



**Committee of the Whole Report  
For the Meeting of April 11, 2024**

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**To:** Committee of the Whole **Date:** March 27, 2024  
**From:** William Doyle, Acting Director, Engineering and Public Works  
**Subject:** Climate Leadership Program Update

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**RECOMMENDATION**

That Council direct staff to update Victoria's 2050 community greenhouse gas emissions reduction targets to align with province's commitment to net zero by 2050.

**EXECUTIVE SUMMARY**

In 2023, Council updated its Strategic Plan priorities, emphasizing the urgent need for accelerated climate action. Following this, in March 2023, Council directed staff to explore seven additional areas for action as part of the 2024 update to the Climate Leadership Plan (CLP).

This report outlines an approach for advancing climate action in 2024 which aims to support:

- Program expansion into the new climate action areas requested by Council.
- Increased focus on climate adaptation as recommended in the 2022 CLP progress report.
- Implementation of the City's future Building Emissions Reduction Plan.
- Continued implementation of existing programs, investments, outreach and key initiatives such as the City's high impact initiatives.

The proposed approach builds on the City's commitment to act urgently to mitigate climate change, reduce greenhouse gas (GHG) emissions, prepare for climate change impacts and transition to 100% renewable energy. It aligns with Council's updated Strategic Plan objectives and enables the expansion of the CLP into new areas. As climate change continues to pose risks and challenges, a proactive and adaptive approach is increasingly crucial to protect the city, its residents and the environment for current and future generations.

**PURPOSE**

This report presents an approach for updating the City's CLP and accelerating the City's climate action efforts in response to Council's updated strategic priorities.

**BACKGROUND**

The CLP was adopted in 2018, it presents a vision for 2050 of a vibrant, healthy, and prosperous community, fueled by renewable low carbon energy systems, and designed and integrated in ways that promote a high quality of life for all. The CLP presents goals and targets and 85 actions across 5 key sectors (chapters) to deliver on this vision.

The CLP identifies the following key targets:

- Reduce community GHG emissions by 50% by 2030.
- Reduce community GHG emissions by 80% and transition to 100% renewable energy by 2050.

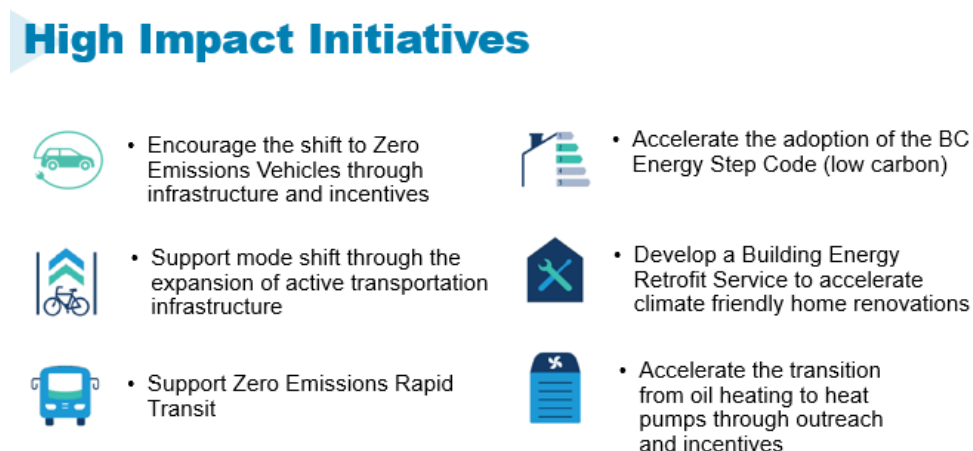
The City has also developed several complimentary strategies that guide the City's approach to actions within the various CLP sectors.

Complimentary strategies include:

- Urban Forest Master Plan – Adopted in 2013
- Parks and Open Spaces Master Plan – Adopted in 2017
- Go Victoria: Sustainable Mobility Strategy – Adopted in 2019
- Zero Waste Victoria – Adopted in 2020
- Corporate Energy and Emissions Management Plan – Adopted in 2021
- Electric Vehicle and E-Mobility Strategy – Adopted in 2022
- Green Fleet Plan – Adopted in 2022
- *Coming 2024 – Buildings Emissions Reductions Plan*
- *Coming 2024 – Climate Change Adaptation Plan*
- *Coming 2024 – Integrated Rainwater Management Plan*

### Climate Emergency:

In 2019, the City of Victoria declared a climate emergency highlighting the severity of climate risks and the need for bold and sustained action to avoid the most severe impacts of climate change. This declaration acknowledged increased efforts to limit global temperature rise below 1.5 degrees Celsius as outlined in the Intergovernmental Panel on Climate Change's Special Report on Global Warming of 1.5 °C. This led the City to identify six High Impact Initiatives for accelerated action as described below:



*Figure 1: High Impact Initiatives for responding to the Climate Emergency*

These high impact initiatives were expanded from key actions identified within the buildings and transportation sections of the CLP with the highest potential for emissions reductions. The high impact initiatives are considered priority actions for implementation.

