EcoForward CleanStart Program – Concept Framework

A Potential TransLink Carbon Revenue Program

(for possible inclusion in the 5-year plan)

Why

- TransLink has an immediate opportunity to unlock new carbon revenue while accelerating transportation electrification through a proven, policy-aligned, low-risk program model that is operationally ready.
- The proposed CleanStart initiative builds on a demonstrated model previously implemented between 2015 and 2021, and is supported by an updated, comprehensive, peer-reviewed business case designed to underpin an Initiative Agreement under the Low Carbon Fuels framework.
- With existing administrative processes and IT systems already in place, the program can be deployed immediately, enabling rapid capture of potential incremental financial value.
- The program can operate with zero burden on BC taxpayers.
- Importantly, delivery risk and organizational burden are minimized, as CleanStart assumes responsibility for day-to-day program administration, data management, and provision of the required regulatory reports, allowing TransLink to maintain a focused governance role while realizing the financial and strategic benefits of participation.

Program Objective

The CleanStart Program is designed as a transportation electrification initiative that drives incremental low-carbon electricity consumption, resulting in a measurable reduction in the average carbon intensity (CI) of the B.C. transportation fuel pool.

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The program aims to:

- Provide financial incentives to accelerate the retirement of high-emitting internal combustion engine (ICE) vehicles, and
- Enable their replacement with zero-emission vehicles (ZEVs) that rely on electricity as a transportation fuel.

The resulting impact is:

- A structural shift in energy use, from gasoline/diesel to electricity.
- An increase in quantifiable electricity supplied into the transportation sector.
- A measurable and verifiable CI reduction, consistent with the objectives of the Low Carbon Fuels Act.

Summary of Current Light-Duty Fleet Situation in BC

- B.C.'s existing ICE fleet is the main barrier to reducing transportation emissions. With 96% of the fleet still fossil-fuel powered, and vehicles lasting 20 years, emissions are locked-in for decades.
- Past and future emissions from the current fleet far exceed what current policies can address.
- Ongoing ICE sales and unrestricted used-ICE imports are sustaining high emissions.
- ZEV adoption is slowing and remains insufficient to meaningfully shift the fleet.
- The LCFS cannot offset a large and stable ICE fleet.
- Current policy tools influence new vehicles but do not address the existing fleet.
- Accelerated fleet turnover is essential.

Regulatory Framing under the BC LCFS

- The updated Low Carbon Fuel Act and Low Carbon Fuel Standard became effective in B.C. January 1, 2024.
- The Act regulates fuel suppliers (produce, market, import gasoline, diesel, jet fuel) for use in B.C.
- TransLink has a long, 14-year history of participating in BC-LCFS. TransLink continues to generate BC-LCFS credits from four different activities: 1) CNG fueling, 2) RNG purchases, 3) battery electric bus (BEB) and EV service vehicle charging, and 4) one Initiative Agreement for BEB charging infrastructure.
- CleanStart is intended to be structured for consideration under an Initiative Agreement as allowed under the Low Carbon Fuels Regulation.
- Initiative Agreements allow credit creation for activities that do not fit standard fuel-supply pathways, provided they deliver measurable CI reductions, are additional, and verifiable.

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- Other than crediting avoided emissions directly, the program would be framed as a measure that gradually increases supply and use of low-carbon electricity in transportation, beyond current adoption trends.
- Using this approach LCFS credits are tied to fuel displacement, not purely avoided emissions.
    - The program induces new electricity consumption in transportation.
    - Credit generation would be linked to measurable charging activity, not simply vehicle retirement.

Core Mechanisms

Incentive Structure

- Program participants receive a financial incentive (rebate) conditional on:
    - permanent retirement of an ICE vehicle, and
    - replacement with a ZEV
- The potential source of funding for rebates is discussed below.

Causal Link to Electricity Use

- The program would create a direct causal link between incentive → ZEV adoption → incremental electricity demand.
- The incentive would accelerate ZEV adoption timing, and generate incremental electricity consumption (relative to baseline forecasts)

Quantification Approach (Conceptual)

- Credits could be calculated based on:
    - estimated incremental electricity consumption attributable to program participants, and adjusted for:
        - model year of vehicle retired (a tiered approach to fuel economy)
        - vehicle usage/distance driven (km/year)
        - gasoline carbon intensities (alignment with LCFS CI reduction targets)
        - new vehicle efficiency (kWh/km)
        - estimated life of benefit
    - and converted into emissions reductions using:
        - approved electricity CI values under the LCFS

Additionality

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- The program would aim to demonstrate that:
    - Vehicle retirement and ZEV uptake are incentive driven.
    - Participants would not reasonably undertake the transition without the program.
    - Participating vehicles would not have been electrified within the same timeframe absent the incentive, and;
    - the resulting electricity consumption is therefore incremental.

