To: Minister of Environment and Climate Change Strategy, Honourable George Heyman

cc: Deputy Minister, Kevin Jardine; Assistant Deputy Minister, Jeremy Hewitt

September 15, 2023

Dear Minister Heyman,

Re: Greenhouse Gas Reduction Standard

The Climate Solutions Council (CSC) strongly supports policies that reduce emissions from BC's gas utilities. Our May 2023 letter provided advice on the GHGRS as then proposed. Our briefing at the CSC meeting on September 5th on the status of the GHGRS indicates that the framework now envisioned will entail a regulatory system that delays emission reductions, adds complexity, and increases uncertainty for the natural gas sector, households, and businesses. It significantly reduces the likelihood that BC will meet its 2030 climate targets. As presented, the framework also continues to over-rely on RNG (both real and notional), rather than recognising it as a strategic resource for protecting competitiveness in BC's hard-toabate industries.

The CSC advises that the GHGRS framework should not proceed as currently envisioned. The CSC recommends that, to protect affordability for British Columbians and create greater regulatory certainty, BC join close to 100 US jurisdictions and announce a ban on new connections for space and water-heating to the gas network with near term implementation that aligns with GHG targets for the building sector.

We offer this advice to help protect affordability for British Columbians and to help reduce the risk of stranded assets. It would provide a clear signal to the market on what energy infrastructure is needed to enable BC to reach Net Zero by 2050. As an example, current modelling from the BC Government on the Zero Carbon Step Code suggests that approximately 90% of British Columbians live in climate zones where electrification of new homes would result in cost savings. We recommend measures be put in place to protect affordability and equity for those who live in colder climates.

It is critical to advance building decarbonization as fast as possible. We need to ensure that the pathway to net zero reduces dependence on gaseous fuels in our energy system while protecting affordability and health for British Columbians. A complex regulatory structure that threatens our 2030 targets and beyond and does not promote climate resilience is not in the interests of the province and its communities. The CSC recognises that our recommendation only covers new buildings and will provide further advice on the High-Efficiency Equipment Standard (HEES) to effectively ensure coverage for existing buildings.

Thank you for the opportunity to provide advice on this important topic and we'd be pleased to discuss any aspect of it further with you.

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Karen Tam Wu, Climate Policy Advisor

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