

Ekaterina Rhodes

Climate policy in British Columbia: An unexpected journey

CANSEE 2023 conference
October 12, 2023

Dr. Katya Rhodes, Assistant Professor
School of Public Administration
University of Victoria

Fairbrother, M., and Rhodes, E. (2023). Climate policy in British Columbia: An unexpected journey. *Frontiers in Climate*, 4.
<https://doi.org/10.3389/fclim.2022.1043672>

MOTIVATION

- Carbon pricing seen as most efficient climate policy
- Yet it's least popular
- 60 carbon pricing systems exist worldwide covering less than 6% emissions
- But British Columbia has had a serious carbon tax since 2008!
 - How was it introduced?
 - How did it survive and increase in stringency since 2008?
 - What's the role of the tax in most recent climate plans?
- Mixed method: content analysis of news articles, government reports, and academic publications; primary interview data (n=6)

WHAT DID WE FIND?

- Revenue-recycling, state-private relationships, expert endorsements, and tax introduction mid-elections cycle helped implement the carbon tax
- But carbon tax's long-term political survival reflects some simple good fortune
- BC's climate policy-making isn't limited to the carbon tax
- Political costs of non-tax policies relative to environmental benefits are lower than those for the tax

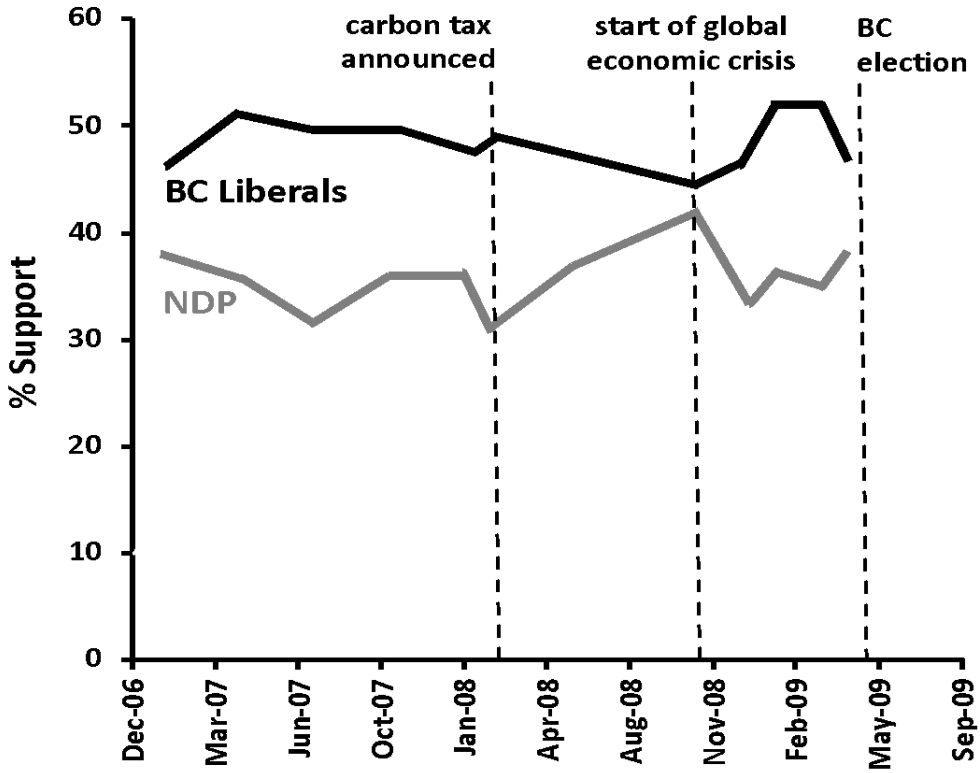
2007-2008: A “POLICY WINDOW”

- **Time of major climate concern** – Hurricane Katrina, Al Gore’s “Inconvenient Truth,” Nicholas Stern’s “Economics of Climate Change.” All sorts of politicians keen to act - Schwarzenegger
- **BC premier Gordon Campbell**, a popular, right-of-centre policy wonk and risk taker acts on ‘policy window’
 - Sets provincial emission targets and joins Schwarzenegger’s Western Climate Initiative
 - Implements revenue neutral carbon tax, but also several flexible regulations - Low Carbon Fuel Standard, Clean Electricity Standard, Vehicle Emissions Standard.
 - A climate policy ‘**shotgun approach**’

THEN WHAT HAPPENED?

