

# Alberta Presentation to Partnership Assembly Meeting (PA13)

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**Alberta Environment and Parks**

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# Alberta

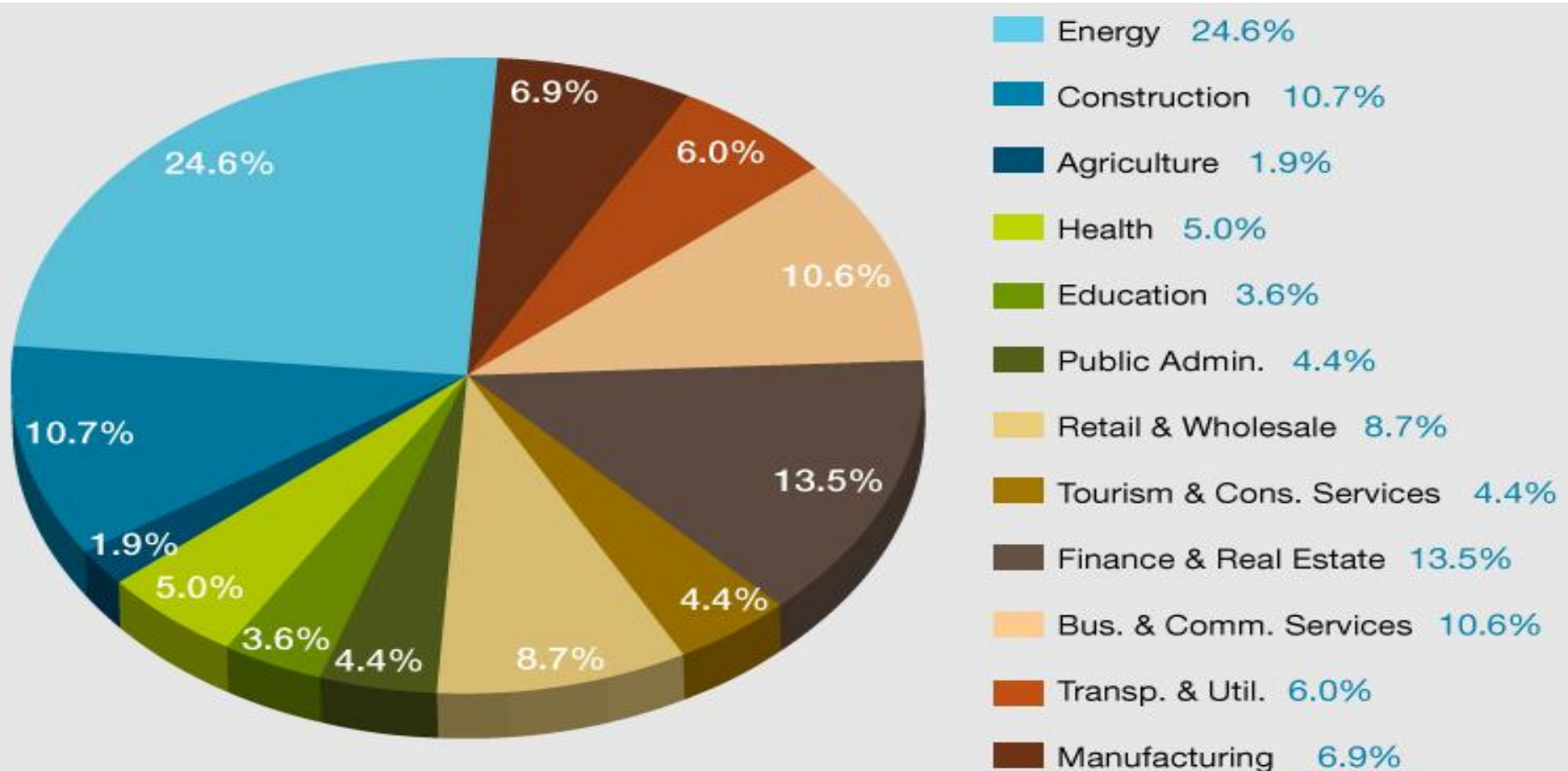


# Alberta Context

Population: ~4.2 million

Emissions: 267 Mt 37% of Canada's emissions (2013)

Gross Domestic Product: 331 billion dollars (3.5% average annual growth)

