

**REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 27, 2023**

SUBJECT **Service Planning 2024 – Climate Action Community Need Summary**

ISSUE SUMMARY

To provide strategic context and an overview of services, initiatives and performance data related to the Climate Action Community Need.

BACKGROUND

The Capital Regional District (CRD) Board approved the 2023-2026 Board Priorities on March 8, 2023. Staff then developed the 2023-2026 CRD Corporate Plan, which was approved by the CRD Board on April 12, 2023.

The CRD Corporate Plan presents the work the organization needs to deliver over the four-year term, along with the critical regional, sub-regional and local services, to meet the region's most important needs (i.e., Community Needs) and advance the Board's Vision and Priorities. Board Priorities, Corporate Plan initiatives and core service delivery form the foundation of the five-year financial plan.

The 2024 planning cycle marks the first year of the implementation of the 2023-2026 CRD Corporate Plan. The CRD's annual service plans, known as Community Need Summaries, provide an overview of the operational and strategic context, services levels, initiatives and performance data for each Community Need. They also provide details of the initiatives, associated staffing, timing and service levels required to advance the work in future years.

The Climate Action Community Need Summary is attached as Appendix A. The desired outcome is progress on adaptation, reduced greenhouse gas emissions and triple-bottom-line solutions that consider social, environmental and economic impacts.

The CRD reports on the progress of its initiatives and services on a regular basis. The Board receives updates about the Board Strategic Priorities through the Chief Administrative Officer Quarterly Progress Reports. The Board also receives an overview of progress made on delivering the Corporate Plan twice a year at the strategic check-in and provisional budget meetings, which take place in the spring and fall respectively. The next strategic check-in will take place in spring 2024. During the year, standing committees and commissions also fulfill an oversight and advisory role in relation to the work.

ALTERNATIVES

Alternative 1

The Environmental Services Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:

That Appendix A, Community Need Summary – Climate Action, be approved as presented and form the basis of the Provisional 2024-2028 Financial Plan.

Alternative 2

The Environmental Services Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:

That Appendix A, Community Need Summary – Climate Action, be approved as amended and form the basis of the Final 2024-2028 Financial Plan.

IMPLICATIONS

Governance Implications

In 2024, staff have prioritized programs and initiatives that:

- advance 2023-2026 Board Priorities or Corporate Plan initiatives
- operationalize capital investments; and/or
- are necessary to maintain a core service level following a regulatory change or where there is a safety risk to customers, communities, or staff.

The Executive Leadership Team (ELT) has reviewed and assessed all initiative business cases and confirmed alignment with the criteria. ELT has determined that the consolidated package of work is appropriate and a proportional response to the CRD Board's and communities' expectations of the organization.

Financial Implications

To exercise constraint and cost containment, the CRD Board directed staff to keep the core inflationary adjustment to 3.5% through the 2024 Service and Financial Planning Guidelines. Staff and management have taken the necessary steps to mitigate the financial impact of proposed initiatives, as well as cost escalation and high inflation rate experienced in 2022 through to 2023.

Financial and staff impacts for initiatives will be summarized and included in the provisional budget, which will be presented at the Committee of the Whole meeting scheduled for October 25, 2023. Starting this year, this will also include a five-year forecast of staffing level changes, which will be reviewed annually.

Service Delivery Implications

Appendix A includes information about existing service delivery, operational considerations and performance. Additional information has been provided below about the proposed changes for 2024/2025.

1. Proposed changes for 2024

Staff are proposing to advance three new initiatives for the Climate Action Community Need that have financial implications for 2024, as shown in Table 1. The key drivers for the initiatives are:

1. advancing a Board or Corporate Plan Priority; and
2. operationalization of capital investments.

Table 1. Climate Action Community Need Initiatives (2024)

Initiative	Implementation year(s)	Staff impacts (2024)	Incremental cost (2024)	Funding source
6a-4.1 Biodiversity Service	2024-ongoing	Existing position moved	-	Core budget
6b-3.1 Fuel Purchase System	2024	-	\$17,000	Other
6b-3.3 Fleet Overhead Recovery	2024	-	\$128,000	Other

The information in Table 1 reflects the initiative business case costs, which ELT reviewed as part of its annual assessment of initiatives. The financial impacts reflect full program costs, including cost of staffing.

6a-4.1 Biodiversity Service

The CRD Board directed staff to “explore options for a regional approach to biodiversity and the protection of ecological assets.” Increased environmental stewardship through action on biodiversity and protection of ecological assets can improve watershed and harbour health, build climate resilience and create more sustainable and livable communities.

