



Submission Letter

Delivered to Parliament Committee in accordance with

Bill C-235

Building a Green Prairie Economy Act

Written and presented by

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Bill C-235: Building a Green Prairie Economy Act

Bill C-235 has been formally declared [“An Act respecting the building of a green economy in the Prairies.”](#) This submission letter is an official response to the hearing committee that took place in the House on October 6, 2022. Additionally, it contains vital information that speaks to MP Erskine-Smith’s invitation to Alberta Enterprise Group to identify specific examples of how federal programs are accompanied with onerous layers of reporting, increased man hours and associated burdensome costs and scheduling that have an adverse effect on the economy in the Prairies.

Contained herein are opinions, recommendations, and perspectives of active leadership figures from Alberta; this submission is a collection of real world examples reinforced with the knowledge that only the Prairies’ can determine how to best operate. We note there is no bill titled “An Act respecting the building of a green economy in Ontario” nor “An Act respecting the building of a green economy in the Atlantic Region”. Obviously, it is folly for a national government to try to micromanage certain provinces within confederation.

Canada has succeeded as a nation based upon intimate knowledge of the landscape upon which we thrive and conduct our own operations not a monolithic centralized government. All provinces need to be empowered to derive the most effective approaches to net-zero solutions.

Albertans feel strongly that the goals of the bill cannot be successfully achieved by people who do not fully comprehend the uniqueness of Alberta, Saskatchewan, or Manitoba. It is imperative that provincial jurisdictions must be allowed to formulate net-zero solutions in accordance with the unique demands and requirements of the Prairies’ and not mandated or overseen by costly and onerous programs from a federal perspective.

Fundamental Issues with Bill C-235:

Bill C-235 is an affront to the core values of a free-market democratic society, specifically in Alberta, Saskatchewan, and Manitoba. Canada is a *federation* not a unitary state, which at its best should respect the advantageous format this brings: entrepreneurship balanced with the highest reverence for jurisdictional and constitutional insights and exercisable power. This Bill undermines such efforts.

Provincial alignment to the bill and its deliberate terms, such as “net-zero” will inhibit a multiplicity of solutions as unique and variable as the Prairie industries, organizations, corporations, and entrepreneurs. Adaptation and transition to new and greener policies will vary as each province approaches the promise of achieving net-zero. Parliament must not discount the efforts made to date.

This bill's mandate to "build a zero-emissions green economy" (Section 3[b]) is counterproductive to the prairie's ongoing work to reduce emissions. The processes for provinces of the Prairies to transition towards these mutual goals cannot be micromanaged by Ottawa, nor is it appropriate for those seeking to pass this bill to view the process as "an exercise in finding common ground." (MP Jim Carr) The Honourable Mr. Carr inferred that those who do not "*align*" (a term MP Carr used 13 times during his speech on September 22) with the mindsets of the Liberals neither possess "open minds and hearts," nor do they have "a spirit of goodwill." To those not already in alignment this is offensive commentary: "I wouldn't say it's unpopular, I just haven't persuaded you yet." (MP Carr) In a democracy, it is best when those that hold the power to vote, do not condescend to those they serve. The costs of subscribing to blanket energy efficient programs not based in today's reality detracts gravely from achieving this objective.

During the Committee hearing on October 6, 2022, Catherine Brownlee, President of Alberta Enterprise Group (AEG) in an exchange with MP Nathaniel Erskine-Smith, was invited to expand further to the Committee in the form of a submission letter of precise examples of how the passing of this bill will only increase the burden and the cost to Alberta businesses if provincial jurisdictions are superseded or disallowed to formulate net-zero solutions in accordance with the unique demands and requirements of these jurisdictions. Liberal MP Erskine-Smith stated during the October 6 hearing that "(all provinces) need to do their part" and that Alberta is not doing its part and there's more to be done. In response, Ms. Brownlee of AEG attested (inside her five-minute speech) to many of the successes and utmost measures that Alberta's energy industry alone has accomplished and how "we lead the way globally on so many of these marks." Her attempts to respond were cut short during the exchange with MP Erskine-Smith, leaving the window open to follow-up with this letter.

MP Jim Carr's comment that the goal of the Bill is to "embrace our allies" [16:55] resonates a tone of coercion. Solutions should not be echoes of other like-minded thinkers or policy pushers: "...if (ministers and premiers) can't find any alignment, maybe they didn't try hard enough," he said. [17:05] It was apparent that MP Carr believes the provinces do not need to be consulted in the formation of the bill (whether it's needed or not), but they will be forced to participate once it becomes law. [17:00] He asked, "What do you do in a conversation if nobody wants to listen to you?" [16:25]. I suggest that the first step is to ask yourselves why you feel no one is listening? Is it because of the message, the messenger, or the failure to appreciate that this conversation has already progressed throughout Alberta, Saskatchewan and Manitoba?

