

Snohomish County Ad Hoc Climate Action Advisory Committee (CAAC)

Thursday, October 29 2020

5pm-7pm

Zoom Meeting

Time: Oct 29, 2020 05:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/93581699001?pwd=N3NHRW9udU9rQmdYKzFCUjNLQktqdz09>

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Dial by your location

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Agenda

- 1. Roll-call** (5 min)
- 2. Updates** (20 min)
 - a. Committee member updates (Tom)
 - b. County's new Department of Natural Resources & Conservation (Lisa)
- 3. Recap of Carbon Neutral Target** (25 min)
 - a. Vote approved at CAAC September meeting to recommend a GHG target of carbon neutral by 2050 (Includes Scope 1 and 2, and limited set of Scope 3; OES staff will develop interim targets)
- 4. Work Plan Groups** – (35 min)
 - a. Three new working groups with assignments (*see discussion guide below*)
- 5. Working Groups Report out** – (10 min)
- 6. Wrap-Up** (5 min)
 - a. No meeting in November; work groups to give a report-out on progress at Dec meeting

Discussion Guide for Agenda Item #4

Preliminary Work Groups ('Lead' needed for each group):

- **Group 1:** Suzy, Stan, Ian, Jon
- **Group 2:** Yolimar, Jeanine, Pat, Jake, Margaret
- **Group 3:** Tom, Ryan, Linda, Anthony

1. County Internal 'Corporate' Price of Carbon

- a. **Purpose:** Provide at least two strategies to implement an internal carbon price in County government operations. The goal of the corporate carbon price is to embed GHG emissions into the County's decision-making processes and purchases. The strategies could be recommendations in the *County's Sustainable Operations Action Plan*.
- b. **Work Group Task:** Research and outline 2 strategies to establish an internal price of carbon in County government operations, and develop a '1 Pager' for each strategy that includes: 1) How would the internal carbon price be implemented? 2) What are the advantages and disadvantages of each? 3) What resources would be needed to implement each strategy (e.g. budget, staff resources, etc)?
- c. **Resources:** See attached example from Vancouver, B.C.

2. Community Engagement – focus on BIPOC & Frontline Communities

- a. **Purpose:** 1) Identify potential BIPOC and frontline groups in the county, and 2) identify grant opportunities that the CAAC and/or County can apply for to conduct excellent community engagement with BIPOC and frontline communities for *the countywide climate action plan*.
- b. **Work Group Task:** 1) Develop a list of BIPOC and frontline groups with contacts for each, 2) Research and develop a list of potential grant opportunities, and 3) Outline a scope for the grant proposal (e.g. what do we want to accomplish? What resources are needed and for how long? # meetings, staff, paying participants, etc)
- c. **Resources:** 1) See the list that Yolimar started on CAAC OneDrive folder: <C:\Users\sfmlkd\OneDrive - Snohomish County\Climate Action Advisory Committee\Climate Justice\BIPOC & Frontline Groups.xlsx>
2) Ex: [Partners for Places](#) grant, [Kongsgaard-Goldman Foundation](#), [Bullitt Foundation](#),

3. Land Use

- a. **Purpose:** Provide a prioritized list of strategies that would help to reduce greenhouse gas emissions in from land use and development in Snohomish County. These strategies could be recommendations in the *county's climate action plan*.
- b. **Work Group Task:** Research and outline land use/development strategies that would make a significant contribution to address the climate action planning focus areas of mitigation, adaptation and resiliency, and racial/social equity.
- c. **Resources:** <https://www.washington-apa.org/4--washington-s-planning-framework-for-climate-change>, <https://www.washington-apa.org/address-climate-change>, <https://www.washington-apa.org/ten-big-ideas-page>

GHG Emission Scopes

Scope 1: All direct GHG emissions (with the exception of direct CO2 emissions from biogenic sources).

Scope 2: Indirect GHG emissions associated with the consumption of purchased or acquired electricity, steam, heating, or cooling.

Scope 3: All other indirect emissions not covered in Scope 2, such as emissions resulting from the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity (e.g., employee commuting and business travel), outsourced activities, waste disposal, etc.