## Climate Leadership Plan Implementation:

At a high level, the City committed the following in 2023\* for implementing climate action:

\$ 1,400,000	Core Climate Action Program operating budget.
\$ 23,330,000	Capital funds to support multi-modal transportation infrastructure investments.
\$ 2,400,000	Capital funds to support electrification of vehicles through public electric vehicle charging infrastructure investments.
\$ 2,430,000	Funding to support facilities energy improvements and fleet electrification.
\$ 390,500	Contribution to the Capital Regional District (CRD) Climate Action and Adaptation Service (through property tax requisition).
<b>\$ 29,950,500</b>	<b>TOTAL</b>

*\*This does not include other initiatives related to zero waste, transit, parks and urban forest, bridges and shoreline structures, underground services and integrated rainwater management.*

The City has published two Progress Reports (2020 and 2022) with updates on the City's progress towards meeting the CLP targets and actions. The 2022 report identified:

- The majority of the CLP sector targets are in "Early Stages" or "On Track".
- The majority of targets related to community and corporate emissions reductions have moved beyond the initial development stages, into the early deployment phase.
- Victoria is already experiencing the impacts of climate change and there is more work that needs to be done to protect the community and respond to the risks associated with a changing climate.

## Revising the Climate Leadership Plan:

The City is targeting a revised version of the CLP for 2024 to include:

- Updated progress towards the City's GHG emission reduction targets.
- Re-evaluation of targets, ensuring they align with the Province and the latest climate science.
- Re-evaluation/affirmation of the high impact initiatives.
- Alignment with and integration of recently developed sub-strategies and plans.
- Alignment with the City's new OCP update.
- Alignment with Council's updated Strategic Plan objectives and Council member motions.

## **ISSUES & ANALYSIS**

### Updated Progress:

Each year, the City of Victoria obtains a community GHG inventory to track progress toward its CLP GHG emission reduction targets. The most recent 2022 inventory was obtained through a regional inventory commissioned by the CRD. The regional inventory was published by the CRD in

September 2023. Appendix A contains two briefing notes that were shared with Council on Victoria’s 2022 GHG inventory and the City’s emissions trends.

The graph below shows the historical trend of the City’s community GHG emissions inventory using the Community Energy and Emissions Inventory (CEEI) method. It is seen that there has been a continued decline in community GHG emissions with a drop of 15,000 tonnes to 305,000 tonnes in 2022, resulting in a drop of 26% in community GHG emissions since 2007.

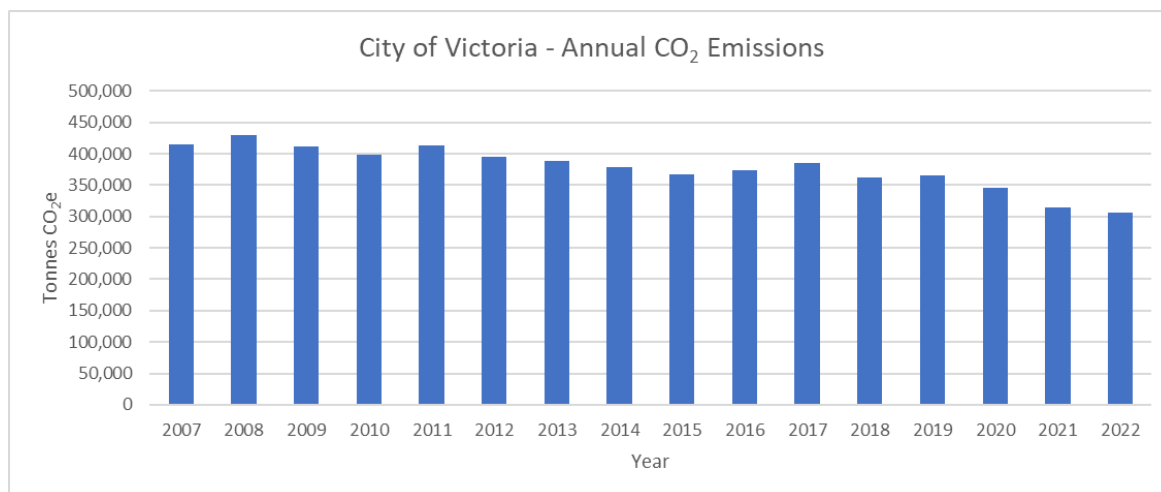


Figure 2: City of Victoria Annual GHG Emissions

Overall, the 2022 GHG emissions inventory shows the City is trending in the right direction to achieve our GHG emissions reduction targets:

- Seven per cent decrease in on-road transportation GHG emission since 2021.
- Emissions from waste were down by approximately 5000 tonnes.
- Heating oil consumption continued to decrease.
- Overall building emissions were similar to 2021.

