

# **Final Report: Clean Energy Mission – Eastern United States**

## **Overview**

The Honourable Rob Renner, Minister of Environment, led a mission to the Eastern United States from June 14 - 17, 2010.

This mission focused on key jurisdictions involved in the exploration of a potential low carbon fuel standard for the Eastern United States. This initial engagement included meetings with various government and non-government groups in Massachusetts, New Jersey and Pennsylvania.

As a low carbon fuel standard is a relatively new carbon mitigation policy, focused on a lifecycle approach to quantifying emissions (from extraction of oil to use as fuel in vehicles), the intent of the mission was to share information about Alberta's greenhouse gas mitigation efforts, as well as our perspectives on the policy concept itself to help inform the development process. Additionally, given that the quantification of emissions is a science still in its infancy, the close energy relationship Alberta has with the United States, and recent lifecycle analysis findings regarding oil sands derived fuels, this mission took on particular importance.

The mission was coordinated with Gary Mar, Alberta's representative in Washington, as well as support from the various Government of Canada Consulates in the region.

## **Objectives**

1. Initiate engagement with Eastern United States involved in the development of a potential low carbon fuel standard.
2. Share Alberta's perspectives on the policy concept including the importance of ensuring accurate data, recognition of mitigation measures already underway 'upstream' and ensuring a level playing field for all crude oils.
3. Strengthen our understanding of genuine interest for a low carbon fuel standard policy and overall awareness of Alberta's clean energy efforts and associated trade relationship with the United States.

## **Accomplishments**

### **Massachusetts**

Minister Renner visited Boston, Massachusetts on Monday, June 14 for a one-day program to discuss Alberta's action on climate change and oil sands environmental management with Massachusetts officials.

The first meeting was with the Northeast States for Coordinated Air Use Management (NESCAUM) - a regional organization that provides technical and policy support to the

air quality and climate programs of the eight Northeast states. NESCAUM has been tasked by 11 Northeast and Mid-Atlantic states with developing a potential low carbon fuel standard for the region.

Minister Renner described Alberta's approach to climate change and oil sands management, noting that the province is seeking to ensure that any low carbon fuel standard appropriately takes into account the environmental mitigation that is occurring upstream, including legislation and compliance costs for producers. These issues were recognized by the group, acknowledging a shared appreciation for the complexities of this policy tool. Alberta committed to continuing these discussions to help ensure context is considered in any policy recommendations that may advance.

The Minister met representatives from Governor Deval Patrick's office to discuss provincial climate change efforts and overall environmental management for oil sands. Clean energy considerations in the context of energy security were also covered. In addition to work on the low carbon fuel standard, renewable energy and increased energy efficiency were identified as common priorities.

The Minister met with the Massachusetts Executive Office of Energy and Environmental Affairs as well as staff from the State Department of Environmental Protection, which is the key agency working on a potential low carbon fuel standard, serving as the primary liaison with NESCAUM. Topics included responsibilities for overall regulation of oil sands activities, the Canada/US energy relationship, and how the carbon intensity of oil sands compares to other crudes.

Minister Renner served as the keynote speaker at a Low Carbon Fuel Standard Forum, hosted by the Consumer Energy Alliance. Attendance included the Massachusetts Petroleum Council, the Massachusetts Motor Transportation Association, Massachusetts Oil Heat Council, the Center for North American Energy Security, Associated Industries of Massachusetts, the Independent Oil Marketers Association of New England, and the Canadian American Business Council. Representatives from regional environmental groups were also in attendance. The discussions focused on ensuring fair treatment under any low carbon fuel standard, the importance of considering consumer and other customer pricing impacts, and that any policy should be science-based and transparent.

## **Pennsylvania**

The second portion of the mission was Harrisburg, Pennsylvania, a key actor in the Northeast's efforts to establish a low carbon fuel standard.

Minister Renner met with Pennsylvania Department of Environmental Protection Secretary John Hanger and key senior staff as well as representatives from the Office of Governor Rendell. Minister Renner discussed work to lower the carbon footprint of oil sands production and the plans for carbon capture and storage.

Meetings were held with representatives from the state legislative branch including State Senator Mary Jo White, Chair of the Senate Environmental Resources & Energy Committee, and State Representative Camille "Bud" George, Chair of the House Environmental Resources & Energy Committee. Alberta's clean energy efforts were outlined with much of the follow-up discussion focused on the importance of balancing economic, energy and environmental interests - a challenging but necessary priority identified by Pennsylvania.

The Minister hosted a dinner meeting with Secretary John Quigley and staff who are responsible for conservation and natural resources. Topics of discussion covered Alberta's regulatory framework for greenhouse gas emissions, interests in discussing the low carbon fuel standard as well as shared commitment to carbon capture and storage.

### **New Jersey**

On June 16-17 Alberta Environment Minister Rob Renner visited New Jersey's capital, Trenton, to discuss environmental policies and oil sands-related issues.

The Minister participated in an event hosted by the New Jersey Petroleum Council, which was attended by approximately 35 of the state's energy and environmental contacts, including the private sector, academia, and other non-governmental organizations. The Minister conveyed information on Alberta's efforts to promote sustainable energy development, and sought insights into state clean energy interests including work on a low carbon fuel standard.

The Alberta delegation met with members of Governor Christie's Administration as well as officials from the New Jersey Department of Environmental Protection, including Commissioner Bob Martin. The Minister covered topics concerning Alberta's environmental management efforts on cleaner energy production, including mandatory greenhouse gas emission reduction targets for large emitters.

The final meeting for the mission was held with New Jersey State Senator Bob Smith, Chair of the Environment and Energy Committee, and Deputy Assembly Speaker John McKeon, Chair of the Environment and Solid Waste Committee. Similar to meeting with representatives of the state administration, the legislators were interested in learning more about Alberta's clean energy efforts. Discussions also covered shared concerns that a regional standard should be flexible enough to account for upstream mitigation. Topics relating to access to information and sustainable forestry and land use were also touched on.