

# Climate Action Revenue Incentive Program (CARIP)

## Program Guide for 2017 Claims



**January, 2018**



Ministry of  
Municipal Affairs  
and Housing

## Climate Action Revenue Incentive Program (CARIP)

Climate action is a provincial priority and local governments are key partners in helping to reduce greenhouse gas emissions and increase climate resilience through their role in creating more complete, compact, energy efficient communities.

The CARIP is a conditional grant program that provides funding to local government BC Climate Action Charter (Charter) signatories equivalent to one hundred percent of the carbon taxes that they pay directly. This funding supports local governments in their efforts to reduce greenhouse gas emissions, address climate impacts, and move forward on achieving their Charter goals.

### Eligibility Requirements

To be eligible for the conditional grant, local governments must:

- Have signed the Charter on or before December 31, 2017, committing them to take action to achieve the following three goals:
  - being carbon neutral in their corporate operations;
  - measuring and reporting on their community GHG emissions profile; and
  - creating complete, compact, energy efficient rural and urban communities;
- Fulfill the CARIP reporting requirements by June 1, 2018, as noted below.

### Amount of Grant

Under the CARIP, each eligible local government will receive a grant equal to one hundred percent of the carbon tax paid as a direct expenditure.

### CARIP Reporting Requirements – Due June 1, 2018

This section provides a summary of the CARIP reporting requirements. More information on the requirements is contained in the corresponding sections of the Program Guidelines.

1. **[2017 Carbon Tax Calculation Form](#)**  
Complete and submit a signed electronic version of the form, which requires Financial Officer certification, via email to the Province at [infra@gov.bc.ca](mailto:infra@gov.bc.ca).
2. ***2017 CARIP Climate Action/Carbon Neutral Progress Survey***  
Complete online and submit to the Province the *2017 CARIP Climate Action/Carbon Neutral Progress Survey*. A link to the survey will be sent directly, via email, to each local government Financial Officer.
3. ***2017 Public Report***  
Create and make public a report containing the information submitted in the online survey. Local governments are encouraged to generate a report for public reporting by filling out the [Survey Template](#) or creating a report in another format that contains the information submitted in the *2017 CARIP Climate Action/Carbon Neutral Progress Survey*. They may also post the PDF version of survey results generated by SurveyMonkey® which will be sent by Ministry of Municipal Affairs and Housing staff once the completed survey has been submitted online.
4. **[2017 CARIP Public Report Attestation Form](#)**  
Complete and submit a scanned copy of the form, signed by the Financial Officer, via email to the Province at [infra@gov.bc.ca](mailto:infra@gov.bc.ca).

## PROGRAM GUIDELINES

### 1. Completing the Carbon Tax Calculation Form

The [Carbon Tax Calculation Form](#) is in Excel format and is designed to calculate the value of the carbon tax paid in 2017. The form lists the various fuels that are taxed, along with the 2017 tax rate for each of these fuels. The fuels most commonly used by local governments are listed at the top of the form.

Open the document in Excel and fill in the quantity for each of the fuels purchased in the specified time frames. The spreadsheet will automatically apply the applicable rate to that quantity of fuel and calculate the tax paid.

The data provided should be for carbon tax paid *directly* by your local government from January 1, 2017 to December 31, 2017. For details of eligible and ineligible costs, please see below. The most likely source of data will be from your billings from fuel suppliers, which should list the quantities purchased.

#### Eligible and Ineligible Costs

##### ***Direct Costs Only***

The CARIP grant is intended to offset the carbon tax paid directly by B.C. local governments for fossil fuels purchased and combusted for their own use in delivering local government services. The CARIP grant will not be paid in relation to:

- Fuels purchased by non-local government entities;
- Fuels that are exempt under the Carbon Tax Act for which the local governments would not have paid the carbon tax; or
- Fuels purchased directly by a local government, but where the cost of the carbon tax has been recovered through resale of the fuel, through a lease arrangement or by any other means, unless that resale is to an eligible local government.

##### ***Fuel purchases by non-local government entities***

The CARIP grant will be paid in relation to fuels purchased directly by eligible local governments. Fuels purchased by non-local government entities are therefore not eligible. Consequently, fuels purchased by a subsidiary corporation of a local government and fuels purchased by a non-local government entity under a contractual agreement with the local government will not be reimbursed and should not be included in your calculation, even if the local government may pay indirectly for this fuel through a contract for goods or services.