The City also completes GHG emissions inventories using the Global Protocol for Community-Scale Greenhouse Gas Emission Inventories (GPC) BASIC + approach. More information about this approach as well as emissions trends insights taken from both inventory approaches can be found in Appendix A.

Aligning Targets:

The CLP update provides an opportunity to ensure that the City’s emissions reductions targets remain in line with the latest climate science and global carbon budgets. Since the release of the CLP, the Province has released the CleanBC Roadmap to 2030<sup>1</sup>, committing to net-zero emissions by 2050, and in 2021, the province also established the following new sectorial targets for 2030:

Sector	2030 Reduction Target
Transportation	27-32 %
Oil and Gas	33-38%
Other Industry	38-43%
Buildings and Communities	59-64%

<sup>1</sup> [cleanbc\\_roadmap\\_2030.pdf \(gov.bc.ca\)](https://www2.gov.bc.ca/gov2/cleanbc/cleanbc-roadmap-2030.pdf)

In order to align with the province’s targets and commitments, the City would need to:

- Adopt a 2050 net zero target. Victoria’s current target of 100% Renewable Energy by 2050 would bring the City close to net zero, however some renewable energy sources, including many of FortisBC’s proposed Renewable Gases, will still produce GHG emissions.
- Adopt a new 2030 target for existing buildings. The CLP does not currently have a 2030 target identified for existing buildings; however, the reduction pathway that was modelled and identified included a 58% reduction from existing buildings.

Building Emission Reduction Plan:

One of the new plans under development is the Buildings Emission Reduction Plan, which aims to set a clear path for the next five years by defining supporting initiatives to achieve large emissions reductions and meet the City’s 2030 targets. Significantly reducing emissions from buildings is essential to meet the City’s climate commitments. Buildings produce more than 50% of community emissions, with natural gas for building heating making up 81% of those emissions (or 42% of all community emissions in Victoria).

Key Actions for Reducing Emissions from Buildings

<i>Focus Areas</i>	<i>Initiative Type</i>	<i>Status of City of Victoria Initiatives</i>
<b>Support Programs and Incentives</b>	• Retrofit Advisor Programs	• Launching an advisor program for Strata buildings to compliment the CRD program for single family homes
	• Retrofit Tax Incentives	• Recently Launched Market Rental Revitalization Tax Exemption Pilot Program
	• Incentives	• Previously provided \$450,000 in incentives for heat pumps. Continuing to explore opportunities where gaps exist in funding/incentives provided provincially and federally
<b>Regulations and Requirements</b>	• Accelerated Step Code & Zero Carbon Step Code Requirements for new buildings	• Adopted accelerated timelines for Zero Carbon Step Code in 2023
	• Energy Reporting Requirements for existing buildings	• Conducting engagement with building owners/managers and strata councils to inform the development of an energy and carbon emissions reporting and benchmarking requirement.
	• Material (Embodied) Carbon Reporting Requirements for new buildings	• Exploring the development of material carbon reporting requirements for new buildings
	• Emission Limits for existing buildings	• Exploring the development of emission limits requirements for existing buildings

The upcoming buildings emissions reduction plan will identify to what extent (scale) the City would need to implement the above initiatives to have the best chance of meeting the City's 2030 targets. The plan will also identify the level of investment required to implement these initiatives at various scales. As existing buildings make up such a large portion of the City's emissions, it is anticipated that one or more of these key actions will be identified as high impact initiatives to the overall implementation of the CLP. Therefore, this plan will also inform the re-evaluation of high impact initiatives as part of the revisions to the CLP.

## **OPTIONS & IMPACTS**

In response to the March 2023 Council direction, staff have evaluated options for expanding and accelerating climate action efforts in the following areas:

- Expanded climate adaptation efforts.
- Phase out of oil heating.
- Working towards a fully circular economy by 2050.
- Embodied emissions.
- Economic impacts of climate change.
- Carbon budgeting & annual reporting.

The following sections summarize the approaches recommended by staff for expanding and accelerating climate action in each of these areas.

