Alberta’s Climate Leadership Plan: Progressive climate policy

A responsible investment

Alberta is part of the climate change solution. Through our Climate Leadership Plan, we have taken meaningful actions toward a lower carbon future. No other jurisdiction in the world is voluntarily limiting emissions to the extent we are in the oil sands.

Alberta’s Climate Leadership Plan was introduced in 2015 to reduce carbon emissions and diversify our economy. It is one of the strongest climate policies in North America. Our climate plan was developed in consultation with a wide range of Albertans including industry, the public, farmers, and Indigenous communities. It is founded on four key pillars that will help us achieve our climate goals, strengthen our economy and drive innovation in the province.

Alberta is investing in innovations that will make our energy resources more economically competitive and environmentally responsible. We are the sustainable energy producer the world needs for the 21st century.

The Four Pillars

1. **Capping oil sands emissions at 100 megatonnes per year**
   No energy jurisdiction should let its emissions grow without limit. With this 100-megatonne threshold, investors can have confidence Alberta is committed to reducing its emissions.

   With the implementation of our climate plan, Alberta’s total emissions from the oil and gas industry is forecast to fall to 254 megatonnes of CO₂ equivalent in 2030 compared to reported emissions of 274 megatonnes of CO₂ equivalent in 2015.

   Without the Climate Leadership Plan, the Government of Canada Emissions Trend (2014) forecast emissions from Alberta’s oil and gas industry would reach 317 megatonnes of CO₂ equivalent in 2030. The climate plan encourages industry to pursue low-carbon innovation that reduces input-related costs and improves operating margins.

2. **Putting a price on greenhouse gas emissions**
   Carbon pricing is widely recognized as the most cost-effective way to reduce emissions. The economy-wide carbon price increased to $30 per tonne in 2018. This price will be adjusted to keep pace with prices and growth, taking into account peer jurisdictions and competitors.

   Revenue generated from this levy is being re-invested in Alberta through green infrastructure, energy efficiency, renewable energy, bioenergy and innovation, including $440 million for oil sands innovation.

For more on the Climate Leadership Plan, visit alberta.ca/climate

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3. Ending pollution from coal-fired electricity and developing more renewable energy
In addition to supporting $10 billion in new investment in renewable energy assets, the coal phase-out is encouraging coal-to-gas conversions, and creating new demand for Alberta gas.

Alberta’s Renewable Electricity Program will support reaching our 30 per cent target of renewable electricity by 2030.

The first round of competition will see the construction of four wind farms across southern Alberta providing 600 megawatts of electricity. The second round of competition will see companies partner with Indigenous communities to produce up to 300 megawatts of renewable power. Each bid must include a minimum 25 per cent Indigenous equity ownership component, which can include an ownership stake in the project or land-use agreement between the company and the community. Round three is expected to add another 400 megawatts of renewable electricity.

4. Reducing methane emissions from industry by 45 per cent by 2025
Market access for Alberta’s gas producers is just as big a concern as oil producers, and restrictions are driven by the same environmental concerns. By supporting industry in its efforts to reduce their methane emissions, our climate plan will help them drive down costs and increase their access to global markets – and global pricing.

Encouraging competitiveness
Alberta holds its energy industry accountable. Albertans expect no less. Large industrial emitters have been required to report and reduce their carbon dioxide and equivalent emissions since 2001. In 2018, Alberta replaced an old regulation with the Carbon Competitiveness Incentive Regulation – an output-based allocation rather than facility-specific baselines – to more effectively reward successful operators and encourage underperforming facilities to adapt and improve. This regulation will drive meaningful reductions in per-barrel intensities without negatively impacting economic competitiveness.