##### ***Exempt Fuels***

Certain purchases of fuel are exempt from carbon tax and therefore you would not be entitled to receive a grant in relation to these purchases. Consequently, you would record only the fuel purchased directly by the local government for its own use in delivering local services on which carbon tax was paid. Information on carbon tax exemptions is available online at:

<https://www2.gov.bc.ca/gov/content/taxes/sales-taxes/motor-fuel-carbon-tax/business/exemptions>

In addition, there may be some petroleum/coal products that have been purchased on which carbon tax has not been paid because they are not combusted, and are instead used as a raw material in an industrial process to manufacture another substance. For example, if a local government makes its own asphalt, the fuel combusted in the process is taxable, but the petroleum/coal product used as an

ingredient in making the asphalt was not taxed, therefore the local government would not be entitled to receive a grant in relation to these non-combusted products. Consequently, only the fuel that is combusted would be recorded, and not the petroleum/coal products that were used as raw material for the asphalt.

For more information on exempt fuels, local governments can contact the Ministry of Finance by telephone at 1-877-388-4440 (toll free within Canada) or by email at [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca).

### ***Resale of Fuel and/or Recovery of Carbon tax***

Local governments are only entitled to receive the CARIP grant in relation to fuel purchased directly by the local government for its own use. Costs recovered by resale or otherwise cannot be claimed. For example, heating costs of a building that is owned by the local government but recovered through a lease arrangement with a private sector entity are not eligible for a grant in relation to that fuel.

If a local government purchases fuel and pays tax on it, but then resells a portion of the fuel to another party, the local government would only be entitled to receive the CARIP grant in relation to the portion it used.

The one exception to this general rule is in relation to recoveries from another eligible local government. Where an eligible B.C. local government has a contractual/operating agreement with another eligible local government (i.e. both have signed the Charter), the local government that pays the tax directly can apply for reimbursement through the CARIP. For example, if a Regional District (RD) pays the tax and then bills the service participants, it would be up to the RD to net out the carbon tax from the billing to the participants. As long as the RD does not charge service participants for the carbon tax costs, and as long as records demonstrating this are kept (including the names of the service participants), the RD could apply for the CARIP grant for the carbon tax it has paid directly.

### ***Good Points to Remember***

- **Calculating Bio-Diesel.** Most biodiesel products are blends of biodiesel and conventional hydrocarbon-based diesel. Therefore, the taxes must be prorated by the portions of biodiesel and diesel fuel in your calculation. For example, if you purchase 10,000 litres of B10 biodiesel fuel which consists of 1,000 litres of pure biodiesel (i.e., 10%) and 9,000 litres of taxable diesel, include the taxable diesel on the diesel line in the Carbon Tax Calculation form (i.e., 9,000 litres) and the bio-diesel portion (1,000 litres) of the blend on the bio-diesel line.
- **Employee Travel.** If B.C. local governments have a policy in place to calculate carbon tax incurred through employee travel, this policy may be used as long as the policy and fuel receipts are available for reference in case of audit. If no policy is in place, a sample policy that could be adopted is outlined below.

The National Joint Council of the Public Service of Canada establishes and periodically updates reimbursement rates for business use of personal vehicles.

<http://www.njc-cnm.gc.ca/s3/d117/en>

If you choose to adopt this policy (or any other policy), you must document it and keep a copy of this document with your records in case you are asked for supporting information in the event of an audit.

An [employee travel calculation form](#) has been developed to assist with the breakdown of tax paid.

- **Common Area Costs.** If local governments pay carbon tax on common areas as part of a lease agreement, arrangements should be made with the lesser of the space to determine the breakdown of the carbon tax paid. If such an arrangement cannot be made, the local government can calculate the carbon tax paid based on a reasonable formula as long as that formula is attested to by the Financial Officer and can be produced in case of audit.
- **Billing Cycle Issues at the End of the Year.** If B.C. local governments have not received a bill in time to include it in the CARIP application, the amount can be accrued and claimed the following year. Some local governments may choose to apply for CARIP on a December to November basis in order to avoid this issue. Please note that choosing to do so does *not* result in a change to the application/reporting deadlines.

### **Certification and Auditing**

The [Carbon Tax Calculation Form](#) must be certified by local government Financial Officers as outlined on the form. The Province reserves the right to audit the information provided by local governments for the CARIP grant.

For further information or questions about completing the Carbon Tax Calculation form please call (778) 698-3243 or email [infra@gov.bc.ca](mailto:infra@gov.bc.ca).

