

Oil Sands Consultations

MULTISTAKEHOLDER COMMITTEE FINAL REPORT



June 30, 2007

Alberta

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The time for change is upon us.

- Rick Schneider

CPAWS, Edmonton, Apr 3

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We have obligations to the people of Alberta, and changes must be made to how things are being done.

– **Vance MacNichol**

Chair MSC - Calgary Provincial Summit

”

Letter from Vance MacNichol, Multistakeholder Committee Chair

June 30, 2007

Honourable Mel Knight
Minister of Energy

Honourable Rob Renner
Minister of Environment

Honourable Ted Morton
Minister of Sustainable Resource Development

Subject: Alberta Oil Sands Consultation Multistakeholder Committee Final Report

I am pleased to provide on behalf of the Oil Sands Consultation Multistakeholder Committee a Framework for oil sands development for your consideration. This submission comprises a vision, principles, strategies and action plan that we believe is relevant and will be helpful in managing this mega resource.

We wish to thank the many stakeholders and individuals for their excellent presentations and insights during the consultation process. It is our hope that this report reflects their concerns, ideas and the need for a comprehensive oil sands plan.

In my view there are two very substantive ideas put forward in this report.

- Albertans made it very clear during the hearings phase that “an orderly pace of development requires responsible environmental management and appropriate development of services and infrastructure”.
- Alberta, other governments and stakeholders should work together in an open and collaborative manner. This means such things as integrating policies, sharing information and most important a long term oil sands plan that clearly identifies the role and responsibilities of the numerous stakeholders.

Our Interim Report put forward a vision and set of principles that were supported by all committee members. We have since that time been consulting with Albertans and diligently working on strategies and action plans regarding oil sands development. This has been a difficult task for a wide variety of reasons and I regret that consensus was not reached on several key issues regarding the environment, governance and the pace of development. To some extent, this reflects the divergence of views held by Albertans as we heard across the province.



It is my view that it would be beneficial for the Government of Alberta to look at not only the consensus actions but consider and deal with the non-consensus issues expeditiously as well. We have included in this report the detailed views of several Panel members on non-consensus items, that demonstrates the potential value of some of the recommended actions and that there is much common ground regarding several of them. Frankly, I believe there are positive opportunities for moving forward on them with some additional time and effort.

The Multistakeholder Committee appreciates the opportunity to participate in this oil sands consultation initiative. Several participants indicated that this was an extremely important matter to them and that it was imperative that it be done right. This showed in the members' dedication to the task and the passion that I saw in the discussions.

We hope that you will find this useful and beneficial to you and helpful in managing this important resource.



Vance MacNichol
Chair, Oil Sands Consultations



Executive Summary

In 2005, the Government of Alberta initiated consultation on a proposed Mineable Oil Sands Strategy to clarify and update policies that guide and regulate oil sands development. Concerns about the consultation process for this strategy led to the formation of the Oil Sands Consultation Advisory Group (CAG). The objective of the short-term review by the CAG was to recommend a public consultation process for the issues related to oil sands development. The Alberta Government accepted the recommendations of the CAG, including a recommendation to form a Multistakeholder Committee (MSC) that would adhere to a consultation process outlined by the CAG. The MSC was formed in 2006 to implement this process for consulting with Albertans on oil sands development.

The MSC held a two-phase series of public meetings across Alberta, including a Vision Summit in Phase I, and a Community Summit in the Fort McMurray region and a Leader's Summit in Calgary in Phase II. Input was received from a range of stakeholders representing a variety of views on oil sands development. From the MSC, one representative was selected from each sector to serve on a Panel. The Panel served a number of functions in the oil sands consultation process, one of which was to hear public presentations.

During the two phases of public hearings, the Panel heard presentations that covered a wide range of views and recommendations about the future of oil sands development in Alberta. Some of the common themes were pace of development including calls for a moratorium, capturing more value-added industry, stronger government leadership, the need for more planning, protection of the environment, social and economic benefits and, especially in the Fort McMurray area, a view that the infrastructure and service deficit required urgent attention.