Permanence

- Permanent retirement requirements ensure the end-of-life of surrendered ICE vehicles, and therefore a permanent end to fossil-fuel use and support for the endurance of the fuel-switching effect.

Relationship to the Federal Clean Fuel Regulations (CFR)

The CleanStart Program is proposed to be designed to operate alongside, but distinctly from, the federal CFR.

- Environment & Climate Change Canada, Clean Fuel Regulations were finalized and registered on June 30, 2022. Obligations took effect July 1, 2023.

- Provincial utilities qualify as “registered creators” under the CFR. The regulations intentionally allow non–fuel suppliers (including electric utilities, hydrogen suppliers, transit agencies, and fleet operators) to generate credits to:
    - Incentivize fuel switching away from fossil fuels
    - Recognize low carbon electricity already supplied into transportation
    - Broaden credit supply and reduce compliance costs for regulated fuel suppliers

- TransLink has a short three-year history of participating in CDN-CFR carbon credits (due to the CDN-CFR’s short history) from CNG fueling (2024-2026) and BEB charging (added in 2026) activities.

- TransLink, through its current RFP for Carbon Revenue Program Design Implementation and Reporting Services, is seeking program design support and options.

- Based on TransLink’s responsibility for charger registration, monitoring plans, data systems, and CFR reporting as outlined in the RFP, TransLink may be acting as the charging network operator (CNO), or equivalent registered creator, for BEB charging under the Clean Fuel Regulations.

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- As the CNO, the CFR has a requirement to reinvest 100% of the CFR credit revenue into specified clean-transportation purposes. Those purposes include:
  - *Financial incentives to support zero-emission vehicle (ZEV) uptake or use*
    - *Eligible expenditures include:*
      - *Rebates or incentives for the purchase or lease of zero-emission vehicles*
      - *Charging credits or discounted charging programs*
      - *Electricity rate incentives specifically for EV charging (e.g., EV-only TOU rates)*

Potential Credit Generation Pathway

The CleanStart Program incentives could potentially be funded through TransLink's federal Clean Fuel Regulations (CFR) credit revenues, where applicable.

- Where TransLink is acting as a Charging Network Operator (CNO) or equivalent registered creator, CFR revenues may be required to be reinvested into eligible clean transportation activities, including ZEV incentives.

- Under this structure:
  - CFR revenues are used to fund the incentive (input)
  - The incentive drives incremental electrification (activity)
  - That activity results in new electricity consumption (fuel supply impact)
  - Which may form the basis for LCFS credit generation (output)

  This creates a complementary (but not overlapping) relationship between the two regulatory systems.

- LCFS credits under CleanStart would be tied specifically to incremental electricity consumption induced by the program and quantified under a separate methodology.

No overlap with federal crediting

- To mitigate double counting risk each credit system will clearly:
  - rely on distinct quantification methods; and,
  - attribute emissions reductions to different causal mechanisms.

- TransLink's current Federal CFR credits are currently attributed to CNG fueling (2024-2026) and BEB charging (added in 2026) activities.

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- Any provincial LCFS crediting would apply a distinct quantification approach and would explicitly demonstrate the same unit of electricity or emissions reduction was not being claimed under both systems.

LCFS Initiative Agreement

Subject to Ministry approval credits could be generated under an Initiative Agreement by CleanStart. Credit creation would then be:

- reported by the designated responsible party (e.g., TransLink via allocation agreement),
- issued through the LCFS crediting system, and;
- eligible for sale through the LCFS Portal.

Revenue Flow and Use

- CFR credit proceeds (if used to fund incentives) would be utilized in accordance with federal reinvestment requirements.
- Proceeds from LCFS credit sales would be retained by TransLink with no prescribed reinvestment requirement under the LCFS.
- A portion of the LCFS credit sales would fund EcoForward's annual program administration costs.

This structure is intended to enable compliance with CFR obligations, while supporting a self-reinforcing funding model for expanded electrification.

