

December 10th 2021

To: BC Natural Gas Royalty Review

## Parents Wish List:



1. Minister of Energy treat the climate crisis like a code red for humanity
2. Minister of Energy act on the the advice of IPCC, IEA and scientific experts
3. Minister of Energy replace a Natural Gas Royalty Framework with a natural gas wind down and a just transition plan
4. Minister of Energy end all forms of fossil fuel subsidies, including water access
5. Minister of Energy invest former oil and gas subsidies into renewable energy
6. Minister of Energy increase royalty rates to levels that would deter investment- fossil fuels are more valuable left in the ground
7. Minister of Energy continue to incentivize electricity replacement of natural gas in homes and buildings
8. Minister of Energy provide affected Indigenous Peoples fair share of past revenues and lost opportunities

## **Who We Are - Climate-Concerned Parents, Grandparents and Caregivers**

We are parents, grandparents and caregivers, part of the For Our Kids national network, committed to taking action on climate change as it is the single greatest threat to the health and safety of our children today and into the future. We feel the urgency to support our communities and society immediately shift away from fossil fuels and destructive environmental practices to create a more just and safe climate for our kids.

## **Knowledge of Natural Gas Industry - Engaged Residents and Voters on Climate Policy**

Our level of knowledge of BC's natural gas industry is equivalent to our very high concern, as residents, voters and parents with the government's continued support of an expanding natural gas industry in BC. We remain committed to staying informed and knowledgeable about credible and effective climate policy and the impacts of unmitigated climate change.

Like thousands across BC, we too were very concerned about the oil and gas subsidies during the last provincial election. We raised this issue directly with all candidates in Vancouver ridings through an elections survey found [here](#).

We received an [all NDP candidates' response](#) that committed to address the issue of oil and gas subsidies by "conducting a comprehensive review of all oil and natural gas royalty credits through an environmental lens". We were pleased to see this at the time although we were skeptical because of the NDP's position that oil and gas subsidies and expansion is compatible with a credible climate plan, which we understand has been largely discredited by experts.

## **Our Reaction to Independent Assessment - Assessment Confirms BC Royalty System is Significant Subsidy**

*"[BC's royalty system] has contributed to a significant decline in the Crown's share of the net economic value from petroleum and natural gas resources over the past 15 years and a transfer of value from the province to industry." - Independent Assessment Report*

The clearest message we gained from Independent Assessment is that it confirmed BC's existing royalty framework is a significant and improper fossil fuel subsidy, including as a result of a total of \$7.325 *billion* in credits to oil and gas deep wells and a decline of return from 8% to 2%. Immediate action is necessary to stop these subsidies. We oppose modernizing a royalty framework that just seeks to encourage more development rather than wind-down the oil and gas industry in BC.

## **Our Reaction to the Discussion Paper - A Fair Return to our Children is to Keep Oil and Gas in the Ground**

The consensus across the board is that fossil fuel production must wind-down today to keep global warming at potentially manageable levels:

*“[IPCC 2021] report must sound a death knell for coal and fossil fuels, before they destroy our planet... Countries should also end all new fossil fuel exploration and production, and shift fossil fuel subsidies into renewable energy.” - Antonia Guterres, UN Secretary General (2021)*

*“There is no need for investment in new fossil fuel supply in our net zero pathway.”*  
International Energy Agency (2021)

*By 2050, we find that nearly 60% of oil and fossil methane gas, and 90% of coal must remain unextracted to keep within a 1.5 °C carbon budget.... Furthermore, we estimate that oil and gas production must decline globally by 3% each year until 2050. This implies that most regions must reach peak production now or during the next decade, rendering many operational and planned fossil fuel projects unviable. -*

*Welsby, D., Price, J., Pye, S. et al. Unextractable fossil fuels in a 1.5 °C world. Nature 597, 230–234 (2021). <https://doi.org/10.1038/s41586-021-03821-8>*

In light of this expert consensus, we are deeply concerned about and oppose the BC NDP's response to the Independent Assessment set out in the Discussion Paper because it fundamentally seeks to improperly advance the following goals:

- 1) economic development of the petroleum industry, while a just transition into renewables is necessary and has been called for
- 2) a fair return on natural gas resources, while parents and youth have clearly stated no return from petroleum resources is desired because of the harm it causes due to global warming
- 3) punts environmental protection to other policy decisions, while oil and gas companies walk away without any accountability for knowingly causing harmful and costly climate change impacts

Ultimately, to advance a royalty framework on the premise of a fair return on oil and gas resources is wholly flawed and inequitable to our children because it favours an economic return to current governments at the expense of further off-loading the very costly and harmful impacts of fossil fuel production to younger and future generations. This is wrong and unacceptable to us as parents. There is no possible fair return on natural gas resources that could justify the human, social and economic costs of the climate crisis for our children.

Accordingly, our collective plea these holidays is for Minister Bruce Ralton to bring some much needed cheer to us and our families after years of accumulated climate anxiety, worsened by this year's deadly and hugely expensive heat waves, devastating fires and floods. This can only be done by immediately raising royalty rates to levels that will deter further investment in natural gas; and implementing measures to seek compensation for past loss of royalties and costs of climate change mitigation, impacts and adaptation.



*Last Christmas?*, 2020 - By Artist and For Our Kids Vancouver member Jana Rayne MacDonald.

This submission has been made by For Our Kids Vancouver, For Our Kids Sunshine Coast, and Parents 4 Climate Victoria.



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