Ecosystems that have a high degree of biodiversity with a wide variety of species are more resilient than those that have less biodiversity. The more diverse an ecosystem, the more it can withstand stressors like climate change, invasive species, disease, or other disturbances. Conserving and restoring natural spaces, both on land and in the water, is essential for limiting carbon emissions and adapting to an already changing climate.

As a start, initiative 6a-4.1 seeks to allocate an existing staff position (0.5 full-time equivalent) and budget in the Environmental Protection Division to create a new Biodiversity & Environmental Stewardship Service (Sooke to Saanich Peninsula) to coordinate invasive species management, biodiversity and ecological assets.

6b-3.1 Fuel Purchase System

The CRD currently utilizes the services of seven vendors to facilitate fuel purchasing for its fleet assets. This approach evolved over time as services grew but is no longer efficient.

Initiative 6b-3.1 seeks a core budget increase to identify and implement a software tool to improve the CRD’s fuel purchasing process. Doing so will enable the Customer & Technical Services Division to streamline cost allocation, lower the administrative burden and acquire data to facilitate better fiscal and climate action monitoring and reporting.

6b-3.3 Fleet Overhead Recovery

Since it was created in 2007, the Corporate Fleet function has grown its internal customer base from two water services with 100 fleet assets to 33 services across the region with a fleet size of 420 assets. The fleet supported has also grown more complex, as a wider variety of vehicles and mobile equipment was added. The replacement value of all current fleet assets is \$55 million.

While the scope of services provided has grown steadily, the way that the function recovers costs for services rendered has not been updated. Currently, overhead costs are only recovered from the Integrated Water Services fleet users, which only account for 45% of all customers. The shortfall has been made up using Integrated Water Services revenue.

Initiative 6b-3.3 seeks to expand the cost recovery model to all internal customers to ensure appropriate fiscal accountability and support the ongoing fleet management and electrification.

2. Planned changes in 2025

There are two initiatives planned for 2025, shown in Table 2. The CRD Board will consider approval next year.

Table 2. Forecast of Future Initiatives: Climate Action Community Need

Initiative	Implementation year(s)	Staff impacts (2025)	Incremental cost (2025)	Funding source
6b-2.1 Corporate Fleet Mechanic	2025-ongoing	1 New Ongoing	\$120,000	Fee-for-service
6b-3.1 Fleet Data Telematics	2025	-	-	

The information in Table 2 also reflects the business case costs.

6b-2.1 Corporate Fleet Mechanic

The number of vehicles and equipment that the CRD’s Corporate Fleet function (Customer & Technical Services Division) supports has grown from 100 to over 400 over the last 10 years, in alignment with the growth of operations. The addition of specialist vehicles (e.g., fire and rescue vehicles) and growing geographic area supported means the level of complexity and effort involved in maintaining the fleet has grown considerably.

Separately, the CRD is implementing a strategy to electrify 75% of its light duty fleet by 2028 and 90% by 2030. Guiding and supporting this implementation is drawing considerable effort from the function. While the function has so far been able to respond to times of high demand by drawing on contracts for services, the cost of doing so has increased by 40% in recent years for lower levels of service.

Initiative 6b-2.1 will propose the creation of one new regular ongoing Fleet Mechanic position with the Customer & Technical Services Division to address these pressures in a cost-efficient manner and improve the level of support for fleet users.

6b-3.2 Fleet Data Telematics

Initiative 6b-3.2 will propose to identify and implement fleet telematics to strengthen utilization management, reporting, fiscal accountability and climate action.

CONCLUSION

CRD staff are progressing initiatives identified in the 2023-2026 CRD Corporate Plan, including the Board Priorities. The CRD Board and commissions with delegated authorities determine resourcing through the annual review and approval of the provisional financial plan. To support decision-making, staff provide recommendations on funding, timing and service levels through the service and financial planning processes.

RECOMMENDATION

The Environmental Services Committee recommends the Committee of the Whole recommend to the Capital Regional District Board:
That Appendix A, Community Need Summary – Climate Action, be approved as presented and form the basis of the Provisional 2024-2028 Financial Plan.