The MSC used information gained from the Phase I meetings to assist in creating visions and principles for oil sands development. These were published in the MSC's Interim Report in November 2006 (released January 2007). The Phase II work was to confirm the visions and principles with stakeholders, and then create strategies and actions based on the visions and the principles.

Considerable information was received by the Panel in the form of oral presentations and written submissions (all available on the oil sands consultation website). With this information, as well as the MSC members' diverse experience and areas of expertise, the MSC identified 120 actions (also called recommendations for action) which were organized around strategies under the nine vision elements. The MSC vigorously debated these proposed actions and achieved consensus on the majority.

Owing to the diversity of the MSC members, the discussions resulted in a balanced suite of proposed actions meant to ensure economic benefits for all Albertans and Canadians while providing a high quality of life and protecting the environment.

It is worth noting that the MSC reached consensus on all the actions for Vision 1 related to First Nations and Métis. It was agreed the impact to these stakeholders must be fully considered, as their interests are directly affected by the decisions and policies of the Alberta Government and the private interests that develop the resource. While the First Nations and Métis participated in Phase I and Phase II, there was a separate, concurrent consultation process as part of Phase II for the First Nations and Métis. A separate, companion report will be submitted to government containing recommendations from First Nations and Métis.



The need for environmental protection and conservation was a concern the Panel heard at all public meetings. This is reflected in Vision 3, which has the most strategies and actions. Stakeholders were concerned with protecting the environment (land, air and water) both during and after development occurred. Actions focus on cumulative effects management and integrated planning to minimize impacts. Attention was also given to air issues, including emissions of greenhouse gases, as well as the need for more comprehensive watershed management. Concerns related to the pace of reclamation and ensuring that proper financial management of reclamation liabilities was in place were also heard.

Stakeholders believed oil sands technology needs to be the best in the world not only from a production perspective, but also regarding technologies for environmental monitoring and protection and reclamation. They wanted development to occur so that Alberta gains the maximum value from exporting raw products as well as from taking appropriate value added opportunities where possible.

The people who made submissions to the MSC wanted to ensure the benefits of oil sands development lead to healthy communities and wellness for all citizens equally across the province. The need for adequate health, education and housing with the required planning to meet future demands was heard often, especially in the Fort McMurray area. It was also heard that benefits from development should go toward the future. Many stakeholders expressed a need for planning, not only for current and projected development but also for a future in which oil sands development is not the dominant industry.

Discussions among the MSC members led to consensus on many actions. While there was not always consensus on how an action was to be achieved, often all members agreed on what the problem or issue was and that action was needed. One area of nonconsensus was around the “pace of development.” While some members of the MSC called for government to control the pace, others supported an approach in which the pace of development would be handled by other means. Irrespective of these differences, the majority agreed the government has a role in providing an effective governance structure for oil sands development which considers all aspects of development—from exploration to reclamation and all the needs in between related to economic, social and environmental issues.



SECTION 1. Introduction

The tremendous growth in oil sands development, especially in the greater Wood Buffalo region, has provided substantial economic benefits to Albertans and other Canadians, including jobs and tax and royalty revenues. Over the last three fiscal years (2003/2004 to 2005/2006), oil sands development returned \$1.9 billion to Albertans in the form of royalties. However, this growth has placed strain on the Wood Buffalo area, particularly regarding housing, infrastructure and transportation. In addition, there are concerns expressed publicly about the impact of oil sands development on the environment.

In 2005, the Mineable Oil Sands Strategy was developed for public consultation on long-term objectives for government and industry to manage and coordinate oil sands mining and its environmental impacts within the mineable development zone.¹ In response to stakeholder concerns with the consultation process regarding this oil sands strategy, the Government of Alberta (GOA) established the MLA-led Oil Sands Consultation Advisory Group to recommend a consultation process for the oil sands area in relation to oil sands development.