## **2. Completing the 2017 CARIP Climate Action/Carbon Neutral Progress Survey**

### **Using the CARIP Survey Software**

The *CARIP Climate Action/Carbon Neutral Progress Survey* uses SurveyMonkey® software. Please note:

- Local government Financial Officers will receive an email directly from SurveyMonkey® with a link to the CARIP survey.
- It is recommended that local governments use the [Survey Template](#), or their own template, as a tool to gather and record responses to the survey questions before inputting them into the survey instrument. You may choose to use the survey template format for your public report.
- Given that there is no ability for survey respondents to generate a report of survey responses within the SurveyMonkey software, a PDF copy of your survey responses will be sent to you by Ministry of Municipal Affairs and Housing staff, once your completed survey has been submitted.

### **Completing the CARIP Survey**

Instructions for completing the *2017 CARIP Climate Action/Carbon Neutral Progress Survey* can be found [here](#). The survey is divided into two Parts.

#### ***Part 1: Reporting on Climate Actions (Corporate and Community-Wide)***

In this section of the CARIP survey, local governments are to report on the actions they have taken in 2017 and the actions they intend to take in 2018 both corporately and community-wide.

This part of the survey is divided into sectors (i.e. Broad Planning, Buildings and Lighting, Energy Generation, Greenspace/Natural Resource Protection, Solid Waste, Transportation, Water and

Wastewater, Climate Change Adaptation, Other Climate Actions and Innovation and Peer to Peer Learning). It includes both open-ended questions related to actions taken and specific required questions.

### **Part 2: Reporting on Progress Toward Carbon Neutrality**

The joint Provincial-UBCM Green Communities Committee (GCC) has developed the Carbon Neutral Framework in order to support BC Climate Action Charter signatories in meeting their Charter commitment to be carbon neutral in their corporate operations. Under the CN Framework, local governments are required to reduce, measure, balance or offset and report on their yearly corporate emissions. More information on the GCC CN Framework is available in the following documents:

- [The Workbook – Helping Local Governments Understand How to be Carbon Neutral in their Corporate Operations](#)
- [Becoming Carbon Neutral – A Guidebook for Local Governments in British Columbia](#)
- [Becoming Carbon Neutral – Guidance on Including Contracted Emissions in Local Government Corporate Inventories](#)

In this section of the survey, local governments who decide to measure the greenhouse gas emissions from their corporate operations are asked to report on the following:

**A** – Corporate GHG Emissions

**B** – Reductions from Option 1 Projects such as:

- Energy Efficient Retrofits
- Solar Thermal
- Household Organic Waste Composting
- Low Emission Vehicles
- Avoided Forest Conversion

**C** – Reductions from Option 2 Projects

**D** – Offsets purchased

**E** – Emissions reductions eligible for carry over to next year.

### **Purchasing Offsets**

Local governments that intend to purchase offsets to be carbon neutral for 2017 must do so prior to making their *2017 CARIP Climate Action/Carbon Neutral Progress Survey* report public and no later than June 1, 2018. The *2017 CARIP Climate Action/Carbon Neutral Progress Survey* provides space to identify your local government's offset provider(s).

For further information or questions about completing the *2017 CARIP Climate Action/Carbon Neutral Progress Survey* please contact [irpd@gov.bc.ca](mailto:irpd@gov.bc.ca)

## **3. CARIP Public Reporting**

### **Generating a Report**

As part of the CARIP eligibility requirements, local governments must report publicly on their plan and progress toward meeting their climate action goals, including progress toward carbon neutrality.

While there is no ability for survey respondents to generate a public report of their survey responses within the SurveyMonkey software itself, local governments have the following options to generate a report for public reporting purposes:

- Create a report based on the populated [Survey Template](#).
- Create a report in another format that contains the information submitted in the *2017 CARIP Climate Action/Carbon Neutral Progress Survey*.
- Use the PDF version of survey results generated by SurveyMonkey and sent to you by Ministry of Municipal Affairs and Housing staff once your completed survey has been submitted online.

Due to the diversity of B.C. local governments, it is recognized that the type and number of actions reported in the CARIP survey will vary between communities, and may vary from year to year for individual communities.

The information collected on the climate change initiatives being undertaken by B.C. local governments will enable sharing of best practices and highlighting of local government progress on carbon neutrality and other climate actions. Local governments are requested, if feasible, to make the report available on their website to support openness, transparency and sharing of best practices.

