



To: General Purposes Committee **Date:** April 19, 2022
From: Peter Russell **File:** 10-6000-00/Vol 01
Director, Sustainability and District Energy
Re: **Call for a Global Fossil Fuel Non-Proliferation Treaty**

Staff Recommendation

1. That, as described in the report titled “Call for a Global Fossil Fuel Non-Proliferation Treaty” from the Director, Sustainability & District Energy, dated April 19, 2022:
 - a) The resolution in support of the call for a global fossil fuel non-proliferation treaty, as outlined in Attachment 1, be endorsed;
 - b) The resolution calling on the BC Government to put in place a fossil fuel production cap, and to end subsidies for fossil fuel production and consumption, be forwarded to the Union of British Columbia Municipalities for consideration during their 2022 Convention, as outlined in Attachment 2; and,
 - c) Letters be sent to Richmond MLAs and MPs, the Premier of British Columbia and the Prime Minister of Canada, asking them to support the call for a Fossil Fuel Non-Proliferation Treaty and take necessary actions to initiate, negotiate and implement such a treaty.

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Att. 2

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Intergovernmental Relations & Protocol Unit	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS:	APPROVED BY CAO

Staff Report

Origin

This report responds to the April 4, 2022 General Purposes Committee referral:

That the motion be referred to staff to undertake an analysis of the Fossil Fuel Non-Proliferation Treaty and its implications, and report back.

In addition to requesting more information, the discussion at Committee included how best to highlight the City's climate action leadership and what other tangible issues could be considered in addition to supporting the call for a treaty.

This report supports Council's Strategic Plan 2018-2022 Strategy #2 A Sustainable and Environmentally Conscious City:

2.1 Continued leadership in addressing climate change and promoting circular economic principles.

Council recently adopted the City's second Community Energy & Emissions Plan (CEEP 2050), that includes multiple actions within eight strategic directions that will set Richmond on a path to achieve 50% reduction in community greenhouse gas (GHG) emissions by 2030, and reach net zero emissions by 2050. The plan builds upon Richmond's climate action leadership to date, and provides a suite of measures which if fully achieved are sufficient to reach the GHG emission reduction targets recommended by the International Panel on Climate Change (IPCC) to limit global average warming to 1.5 degrees Celsius above pre-industrial levels.

Analysis

The Call for a Fossil Fuel Non-Proliferation Treaty

The call for a Fossil Fuel Non-Proliferation Treaty was initiated by Tzeporah Berman, an internationally prominent environment and climate action activist based in British Columbia. This initiative is led by a 25-person board of members drawn from Canada, the US, the UK, Australia, Africa, South Asia, Latin America and the Pacific, including several members representing Indigenous Peoples.

The initiative seeks to highlight that while global climate change agreements like the Paris Agreement already exist, they have targeted human-caused greenhouse gas emissions, rather than the supply of fossil fuels which produce the large majority of these emissions. The initiative suggests that an effective global effort to limit global average warming to 1.5°C will additionally require a global agreement to directly limit, and progressively reduce, the worldwide production of fossil fuels.

Building on the success of other international treaties, which have directly banned specific technological threats such as nuclear weapons, land mines and ozone-depleting chlorofluorocarbons, the organizing group have called for a Fossil Fuel Non-Proliferation Treaty.

No text for such a treaty has been drafted by the initiative; rather, the aim is to build the global support needed to initiate, negotiate and implement such a treaty. As such, interested parties are asked to endorse the initiative's call for a Treaty that phases out fossil fuels and supports a just transition for affected workers and communities rather than adopt a specific text or agreement.

Endorsement of the call would imply support of the initiative's stated core objectives for a Fossil Fuel Non-Proliferation Treaty, which are to:

- End new exploration and production;
- Phase out existing stockpiles and production of fossil fuels; and
- Accelerate a just and equitable transition to support workers, communities and countries dependent on fossil fuels.

In order to support multilateral treaty-making on these topics, the initiative also calls for the following as enabling measures:

- A Global Registry of Fossil Fuels, which is needed as an international transparency and accountability mechanism for fossil fuel supply;
- A Global Commission on Fossil Fuels, akin to the Global Commission on Dams; and
- A formal process to deliver a negotiated legal instrument on the managed transition from fossil fuels.

CEEP 2050 does not have a specific action related to the non-proliferation of fossil fuels. Rather, the plan focuses on reducing overall demand for energy through efficiency measures, as well as fuel switching to low-carbon or zero-carbon energy sources, with the objective to decarbonize energy used to operate new and existing buildings, and light and heavy-duty vehicles. CEEP 2050 also focuses on decarbonizing the energy used in the production of consumer and industrial goods and equipment by transitioning to a circular economy, and, in the case of construction materials, establishing embodied carbon reporting requirements and limits.

CEEP 2050 does highlight advocacy as one of the six fundamental tools available to Council to advance climate action, however, noting that City Council can make formal requests to the provincial and/or federal governments and their agencies on behalf of Richmond residents for policy changes and/or new regulations to be implemented.