In its report, the Consultation Advisory Group recommended a structure for consultation, which included an Oil Sands Multistakeholder Committee (MSC) to lead public consultations on the development of Alberta's oil sands. A Panel, which was a subset of the MSC, was also recommended to focus on public outreach (public meetings/information sessions and collecting public input).

The MSC comprised a number of stakeholders, and was given responsibility for making recommendations to the Government of Alberta. The committee developed Vision and Principle statements for oil sands development, which reflected the wide range of views heard and considered by the committee. Under the visions and principles, the MSC identified strategies and recommendations for action.

The Alberta Government also undertook a separate, concurrent process of consultation with First Nations and Métis on oil sands development during Phase II of the oil sands consultations. This separate process was linked to the Multistakeholder Committee process, and focused on identifying and addressing concerns related to the potential adverse impacts that oil sands development may have on First Nation and Métis rights and traditional uses.

First Nations and Métis also had the opportunity to participate in the public consultations held by the Panel to provide feedback regarding issues such as economic development, housing and infrastructure, healthcare, education, jobs and training. Any input received during the separate consultation sessions with First Nations and Métis pertaining to these non-rights based issues was given to the MSC for their consideration. Further details regarding the First Nation and Métis consultation process and corresponding recommendations can be found in the *Aboriginal Consultation Final Report*.

¹ Department of Energy website: *Mineable Oil Sands Strategy*

“

Be Brave.

- Fort McKay Summit

”



“ Oil sands growth is essential to the development of a diversified economy. ”

- Bill Clapperton

CNRL, Calgary, Apr 23

The Multistakeholder Committee Consultation Process

The consultation process was divided into two phases:

Phase I — Input was sought from Albertans regarding their vision for oil sands development and principles to assist in guiding future policy direction. The Panel held public meetings in seven communities throughout Alberta and members of the public, industry, environmental groups, and other agencies and groups made presentations to the Panel. In addition, a Vision Summit was held in which views of a representative cross section of acknowledged oil sands opinion leaders were solicited.

Phase II — The Panel held a second round of public consultation meetings at the same locations throughout Alberta. The objective was to obtain input on the Multistakeholder Committee Interim Report and the Proposed Options for Strategies and Actions document developed following Phase I. The Phase II consultation process included an Oil Sands Community Summit and a Provincial Summit in addition to the open public meetings. The purpose of the two summits was to seek input from invited regional leaders on the draft set of Strategies and Actions proposed by the MSC. A final report was then developed by the Multistakeholder Committee.

Invitees to the Community Summit included executive-level decision makers from community and labour groups, non-government organizations, First Nations, Métis, academia and school boards, ministerial association, affected industries and municipal government. Invitees to the Provincial Summit included executive-level decision makers from the oil sands industry, non-government organizations, First Nations, Métis, academia, engineering, procurement and construction firms, small businesses, community and labour groups, other affected industries and the local, provincial and federal governments.

