



2023 Progress Update

Update on the Cross-Corporate Climate Budget and 2023 Climate Initiatives

As requested in the 2021 December Notice of Motion: Building Accountability into the Declaration of a Climate Emergency and Call to Action, this attachment provides a detailed update on The City’s cross-corporate 2023-2026 climate budget and first year of annual spend.

The 2023-2026 Climate Implementation Plan (the Implementation Plan), guided by the Calgary Climate Strategy, describes the prioritized actions and programs for 2023-2026 across services that will accelerate improving energy use, reducing greenhouse gas (GHG) emissions, and reducing climate risk. The inclusion of the Implementation Plan and associated primary climate investment was the first step in The City establishing a climate budget as part of the four-year service plan and budget cycle.

The Implementation Plan prioritized actions into seven original focus areas: Communities, Buildings, Energy Supply, Mobility, Natural Infrastructure, Education and Outreach, and Accountability and Reporting. These focus areas have been updated to better organize actions and metrics within the Implementation Plan and associated 2023-2026 climate budget to provide enhanced clarity and transparency to the public. These new focus areas also reflect a consistent communications approach in plans, reporting and the climate and environment community-facing dashboard. Table 2 reflects the updated focus areas. More detail on the focus areas and the 2023 implementation of associated actions will be detailed in the Climate Progress Report in June 2023.

Climate Budget

During the 2022 November approval of the 2023-2026 Service Plans and Budgets, the total cross-corporate investment identified was an approximately \$3.8 million increase to base operating, \$44.1 million in one-time operating and \$207.8 million in capital funding. As part of our ongoing commitment to ensure enhanced accountability and transparency of progress on the Implementation Plan’s actions and associated 2023-2026 climate budget, detailed 2023 year-end updates are presented (Tables 1 and 2 and Figure 1). Updates include financial reconciliation and refinement of approved budgets and the additional primary climate investment for the electric bus program approved during the 2023 November budget adjustments.

Table 1: Updated 2023-2026 Cross-Corporate Climate Budget (as of 2023 Dec 31)

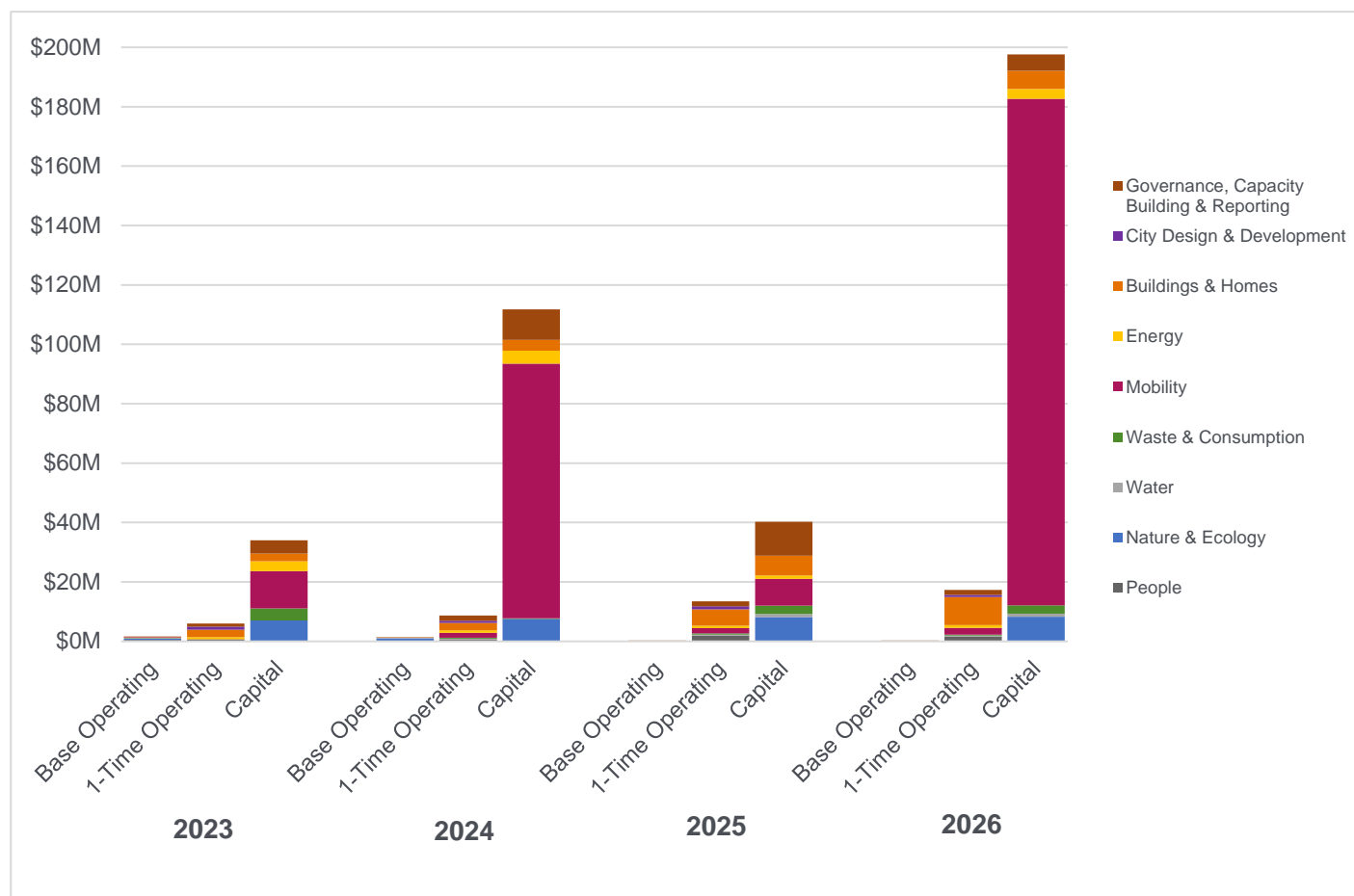
| Primary Climate Investments | Base Operating (\$000s) | One Time Operating (\$000s) | Capital (\$000s) | Total (\$000s) |
|------------------------------------|--------------------------------|------------------------------------|-------------------------|-----------------------|
| 2023-2026 Service Plans & Budgets | 3,518 | 45,503 | 218,708 | 267,729 |
| 2024 Budget Adjustments | | | 165,000 | 165,000 |
| Total | 3,518 | 45,503 | 383,708 | 432,729 |

