Climate Emergency Parking Program: Pollution Charge Fact Sheet

Burning gas and diesel in vehicles is a major contributor to climate change—accounting for 40% of the carbon pollution generated in Vancouver. As part of the Climate Emergency Parking Program, we are considering a pollution charge to encourage people buying a vehicle to choose low polluting options and raise money to help fund the Climate Emergency Action Plan.

How would the pollution charge work?

The pollution charge would be added to the base permit fee of residential parking permits. It would:

- Apply to all existing and future permit zones
- Only apply to vehicles with model year 2023 or newer
- Not apply to specialized vehicles for people with disabilities

A key direction shaping the draft policy is to encourage people buying new vehicles to choose clean options—without incentivizing new purchases, or placing extra burdens on people for vehicles they already own. The 2023 model year is being considered as a 'cut-off' to ensure the pollution charge would only apply to purchases made after the new policy comes into effect.

The rates being considered are listed in *Table 1* below. The three tiers are set according to the amount of pollution a vehicle produces per kilometre driven. High-polluting vehicles like most large SUVs and full-size pick-up trucks fall into Tier 3, which has the highest pollution charge. Most types of vehicles found in Tier 2 and 3 are also available as Tier 1 low-polluting options, so people buying a new vehicle would have options to avoid paying the pollution charge. High-polluting vehicles also tend to be more expensive, so choosing a less polluting vehicle can often save people money.

Click here to learn more about the amount of carbon pollution different vehicles produce, which is information maintained by Natural Resources Canada.

Table 1. Rates being considered for the pollution charge. The charge would be added to the base fee of a residential parking permit, which vary between about $45 and $400 depending on neighbourhood.

Category	Annual Pollution Charge	Vehicle Types	Examples
Exempt	**$0**	**All 2022 and older vehicles** **Specialized vehicles for wheelchairs**	- All vehicles that people already own today
Tier 1 (<200 g CO2/km)	**$0**	**Electric & Low-Polluting New Vehicles**	- Electric vehicles, hybrids, and most economy vehicles (model year 2023 or newer)
Tier 2 (200 – 225 g CO2/km)	**$500**	**Moderately-Polluting New Vehicles**	- Most gas-powered sporty sedans and more efficient small SUVs (model year 2023 or newer)
Tier 3 (>225 g CO2/km)	**$1,000**	**High-Polluting New Vehicles**	- Most gas-powered luxury sports cars, large SUVs, and full-size pickup trucks (model year 2023 or newer)

How much carbon pollution would it reduce?

The pollution charge would achieve about 7 to 14% of the emissions reductions we are targeting from the switch to electric vehicle and renewable fuels. In 2030, that would be about 17 to 33 kilotonnes less carbon pollution emitted from the cars and trucks on our roads. That's equivalent to:

- 18,000 to 27,000 people commuting from Metrotown to downtown for a year by SkyTrain instead of car
- 4,500 to 6,700 people switching their home heating from a natural gas furnace to a heat pump
- 6,900 to 10,400 people switching from meat-based to vegetarian diets for a year

How much money would it raise to help fund the Climate Emergency Action Plan?

The pollution charge (not including the base permit fee) would cover about 7 to 14% of Climate Emergency Action Plan funding needs. Between 2022 and 2025, that would be about $16 to $32 million to help fund important climate actions. Examples of such investments include:

- **Encouraging more walking/rolling, biking and transit use:**
  - Enhancing the walking/rolling/cycling network so that these options are safer and more accessible throughout the city
  - Improving bus speed and reliability with new and improved bus priority corridors
- **Expanding the electric vehicle charging network:**
  - Installing more public fast charging hubs and level 2 chargers at community centres, City buildings, and curbside
  - Adding more charging connections into existing rental buildings
- **Switching public and private buildings from natural gas to renewable energy:**
  - Creating decision-support and financing tools, providing equipment incentives, and supporting demonstration projects
  - Accelerating the replacement of gas boilers with electric heat pumps in City-owned building

What happens if the pollution charge is higher or lower?

The pollution charges outlined above were set to encourage new car buyers to purchase low-emissions vehicles while acknowledging the limitation that the City currently lacks jurisdiction to apply the fee to vehicles parked off street. This balance requires the City to reduce carbon pollution, generate revenue to fund the Climate Emergency Action Plan, and treat those who park on and off street fairly.

The pollution charges could be adjusted up or down from the numbers above. In general, higher fees would have a bigger impact in reaching our climate goals, by encouraging more people who are buying new cars to choose less polluting options, and funding more of the Climate Emergency Action Plan. Lower fees would have less impact.

The following table illustrates what different pollution charges would mean for reductions in carbon pollution and Climate Emergency Action Plan funding.

Table 2. How different pollution charge rates would help reach targets for pollution reduction and fund Climate Emergency actions

Pollution Charge			Carbon pollution reduced in 2030 (kilotonnes)*	% emission reduction targets	Revenue generated over 4 years from 2022 to 2025 (M = millions)*	% of Climate Emergency Action Plan funding needs
Tier 1	Tier 2	Tier 3				
$0	$100	$250	4 to 7	2 to 3%	$4M to $9M	2 to 4%
$0	$250	$500	8 to 16	3 to 7%	$9M to $17M	4 to 8%
$0	**$500**	**$1,000**	**17 to 33**	**7 to 14%**	**$16M to $32M**	**7 to 14%**
$0	$750	$1,500	25 to 50	11 to 22%	$22M to $44M	10 to 19%
$0	$1,500	$2,000	36 to 72	15 to 31%	$28M to $55M	12 to 24%

* The carbon pollution reductions are projected to year 2030 because the City's climate targets are set for that year. The cumulative revenue is calculated for a four-year period from 2022 to 2025 because the investment needs in the Climate Emergency Action Plan have been estimated out to 2025.

How were the estimates for revenue and carbon pollution produced?

The City worked with Navius Research, a Vancouver-based climate and energy policy modelling firm, to forecast how different pollution charges would impact vehicle purchasing decisions. City staff combined that information with data on the types of vehicles in Vancouver and information on where those vehicle park to produce the carbon pollution and revenue forecasts in this document. These forecasts are uncertain and depend on factors such as how frequently people purchase new vehicles, their willingness to choose an EV when they purchase a new vehicle, and their ability to park off-street.

Won’t people just avoid this by not parking on the street?

The City’s parking authority is limited to vehicles parked on our streets, so it would not be possible to apply the pollution charge to vehicles that only park off-street. The estimations in this document assume that some people would avoid the pollution charge by changing their behaviour and parking off-street. Even with this behaviour change, the forecasted pollution reductions are substantial.

Such behaviour change would come with its own set of benefits. When people park off-street, it frees up on-street parking spaces for those who need it, and unlocks the potential to transform some spaces into other uses that benefit the entire community—for example, green infrastructure, wider sidewalks, or public spaces.