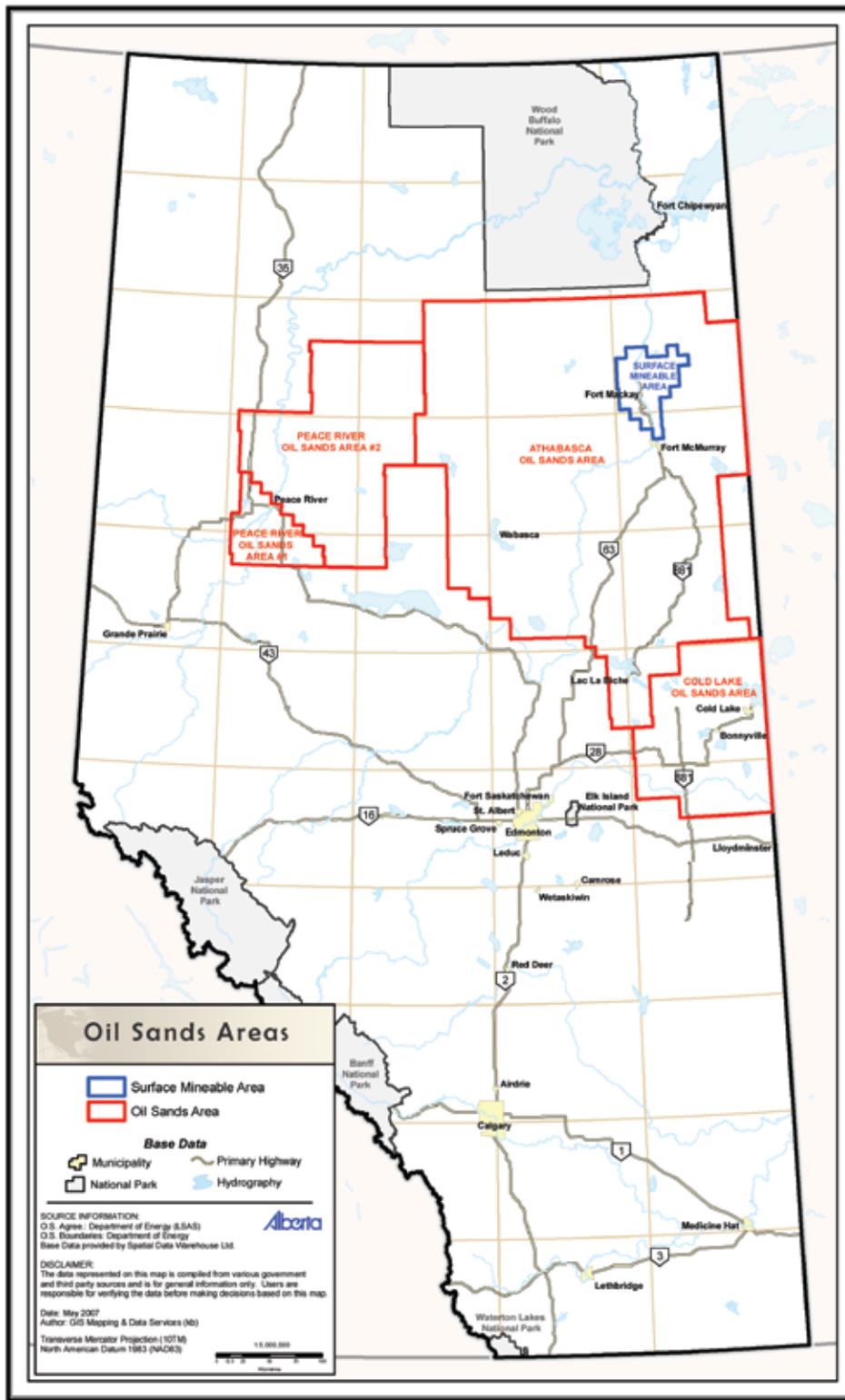
In carrying out its mandate, the Panel gathered public input from stakeholders through a series of public meetings held throughout Alberta. During Phases I and II, a variety of stakeholders made a total of 310 oral submissions to the Panel at these public meetings, most of which were accompanied by written presentations. In all, the Panel received 519 written submissions with responses on a range of issues that included planning for development, the environment, climate change, infrastructure needs, pace of development, reclamation, First Nations and Métis, and benefits for Alberta.

Setting the Context

Oil Sands in Alberta

It is estimated that Alberta has approximately 178.7 billion barrels of initial established reserves; however, only about 3 per cent of the initial established reserves has been produced to date. Currently, there are approximately 3,807 oil sands agreements with the province, totaling approximately 60,863 square kilometres. Close to 55 per cent of possible oil sands areas have not yet been leased.



