

CHAPTER:	ENGINEERING AND REGIONAL UTILITIES		
SECTION:	BUILDINGS AND FACILITIES		
SUBJECT:	Climate Action Reserve Fund Management Policy		
APPROVED BY:	COUNCIL		
EFFECTIVE DATE:	2013 09 23	REVISION DATE:	

PURPOSE:

To provide a basis for a dedicated fund to finance emission reduction projects in the City.

To establish guidelines for fund investment and monitoring.

To establish project evaluation criteria.

AUTHORITY:

Community Charter, Climate Action Charter, Province of British Columbia and Union of B.C. Municipalities (UBCM)

POLICY:

1. Interpretation

Schedule "A" contains definitions of terms used in this Policy.

2. Background

(a) The Climate Action Charter was developed to encourage local governments to make their operations carbon neutral by 2012; to measure and report on emissions within their communities; and to work towards creating more compact, complete, and energy efficient communities. The City is one of the signatories of the Climate Action Charter and is working towards carbon neutrality in its corporate operations.

(b) Within the City's annual operations, carbon tax is currently being levied on gasoline, diesel, propane and natural gas. As a signatory to the Climate Action Charter, the City receives an annual CARIP rebate equal to its annual direct corporate expenditures on the carbon tax. To receive the rebate, the City is required to reduce its greenhouse gas corporate emissions, and undertake one of the following two alternatives provided in the Provincial Guidelines:

(i) purchase or invest in off-sets for its remaining emissions; or

(ii) advise the Province that the City is "Making Progress Towards Carbon Neutrality". This may only be made available by the Province for a limited period of time and is met by the City setting up a Fund to use the CARIP rebate to fund corporate and community GHG reductions.

- (c) The City is committed to identifying and implementing emission reduction opportunities to reduce its overall corporate GHG emissions while making progress towards corporate carbon neutrality. The City prefers to report its progress and use the rebate to fund emission reduction projects, rather than purchasing or investing in off-sets.

3. Policy Objectives

- (a) To have dedicated funds to study and implement emission reduction projects within the City.
- (b) To implement high-value emission reduction projects that result in real reductions in GHG emissions while potentially also having other environmental, economic, and social co-benefits.

4. Fund Purpose

To provide funds to further the objectives of this Policy, including without limitation, to implement and carry out the City's corporate GHG emission reduction projects and community GHG emission reduction projects.

5. Fund Management

(a) Fund Investment

The City will contribute the CARIP rebate to the Fund upon receipt of the rebate from the Province.

(b) Transparency and Monitoring

- (i) Managers of approved projects will be responsible to monitor projects and provide a summary of project expenditures and annual GHG emissions in accordance with the methodology used by the City.
- (ii) Project emission reductions and costs will be publically reported on an annual basis as part of the annual GHG report to City Council.

6. Project Criteria

The following criteria will be used to guide funding decisions and project selection. The percentage amounts noted are intended as a general guideline for allocating money from the Fund with respect to project prioritization criteria.

(a) Project Prioritization Criteria

- (i) City's Corporate Emission Reduction Projects are First Priority (minimum 80% of available funds). Projects that directly reduce corporate emissions will be considered first for allocation of funds.
- (ii) Research and education projects, and similar other projects, that support City corporate emission reductions but do not necessarily directly result in City corporate emission reductions, are Second Priority (maximum 10% of available funds).

- (iii) Projects that Support Community Emission Reductions are Third Priority (maximum 10% of available funds). Projects that reduce community emissions may be considered, where community emissions are defined as those outside the City's corporate emissions as defined by the Provincial Guidelines, but from sources within the City's boundaries. Such projects will only be considered after consultation with the Senior Management Team and Council (if necessary).

(b) Emissions Reduction Criteria

- (i) Emission Reductions from the Project Must be Real and Measurable

Emission reductions must be real and measurable in accordance with the Provincial Guidelines or any other methodology accepted by the Province.

- (ii) Emission Reductions from the Project Must be Permanent

Emission reductions must be permanent so that the stored or avoided carbon is never released back to the atmosphere. When comparing potential projects, favourable consideration may be given to energy efficiency and conservation and renewable energy technologies that result in a decrease in fossil fuel consumption.

- (iii) Projects with High Emission Reduction Potential per Dollar Spent

When comparing potential projects, favourable consideration may be given to projects that have the greatest potential to reduce the most emissions in absolute terms per dollar spent from the Fund.

- (iv) Project Replication and Broader Implementation

When comparing potential projects, favourable consideration may be given to projects that are easily replicated, and have a high potential for broader implementation.

(c) Social Criteria

The project will, ideally, be acceptable to the local community. The Fund Manager will consider whether projects may be accepted by the general public; and use public consultation processes, where appropriate.

(d) Environmental Criteria

- (i) Projects That Avoid Significant Environmental Harm

Some renewable energy projects, while reducing GHG emissions, have significant effects on other aspects of the environment. All significant environmental benefits and drawbacks must be considered.

- (ii) Projects That Have Environmental Co-Benefits

Examples of environmental co-benefits include, without limitation: reduced air contaminants, climate adaptation improvements, improved water quality and improved wildlife habitat.

(e) Financial Criteria

- (i) Priority will be given to projects that can deliver the greatest emission reductions per dollar invested, with consideration of payback period and projected changes in energy costs. A life cycle assessment must be completed, where possible, with respect to GHG emissions and costs.
- (ii) Only emission reduction projects with a payback period of less than ten years will be eligible for funding, however an average 5-year payback period limit will also apply where the average payback period for all projects receiving funding to date must be less than 5-years on a cost-weighted basis.
- (iii) Priority will be given to projects that have economic co-benefits. Ideally, an emission reductions project will have other co-benefits, such as job creation.
- (iv) Priority will be given to projects that have the potential to leverage additional funding.

7. Policy Evaluation

This Policy will be reviewed annually for consistency with the City's overall climate and sustainability objectives; and for effectiveness in enabling the City to move towards its goals.

8. Project Evaluators

The Fund Manager will consult with the Corporate Climate Action Working Group and the Senior Management Team to evaluate potential projects and to select projects for disbursement of funds from the Fund.

SCHEDULE "A"

DEFINITIONS

In this Policy, unless the context otherwise requires:

"CARIP" means the Province of British Columbia's Climate Action Rebate Incentive Program.

"Climate Action Charter" means the British Columbia Climate Action Charter.

"City" means the City of Abbotsford.

"Corporate Climate Action Working Group" means the group of City employees appointed to implement this policy, members include representatives from Engineering; Regional Utilities; Finance; Purchasing; Fleet; Economic Development and Planning; and others as needed.

"Fund" means the City's Climate Action Reserve Fund.

"Fund Manager" means the City's Civic Facilities and Energy Manager or a person appointed to act in the place of the Manager.

"GHG" means green house gas.

"Province" means the Provincial Government of British Columbia.

"Provincial Guidelines" means the Province of British Columbia guideline document "Becoming Carbon Neutral - A Guidebook for Local Governments in British Columbia, July 2011".

"Senior Management Team" means the City's Senior Management Team, whose members include the City Manager; Deputy City Manager; General Manager, Engineering, Regional Utilities, General Manager, Economic Development and Planning; General Manager, Parks, Recreation and Culture; Fire Chief; Director, Human Resources and People Development; and Director, Communications and Marketing.