Submitted by:	Nikki Elliott, MPA, Manager, Climate Action Programs
Concurrence:	Glenn Harris, Ph.D., R.P.Bio., Senior Manager, Environmental Protection
Concurrence:	Jan van Niekerk, Senior Manager, Customer & Technical Services
Concurrence:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services
Concurrence:	Alicia Fraser, P. Eng., General Manager, Integrated Water Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: Community Need Summary – Climate Action

6 Climate Action



Progress on adaptation, reduced greenhouse gas emissions and triple-bottom line solutions that consider social, environmental and economic impacts

01 Strategy

STRATEGIES & PLANS

- › [Climate Action Strategy](#)
- › [Regional Growth Strategy](#)
- › [Regional Water Supply Strategic Plan](#)
- › [Regional Parks Strategic Plan 2022-2032](#)
- › [Special Task Force on First Nations Relations](#)
- › [Statement of Reconciliation](#)
- › [Solid Waste Management Plan](#)

CORPORATE PLAN GOALS

- 6a Sustainable & resilient land use, planning and preparedness
- 6b Low carbon mobility
- 6c Low carbon & resilient buildings & infrastructure
- 6d Community-based greenhouse gas emissions

02 Contacts

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03 Operating Context

ACHIEVEMENTS IN 2023

1. Publication of [2022 Climate Action Progress Report](#).
2. Continued execution of the Home Energy Navigator Program and Regional Electric Vehicle Infrastructure program.
3. Continued implementation of corporate Green Fleet Policy, and new execution of corporate Green Building Policy and Carbon Price Policy.

FACTORS THAT WILL AFFECT OUR OPERATIONS IN 2024 AND BEYOND

- Climate is changing, which will result in various regional impacts to human health, water supply and demand, rainwater and coastal storm management, transportation networks, ecosystems and species, buildings, infrastructure and energy systems, tourism and recreation, and food and agriculture
- Climate action is a shared responsibility and the regional government has a limited role focused on data collection and research, education and outreach, policy facilitation, regional program delivery, and managing emissions and adaptation within its own service delivery.
- The Board declared a Climate Emergency in February 2019 and approved a renewed Climate Action Strategy in late 2021. This aligns corporate and regional actions with senior levels of government and local government coordination to meet climate action targets through 2025.
- CRD Climate Action service levels were increased in 2022 through 2025 to focus on key areas (electric vehicle infrastructure, residential retrofit program), along with corporate energy management. It is anticipated that service levels will need to continue at similar or increased levels, 2025 onwards.
- There was a 7.7% reduction in the overall regional greenhouse gas emissions (GHG) reductions between 2007 and 2022 (equivalent to 26% reduction per capita), and 1% increase between 2020 and 2022 partly due to COVID-19 recovery. Population growth and concurrent economic growth will continue to add emissions as the region transitions to a reduced dependence on fossil fuels.
- There was a 6% decrease in corporate GHG emissions between 2007 and 2022. With increases in service levels and associated infrastructure, the CRD will need to sustain efforts and investment in GHG reduction initiatives to achieve future targets. Various policies and processes are being adopted to embed a climate lens in corporate decision making which target low carbon building systems and capital expenditures to ensure a sustained effort.

OPERATIONAL STATISTICS OF CLIMATE ACTION SERVICE

- Over 2022 – 2023, accessed or applied to external funding for 19 distinct corporate or regional climate projects/programs:
 - 6 complete (approximate \$450k grant value)
 - 10 in progress (approximate \$1.1m value, including \$142k redistributed to municipal partners)

- 3 in application process (approximate \$7.7m value, including \$5.7m to be redistributed to municipal/community partners)
- Annually administered four climate action Inter-municipal Working Group meetings and four Inter-Municipal Task Force meetings, produced monthly local government climate action e-newsletters and actively participated in five distinct provincial local government peer networks.

04 Services

The services listed below rely on the support of several corporate and support divisions to operate effectively on a daily basis. More information about these services is available in the Corporate Services and Government Relations Community Need Summaries.

SERVICE BUDGET REFERENCES¹

- › 1.309 Climate Action & Adaptation
- › 1.012 Other Legislative & General - Climate

1. COMMUNITY CLIMATE ACTION

Description

To support and align regional climate action efforts with local governments related to strategies, policies and programs, and liaising and coordinating information and efforts with senior levels of government.

What you can expect from us

- ▶ Provide support to local governments in developing and implementing climate action plans and policies and execute regional programs.
- ▶ Catalyze action through partnerships with public and private sectors, non-governmental organizations and community organizations and increase public awareness of climate change issues.
- ▶ Liaise with senior levels of government on climate change-related programs, policies and legislation that impact the capital region.
- ▶ Provide scientific information, data and indicators related to local and regional GHG emissions and projected climate impacts.
- ▶ Support the CRD in fulfilling its corporate climate objectives and support execution of climate-related Board priorities.

