

2018 Federal Budget Consultation Submission

Prepared for
The House of Commons
Standing Committee on Finance

The Low Carbon Partnership

August 4, 2017



Quality Urban Energy
Systems of Tomorrow

Introduction

The low carbon transition presents a pivotal opportunity to shape a competitive and sustainable future for Canada; we applaud the federal government's leadership on environmental issues to date.

Key to the government's success on climate change will be implementation on the ground. Canadian businesses and communities are not yet fully equipped to meet the challenges and opportunities presented by this transition. In particular, lack of alignment, and the absence of coordination and collaboration amongst existing efforts present a challenge to actors that don't have the capacity to proceed in isolation.

This implementation gap has given rise to the Low Carbon Partnership (TLCP)'s efforts. Our membership is comprised of proven, on-the-ground, solution-oriented organizations, working with Canadian businesses and communities to accelerate the transition to an innovative, low carbon economy.

Investing in the Low Carbon Partnership through Budget 2018

With existing programs already successfully engaging businesses and communities across the country, TLCP is well positioned to help the Government of Canada reach its climate change commitments, create jobs, grow the clean economy, and build support for policy change.

Earlier this year, TLCP was pleased to review the details of the \$2 billion Low Carbon Economy Fund, and in particular, the Challenge Fund. By including non-profits, municipalities and Indigenous governments and organizations as eligible funding recipients under the Challenge Fund, the Government is demonstrating its commitment to work across sectors and build innovative coalitions.

The Low Carbon Partnership fully intends to submit an application once the application process is formally launched. With an investment of \$30 million - matched by an additional \$30 million from other governments, and earned and philanthropic revenues, TLCP would deliver the following as part of helping the Government meet its existing emissions reduction targets:

- Engage more than 4,000 businesses in over 300 communities to deliver a total \$150 million in cost savings
- Reduce GHG emissions by 500K tonnes, rising to 1.3M tonnes reduced by 2025
- Foster innovative business practices that accelerate the transition to a low carbon economy
- Develop and scale availability of business-level tools & training in support of GHG measurement, management, and planning

- Develop and scale availability of community-based resources to improve local/regional planning and synergies
- Create a national expansion of working groups, forums, and labs aimed at driving synergies and innovations across systems, sectors and industries.

For more detailed information regarding TLCP’s methodologies, please see the Appendix below. TLCP would be pleased to speak as a witness during the pre-budget hearings, to more fully describe our vision for contributing to Canada’s low-carbon future, and where federal investments could be critically important.

Conclusion

Canada is ready to realize the benefits of a low-carbon economy, and it is going to take both top-down and on the ground approaches in order for goals to be met. Our partnership offers a unique opportunity to quickly scale-up existing networks, engage businesses and communities across the country and, in doing so, innovate new energy solutions and achieve measurable GHG reductions. With financial support from the federal government, our Partnership can play a key role in Canada’s transition to a prosperous, competitive, low-carbon economy.

Kindly,

Brent Gilmour
Executive
Director
QUEST

Elizabeth Sheehan
President
Climate Smart
Business

**Mike
Morrice**
Executive
Director
Sustainability
CoLab

**David
Hughes**
President & CEO
The Natural Step
Canada

Appendix: Background on the Low Carbon Partnership

TLCP is a strategic collaboration between QUEST - Quality Urban Energy Systems of Tomorrow, The Natural Step Canada, Climate Smart Businesses and Sustainability CoLab, and is well positioned to quickly and effectively mobilize thousands of business leaders, as well as hundreds of communities and businesses worth an estimated \$100+ billion in revenue.

Our partnership offers a unique opportunity to quickly scale-up existing networks, which innovate new energy solutions and achieve immense greenhouse gas (GHG) reductions, augmenting Canada's overall productivity.

TLCP appreciates the opportunity to contribute to the Standing Committee on Finance's consideration of investments to further enhance Canada's economic growth. We are eager to support the Government of Canada in its goal to reduce Canada's GHG emissions by 30% by 2030. By actively working together, we will reach more businesses, communities and decision-makers, and make meaningful progress on building a productive and competitive economy.

Helping Canadian Citizens and Businesses Improve Productivity

TLCP's four partners are active across Canada in addressing climate change solutions from innovation to implementation:

Sustainability CoLab: Building the low-carbon economy in cities across Ontario by supporting community organizations to launch and grow programs that connect local networks of businesses setting and achieving climate targets.

Climate Smart: Works with government, transportation hubs & corporate host-partners to train small and medium sized businesses to reduce their carbon footprint while cutting costs. This includes developing interactive web-based Business Energy & Emissions Profiles (BEEPs) that help communities map out and identify industry sectors with the greatest potential for GHG reductions.