- Federal election in 2008. Liberal leader, Stephane Dion, adopts carbon tax as lead policy
 - Stephen Harper wins by attacking “job-killing carbon tax”
 - Another decade of Canadian climate inaction federally
- BC NDP launch “axe-the-tax” campaign
 - In just 6 months, Campbell loses 20-point lead – election loss looms
 - Then global economic crisis saves the day
 - Oil price collapses – gasoline price falls after tax first implemented
 - In economic crisis voters prefer Campbell as manager of economy (‘policy window’ similar to COVID-19)
 - Just barely wins re-election in May 2009 – carbon tax survives

SUPPORT FOR BC POLITICAL PARTIES



DEFENDING THE BC CARBON TAX 2008-2010

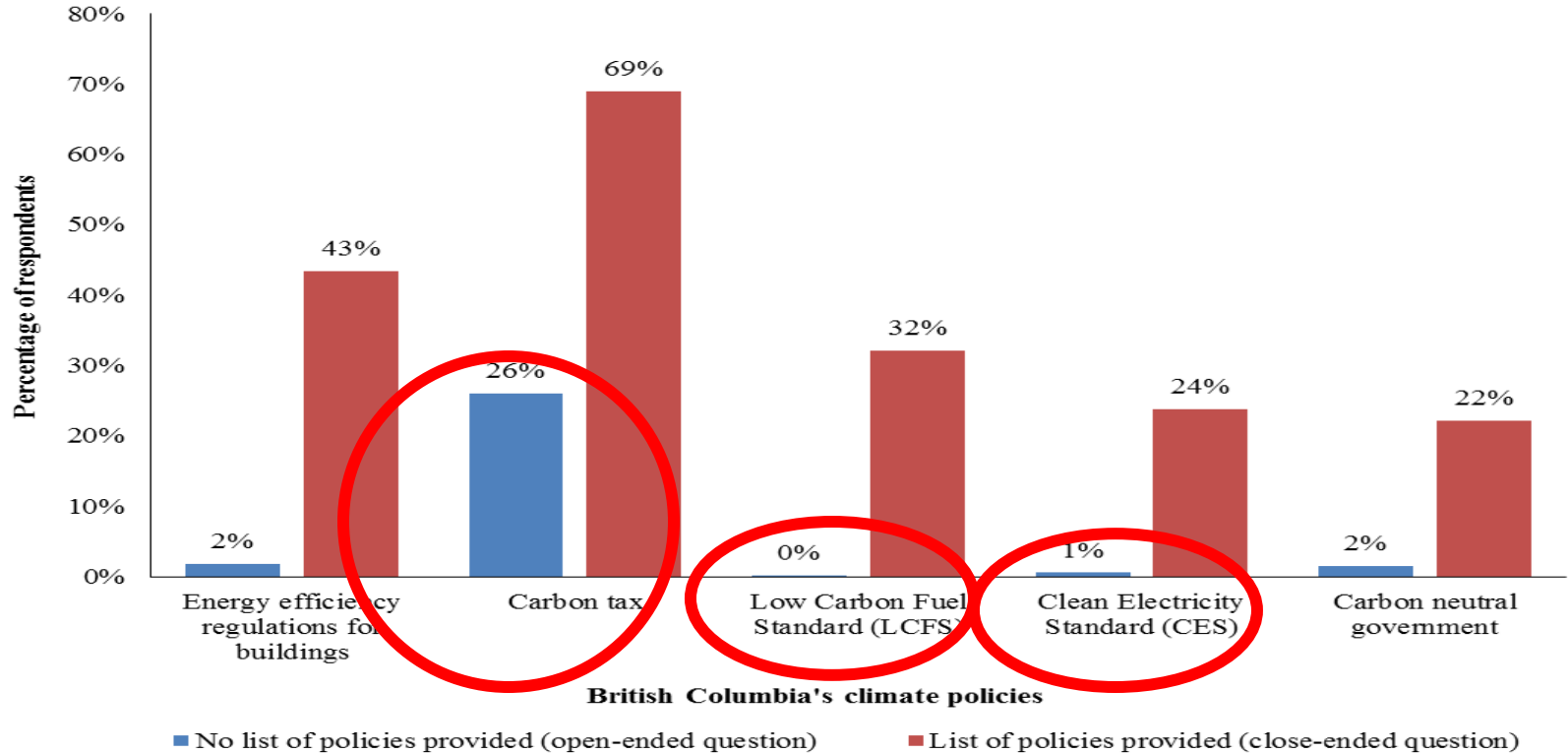
- No space for facts and rational debate – “axe the gasoline tax”
- Media dominated by untrue op-eds, editorials, raging columnists, talk shows – government and academic voices not heard
- Everyone felt harmed – rural, suburban, northern, truckers, green houses, cement industry, low-income advocates
- Even carbon tax supporters did not believe claim of revenue-neutrality
- BC carbon tax survived by luck – next government froze it

