

# Submission to the BC Climate Action Leadership Plan

*September 2015*



## The Northeast Resource Municipalities Coalition

The Northeast Resource Municipalities Coalition (the "Coalition") was formed to protect and enhance the existing quality of life and level of services for citizens in the Peace Region and Northern Rockies while facilitating resource development in North Eastern British Columbia. The current members are the Northern Rockies Regional Municipality (the "NRRM"), the City of Fort St. John and the District of Taylor.

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*The overarching policy position of the Northeast B.C. Resource Municipalities Coalition is to protect and enhance existing resource municipalities so that they continue to develop as permanent, sustainable and vibrant communities providing a high quality of life for existing and future residents.*

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## Northeast BC Economic Growth

Northeast British Columbia encompassing some 204,348 square kilometers is bordered by the Yukon and Northwest Territories in the north, the Rocky Mountains to the west and Alberta to the east. It's a vast and remote area of mountains, foothills, forests, lakes and the Peace River valley, representing 24% of the landmass of British Columbia.

Although it is one of the least-populated regions in the province (72,263 or 1.6% of the total population of BC - BC Stats, 2014), the Northeast region is one of the fastest growing due in part to the rapid development of the energy sector. The Northeast region boasts the province's highest rate of employment and there is a high demand for workers.

The region's economy is based on natural resources and is a significant contributor to the BC economy. Capital investment in the natural resource industry grew to \$29.2 billion at the end of 2013 while natural gas production alone, contributed over \$20 billion in land sales and royalty revenues to the Province since 2003.

Most recent research indicates there are 19 proposed LNG export terminals in B.C. The projects are capital intensive and require a significant investment in new infrastructure, including pipelines in the central interior and extraction points in the Northeast region.

There are significant power-generating projects in the planning stages that are considered to be 'green energy' projects. These include the \$7.9 billion BC Hydro Site C project and a number of wind energy sites. In fact, 19 of the 20 most effective wind energy sites in BC are located in the Northeast region. The Bear Mountain Wind Park is an iconic 34-turbine project that is the first of its kind in British Columbia. The Dokie Wind Project and Quality Wind Park recently came into operation and there are at least, another dozen projects in various stages of planning or development.

Other significant industries include logging, wood products manufacturing and agriculture.

The B.C. government forecasts an annual employment growth rate of 1.7 percent in the Northeast region to 2022. It is expected that there will be 18,400 job openings over the 10-year period. The top employment growth industries are: construction; accommodation and food services and; Oil and Gas.

## The importance of the BC Climate Leadership Plan in Northeast BC

The long-term sustainability of municipalities in the Northeast is dependent on the economic success of the resource industries and the municipalities' ability to provide affordable housing, adequate education, good healthcare, recreation and other services to attract and retain existing and new permanent residents looking for an excellent quality of life.

The Northeast is an energy intensive region with approximately 10% of its population directly employed in resource extraction making it the province's most vulnerable region to downturns in the energy sector.

The Northeast region is located a long way from traditional and future markets. Weak commodity prices, created through global market conditions or provincial and/or federal government policies erode the competitiveness and the business case for resource development projects. Projects at risk include new independent renewable power projects such as wind, solar or geothermal, which have comparatively higher costs than what's currently available in the market.

BC's Climate Leadership Plan must consider the impact on the competitiveness of trade-exposed sectors, particularly those located in a remote region like the Northeast, and avoid any incremental burden that disadvantages those sectors relative to their competitor jurisdictions. Failure to do so puts current infrastructure, future investment and jobs at risk.

## Our view of the BC Climate Leadership Plans Objectives and Approaches

### 1. **The Way We Live...the Goal:** *Communities are thriving and resilient in the face of climate change.*

The communities of the Northeast region are partners in BC's Climate Action Charter. They are committed to becoming carbon neutral and to creating complete, compact, energy-efficient communities.