How do Alberta, Saskatchewan, and Manitoba find common ground with those who refuse to embrace sincere efforts to date?" MP Shannon Stubbs (CPC, Lakeland) spoke, "...if the government says consultation is already happening, then why do we need this bill? In fact, NDP/Liberals have been receiving feedback from the prairie provinces about all of these transition issues but have selected to ignore them." [16:45]

The history of energy creation has been long and varied. We have used wood wind and water but eventually these were mostly replaced by coal. However, they were never

completely eliminated; they are all still being used. Coal used to provide common motive power until it was replaced by more efficient oil products. Notwithstanding, coal continues to be used for heating and electricity generation. Further, oil and gas were resources added to the mix because they were better for transportation and for the myriad of useful products they produce. Energy's evolution is not about harsh elimination and replacement, but rather applying strategic shifts in the philosophies of the stakeholders and operators, in the technologies that differ provincially. Greening the economy is laudable but doing it from Ottawa is laughable.

Some Key Challenges of Subscribing to Federal Regulatory Programs:

It is apparent that the obligation to these programs requires excessive reporting, an abundance of staff hours to congregate, delegate and attain the required documents, data, stipulations, and qualifications. This micromanagement tactic tied to federal programs is quite unnatural in the realm of wholesome transition, reducing emissions, and economic growth. It is patently undemocratic to coerce an entire economy-wide energy movement by forcing the demand of "zero emissions." These types of regulations will have an adverse effect on prosperity and enterprise growth which in turn will negatively impact the ability to achieve net zero because the costs must be paid somehow. The track record of federal programs of those relating to climate and a greener economy have proven that businesses struggle to maintain compliance.

In this bill, section 3(1) says the framework's object is to "(c)oorinate local cooperation and engagement in the implementation of federal programs across various sectors..." –this is just a fancy way of saying that the Prairie provinces have already overwhelmingly rejected the types of federal initiatives the Liberal Government is putting forward, and since the provinces don't agree with the Liberals, the Government is going to force this bill on them with another federal overreach law. MP Jim Carr himself speculated on the results of the framework with the notion that the results will remain unknown until approximately 18 months following royal assent. The Oil and Gas sector particularly (through C-69 and C-48) has had a negative effect on industry employment numbers. More jobs may be lost in the agriculture sector by mandating fertilizer reduction, and carbon taxes have debilitated countless businesses.

Alberta is a global leader in net-zero initiatives:

In Alberta, past and effective energy transitions have ensured more efficient operations to existing systems in the effort to subscribe to the goals of increased efficiency and affordability. These successful solutions are conceived and developed by the people and businesses who apply them, understand the technologies, and have a personal vested desire to establish stronger local economies and healthier environments for their own families. These methods in turn convey an obvious benefit to the, while "respecting the building of a green economy in the Prairies."

In her October 6 speech to the Committee in the House, Ms. Brownlee made mention of some very specific victories, accomplishments, and mega achievements in the reduction of emissions:

Oil sands GHG emissions:

- Alberta's oil sands producers have reduced emissions per barrel by 36 per cent since 2000 (22 per cent over the past decade), with leading producers on track for another 16 to 23 per cent reduction over the next 10 years.
- Alberta has legislated a limit on GHG emissions from all oil sands facilities. The *Oil Sands Emissions Limit Act* limits GHG emissions for all oil sands sites to 100 megatonnes a year.
- Alberta is also encouraging producers to find innovative ways to lower emissions and invest in innovative technology to save money and stay competitive through multiple efforts including the Technology Innovation and Emissions Reductions (TIER) system.
- The *Pathways Alliance* has been developed that includes some of the world's biggest energy producers and who operate ~95% of Canada's oil sands production in Alberta (CNRL, Cenovus, ConocoPhillips Canada, Imperial, MEG and Suncor Energy).

Orphaned or inactive sites:

- On April 11, 2022, the Alberta Energy Regulator (AER) issued its annual orphan fund levy in the amount of \$72 million and an additional \$6 million for large facilities for the 2022/23 fiscal year.
- On June 28, 2022, the AER increased the industry-wide mandatory closure spend targets from \$422 million in 2022 to \$700 million in 2023, with the forecasted target being \$992 million in 2027.
- More than 20,500 wells have been approved for "abandonment" and more than 12,300 wells have been approved for "reclamation".

Methane reduction:

- Alberta was the first sub-national government in North America to commit to an upstream oil and gas methane emissions reduction target. To complement the Federal regulatory approach, Alberta is using innovative non-regulatory programs and market-based tools to incent early action and reward projects that drive methane emissions reductions.

- In September 2020, the Government of Alberta announced \$25 million to help companies buy emissions reduction equipment within The Methane Technology Implementation Program. The program offers a 50 per cent rebate for purchasing emissions reduction equipment, to a maximum of \$1 million per eligible operator.
- Another \$27 million will be spent helping companies find, repair and measure methane leaks.
- The Alberta Methane Emissions Program supports investigating and testing alternative approaches to detection and quantification of fugitive and vented emissions.