PROBING CARBON TAX VS. OTHER POLICY

- Research highlights political difficulties of carbon taxes
- Ironically, BC carbon tax was not the main policy for GHGs
 - Forecasted 2020 reductions: C-tax 4 Mt; CES 15 Mt; LCFS - 4 Mt
- Survey of BC citizens (n=500) on policy support
 - If not for carbon tax, almost all citizens couldn't identify a single climate policy. Thanks to carbon tax, 25% could
 - When informed of key policies, even of relative effectiveness, only the carbon tax had significant disapproval

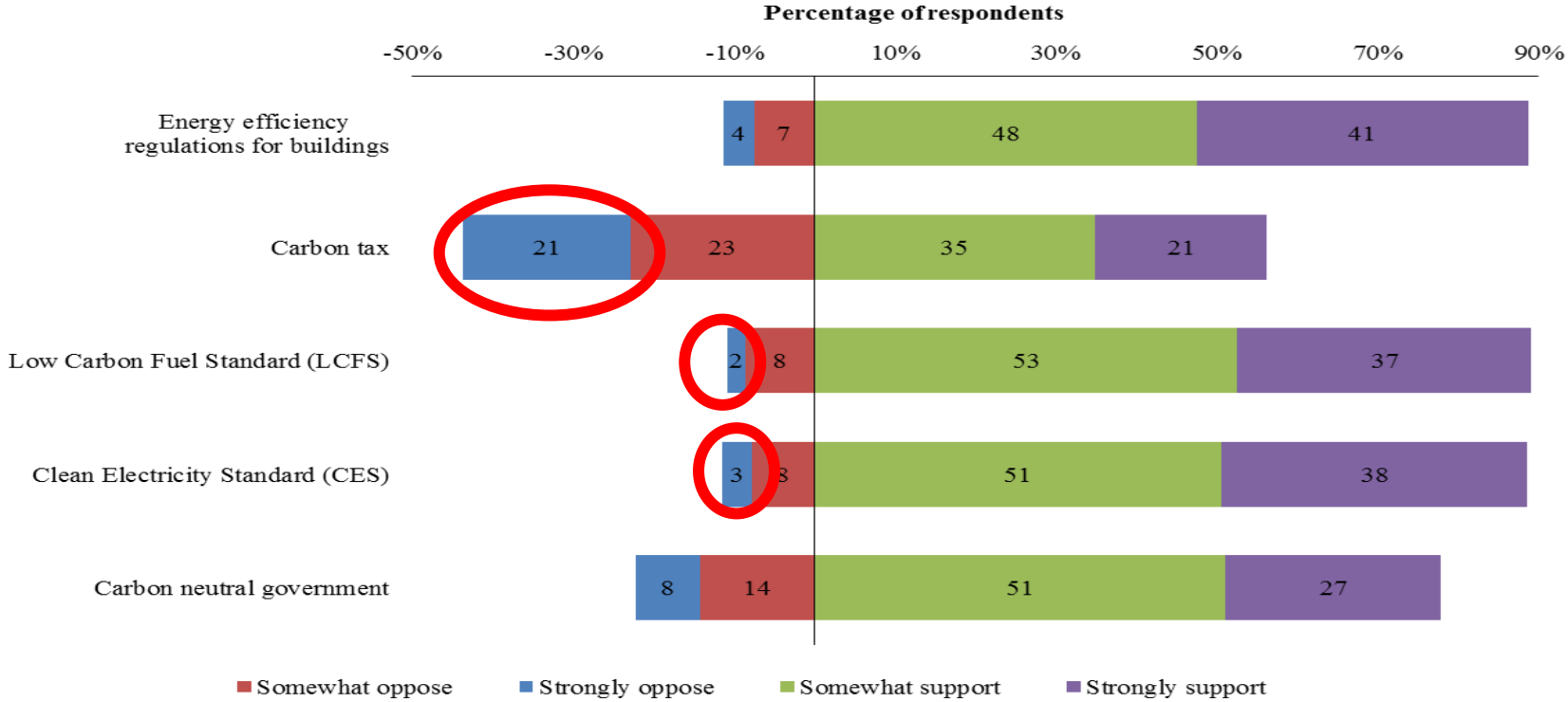


Little awareness of climate policy, except tax



Carbon tax has 7-10 x more strong opposition than the two key flex-regs: LCFS and CES

