



Council Member Motion

For the Committee of the Whole Meeting April 25th 2019

Date: April 16, 2019

From: Mayor Helps and Councillor Collins

Subject: Carbon Pricing on Corporate Air Travel – Interim Policy

Background

In July 2018, Council adopted a bold Climate Leadership Plan that lays out a pathway to get to 100% renewable energy and an 80% reduction in greenhouse gas emissions by 2050. In October the Intergovernmental Panel on Climate Change (IPCC) released a report noting that as a global community we have until 2030 to significantly reduce emissions and keep the global temperature rise to no more than 1.5 degrees Celsius. The IPCC specifically calls for a 45% reduction in emissions by 2030 and a 100% reduction in emissions by 2050.

Motivated by the IPCC report, both the Capital Regional District and the City have declared a Climate Emergency and are working to achieve deep greenhouse gas reductions and the necessary adaptation to build resilience in our communities.

We are applying a 'Climate Lens' on all City business. The City is now developing its own detailed Corporate Energy and Emissions Management System (CEEMS), which will set comprehensive plans, priorities and tools to drive systematic GHG reductions across its facilities, fleet, operations and business decisions. One aspect of this work will be to define the most prudent and effective way to internally price carbon emissions across City operations and business, to help drive greenhouse gas reductions in daily decision making.

The Global Centre for Climate and Energy Solutions is a long-standing, non-profit global leader in climate action. They state that “companies around the world are taking climate action by instituting their own internal price on carbon. An internal price places a monetary value on greenhouse gas emissions, which businesses can then factor into investment decisions and business operations.”

This Carbon Pricing on Corporate Air Travel Interim Policy would place a \$150 per tonne price on carbon for any air travel for staff and council, in advance of the final CEEMS which will address carbon pricing comprehensively. This is equivalent to the carbon price adopted by Metro Vancouver in 2017, which has similar climate goals to Victoria. Metro Vancouver notes that carbon pricing on city projects and procurement is important as it improves the financial business-case for more climate friendly alternatives.

The carbon price will be calculated using a carbon price calculator to be determined by the finance department based on current best practices. The monies generated through policy implementation will go into the City's Climate Reserve Fund to directly reduce carbon and take climate action in our community and the corporation. The Climate Reserve Fund was established by Council to provide a source of funds for funding climate mitigation and adaptation strategies that target energy and GHG reductions associated with facilities or transportation of either City-owned assets or community public lands and services.

Council members and staff will calculate the price of carbon based on distance travelled and add these to requests for travel approval.

Staff ran the numbers for us based on 2018 travel using a \$100 per tonne calculation. The total transfer to the reserve would have been about \$4,000 at 100 per tonne (for comparison); which would be \$6000 at \$150 per tonne. There were about 100 air trips taken last year, with about 40 of those to Vancouver. The funding for the price on carbon would be existing travel and conference budgets.

These are some examples:

Economy return flight to Montreal... 1.22 tonnes of CO₂e @ \$150/tonne - \$183
Economy return flight to Vancouver... 0.02 tonnes of CO₂e @ \$150/tonne - \$30
Economy return flight to Toronto... 1.26 tonnes of CO₂e @ \$150/tonne - \$189
Economy return flight to London... 2.48 tonnes of CO₂e @ \$150/tonne - \$372
Economy return flight to Shanghai... 2.96 tonnes of CO₂e @ \$150/tonne - \$444

Recommendations

That Council:

1. Adopt the principles laid out in this report as the basis for a Carbon Pricing for Air Travel Interim Policy including:
 - a. The rate of \$150 per tonne set as the price on carbon for air travel.
 - b. The carbon price to be funded from the travel budget set for mayor, council and staff in the annual budget.
 - c. The carbon price calculator to be determined by the finance department based on current best practices.
 - d. Council and staff include the price of carbon in requests for travel approval.
 - e. The monies generated from the price on carbon to be deposited into the City's Climate Action Reserve Fund.
 - f. The price on carbon be reviewed as part of the CEEMS program development, and on an annual basis as part of the City's annual update on the Climate Action Program.

2. Direct staff to put the principles in #1 into the City's policy template (see attached) as the Carbon Pricing on Corporate Air Travel – Interim Policy.

Respectfully Submitted,



Mayor Helps



Councillor Collins



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AUTHORIZED BY:

EFFECTIVE DATE:

REVISION DATE:

CITY OF VICTORIA

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