Table 2: Updated 2023-2026 Cross-Corporate Climate Budget by Focus Area (as of 2023 Dec 31)

| Implementation plan focus areas | Base operating (\$000s) | One-time operating (\$000s) | Capital (\$000s) |
|---|--------------------------------|------------------------------------|-------------------------|
| Governance, Capacity Building & Reporting <i>Supporting the implementation of our climate strategies and plans and maintaining accountability to our climate commitments.</i> | 262 | 6,108 | 31,689 |
| City Design & Development <i>Integrating climate considerations into city planning, urban design and city building.</i> | - | 3,518* | - |
| Buildings & Homes <i>Achieving improved energy performance, carbon reduction and climate resilience of buildings and homes.</i> | 200 | 19,986 | 18,881 |
| Energy <i>Increasing green and low-carbon energy sources, systems, and infrastructure.</i> | - | 3,312 | 12,300* |
| Mobility <i>Supporting active transportation, public transit services, low-carbon vehicles, and transportation infrastructure to reduce GHG emissions.</i> | 140 | 5,726* | 277,915* |
| Waste & Consumption <i>Reducing GHG emissions through waste reduction and diversion, reduced resource use and supporting the circular economy.</i> | 120* | 1,100 | 9,800 |
| Water <i>Protecting our watersheds and water resources and reducing flood and drought risk.</i> | 514 | 1,024* | 2,000* |
| Nature & Ecology <i>Protecting and enhancing ecosystems, biodiversity, natural infrastructure, and green space.</i> | 1,728* | - | 31,123 |
| People <i>Improving equity, access to information, education, and the health and wellbeing of Calgarians to support community climate action and resilience.</i> | 554 | 4,729* | - |
| Total | 3,518 | 45,503 | 383,708 |

* Note: Investment totals include the primary climate investment from 2022 November budget deliberations, financial reconciliation, and refinement of approved 2023-2026 budgets and additional primary climate investments approved during the 2023 November budget adjustments (\$165 million in capital approved for electric bus program).

Figure 1. 2023-2026 Breakdown by year and type of funding (as of 2023 Dec 31)



2023 Climate Spend and Initiatives

In 2023, approximately 51 per cent of the 2023 cross-corporate climate budget was spent. These expenditures are identified through the primary climate investment and defined as investments which accelerate climate action. Table 3 below provides the budget breakdown and the spend reported up to 2023 December 31.