British Columbia's climate policies



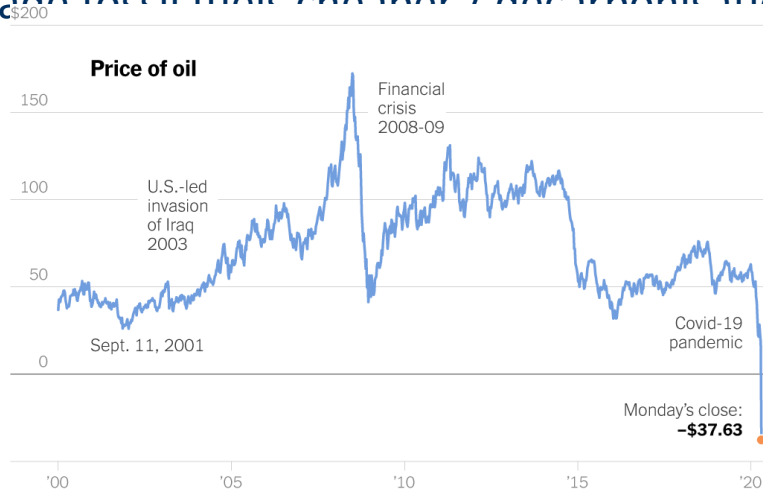
ECONOMIC EFFICIENCY VS. POLITICAL ACCEPTABILITY POLICY TRADE-OFF

- Relative-political-cost-per-tonne
 - C-tax is 10.5 times more politically costly per tonne than LCFS
 - C-tax is 28 times more politically costly per tonne than CES
- Economic cost comparison to 2020 (marginal cost in \$ per tonne CO₂)
 - C-tax \$30; CES \$120; LCFS \$90
- Economic efficiency benefits of c-tax < political costs
- Especially in jurisdictions with high political costs

NEW BC GOVERNMENT AND COVID-19

‘POLICY WINDOW’

- Similar to 2009 crisis, COVID-19 was a temporary event
- It made fossil fuels cheaper / decarbonisation more difficult



BUT there was a policy window (climate wasn't the most immediate threat)

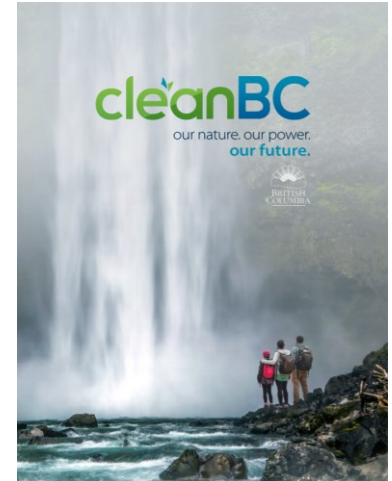
NEW DEVELOPMENTS: NDP-GREENS

GOVERNMENT (2017-2020) & NDP (SINCE 2020)

Main policy approach: reliance on regulations and pricing with rising stringency leveraging domestic efforts into global effort

Specific compulsory policies

- Implementing ZEV mandate with 100% EV sales in 2040 (updated to 100% in 2035 in CleanBC Roadmap)
- Increasing stringency of LCFS to 20% in 2030 (updated to 30% in 2030 in CleanBC Roadmap)
- Methane regulations in oil & gas
- Developing oil and gas cap
- Increasing carbon tax to \$170 by 2030



CONCLUSIONS

- Path towards 2030 and 2050 should continue to rely on a policy mix with regulations and carbon pricing being dominant policies
- Political costs matter
- Success of policy developments is yet to be seen
 - Controversial industry cap
 - Need to keep increasing policy stringency
 - Need to ensure governance is in place to protect policy long-term

THANK YOU!