(as defined by the Climate Registry in Local Government Operations Protocol)

Vancouver, B.C. Corporate Carbon Policy (background)

Discussion/Proposed Work

Although the social, environmental, and economic impacts of climate change are well-established, they are often under-represented in decision-making processes. Setting a corporate carbon price is one approach that organizations can use to better account for those costs. Integrating a carbon price into decision making processes provides a consistent shift towards lower carbon outcomes such as renewable energy and energy efficiency.

The Policy is in essence a “price on paper” used in financial analyses to compare different options. In the initial phase of implementation, those different options could be an internal combustion vehicle versus an electric vehicle, or fossil natural gas versus renewable natural gas. In future phases of implementation, options could also include a standard level of energy efficiency versus an elevated level of energy efficiency in updates to the Vancouver Building Bylaw, noting that significant analysis and consultation will be required prior to implementing external or city-wide policy.

A corporate carbon price is not the same as a carbon tax, which is a carbon price set by a government and applied across a jurisdiction. In those cases, the carbon tax is paid by residents, businesses, and other organizations based on the carbon pollution they emit, thereby providing an incentive for them to reduce their carbon pollution.

Carbon Pollution Justification

The first phase of the Policy is expected to help the City continue to stay on track for its corporate climate targets. Combining the carbon pollution from the City’s buildings and fleet, the near and medium-term targets are 32 per cent below 2007 levels by 2020, and 59 per cent below 2007 levels by 2030.

If the Policy proves to be successful, its impact has the potential to be amplified in two ways:

1. Other governments and businesses may choose to implement similar policies, which will help them in their efforts to reduce carbon pollution. For example, City staff have been updating colleagues at other governments on the Policy’s development and are aware of interest from West Vancouver, the City of North Vancouver, Victoria, Surrey, Toronto, and Seattle along with the BC and federal treasury boards.
2. The City can choose to expand the scope of decisions covered by the Policy over time, which will create opportunities for the Policy to influence more sources of carbon pollution.

Financial Justification

The City has a long track record of making investments to reduce carbon pollution through solutions such as electric vehicles, energy efficient buildings, heat pumps, and renewable fuels. Some of those investments have helped save the City money on a life cycle basis (e.g. energy efficiency upgrades on City buildings and light duty electric vehicles), some have been cost neutral (e.g. the recently approved switch to renewable diesel for the City’s fleet and heavy duty electric vehicles), and some have carried a cost premium (e.g. heat pumps and renewable natural gas).

The net effect of existing and planned investments is that the City is on track for its corporate climate change targets through the time horizon of the next capital plan. As a result, the Policy is not expected to result in any incremental costs over that time period. Further details on financial justification can be found in Appendix A

Vancouver's Corporate Carbon Pricing Policy

PURPOSE

The purpose of Vancouver's Carbon Pricing Policy is to establish a price on *Applicable Greenhouse Gas Emissions*, and to enable the value of those greenhouse gas (GHG) emissions to be incorporated into *Life Cycle Cost Analyses* for City of Vancouver projects, initiatives, programs, bylaws or policies.

DEFINITIONS

"Applicable Greenhouse Gas Emissions" are GHG emissions associated with City of Vancouver projects or initiatives, or influenced by City of Vancouver program, bylaws or policies. GHG emissions can include those created through energy use, industrial processes, wastes, and those avoided through ecological carbon storage/sequestration.

"Carbon dioxide equivalent (CO₂e)" is the common metric used to quantify and compare different types of GHG emissions, and is expressed in tonnes over a 100-year timeframe.

"Carbon Price" is the total dollar value (including any provincial and federal carbon taxes) assigned by the City of Vancouver to one tonne of CO₂e.

"Life Cycle Cost Analysis" is the process to establish the net present value of all costs and revenues associated with outcomes that would result from a City of Vancouver project, initiative, program, bylaw or policy over its expected life.

POLICY

When undertaking options analysis for a City of Vancouver project, initiative, program, bylaw or policy included in the 'Application' section, the Carbon Price will be used to calculate the value (expressed as a cost) of Applicable GHG Emissions associated with each option. This value will be included in the Life Cycle Cost Analysis for each option alongside other relevant costs (e.g. capital, operating and energy costs). Potential revenue streams (e.g. federal or provincial grants, low carbon fuel standard credits, etc.) should also be part of the Life Cycle Cost Analysis and such opportunities should be a priority in developing business cases.