Table 3: 2023 Cross-Corporate Climate Budget Expenditures

| Primary Climate Investments | Base Operating (\$000s) | One Time Operating (\$000s) | Capital (\$000s) | Total (\$000s) |
|-----------------------------|-------------------------|-----------------------------|------------------|----------------|
| 2023 Budget | 1,633 | 6,031 | 34,057 | 41,721 |
| 2023 Expenditure | 1,560 | 2,403 | 17,165 | 21,129 |
| Variance | 73 | 3,628 | 16,892 | 20,592 |

Many projects and programs were developed over the year with 2023 being the first year of implementation. Key achievements made in progressing the work towards GHG emission

reductions targets and avoiding future costs related to the impacts of climate change on City assets' service provision and lifespan are:

Projects/programs that reduce GHG emissions:

- The City approved 900 energy-efficient new housing units through the Green Buildings Priority Stream.
- The City approved 113 residential energy efficiency and renewable energy projects through the Clean Energy Improvement Program (CEIP). Across participating homes, the program is achieving an average 30 per cent reduction in annual GHG emissions.
- Since the launch of the Home Energy Label Program - New Home Pilot in 2023 September, over 28 per cent of all low-rise residential properties issued building permits have committed to providing a Home EnerGuide Label upon completion. Labeling supports Calgarians in understanding their energy use and making informed decisions to reduce their energy costs and GHG emissions.
- Through the Home Upgrades Program, partially funded by The City and delivered by Empower Me and Alberta Ecotrust, 28 income-qualified homes have received free home upgrades, reducing approximately 2.29 tonnes in annual GHG emissions.
- Alberta Ecotrust, The City of Calgary, and industry partners collaborated to build out the Emissions Neutral Building Information Exchange (ENBIX) which brings together partners who have the shared goal of reaching net zero GHG emissions in buildings across Alberta.
- The City pilot-tested renewable diesel with five commercial waste and recycling refuse trucks as it has the potential to bridge the transition away from petroleum diesel. The pilot's results will inform a 10-year fuel transition plan. In addition, The City is working to reduce its amount of idling and has achieved a 29 per cent reduction since 2019, representing a savings of over 280,000 litres of fuel.
- The City's Landfill Gas (LFG) Management Program strategy and plan were developed in 2023 to take advantage of the beneficial use of LFG. In 2023, an LFG capture and destruction facility was completed at the Springbank Closed Landfill, and the initial phase of construction of an 846 kW LFG to electricity facility at the East Calgary Waste Management Facility was started.

Projects/programs that improve climate resilience:

- Approximately 65 hectares of park habitat were restored, and 182 hectares were under active restoration through the Habitat Restoration Program.
- The Urban Forestry Tree Planting Program replaced 3,500 trees in 2023. Due to an extended period of drought, tree watering was increased to maintain tree survivability, and capital funds from future years were accessed to complete this unplanned work. The City has seen annual tree mortality increase significantly from an average of 3,500 per year to around 6,000 trees in 2023.
- An Economic Climate Risk Analysis was completed in 2023 on the costs of adapting City-owned buildings to climate change. It reported that climate adaptation investment could result in cost savings ranging from \$1.2 billion to \$1.6 billion over 2025-2095.
- The development of an outreach and education strategy was completed to better understand current state, assess alignment with best practices, and guide priority education initiatives starting in 2024. The strategy targets Calgarians, organizations, businesses, and City employees to take climate action and prepare for, cope with, respond to and recover from climate impacts.

- The Farm Stand Program supported 28 formal partnerships between vendors and hosts with stands on City property: 15 returning and 13 new. In addition, the program promoted seven stands run by participating vendors on private property locations.
- A Climate Resilient Communities Working Group was established to elevate the voices of equity denied Calgarians, who are often first to experience the impacts of climate change. The Working Group is cocreating The Community Adaptation Action Program grant to support community-driven climate adaptation initiatives.
- The Drought Resilience Plan was approved, which sets goals and actions towards building a city where our residents, ecosystems and businesses are prepared to withstand and recover from the impacts of drought. The City also enacted Stage 1 Outdoor Water Restrictions in response to drought and low flows in the Bow and Elbow Rivers. As a result, Calgarians saved approximately 1.5 billion litres of water between August and October of 2023.
- The Stormwater Strategy was approved, which identifies stormwater investments to support growth, protect watersheds and drinking water, and build resilience to flooding now and into the future.
- 2023 was the 10-year anniversary of the southern Alberta floods. Over the past decade, Calgary's river flood resilience has significantly improved. Thanks to approximately \$1 billion of government investment, we have eliminated approximately 55 per cent of Calgary's flood damage exposure, and this will increase to 70 per cent when the Springbank Offstream Reservoir is completed in 2025.