Staffing Complement

Climate Action Program: **5 FTE (including 1 term and 1 manager)**

2. CORPORATE CLIMATE ACTION

Description

CRD services will embed climate action within their own service delivery, with support from Climate Action program staff. The program will support the organization with its corporate climate goals/commitments, develop and monitor corporate policies related to climate action, undertake annual reporting, support corporate building and fleet emission reduction and climate preparedness initiatives.

¹ Service budget(s) listed may fund other services

What you can expect from us

- ▶ Develop and monitor corporate climate action activities, policies and strategies.
- ▶ Facilitate internal coordination, knowledge sharing, capacity building and project identification and execution.
- ▶ Pursue grants and support services in implementing corporate projects.
- ▶ Complete annual reporting.

Staffing Complement

Climate Action Program: **1 FTE**

05 Initiatives

Below are the initiatives listed in the [Capital Regional District 2023-2026 Corporate Plan](#) and the related initiative business cases (IBCs), including financial and staffing impacts, proposed for 2024. The financial impacts reflect full program costs, including cost of staffing.

Initiative	Implementation year(s)	Impacts in 2024	
6a-1 Promote community capacity building on climate action	Ongoing		
6a-2 Update the climate projections for the capital region to support decision making and to help community partners understand how their work may be affected by our changing climate	2023-2024		
6a-3 Generate analysis to understand vulnerability and exposure to extreme heat now and into the future	2023-2024		
6a-4 Explore options for a regional approach to biodiversity and the protection of ecological assets	2024-2026		
▶ NEW IBC 6a-4.1 Biodiversity Service	2024-ongoing	-	Existing position moved
6b-1 Implement the Capital Region Electric Vehicle Infrastructure Roadmap to support shift to low-carbon transportation options	Ongoing		
6b-2 Advance the electrification of the CRD vehicle fleet	2023-2030		
▶ FUTURE IBC 6b-2.1 Corporate Fleet Mechanic	Planned for 2025	\$120K fee-for-service	1 New Ongoing
6b-3 Enhance on-board and CRD fleet management technology to support utilization management, reporting, fiscal accountability and climate action	2024		
▶ NEW IBC 6b-3.1 Fuel Purchase System	2024	\$17K other	-
▶ FUTURE IBC 6b-3.1 Fleet Data Telematics	Planned for 2025	-	-
▶ NEW IBC 6b-3.3 Fleet Overhead Recovery	2024	\$128K other	-

Initiative	Implementation year(s)	Impacts in 2024
6c-1 Collaborative policies, programs and data collection initiatives to achieve energy efficient and low carbon buildings across the region	Ongoing	
6c-2 Implement the CRD Corporate Green Building Policy and CRD Corporate Carbon Price Policy	Ongoing	
6c-3 Expand the Home Energy Navigator program	Ongoing	
6d-1 Update the regional greenhouse gas inventories biannually to monitor progress on emissions reduction targets	2023 & 2025	



06 Performance

GOAL 6A: SUSTAINABLE & RESILIENT LAND USE, PLANNING AND PREPAREDNESS

Targets & Benchmarks

Tracking regional resiliency is challenging due to data availability and the various roles and responsibilities of governments and agencies within the region. Additionally, the regulatory framework will be changing with the modernization of the provincial *Emergency Programs Act*.

Staff will work with partners to consider opportunities for developing regional targets, benchmarks and related monitoring programs in the future.

Measuring Progress

Ref	Performance Measure(s)	Type	2022 Actual	2023 Forecast	2024 Target	Desired trend
N/A		-	-	-	-	-

Discussion

N/A

GOAL 6B: LOW CARBON MOBILITY

Targets & Benchmarks

- Transportation mode shift targets: the Regional Transportation Plan established a mode share target of 42% for active transportation and transit combined for the region by 2038, based on 15% walking, 15% cycling and 12% transit. The Victoria Regional Transit Commission increased the transit mode share target to 15% in 2020, increasing the regional target to 45%.
- New public electric vehicle (EV) charging infrastructure target: 770 public Level 2 EV charger ports and 132 Direct Current Fast Charging (DCFC) ports by 2030
- Regional EV registrations: provided for context, no explicit target in place.