Carbon Price

In Life Cycle Cost Analyses, the City of Vancouver will use the total Carbon Price (inclusive of any applicable provincial and federal carbon taxes) corresponding with the current year in Table 1. If the BC Carbon Tax is increased, the Carbon Prices in Table 1 are not impacted because they are inclusive of provincial and federal carbon tax. The only exception to this would be if the sum of provincial and federal carbon taxes exceeded the Carbon Price in Table 1 for a given year. In this scenario, the City of Vancouver would utilize the higher price reflected in actual federal and provincial taxes.

Year	Carbon Price
2018	\$150 per tonne of CO ₂ e
2019	\$155 per tonne of CO ₂ e
2020	\$160 per tonne of CO ₂ e
2021	\$165 per tonne of CO ₂ e
2022 and beyond	Previous year's price multiplied by 1.06

Table 1: City of Vancouver Carbon Price schedule

On an annual basis, the Sustainability Group will calculate and make available the incremental cost per unit of purchased energy (e.g., litres of gasoline, GJ of natural gas), as well as the cost per unit of other Applicable GHGs.

In consultation with the Engineering and Real Estate and Facilities Management departments, the Sustainability Group and Long-Range Financial Planning will review the Carbon Price schedule every five years with the first scheduled review occurring in 2022. Any recommended changes would need to be approved by the City Manager, or Mayor and Council if the application of the Policy extends beyond City assets and operations.

Application

This policy applies to all options analyses that use Life Cycle Cost Analysis for the following City of Vancouver projects, initiatives, programs, bylaws or policies:

- Procuring vehicles and other mobile equipment, procuring fuels for City of Vancouver vehicles and other mobile equipment, and the use of telematics to improve the utilization of City of Vancouver vehicles.
- Procuring new City of Vancouver buildings, procuring upgrades to the energy efficiency of existing City of Vancouver buildings, procuring upgrades to energy using equipment at City of Vancouver buildings, procuring upgrades to equipment with process emissions at City of Vancouver buildings, and procuring energy sources for City of Vancouver buildings.
- Managing methane emissions from the Vancouver Landfill.

For the relevant City of Vancouver projects, initiatives, programs, bylaws or policies, the Carbon Price will be used to calculate the value of Applicable GHG Emissions associated with scope 1, scope 2, or scope 3. These different categories of emissions are defined as:

- Scope 1 emissions are those that are directly released from an activity (e.g. the tailpipe emissions from a gasoline or diesel vehicle).
- Scope 2 emissions are those that are directly released from the production of electricity and/or heat supplied for an activity (e.g. the emissions from generating the electricity needed to power an electric vehicle).
- Scope 3 refers to the sources of indirect GHG emissions for an activity other than those covered by scope 2 (e.g. the carbon released through the manufacture of the concrete and steel used in a building).

If scopes 1, 2 or 3 emissions for all of the options in an options analysis are unavailable or unreliable, staff will have the discretion to exclude the scopes that aren't available across all options.

In consultation with the Engineering and Real Estate and Facilities Management departments, the Sustainability Group will periodically review the projects, initiatives, programs, bylaws or policies where the Carbon Price should be applied. Any recommended changes where the direct impacts are limited to City of Vancouver assets or operations can be approved by the City Manager. Any recommended changes with broader impacts need to be approved by Mayor and Council.

Decision-making Guidance

The following decision-making guidance identifies three types of results that could emerge from the decision analysis. In all cases, the guidance would still be subject to other decision-making criteria in a given decision. For example, a low carbon options would still need to meet staff functional requirements to be selected.

1. If the lowest GHG emissions option is found to have the lowest cost with applicable provincial and federal carbon taxes included, but before the City of Vancouver portion is added to the analysis, staff should select that option because these options will save the City money and maximize GHG emissions reductions.
2. If an option is found to have the lowest cost with the full Carbon Price included in the analysis and further progress is needed to put the City on track for the relevant climate targets, staff should select the option. These options do carry a cost premium, so they would be justified as part of an effort to achieve the City's climate targets. However, if the City is on track for those targets, the premium could potentially be better invested in other priorities.
3. If a low carbon option isn't found to have the lowest cost with the full Carbon Price included in the analysis, it wouldn't typically be selected because of the relatively high cost-premium. However, the option could still be selected if there was a strong argument that: a) the option offered other significant benefits such as improvements in air quality, b) the higher cost actions would be needed to achieve the City's climate targets in a given area, or c) City leadership on a given option could help accelerate a broader market transformation.