Coal:

- Alberta is on course to fully transition away from coal-powered electricity by the end of 2023, seven years ahead of the federal target. The Alberta government provides annual transition payments to the companies that were originally slated to operate their coal-fired units beyond 2030.
- To replace coal-fired generation capacity, a significant amount of new natural gas generation has been installed. Additionally, new renewables projects have also been developed over the last several years further supporting the transition off coal.
- Alberta has seen significant growth in market-based renewable energy because of our environmental policies, electricity market, and the falling costs of wind and solar technology.
- This is all in direct contrast to the European Union's indication that they will be turning back to coal on a temporary basis given recent energy security challenges.

Specific Examples of Active Federal Programs and the negative effects:

Greening Government Strategy Program effects more than 20,000 government-leased properties, 39,060 buildings and 41,465,089 hectares of land to commit to net-zero carbon emissions and climate resilience to the mark of 75% by 2030.

- By 2023 PSPC will develop a zero-carbon, climate-resilient leasing portfolio plan to achieve this objective, including a program to work with landlords; this information will be publicly disclosed at the building level for new leases in major urban centres,
- all new domestic office leases and lease renewals for space over 500 m², landlords must report building energy and water usage,
- GHG emissions from the majority of office floor space leased will be reported by 2025.

NRCAN 2021-22 Departmental Plan (Section 3): the sustainable development NRCAN reporting requirements for reducing GHG's by 30%, relative to 2005 emission levels, clearly state a requirement for compliance.

- **Performance Indicator:** Percentage of target stakeholders reporting they have capacity to apply climate change adaptation tools and information for adaptation decision-making.

Canada Energy Efficiency Regulations: Before shipping an energy-using product between provinces or territories, or importing it, the dealer must ensure that an **energy efficiency report** has been filed with Natural Resources Canada.

An “energy efficiency report” must be submitted only when a product model is not already listed in NRCAN's database.

What is an energy efficiency report?

- Section 5 of the Regulations requires that an energy efficiency report be sent to Natural Resources Canada **before** an energy-using product is imported into Canada or shipped between provinces or territories. The report describes the energy-using product and provides information on its energy efficiency.
- The energy efficiency report should include the following data:
 - name of product
 - brand name
 - model number*
 - manufacturer
 - name of the certification body or province or territory that carried out the product energy performance verification and authorized the verification mark that will be put on the product **
 - whether a mathematical model*** was used to generate any of the product specific information required below
 - specific information about the energy efficiency and energy-use characteristics of the product as listed on the individual regulated product pages

CATS Clean Fuel Reporting

In direct relation to *gazetted regulations*, this program is a “registered creator” – which will be mandated for all fuel producers, and optional for those who want to participate in the “offset” programs.

The user guide itself for this particular program is extremely egregious to commandeer for someone unfamiliar with the stipulations and expectations of the program, leaving the process open for omissions, mistakes and disqualification:

- “The Clean Fuel Regulations’ Credit and Tracking System (CATS) is the specified electronic form for these submissions. It is a secure, web accessible platform being developed to enable registration, reporting, credit creations, credit transactions for primary suppliers and registered creators. Foreign suppliers and verification bodies also register in CATS. CATS is accessible at the following web link: <https://marchescarbone-carbonmarkets.canada.ca/en/Welcome>. CATS is a platform that has a shared, common access point with the federal Output Based Pricing System and Canada’s GHG Offset Credit System. Separate accounts are required in order to register with each program (the same email address can be used for all programs). This manual is specifically for users accessing the Clean Fuel Regulations’ (CFR) section of CATS, referred to as “CATS” in this document.”

Conclusion

We in Alberta, as demonstrated here (and on October 6) by the Alberta Enterprise Group, and as a collective voice, assert that Bill C-235 is a contrived vehicle to force implementation of federal programs in a manner and with distinct alignment with what Ottawa, not Canadians, views as ideal. The consultation element to this process has formulated the likes of an echo chamber for like-minded people to bully into compliance those who have a different approach to create provincial prosperity and implement solutions in collaboration with regulations and policies.

Additionally, we wish to identify the key difficulties that exist for enterprises to subscribe to the heavy tasks and requirements that accompany these programs, such as application, qualification, reporting and comprehension. If the objective of this bill is to gain greater traction at an increased rate, these elements must be carefully reconsidered prior to royal assent.

The Alberta Enterprise Group was formed in 2007 when a group of business leaders banded together to create an ambitious new business advocacy organization striving to make Alberta a better place to live and do business, while generating prosperity for all Albertans. We continue to succeed in sharing Alberta’s story with the world by effectively communicating the benefits of doing business in our province. We inform public and policy makers on complex and challenging issues facing the province and the country, by stimulating and guiding the business climate and subsequently perpetuating real and necessary changes, the value of which benefits the entire nation and the globe.