### Expanded Climate Adaptation Efforts

The City's 2022 CLP Progress Report identified that the City is falling behind on some of the CLP targets related to adapting early. Specifically, the City faces challenges in areas related to minimizing climate related risks to City operations and infrastructure, and empowering/preparing Victorians for climate-related impacts and emergencies.

In 2023, the City added a dedicated position to support climate adaptation initiatives. Staff are currently developing the City's Climate Change Adaptation Plan that will include separate chapters for corporate and community initiatives. This plan will serve as a roadmap for implementing corporate and community adaptation actions. In addition to finalizing this Plan, staff have identified the following opportunities for expanded adaption efforts:

1. Embedding Climate Change Adaptation into the Official Community Plan (OCP):

Updating and modernizing policies and goals is a crucial component of the forthcoming 10-year OCP update, particularly in the context of climate change and anticipated growth. The OCP update will evaluate possible changes to municipal policies and regulations to align with the City's environmental objectives for clean air, urban forest, integrated stormwater management, biodiversity and local food systems and support the updated parks, open spaces and environment components of the OCP.

2. Developing a Natural Asset Inventory:

The presence of nature functions as a natural buffer, helping to manage the impacts of climate change and provide protection to urban residents and city infrastructure against extreme weather events and rising sea levels. Natural assets also create opportunities for healthy and sustainable livelihoods, such as improving physical and mental health and having access to better employment and economic outcomes.

Natural assets like grassland meadows, forests, waterways and coastlines contribute to a community's climate resilience and provide opportunities for enhanced climate adaptation efforts. In Victoria's built-out urban context, natural assets are often fragmented, spread across private and public property and managed inconsistently. Measuring and reporting on an integrated complete natural asset inventory, the City can better understand the opportunities for enhanced climate adaptation efforts. Developing a natural asset inventory will provide a solid foundation for establishing the next steps required to develop a natural asset management strategy.

3. Embedding Climate Change Adaptation into Risk Assessments:

In November 2023, the Emergency and Disaster Management Act came into force, replacing the Emergency Program Act, to provide a more proactive approach to emergency management with an emphasis on disaster risk reduction and a shift from focusing on emergency response to the four phases of emergency management: mitigation, preparation, response, and recovery. Under the new legislation, it is expected that municipalities and regional districts will be required to prepare and maintain risk assessments with consideration of climate change impacts. Staff will begin incorporating updated climate projections and consideration of climate change impacts into the City's evaluation of corporate risks including future hazard risk vulnerability assessments.

4. Empowering the community to take action:

Staff have been working with International Council for Local Environmental Initiatives (ICLEI) Canada to explore the development of a community partnership approach to mobilize action, foster collaboration and empower community action for adaptation (inspired by the Montreal Climate Partnership). ICLEI Canada is part of a global network working to support local governments by providing them with expertise and resources to take climate action in their communities. Next steps include identifying community partners, developing the administration and governance of a local climate partnership and prioritizing the projects for implementation, establishing systems for monitoring impact and creating long-term strategies for the local climate partnership to carry forward. ICLEI Canada is part of a global network working to support local governments by providing them with expertise and resources to take action in their communities and the City currently has a partnership agreement with ICLEI to provide support the City's climate action initiatives.

### Phase Out of Oil Heating

Heating oil is a carbon intensive fossil fuel, a very expensive method of heating, and it poses ecological and liability risks if it were to leak into a neighbouring property or into natural areas. As such, fuel-switching from oil to climate-friendly all-electric air source heat pumps was identified as one of the CLP's high impact initiatives. As of 2022, heating oil still accounted for 6% of the community's GHG emissions.

The City has been conducting household surveys to improve the accuracy of the City's oil heating records. As of 2021, it was estimated that there are approximately 535 buildings using oil as their primary heating system in Victoria.

Staff evaluated oil conversion trends looking at data from oil permits, new natural gas connections and uptake of heat pump incentives through the CleanBC Better Homes Program. It is estimated that the City is currently on track to phase out oil heating by 2030. The table below highlights the historical data for oil tank conversions from 2019 to 2022 showing the increasing trend oil to heat pump conversions and a decrease in oil to gas and oil to oil conversions. The table also includes projected oil tank conversions for 2023, 2027 and 2030 assuming the continuation of these trends.

