* while allowing for a recovery of the CARIP funds earmarked for priority corporate initiatives within the CRD Climate Action Strategy.

**ALTERNATIVES**

***Alternative 1***

The Environmental Services Committee recommends to the Capital Regional District Board: That the funding associated with the extended BC Local Government Climate Action Program be distributed as follows in years 2025 and 2026: \$75,088 for CRD Climate Action Service; \$11,512 for Juan de Fuca Electoral Area; \$24,552 for Salt Spring Island Electoral Area; and \$10,522 for Southern Gulf Islands Electoral Area.

### *Alternative 2*

That staff report back with additional information.

## **IMPLICATIONS**

### *Climate Implications*

The corporate LGCAP funds have been earmarked for key corporate climate projects within the CRD Climate Action Strategy. As a fully regional service, projects managed through the Climate Action service support all municipalities and electoral areas. To date, funding has been allocated towards installing electric vehicle chargers in CRD regional parks, supporting a dehumidification and heat recovery project at Panorama Recreation Centre, and a future heat recovery project at SEAPARC Recreation Centre.

Each Electoral Area is responsible for identifying the use of its LGCAP funds. To date, this has included support for community engagement programs and a heat pump replacement at the Rainbow Recreation Centre on Salt Spring Island, supporting a rainwater harvesting rebate program in the Southern Gulf Islands and planned purchases of electric vehicles, and equipment for Juan de Fuca parks and planning services.

### *Financial Implications*

The CRD received \$126,082 in BC LGCAP funds in 2022 and 2023. In 2024, the CRD received a lump sum of \$369,429 to account for 2024, 2025 and 2026 LGCAP disbursements. Appendix C provides a summary of the allocations to date and recommended for 2025 and 2026. This includes approximately 6% less (or \$4,400) per year for corporate climate activities, and the same allocations for the Electoral Areas.

This distribution replaces previous CARIP funds for corporate climate action efforts and uses a \$2 per capita for EA allocations. These funds can be held in reserve but have spending deadlines. 2022 and 2023 LGCAP funds must be spent by March 31, 2025. To date, 2022 and 2023 allocations have been spent or earmarked for forthcoming expenditures within this deadline. 2024, 2025 and 2026 funds were recently provided in a lump sum and must be spent by March 31, 2028. See Appendix C for remaining funds.

### *Service Delivery Implications*

The CRD Climate Action service will hold funds in reserve on behalf of the organization and Electoral Areas. Administrative staff within each Electoral Area are responsible for working with their Directors to determine best use, managing any external contracts associated with the funds, and reporting to the CRD Climate Action service on programs and outcomes.

The Climate Action service will remain responsible for completing annual LGCAP reporting on behalf of the organization. This includes collecting qualitative data from staff across the organization, quantifying corporate emissions, and submitting the report.

## **CONCLUSION**

In 2022, the Province first announced the BC Local Government Climate Action Program (LGCAP) as a replacement to the previous Climate Action Revenue Incentive Program. The LGCAP provides annual funds to support local climate action initiatives. The Province has extended the BC Local Government Climate Action Program through 2026. Funds have been allocated to support priority climate action initiatives within CRD's Climate Action Strategy, and within each electoral area.

## **RECOMMENDATION**

The Environmental Services Committee recommends to the Capital Regional District Board: That the funding associated with the extended BC Local Government Climate Action Program be distributed as follows in years 2025 and 2026: \$75,088 for CRD Climate Action Service; \$11,512 for Juan de Fuca Electoral Area; \$24,552 for Salt Spring Island Electoral Area; and \$10,522 for Southern Gulf Islands Electoral Area.

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## **ATTACHMENTS**

- Appendix A: Staff Report to Electoral Areas Committee: BC Local Government Climate Action Program – Funding Distribution (September 21, 2022)
- Appendix B: Correspondence from George Heyman, Minister of Environment and Climate Change Strategy (March 20, 2024)
- Appendix C: Local Government Climate Action Program Allocations – July 2024