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Subject: Climate Action Revenue Incentive Program

Dear Mayor and Council,

Earlier today, we were advised by the Deputy Minister of Municipal Affairs that the provincial government has made the decision to wind up the Climate Action Revenue Incentive Program (CARIP). Each year the City pays about \$1.2 million in carbon taxes for heat/hot water in our buildings and for fuel for our fleet. Because the City of Vancouver has committed to BC's Climate Action Charter and has a viable climate action plan, that carbon tax expenditure is granted back to Vancouver via CARIP. Based on today's announcement, 2020 will be the last year we receive this grant and it will be paid out later this year.

CARIP has been the main source of project funding for our Sustainability team since it was introduced in 2010 and staff are currently evaluating the implications of this change. Provincial staff indicated that they will be following up with more details regarding a replacement program and committed to engage with UBCM and local governments regarding that program. Staff also pointed to an allocation of \$11M in the recent BC budget to support local governments in planning for climate change, although there is no definition at this point as how those funds will be spent.

Considering that the climate work of cities is critical to the province meeting its climate targets we, and other local governments on the call, were surprised by this announcement. Staff will continue working with the province to seek a replacement program and are also taking steps to determine the implications of this decision for us.

If you have any questions at this point, please let me know.

Paul

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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməŋəm (Musqueam), lóóvú 7mesh (Squamish), and səlilwətał (Tsleil-Waututh) Nations.