	Historical values				Projected values based on trends		
	2019	2020	2021	2022	2023	2027	2030
Oil to Heat Pump	18	32	76	58	56	50	50
Oil to Gas	260	182	52	40	40	0	0
Oil to Oil	43	47	29	13	10	0	0
<b>Estimated Remaining Oil Tanks</b>			<b>520-550</b>	<b>422-452</b>	<b>324-354</b>	<b>64-94</b>	<b>0-30</b>

*Figure 3: Oil Conversion Trends within the City of Victoria*

These trends likely stem from focused regional outreach as well as a significant increase in incentives available since 2021 for switching to a heat pump. The Province doubled their base heat pump rebate offer from \$3,000 to \$6,000 and the federal government launched the Canada Greener Homes Grant which offered up to \$5,000. Today, homeowners have access up to \$6,000 in rebates when switching from oil heating to a heat pump, plus additional income qualified offers up to \$19,500 are available for those who are eligible.

The CRD now operates the Home Energy Navigator<sup>2</sup> Program (launched in 2022) which offers free retrofit support for residents within the region. The City assists with outreach and promotion of this program within Victoria.

The City has been conducting additional outreach through a targeted door-to-door approach that allows the City to provide tailored information to households. Previous phases of outreach found that many of the remaining oil-heated households are occupied by equity deserving groups such as fixed-income seniors, renters and families or individuals where English is not a first language. The targeted door-to-door approach allows the City to provide relatable information, such as the income qualified offers, to those who are likely eligible. Being able to directly engage on a deeper level with homeowners and building occupants is an effective way to ensure that the applicable information and messaging are tailored depending on the household.

Staff anticipate that the City could accelerate the phase out of heating oil by 2027 by extending this targeted outreach approach, customizing and tailoring information and supporting homeowners based on feedback on what barriers continue to pose challenges. This approach would connect homeowners and building occupants with the financial assistance and technical support that are already readily available in the region. Developing a new regulatory approach is not recommended at this time as the trends already indicate an acceleration away from oil heating and it would likely be resource intensive to develop for the limited number of households.

<sup>2</sup> Home Energy Navigator Website [Home Energy Navigator](#)



## Working Towards a Fully Circular Economy by 2050:

Local governments play a critical role in supporting a circular economy in their position as service providers for the collection and processing of materials and products at end of life.

The City has taken several steps to promote circularity including:

- Regulating the reuse of wood from building demolitions.
- Regulating the restriction of environmentally harmful single-use items.
- Launching a circular economy speaker series.
- Conducting outreach campaigns around waste reduction and re-use.

At the same time, many products and materials used in cities are part of global supply chains where product material contents, specifications, labelling and distribution fall outside local government influence. Therefore, the City's journey toward a fully circular economy must take into account its position within the larger economic ecosystem.

Globally, achieving a fully circular economy remains a significant challenge, with less than 10% of the global economy currently assessed as circular<sup>3</sup>. This challenge includes the need to reconfigure complex global supply chains, establish common standards and certifications for circular products, enhance product design and recycling technologies, and shift consumer behaviour and attitudes regarding products and waste.

While circular economy principles currently guide the City's Zero Waste Strategy and the development of the CLP's new embodied emissions chapter, successful transition to a fully circular economy requires collaboration with neighbouring regions and industries, and collective action at higher levels of government to create an enabling environment for circular practices. Given these complexities, it is advisable to include "working towards a fully circular economy" as a goal rather than a specific target in the new CLP update.

Staff recommend updating the CLP to include targeted actions with demonstrable impacts related to:

- Growing the local circular ecosystem: Collaborate with local businesses to build a circular ecosystem that incorporates the guiding initiatives in Zero Waste Victoria that prioritize material and product reduction and reuse and that improves recycling for products that can no longer be used.
- Leading by example: Invest in circular infrastructure such as the City's asphalt reuse and recycling processes for road paving, select products with high recycled content for use in construction and major capital projects, expand City services to support collection and processing of materials and products not currently served by private industry.
- Circular awareness campaigns: Continue public awareness campaigns to educate residents and businesses about the benefits of a circular economy and encourage responsible consumption, product stewardship, and waste reduction.