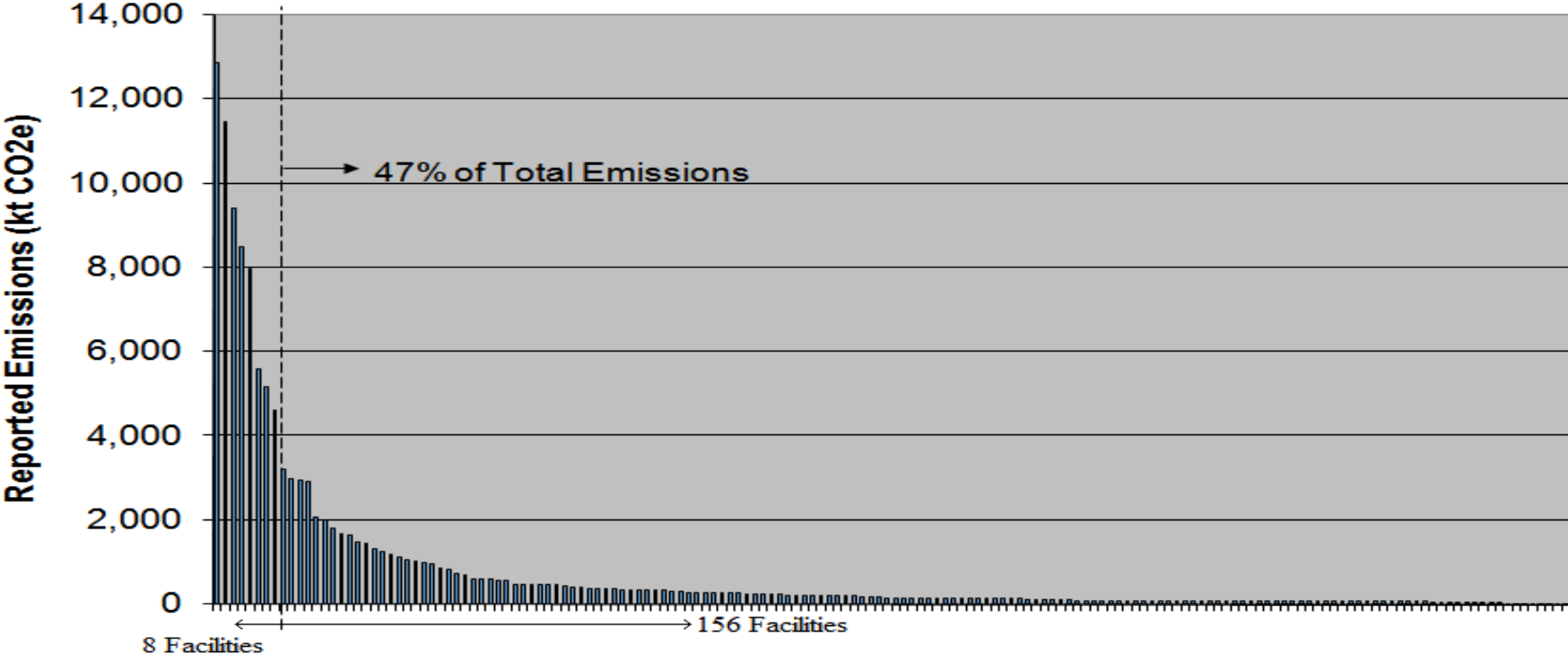


# Emissions Distribution

More than 72% of provincial emissions are industrial in nature.

Almost half of provincial emissions can be regulated by looking at sites greater than 100 kt annually. This has been the focus to date along with an offset program that broadens the reach.

**Distribution of 2011 Total Reported Greenhouse Gas Emissions by Facility**



# Regulatory Approach to Manage Emissions

## Climate Change and Emissions Management Act (2003)

### Specified Gas Emitters Regulation (2007)

- regulating large industry ( $\geq 100,000$  t CO<sub>2</sub>e per year, over 100 sites)
- existing facilities required to immediately reduce per unit GHG output
  - currently 12% reduction stringency
  - 2016 increases to 15% stringency and 2017 increases to 20% stringency
- new facilities ramped up from operating years 4 to 9 to full stringency requirements
- Compliance flexibility
  - reduce emissions at facility
  - use emission performance credits
  - purchase serialized Albert-based carbon offset credits
  - pay into the Climate Change and Emissions Management Fund (dedicated fund defined in legislation)
    - currently \$15/tonne
    - 2016 increases to \$20/tonne and 2017 increases to \$30/tonne