Attachment 1 includes a recommended Council resolution that provides important context and rationale for Richmond's endorsement of the call for a Fossil Fuel Non-Proliferation Treaty, including recognizing the City's climate action leadership to date.

The following opportunities offer tangible ways in which the City can take direct action on current initiatives that are aligned with the call for a treaty and actions in CEEP 2050.

Provincial GHG Reduction Cap for Natural Gas Utilities

The Province's climate plan, CleanBC, states that the Province will implement an annual GHG emissions cap for natural gas utilities of approximately 6 megatonnes of CO₂ equivalent (Mt CO₂e) for the year 2030, noting that this cap (about 47% below their emissions in 2007) is consistent with the Province's other sectoral targets, including those for other industries, transportation and communities. By targeting GHG emissions rather than natural gas production,

the Province leaves room for increased production as long as lower GHG emissions are attributed to the gas produced. The Province explicitly states that gas utilities can add renewables such as synthetic gas, biomethane, green and waste hydrogen and lignin to the natural gas product supplied to customers in order to achieve this target. This move, once implemented, is expected to result in an increased use of renewable natural gas to displace the use of conventional natural gas, as well as new energy efficiency programs for existing natural gas users. The CleanBC plan is silent on expansion of natural gas infrastructure, although it states that the BC Utilities Commission will be empowered to review plans, investments and expenditures made by FortisBC and other provincial gas utilities in order to ensure they are cost-effective and in keeping with Province's cap on GHG emissions from natural gas utilities.

To date, the Province has not introduced legislation to implement a GHG reduction cap for natural gas utilities. A current example of a consequence of relying on setting GHG reduction targets rather than directly phasing out fossil fuel production can be seen in an ongoing BC Utilities Commission process. The process is considering a FortisBC customer rate application to have all existing rate payers subsidize the use of renewable natural gas by new customers. If approved, the result will lead to an overall expansion of new natural gas infrastructure, as opposed to prioritizing the rationalization of natural gas distribution. The City is an intervener in the BC Utilities Commission process considering this matter and has inquired how the rate application is consistent with the Province's planned GHG emissions cap. Again, the above is provided as one example that demonstrates the need for senior government legislation to prevent the further proliferation of fossil fuel consumption and putting an end to fossil fuel subsidies.

Attachment 2 includes a proposed UBCM resolution asking that the Province bring forth legislation that places a GHG emissions cap for natural gas utilities and that it considers participating in the call for a treaty. This advocacy is a direct and currently relevant action the City can undertake in support of the call to implement a Fossil Fuel Non-Proliferation Treaty.

Federal Supply-Side Climate Action Commitments

In 2009, all G20 countries including Canada made an ambiguous commitment to phase out at least some types of fossil fuel subsidies by 2023. While eliminating fossil fuel subsidies is in line with the second key objective of the Fossil Fuel Non-Proliferation Treaty, little action has been taken to date by the federal government in this area.

On March 29, 2022, the federal government released the *2030 Emissions Reduction Plan: Canada's Next Steps to Clean Air and a Strong Economy*, which includes commitments to put a limit on GHG emissions from the oil and gas sector, and to reduce GHG emissions from oil and gas by 75 per cent or more by 2030. While this is the first time a federal plan has noted its intention to directly limit GHG emissions from the fossil fuel sector, this plan (like BC's promised cap on natural gas emissions) targets net GHG emissions rather than fossil fuels directly, and will not necessarily result in reduced production.

As such, staff are recommending that letters be sent to Richmond MLAs and MPs, the Premier of British Columbia, and the Prime Minister of Canada, asking them to support the call for a Fossil Fuel Non-Proliferation Treaty and take necessary actions to implement legislative commitments,

including divesting and ceasing the direct ownership of fossil fuel transmission infrastructure, in the case of the Federal Government.

Financial Impact

None.

Conclusion

Supporting a call for a Fossil Fuel Non-Proliferation Treaty is aligned with the City’s long term GHG emissions reductions objectives. It is recommended that Council join a growing number of local governments supporting the call by endorsing the proposed resolution in Attachment 1. The report also proposes tangible advocacy opportunities that include endorsing a GHG Reduction Cap for Natural Gas Utilities in BC and provincial support for the call for a Fossil Fuel Non-Proliferation (Attachment 2) and that letters be sent to the Premier of British Columbia and the Prime Minister of Canada asking the same.