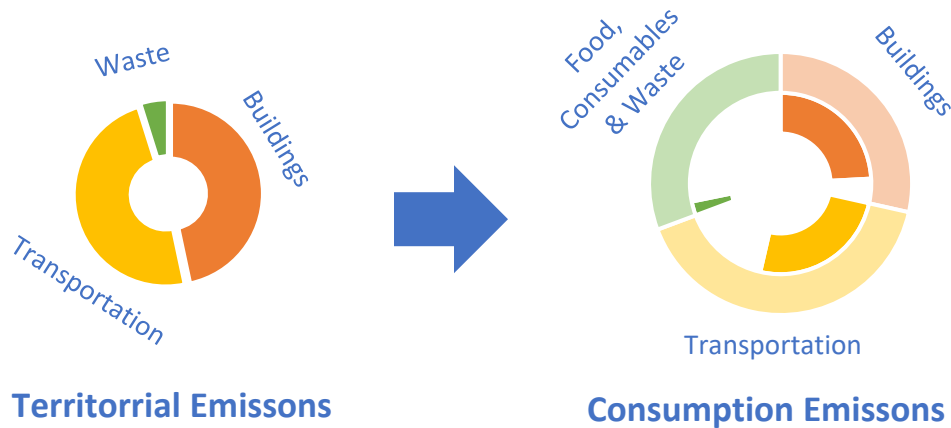
Zero Waste Victoria will continue to be the primary mechanism to deliver on circular economy initiatives. An update on Zero Waste Victoria including new short-term actions for 2024-2027 was presented to Council on February 22, 2024.

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<sup>3</sup> Circularity Gap Report 2023 [CGR 2023 \(circularity-gap.world\)](https://www.circularity-gap.world/)

## Embodied Emissions:

The City has completed two consumption-based GHG emissions inventories, one in 2015 and another in 2021. These inventories are intended to complement Victoria's territorial GHG emissions inventories and help the community understand the impact of local consumption habits on global emissions. The following diagram illustrates how Victoria's emissions breakdown expands when we consider consumption-based emissions (embodied emissions). The biggest difference we see relates to the emissions from food, consumables and waste.



*Figure 4: Territorial vs consumption-based emissions breakdowns*

Comparing these inventories provides an opportunity for the community to better understand the broader emission impacts of their lifestyles and behaviours and can thus more effectively mobilize emission reduction actions.

The City has been completing a consumption-based GHG emissions inventory every five to six years. At this time, it is not recommended that this type of inventory be completed annually for the following reasons:

- Lack of available data: in many cases provincial or national averages are used to approximate local consumption patterns.
- Practices under development: embodied emissions are an emerging area and consumption-based inventory methodologies are still evolving.

It is planned to increase the frequency of inventories to every four years so that a new consumption-based inventory is completed for each council term. This will enable Council to stay informed on the latest trends.

In evaluating the emissions breakdown from the recent consumption-based inventory, staff have identified four key focus areas where the City's level of influence has the potential to drive impactful emissions reductions:

1. Low carbon building materials: emissions from the production of new building materials (for the construction of new buildings) are one area the City can influence and impact. Initiatives supporting the use of low carbon materials in new construction can contribute towards

reducing emission from new buildings. The City's new draft Building Emissions Reduction Strategy identifies a few such initiatives.

2. Gasoline and diesel fuel use: emissions from the production of fuels such as gasoline and diesel for use by private vehicles is another area the City can influence and impact. The City's existing initiatives aimed at reducing the kilometers travelled by fossil fuel powered vehicles can also contribute towards reducing emissions from fuel production.
3. Food waste: emissions from the production of food are another area that the City can influence and impact. Through initiatives aimed at reducing food waste, the City can simultaneously contribute to the reduction of emissions from food production and landfilled waste. This would also provide additional social benefits such as increasing economic resilience and mitigating food-insecurity in the region.
4. Reduce/reuse/recycle of consumable goods: emissions from the production of consumables such as textiles, furniture and durable plastic products are another area that the City can influence and impact. Through initiatives that support recycling and reuse, the City can contribute to the reduction of emissions from the production of textiles, furniture and durable plastic products.

Further investigation into each of these areas is currently underway to explore possible policy and program opportunities to drive emissions reductions within each of the four key focus areas. This includes the potential to improve the City's ability to quantify upstream emissions impacts and develop specific and measurable short-term targets and for each area.

#### Economics of Climate Change:

The City is currently partnering with ICLEI Canada to establish "The Cost of Doing Nothing" for the City of Victoria using resources and tools developed by ICLEI.

Information on the net costs of inaction plays a critical role in two areas:

1. To help document the need and urgency to allocate resources for adaptation planning, including:
  - a. The scale and timeframe of climate-related costs.
  - b. The distribution of those costs across locations, sectors, population groups, etc.
2. As a baseline to inform the prioritization of current and future climate risks and vulnerabilities during the assessment stage.