#### **4. Public Report Attestation Form**

Once the report is made public, local governments are required to complete the [2017 CARIP Public Report Attestation Form](#), which attests that the information included in the survey has been made public. The form needs to be signed by the local government Financial Officer, scanned and sent via email to [infra@gov.bc.ca](mailto:infra@gov.bc.ca).

**Please Note:** Local governments that *do not* complete, submit, and make public their *2017 CARIP Climate Action/Carbon Neutral Progress Survey* report by June 1, 2018:

- **May not** be eligible for next year's CARIP grant;
- **Will not** be eligible for certain elements of the GCC's Climate Action Recognition Program; and,
- **Will not** be included in the annual CARIP Public Report Summary.

#### **5. Additional Resources**

##### **The BC Climate Action Toolkit**

The [BC Climate Action Toolkit](#) (Toolkit) provides B.C. communities with the latest news, best practices and practical advice to help reduce greenhouse gas emissions and implement Charter commitments. The wide range of resources available on the Toolkit may also assist local governments to complete the 2017 CARIP Climate Action/Carbon Neutral Progress Survey by helping to generate more ideas for both corporate and community-wide climate actions. Particularly relevant Toolkit links include:

- [Carbon Neutral Local Government](#)
- [Community-wide action](#)
- [Community-wide measurement](#)

##### **SMARTTool Carbon Emissions Inventory and Reporting**

SMARTTool is a web-based GHG emissions inventory and reporting tool developed to provide a standardized approach to calculating and reporting an organization's corporate greenhouse gas emissions. It has been available for use by local governments since 2012. Recognizing that some communities may choose not to use SMARTTool, the Green Communities Committee has enabled the use of other GHG emissions inventory and reporting tools as part of the common approach to carbon neutrality for the purposes of the Climate Action Charter.

To ensure methodology, emission factors and outputs from other tools are consistent and comparable with SMARTTool results, a local government choosing to use another inventory and reporting tool is required to:

- Use the same corporate boundaries as described in [The Workbook](#).
- Use the same emission factors and methodologies employed by SMARTTool as detailed in the [Methodology for Reporting B.C. Local Government Greenhouse Gas Emissions](#)
- Complete and adhere to the SMARTTool business processes checklist

**Please note:** The BC Climate Action Secretariat (CAS) is in the progress of implementing a new GHG inventory tool to replace SMARTTool and anticipate being able to onboard existing clients in summer 2018. Meanwhile, current users are being asked to continue loading data into SMARTTool until further notice.

For more information about SMARTTool or its replacement please contact the Carbon Neutral Government Program at [Carbon.Neutral@gov.bc.ca](mailto:Carbon.Neutral@gov.bc.ca).

### **Ministry's Carbon Neutral Revenue Incentive Program web page**

In addition, the Ministry's [CARIP web page](#) provides the following key climate action resources for the years 2016, 2015, 2014, 2013, 2012, 2011, and 2010:

- CARIP Public Report Summaries
- List of Community-wide Actions
- List of Corporate Actions

### **The GCC Climate Action Recognition Program**

The GCC Climate Action Recognition Program was launched in 2012 to provide the GCC with an opportunity to review and publicly recognize the progress and achievements of each Climate Action Charter signatory. Recognition is provided on an annual basis to local governments that demonstrate progress on their Charter commitments according to the following:

**Level 1 – Demonstrating Progress on Charter Commitments:** for local governments who demonstrate progress on fulfilling one or more of their Charter commitments

**Level 2 – Measuring GHG Emissions:** for local governments that achieve level 1, have measured their Corporate GHG Emissions for the reporting year, and demonstrate that they are familiar with their community's energy and emissions inventory (i.e. CEEI).

**Level 3 – Accelerating Progress on Charter Commitments:** for those local governments who have achieved level 1 and 2 and have demonstrated undertaking significant action (corporately or community wide) to reduce GHG emissions in the reporting year (ie: through undertaking a GHG reduction project, purchasing offsets, establishing a reserve fund or investing in another corporate or community wide GHG reduction project(s), new or ongoing, that, in the view of the local government, reflects a significant investment of time or financial resources and is intended to result in significant GHG reduction).

**Level 4 - Achievement of Carbon Neutrality:** for local governments who achieve carbon neutrality in the reporting year.

More information about the Climate Action Recognition Program can be found [here](#). If you have any questions about the program please contact [irpd@gov.bc.ca](mailto:irpd@gov.bc.ca)