# Regulatory Compliance Results 2007-2014

- 61 Mt of emissions avoided (from BAU)
- \$578 million paid into the Climate Change and Emissions Management Fund

Compliance Cycle	Total Avoided Emissions		Fund Payment
	At Facility Reductions and Cogen	Offset Credits	
2007 (half year)	2.88 Mt	0.88 Mt	\$41.3 Million
2008	3.93 Mt	2.68 Mt	\$85.4 Million
2009	3.55 Mt	3.74 Mt	\$61.3 Million
2010	3.57 Mt	3.85 Mt	\$67.4 Million
2011	5.57 Mt	5.40 Mt	\$55.0 Million
2012	4.61 Mt	3.20 Mt	\$87.7 Million
2013	4.62 Mt	2.04 Mt	\$98.6 Million
2014	8.12 Mt	2.55 Mt	\$83.4 Million
<b>Total</b>	<b>36.85 Mt</b>	<b>24.34 Mt</b>	<b>\$577.9 Million</b>



# Tradable Permits in Alberta

## Offsets

- credits must originate in Alberta to be used for Alberta's regulatory requirements
- protocols in place – 32
- projects listed – 191
- typical annual volume – 3 Mt
- total units - ~ 48 M
- could form mechanism for linkage to other jurisdictions

## Emission Performance Credits

- generated by reducing intensity beyond regulatory requirement
- typical annual volume – 2 Mt

# Climate Change and Emissions Management Fund

- Legislation requires dedication of funds collected
  - reducing emissions or
  - improving Alberta's ability to adapt to climate change
- Climate Change and Emissions Management Corporation established to lead investment in innovation and technology
  - more than \$234 million allocated to 89 mitigation and adaptation projects
  - Leveraged with other sources of funding to a \$1.6 B
  - Funds can be (and are being) invested outside Alberta
- Alberta further investing
  - \$1.3B in carbon capture and storage
  - \$2B in GreenTriP

\$15 to \$30  
per tonne of CO<sub>2</sub>

\$578

Million in Alberta's  
technology fund

\$6:1

Leveraging

10 Mt

reduction by 2020

Alberta



Climate Change and Emissions Management  
(CCEMC) Corporation



# Assurance Program

## Third party verification

- In depth reports required for all compliance reports as well as offset project serializations

## Department Review

- Department reviews all baselines, compliance reports and offset projects

## Government re-verification

- Government contracts for re-verification of baselines, compliance reports and offset projects
- Approximately 10% are selected annually based on risk factors.

## Error Correction

- Materiality threshold used to determine retroactive error correction.
- Offsets revoked under to correct material errors.
- Compliance amounts are corrected retroactively under material errors up to 3 years.

# PMR Technical Partner

**Alberta is requesting to become a sub-national technical partner to the PMR**

**The province feels that its experience in operating an emissions trading system since 2007, our circumstances of economic growth as well as the significant industrial component to our emissions profile, our model for revenue recycling means that we have potentially valuable experience to share with implementing partners.**

**We understand that this would convey non-voting observer status at PMR meetings and that as a technical partner we are neither a financial contributor nor a beneficiary of funding.**

# Going forward – New National Government

A new Liberal national majority government was elected October 19<sup>th</sup>.

- New government will have a strong commitment to realizing Canada's international greenhouse gas commitments made for 2030.
- Have said they will take a more active role in establishing provincial level reduction goals.
- Has indicated a willingness to allow provinces to establish tools and systems to meet those goals.

More engagement on this file with the new national government is expected in the lead up to Paris.

# Provincial Climate Change Advisory Panel

New provincial government (May) has indicated a strong commitment to increase Alberta's efforts in reducing greenhouse gas emissions.

Panel was struck to engage with Albertans and provide advice to government on how to strengthen Alberta's actions to reduce emissions.

- Engagement phase complete.
- Advice to the government by early November.
- Government will respond with an action plan.

# Thank you

**Contact:**

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# Program Details

- <http://aep.alberta.ca/climate-change/guidelines-legislation/default.aspx>

## Offset and Emissions Performance Registries

- <http://www.csaregistries.ca/albertacarbonregistries/home.cfm>