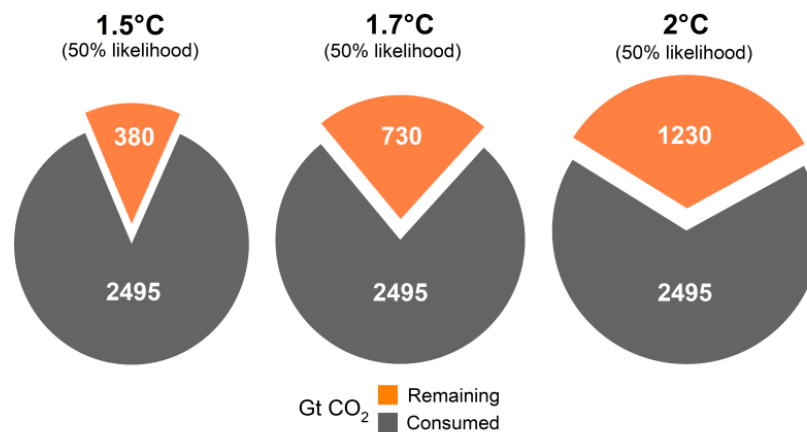
This work is underway and is anticipated to be complete in 2024. Next steps will be to identify any gaps in the data or our understanding of how climate change is impacting the community.

#### Carbon Budgeting and Annual Progress Reporting:

A carbon budget is a concept that focuses on the cumulative amount of carbon dioxide (CO<sub>2</sub>) emissions that can be released into the atmosphere while keeping global warming within a certain temperature threshold, typically expressed as degrees Celsius above pre-industrial levels.

Carbon budgets are often used at the global or national level and are associated with global or national climate goals. They consider the total allowable emissions from various sectors and sources. For example, in early 2023 the Global Carbon Project projected that the remaining carbon budget for a 50% likelihood to limit global warming to 1.5 °C, 1.7 °C and 2 °C would be used up in 9, 18 and 30 years respectively if emissions levels remain at 2022 levels.

The remaining carbon budget for a 50% likelihood to limit global warming to 1.5°C , 1.7°C and 2°C has reduced to an equivalent of 9, 18 and 30 years from 2023 (at 2022 emissions levels).  
2495 GtCO<sub>2</sub> have been emitted since 1850.



The remaining carbon budgets are updated from IPCC AR6 WG1 by removing additional historical emissions since 1 January 2020. Quantities are subject to additional uncertainties e.g., future mitigation choices of non-CO<sub>2</sub> emissions.  
Source: IPCC AR6 WG1; Friedlingstein et al 2022; [Global Carbon Budget 2022](#)

Figure 5: Global Carbon Budget 2022<sup>4</sup>

Carbon budgets are used to inform emissions reduction efforts and set emissions reduction targets. Many national, regional and local governments, including the City of Victoria, have set emissions reductions targets in alignment with the Paris Agreement with the aim of limiting global warming to less than 2 °C.

The City has set the following emissions reduction targets to guide and drive actions to reduce emissions in the community. These targets set clear expectations for reducing emissions:

- Reduce community GHG emissions by 50% by 2030.
- Reduce community GHG emissions by 80% and transition to 100% renewable energy by 2050.

In recent years, some municipal governments have been attempting to apply the concept of a carbon budget at the municipal level. A global network of mayors called C40 Cities identifies climate budgets as an effective, powerful, and systemic way for cities to deliver on their climate goals.

<sup>4</sup> [GCP CarbonBudget 2022.pdf \(globalcarbonproject.org\)](#)

Elected City officials and staff participated in a Carbon and Climate Budgeting Workshop hosted by the CRD in June 2023. The following definitions were provided as part of that workshop.

<b>CARBON Budgeting</b>	<b>CLIMATE Budgeting</b>
A carbon budget is the cumulative amount of carbon dioxide (CO <sub>2</sub> ) emissions permitted over a period to keep within a certain temperature threshold. There are several types of carbon budgets. Most often, the term refers to the total net amount of CO <sub>2</sub> that can still be emitted by human activities within a geographical or political boundary while limiting global warming to a specified level (e.g., 1.5°C or 2°C above pre-industrial levels).	A climate budget is a governance system that integrates climate considerations into the financial budget and creates transparency and accountability for climate action. To the extent possible, each action should be linked to an estimated emissions reduction and funding approach. This illustrates the costs required to achieve the targeted emission reductions.

**Climate budgets are emerging as an efficient way to mainstream climate considerations into city-level decision-making, to translate medium- and long-term climate targets into delivery plans that are reviewed and improved annually.**

*Figure 6: Carbon and Climate Budgeting definitions from the CRD Carbon Budgeting Workshop*

In addition to participation in the CRD workshop, staff have completed a jurisdictional scan of Canadian municipal government activities related to carbon budgeting and climate budgeting, reviewed available staff reports and conducted meetings and correspondence with staff from these municipalities.