Measuring Progress

Ref	Performance Measure(s)	Type	2022 Actual	2023 Forecast	2024 Target	Desired trend
1	Total trips made by walking, cycling and transit in the Growth Management Planning Area ¹	Quantity	26.6%	TBC	N/A	↗
2	New public EV charging infrastructure installed across the region: Level 2 ports/ DCFC ports ²	Quantity	296 / 35	400 / 37	500 /45	↗
3	Regional EV registrations ³	Quantity	2.5%	3%	7%	↗

¹ Indicator details are available in the [Regional Growth Strategy indicator report](#); data is collected every five years through the CRD Origin and Destination Household Survey, last update completed in 2017

² Data from the [Electric Charging and Alternative Fuelling Stations Locator \(canada.ca\)](#)

³ EVs as a percentage of all vehicles registered with ICBC in the capital region; data collected and provided by ICBC.

Discussion

- Metric 1: Targets included in Regional Transportation Plan.
- Metric 2: Target from Capital Region EV Infrastructure Roadmap (2021). Forecast assumes implementation of the CRD EV Infrastructure Regional network, Saanich and Victoria EV network.

GOAL 6C: LOW CARBON & RESILIENT BUILDINGS & INFRASTRUCTURE

Targets & Benchmarks

- Natural gas consumption: provided for context, no explicit target in place.
- Natural gas connections: provided for context, no explicit target in place.
- Fossil fuel heated homes sold in the region: provided for context, no explicit target in place.
- Home Energy Navigator participation: provided for context, no explicit target in place.
- Home Energy Navigator supported retrofits: the business case for the Navigator program targeted 1,000 per year of operation.

Measuring Progress

Ref	Performance Measure(s)	Type	2022 Actual	2023 Forecast	2024 Target	Desired trend
1	Regional natural gas reported consumption ¹	Quantity	7.4 PJ	7.8 PJ	7.4 PJ	↘
2	Regional Fortis BC gas connections ²	Quantity	60,260	61,000	60,000	↘
3	Fossil fuel heated homes sold in the capital region ³	Quantity	31.1%	30.5%	30%	↘
4	Home Energy Navigator participation ⁴	Quantity	164	600	1,500	↗
5	Home Energy Navigator low carbon retrofits ⁵	Quantity	0	400	1,000	↗

¹ Total natural gas consumed annually in the capital region; data collected and provided by the Province of BC.

² All gas connections active in the capital region in any given year; data collected and provided by the Province of BC.

³ Oil, propane and natural gas heated homes in the capital region; data provided by the Victoria Real Estate Board.

⁴ Annual total Home Energy Navigators participants; data collected and provided by City Green Solutions and CRD Climate Action Program.

⁵ Annual retrofit projects supported by the Home Energy Navigator; data collected and provided by City Green Solutions and CRD Climate Action Program.

Discussion

- Metric 5: the CRD launched the regional Home Energy Navigator Program in November 2022. Participation includes anyone who accessed the program for support during the term.
- Metric 6: Low carbon retrofits/conversion is a lagging indicator.

GOAL 6D: COMMUNITY-BASED GREENHOUSE GAS EMISSIONS

Targets & Benchmarks

The metrics included provide community and corporate Greenhouse Gas (GHG) reduction results.

- The CRD Board set a target to decrease community GHG emissions by 33% from 2007 levels by 2020, and 61% by 2038.
- The CRD has a target to decrease corporate GHG emissions by 45% from 2007 levels by 2030, and net-zero by 2050.

Measuring Progress

Ref	Performance Measure(s)	Type	2022 Actual	2023 Forecast	2024 Target	Desired trend
1	Community GHG emissions	Quantity	1.85m	N/A	N/A	↘
2	Corporate GHG emissions	Quantity	2,845	2,720	2,500	↘

¹ Tonnes of CO2 emissions generated by community activities; data from Regional GHG Inventory Study (Stantec, 2023)

² Tonnes of CO2 emissions generated by CRD operations; data from CRD 2022 Climate Action Progress Report

Discussion

- Metric 1: Includes emissions sources such as stationary energy, transportation, waste, industrial process and product use, agriculture, forestry and other land use. Inventories completed every two years.
- Metric 2: Does not include waste processing emissions from Hartland Landfill nor Capital Region Housing Corporation. The 2023 drop in emissions is expected thanks to the Green Fleet policy which enabled the purchase of EVs when they have demonstrated a lower total cost of ownership.

07 Business Model

PARTICIPANTS	All municipalities and electoral areas
FUNDING SOURCES	Requisitions and grants
GOVERNANCE	<u>Environmental Services Committee</u>