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PR:pr

- Att. 1: Proposed Council Resolution Supporting the Call for a Fossil Fuel Non-Proliferation Treaty
- 2: Draft UBCM Resolution in Support of a GHG Reduction Cap for Natural Gas Utilities and Support for the Call for a Fossil Fuel Non-Proliferation Treaty

Proposed Council Resolution Supporting the Call for a Fossil Fuel Non-Proliferation Treaty

WHEREAS the Intergovernmental Panel on Climate Change states we must reduce greenhouse gas (GHG) emissions 45% below 2010 levels by 2030, and achieve net zero GHG emissions by 2050 to have a reasonable chance of limiting global warming to 1.5 degrees Celsius above pre-industrial levels, thereby avoiding the threat of unstoppable, self-accelerating climate change;

WHEREAS Richmond Council recently adopted the City's second Community Energy & Emissions Plan (CEEP 2050), that includes multiple actions within eight strategic directions that will set Richmond on a path to achieve 50% reduction in community GHG emissions by 2030, and reach net zero emissions by 2050. The plan builds upon Richmond's climate action leadership to date, including such actions as advancing low-carbon district energy utilities, implementing "low carbon" pathways in the Energy Step Code, pioneering electric vehicle requirements and infrastructure, and advancing important flood protection, drainage, and diking projects;

WHEREAS changes in the City of Richmond's climate are already being felt, such as recurring summer heat domes and winter polar vortexes, a clear pattern of hotter/drier summers, increased exposure to wildfire smoke, and an increased frequency and intensity of precipitation events;

WHEREAS Richmond residents, and especially our youth, have expressed their concerns about local climate change impacts and have broadly supported the City's numerous climate adaptation and mitigation investments and programs;

WHEREAS Richmond's farming sector supports a healthy and vibrant local economy that is vulnerable to the cumulative effects of climate change, including issues related to clean water and soil, invasive species, plant diseases, and localized flooding.

WHEREAS all members of the community will be impacted by the health and safety risks of fossil fuel expansion, but those impacts will be most particularly experienced by those who live with socioeconomic and health inequities - including people with health conditions, low-income individuals and families as well as those experiencing homelessness – Black, Indigenous, and people of colour, youth, seniors, people with disabilities, and especially people who live at the intersection of these identities;

WHEREAS the Paris Climate Agreement does not directly address the supply and production of fossil fuels (the largest source of GHGs), which therefore needs to be addressed by a parallel mechanism;

WHEREAS global governments and the fossil fuel industry are on track to produce more GHG emissions than the maximum level consistent with limiting global warming to 1.5°C as reported by the Intergovernmental Panel on Climate Change in 2022 if no action is taken;

WHEREAS continued government subsidies for fossil fuel production and consumption inflate fossil fuel supply and divert needed resources from climate solutions, transition support for workers, communities and countries dependent on fossil fuels, and other priorities;

WHEREAS the City of Richmond recognizes the economic opportunities presented by a clean energy transition;

WHEREAS the City of Richmond recognizes that it is the responsibility and obligation of fossil fuel producers to lead in putting an end to additional fossil fuel development - including pipeline expansion - and to manage the decline of existing production, while providing resources for a just energy transition;

AND WHEREAS a new global initiative is underway calling for a Fossil Fuel Non-Proliferation Treaty that would end new fossil fuel exploration and expansion, phase out existing production in line with the global commitment to limit warming to 1.5°C, and accelerate equitable transition plans;

THEREFORE BE IT RESOLVED, the City of Richmond formally endorses the call for a Fossil Fuel Non-Proliferation Treaty; and

FURTHER THAT the City send a letter from the Mayor to the Prime Minister of Canada and the Premier of B.C. urging the Canadian and B.C. governments to support the global initiative for a Fossil Fuel Non-Proliferation Treaty.

Draft UBCM Resolution in Support of a GHG Reduction Cap for Natural Gas Utilities and Support for the Call for a Fossil Fuel Non-Proliferation Treaty

WHEREAS many local governments have adopted Community Energy and Emissions Plans with policies sufficient to locally achieve the deep GHG reductions needed to limit global warming to 1.5°C above pre-industrial temperatures, and have amply demonstrated commitment to climate action through advancing low-carbon or zero-carbon initiatives and implementing advanced flood protection, drainage, and diking projects, as applicable;

WHEREAS it is increasingly evident that oil and gas producers are seeking to indefinitely extend the production and consumption of fossil fuels rather than allow a transition to low or zero GHG energy sources, in significant part through the expanded use of subsidies, thereby diverting needed resources from energy efficiency, renewable energy and low-GHG electrification;

AND WHEREAS an exclusive focus by senior governments on setting limits on GHG emissions rather than on the fossil fuels producing these emissions now threatens to undermine climate action at the local level;

THEREFORE BE IT RESOLVED that UBCM ask the Province to expeditiously follow through on its CleanBC commitment to enact a GHG emissions cap for natural gas utilities, and to support the objectives of the Fossil Fuel Non-Proliferation Treaty initiative, to: end new exploration and production, including an end to the use of subsidies to artificially increase the supply of, and demand for, fossil fuels; set limits directly on fossil fuel production so as to set out a measured and predictable phase out of existing stockpiles and production of fossil fuels; and to accelerate a just and equitable transition to support workers and communities dependent on fossil fuels.