



BC's Revenue Neutral Carbon Tax

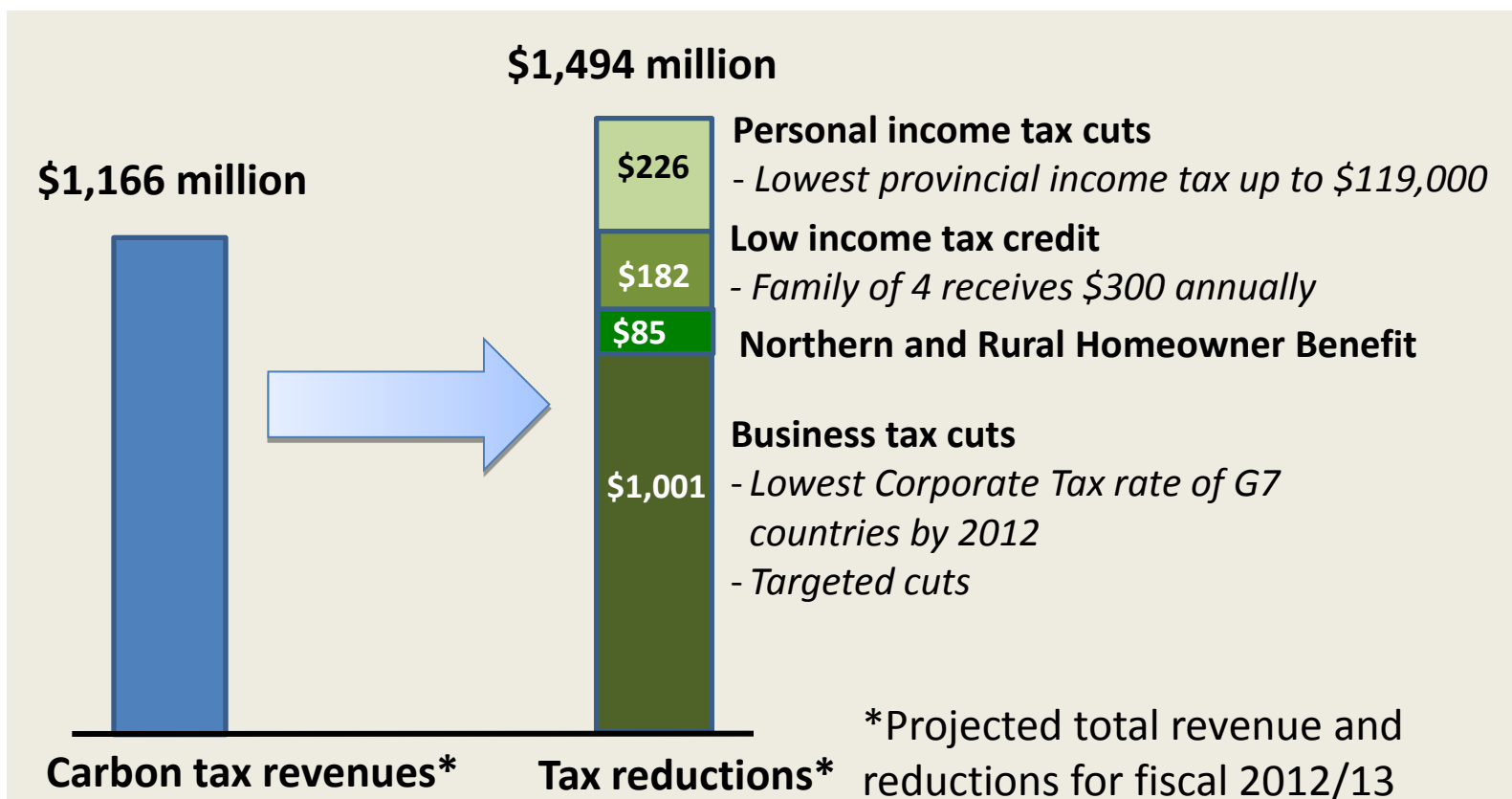
Why put a price on carbon?

- To reach our greenhouse gas reduction targets, BC decided to put in place an economy-wide price on carbon
 - Only way to influence the millions of individual decisions happening in the BC economy
- Objectives:
 1. Incent emission reductions
 2. Avoid added costs to industry
- To deliver climate solutions on the *scale necessary*, the economy must be productive & innovative



BC's Revenue Neutral Carbon Tax

- Applies to the combustion of fossil fuel in BC
- Started at \$10/tonne in 2008, increasing to \$30/tonne in 2012
- All revenues re-invested through tax cuts



What this means for BC families

- Family of four living with a minivan and heating their home with natural gas =
 - + \$236/yr in carbon tax
 - \$100 one-time cash grant
 - \$200 northern and rural homeowner benefit
 - Lowest personal income taxes in Canada
- And if they choose, they save:
 - \$48 if they reduce driving by 10km/week
 - \$200 if tires are properly inflated
 - Significant savings from home energy retrofits



Home Energy
Assessment

What this means for business?

- Cement plant can burn
 - 100s of tonnes of coal/day
 - 30 to 100 thousand tonnes CO₂/yr
- Carbon tax could be \$1M to \$3M/yr
- Benefits from low corporate tax rates
- Switch to waste biomass → eliminates carbon tax
- Creates business environment for low carbon investment