Some key take aways from this review include:

- Many leading Canadian municipalities are in the process of developing some type of carbon or climate budget including Edmonton, Calgary, Toronto, Vancouver, Montreal, Saskatoon, and Ottawa.
- Using a global carbon budget to align target setting is independent from implementing a carbon or climate budgeting process.
- Carbon and climate budgeting are evolving processes - due to the complexity and current lack of standards on the topic, there is little consistency in the terminologies and methodologies currently being used.
- The above municipalities had 1-2 FTEs dedicated to the development and implementation of their carbon/climate budgets with at least 1-2 years for development of new frameworks.
- There are challenges including adaptation measures in a carbon/climate budget.

Taking the more granular approach such as the Carbon Budgeting approach is not recommended as it is estimated that it would take significant effort to identify:

- Which actions and budget components are related to climate and to what degree. As project delivery typically achieves multiple objectives, pin-pointing the climate piece only would be difficult. For example, many climate initiatives can also be considered regular asset renewal, safety and accessibility improvements, health and wellbeing improvements etc.
- Accurate emissions impacts from individual actions that may still be underway and have multiple interdependencies with other City initiatives or external factors.

It is suggested instead to begin developing a higher level “climate budget” with the following objectives:

- Develop a governance system that integrates climate considerations into the City’s financial budget and links high impact actions to an estimated emissions reduction and identifies a funding approach.
- Achieve further transparency around the extent to which CLP implementation is being funded, using stories to help the public understand.
- Link the climate budget to high impact actions; show that the City is spending what it takes and highlight funding gaps.
- Focus on big picture info as there is a potential to get lost in the details.

Staff recommend that annual reporting on Victoria’s community GHG emissions reduction progress continue to be included in annual progress reports to Council, with a more detailed report being produced every other year.

#### Next Steps:

The City will continue implementation of existing climate initiatives and begin expanding the Climate Action Program following the approach described in this report. Revisions to the Climate Leadership Plan are anticipated to be developed by the end of 2024 as per the scope outlined in this report. The revised Climate Leadership Plan will not be a complete re-scoping of climate action at the City, but instead will build on the existing plan. It will include updates to specific strategies, initiatives and projects, as well as program costs and action prioritization.

#### *Accessibility Impact Statement*

The Climate Action Program Update does not directly relate to accessibility. Several of the climate action initiatives within the overall program may include opportunities to improve accessibility as a co-benefit (e.g., access to cooling during extreme heat, adding accessible parking spaces near EV charging stations, etc). These possibilities can be explored in the development of the individual programs and projects.

#### *2023 – 2026 Strategic Plan*

This report supports the Council Strategic Plan Objectives for Climate and Environmental Stewardship:

- Innovate to lead bold climate adaptation and mitigation strategies.
- Accelerate decarbonization of new and existing buildings.
- Accelerate the reduction of emissions from transportation and waste.
- Set and track reduction targets for life-cycle emissions.

### *Impacts to Financial Plan*

The resources required to implement the approaches discussed in this report have been included in the 2024 financial plan. Additional resources were added to support expanded adaptation, increased outreach, the development of a high-level climate budgeting framework focused on the high impact actions and the completion of a natural asset inventory.

### *Official Community Plan Consistency Statement*

This report supports the objectives outlined in OCP Section 12 – Climate Change and Energy.

### *Section 12 – Climate Change and Energy Objectives:*

- 12(a) - That Victoria acts with urgency to mitigate climate change and adapt to its impacts by developing comprehensive strategies that are aligned with global efforts that limit global warming to 1.5 degrees Celsius.
- 12(b) - That climate change is mitigated through the reduction of GHG emissions associated with the built environment, transportation, waste and other sources of community GHG emissions.
- 12(c) - That the community is prepared for climate change through adaptation planning that reduces climate change impacts, including but not limited to, impacts on public health, property and the natural environment.
- 12(d) - That community is supported in the transition away from fossil fuels to 100% renewable energy.

## **CONCLUSIONS**

This report underscores the City's commitment to addressing climate change through a comprehensive Climate Action Program. It outlines the recommended approach for accelerating climate action efforts in key areas such as climate adaptation, the phase-out of oil heating, the transition towards a circular economy, addressing embodied emissions, understanding the economics of climate change and exploring the use of climate budgeting. Continued investments and policy decisions to support other program areas related to climate action including urban forest expansion, zero waste, sustainable mobility and resilient infrastructure will also be required for a comprehensive approach to climate mitigation and adaptation.

Respectfully submitted,

Laura Berndt  
Manager, Energy & Climate Action

William Doyle  
Acting Director, Engineering & Public Works

## **Report accepted and recommended by the City Manager**

### **List of Attachments**

Appendix A: Council Briefing Notes on 2022 GHG Inventory Results