Regulatory Structure

- Credit generation would require approval of an Initiative Agreement. Development of a clear quantification methodology acceptable to the Ministry and demonstration of additionality, causality and non-duplication as addressed above.

- Any use of an Allocation Agreement would be limited to eligible LCFS-regulated activities and structured in accordance with the Low Carbon Fuels Act and Regulation.

Important Note (Regulatory Positioning)

This concept represents a novel application of the Initiative Agreement pathway and would require:

- Close engagement with the Ministry of Energy & Low Carbon Innovation.
- A review/restructuring of the quantification approach.

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- Confirmation that the methodology aligns with the fuel-supply-based structure of the LCFS.

Approval is therefore not assumed, but positioned as a credible, policy-aligned opportunity for evaluation.

Program Outcome

If approved, the CleanStart Program would:

- Increase low-carbon electricity demand in transportation.
- Support accelerated fleet turnover toward ZEVs.
- Deliver verifiable CI reductions within the LCFS framework.
- Enable TransLink to meet CFR reinvestment obligations (if applicable) and potentially generate additional value through LCFS credit creation.

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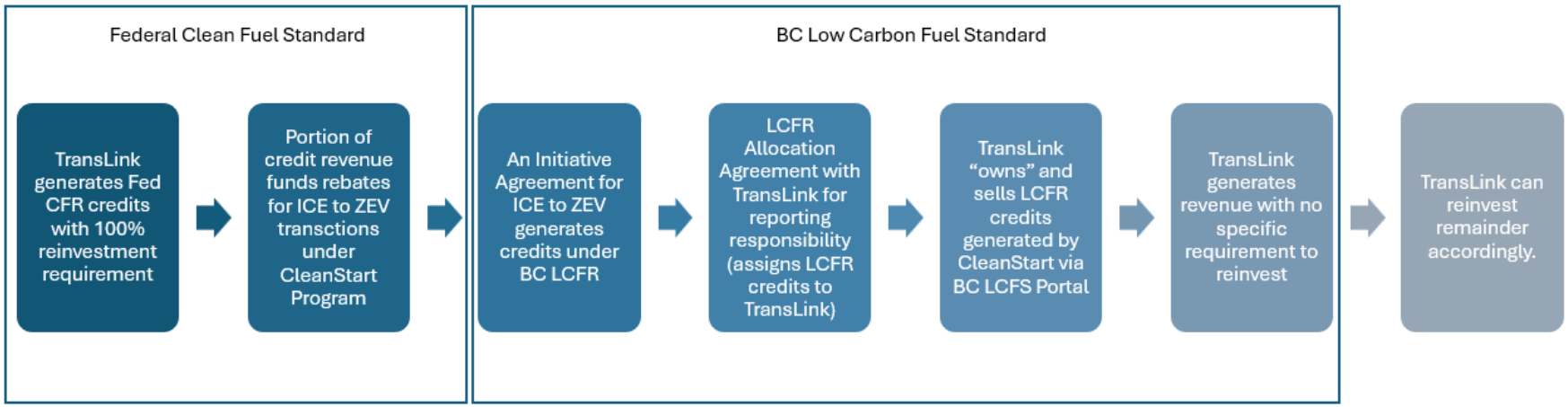

ECCC Compliance Credit Market Report for Q2 2025, with average price of $142.00 per.

Meets reinvestment requirement. Distinct, non-overlapping credit creation. Rebates with no burden on taxpayers.

BC-LCFR Credit Market Report with data to April 2026 showed an average price of $169.92 per. EcoForward and Ministry EMLI to confirm # of credits per transaction, previously 84.4, assume less at approx. 32 avg using tiered approach.

Program delivery platform is ready to go, and EcoForward can provide "reporting ready" data on transactions to TransLink to meet LCFR requirements.

Example financial scenario:
TransLink sells 10,000 credits @ $142.00 each = funds 450 CleanStart transactions at $3,000 each = $1,350,000
450 CleanStart transactions produces 450 x 32 credits each (avg), sell LCFR credits x $170 = $2,448,000
$1,098,000 additional revenue, no specific reinvestment requirements, minus a % for EcoForward program administration

Relies on:
- Ministry of Energy & Low Carbon Innovation approval of an Initiative Agreement for CleanStart program concept
- Fed/Prov carbon credits selling at approximate prices shown
- TransLink generating enough Fed CFR credits to fund rebates (EcoForward can cap rebates monthly, quarterly or annually based on funding flow).

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