Quality Urban Energy Systems of Tomorrow – QUEST: With a national grassroots network of local government, utilities, building and landowners, and clean tech companies, QUEST is the leader in the development of Smart Energy Communities. Smart Energy Communities reduce GHG emissions, lower energy use, drive the adoption of clean technologies and foster local economic development.

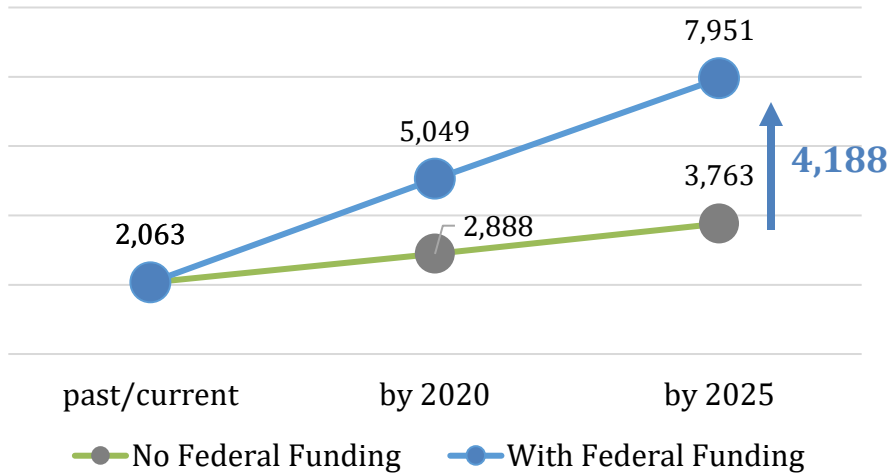
The Natural Step Canada: Blends best-in-class multi-stakeholder collaboration with a 25-year tested, science-based framework for sustainability that enables individuals and organizations to better understand what it means to be truly sustainable and to use this knowledge to drive cross-sector innovation and business development through its Sustainability Transition Labs.

Our work targets the hardest to reach segment of the Canadian economy: small and medium sized enterprises (SMEs). Of 1.7 million private sector employers in Canada, most (86%) are under 20 people, and do not have the capacity to easily benefit from large scale programs. In a national survey of Canadian executives, 86 percent cited energy costs as a high or moderately high concern to their business. The highest rates of concern were expressed by SMEs.

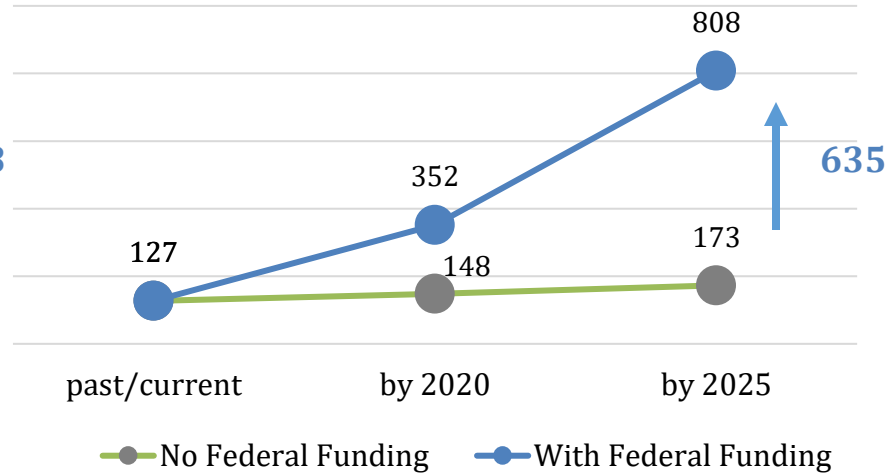
TLCP's efforts are directed where innovation is happening the fastest, and where benefits are needed and felt the most - at the local level. Specifically, our work will help ensure emerging innovations are applied and used by SMEs to address their greatest concern when it comes to energy costs and use. Our work addresses the most common barriers that require an on the ground presence to steward efforts and we can deliver that critical support from coast to coast.