In addition to the commitment to reduce greenhouse gases and become carbon neutral, municipalities are focused on other important priorities, such as; air pollution, traffic congestion, economic development, and quality of life.

The Coalition supports the Province's objectives and approaches in achieving this important goal.

### 2. **The Way We Travel...the Goal:** *People and goods move effectively and reliably, using clean transportation.*

The Northeast region is geographically large with a relatively small population. Living and working in the Northeast involves a lot of travel – necessary travel with few options using 'green transportation' readily available in larger, more densely populated regions of the province.

The carbon tax on transportation fuel in rural and remote communities has little effect on our use of those fuels and simply adds to the cost of living in the north while adding to the challenge of recruiting and retaining a skilled workforce. The Coalition urges the Province to carefully consider the impact of any increase or expansion to the carbon tax on families and business living and working in the Northeast region.

The use of remote work camps and the current practice of fly-in, fly-out construction camps and the

impact to the communities in the Northeast region must be considered in the BC Climate Leadership Plan. Notwithstanding the concerns already raised with the Province in other forums, the Coalition requests the Province to consider implementing actions that maximize the use of existing communities and community infrastructure to house a skilled workforce as a strategy for reducing our GHG emissions.

**3. The Way We Work...the Goal:** *BC's economy remains strong, and jobs continue to be created, while GHG emissions fall.*

The industries of the Northeast region face numerous challenges in an ever changing, uncertain global market place – none is greater than strengthening our competitiveness.

The impact of any climate policy actions on the competitiveness of trade-exposed sectors should be considered with a clear goal to maintain or improve competitiveness with respect to major trading partners as well as competing jurisdictions. Potential consequences should be fully understood for both the environment and the economy.

The BC Climate Action Plan and the Province's revenue neutral carbon tax has positioned BC as a global leader in reducing greenhouse gas emissions and there is a need to be cautious about extending the gap on carbon pricing any further. British Columbia should continue to maintain the revenue neutral carbon tax, allowing other jurisdictions the opportunity to catch up on carbon pricing. Additionally, adding a carbon tax to venting emissions would absolutely hurt the Northeast region if not shut down natural gas development in the Northern Rockies Regional Municipality.

BC should explore any areas of opportunity to reduce or support emissions reductions. Electrification from 'green energy' projects is one opportunity that will enable the industry to reduce combustion emissions in natural gas development and help to achieve a greenhouse gas emissions intensity benchmark that is lower than any other jurisdiction. Also important is the plan for purchasing offsets and contributing to a technology fund.

Northeast BC is seeing tremendous gains in the energy sector as both government and industry address public concerns associated with the development of natural gas resources. While natural gas emits a small amount of greenhouse gases relative to other fossil fuels, and when used to transition coal-fired electrical generation to clean natural gas generation, it has the potential to reduce the world's dependence on coal and associated greenhouse gas emissions on a global scale.

Additionally, with the welcome addition of a strong and effective regulator, the Oil and Gas Commission and provincial policies that work, public concerns around seismicity, hydraulic fracturing and water management are being effectively managed and improvements made. This important work needs to continue in order to build the public's confidence in BC's energy sector.

**4. What We Value...the Goal:** *The cost of climate change for society is considered whenever British Columbians make important decisions.*

BC has a small, resource based, export dependent economy. A relatively small emitter of greenhouse gas on the global scale and its natural resource industry can be positioned as part of the solution on a broader context for climate change. The expansion of BC's natural gas and LNG industries will offer emission reductions on a global scale, while contributing significant economic benefits to British Columbia and especially the Northeast region.

British Columbia's ability to develop its resources in a sustainable way that grows our economy creates community-building jobs and protects the environment. In the long term, maintaining economic growth and emissions reduction can only be achieved by increasing the rate of capital investment in technological innovation.

Respectfully submitted by:



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City of Fort St John



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Mayor Bill Streeper  
Northern Rockies Regional Municipality



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