The Low Carbon Partnership Metrics Summary

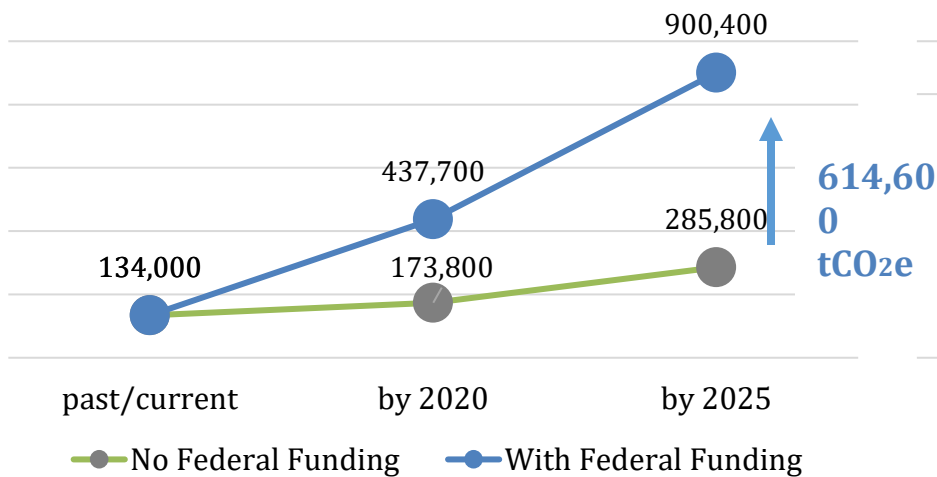
Number of businesses served



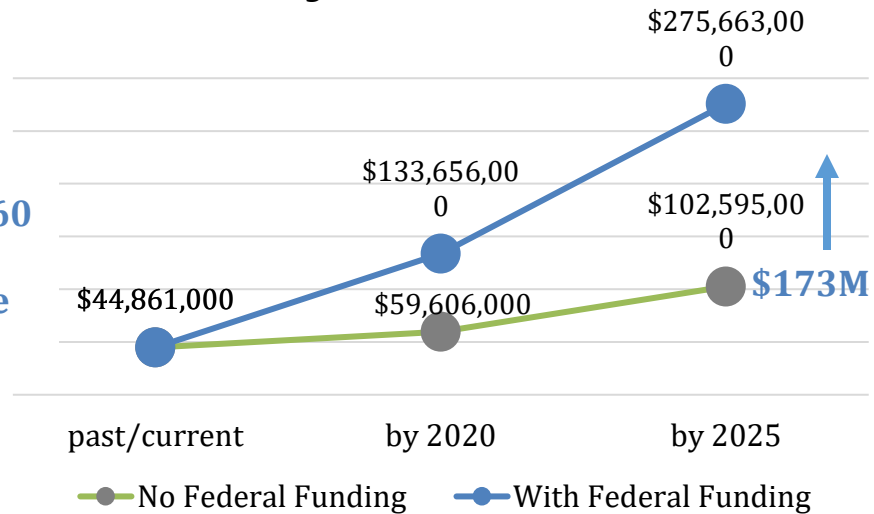
Number of communities served



Reductions achieved (tCO2e, annual)



Cost savings for businesses (\$, annual)



Metrics Methodology Summary

*Note that the totals in the Metrics Summary have been rounded

Definitions

- Total Communities:** Number of communities in which TLCP members engage a business and/or a municipality with tools or services that support them in achieving GHG reductions
- Total Businesses:** Businesses that are getting tools and services from one or more members of our group, or regularly participating in our programs, but not including conference attendees
- GHG Reductions:** GHG reductions achieved through programs supported by this investment
- Cost Savings:** Business cost savings achieved (annual)

Methodology Summary

Climate Smart Business Emissions reductions are projected using the average business footprint of 1,200 tonnes and a reduction of 11%. 11% is the average reduction achieved by Climate Smart businesses to date. Average business footprint of 1,200 tonnes of CO₂e is also based on Climate Smart's average to date. Cost savings are calculated using average savings per tonne of CO₂e reduced (see Climate Smart's Beyond Big report for more details on the cost savings methodology).

Sustainability CoLab Emissions reductions are estimated assuming that 10 new communities will make 45,000 tonnes of GHG reduction commitments each within 7 years of launching a program. Reductions are calculated by taking 35% of the total GHG reduction commitments made, and reducing that further by 50% to account for other overlapping factors/programs that may have led to those reductions (like coal phase out, or utility programs). These assumptions are based on actual data from the pilot program in Waterloo Region. An additional 15,000 tonnes of reductions are estimated based on the types of projects the accelerator fund for businesses could encourage.

QUEST Emissions reductions are calculated using the average reduction of 0.5% per year achieved in communities in Ontario with community energy plans. Communities without an energy plan had an average increase in emissions of 0.13%. The difference between these two scenarios was used to calculate the reductions. It was assumed that 2 small (population <20k) and 8 medium

(population 20-100k) communities will adopt energy plans.

The Natural Step

Given the nature of The Natural Step's "Sustainability Transition Labs" it is difficult to calculate or model GHG emission reductions across all of our partner organizations. In order to ensure conservative GHG calculations no value is being provided for The Natural Step. That said, several business clients and partners attribute significant GHG emission reductions to the work they have done with the organization over the years. Case studies and references in this regard can be made available upon request.

The Low Carbon Partnership Return on Investment