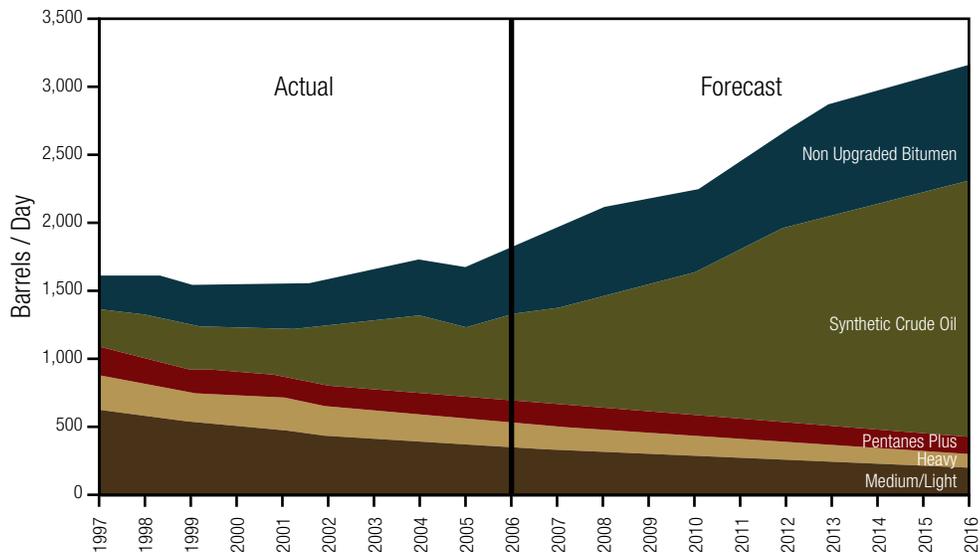


“ Our land and our survival are being threatened by oil sands development. ”

- Rhonda Laboucan
Woodland Cree First Nation,
Peace River, Apr 16

In 2006, bitumen production surpassed conventional oil production by over 200 per cent. Bitumen production of 458 million barrels averaged 1.25 million barrels per day, which was an increase of 18 per cent over 2005. Bitumen production in Alberta has increased by 88 per cent since the year 2000, or by 214 million barrels. The Energy and Utilities Board (EUB) expects Alberta's annual bitumen production to increase to more than one billion barrels by 2016. Alberta's total remaining established bitumen reserves stand at 173.2 billion barrels.²

Alberta's Supply of Crude Oil and Equivalent



Source: Alberta Energy Utilities Board, 2007

Impact on the Environment

The oil sands deposits, which are contained in three major areas of Alberta (Athabasca, Peace River and Cold Lake regions), cover a total of nearly 140,200 square kilometres of northeastern Alberta—an area twice the size of New Brunswick. The development of oil sands affects the environment in a number of areas, including water, air, land surface, fisheries and wildlife habitat.

First Nations and Métis

Both First Nations and Métis have expressed concerns regarding oil sands development projects underway as well as proposed expansion plans. Many of the issues identified focus on the themes of impacts on the environment, impacts on communities, housing and infrastructure, cumulative impacts, impacts on rights, interests and traditional uses, consultation and accommodation, communication and relationship building and economic participation.

In addition to participation in regulatory reviews and environmental planning initiatives to address many of the concerns outlined above, First Nations and Métis communities throughout the oil sand sands regions are actively involved in economic development opportunities provided by the oil sands. Aboriginal businesses provide many services related to oil sands development and the associated growth of communities.



² Statistics from the Energy and Utilities Board, June 5, 2007.

Regional Municipality of Wood Buffalo

The Regional Municipality of Wood Buffalo has seen a sustained economic growth for the past seven years as a result of increased development in the oil sands region. With increased investment in the oil sands, the population of the region is growing rapidly. The effect of this development is a region that is experiencing great challenges in addressing growth impacts.

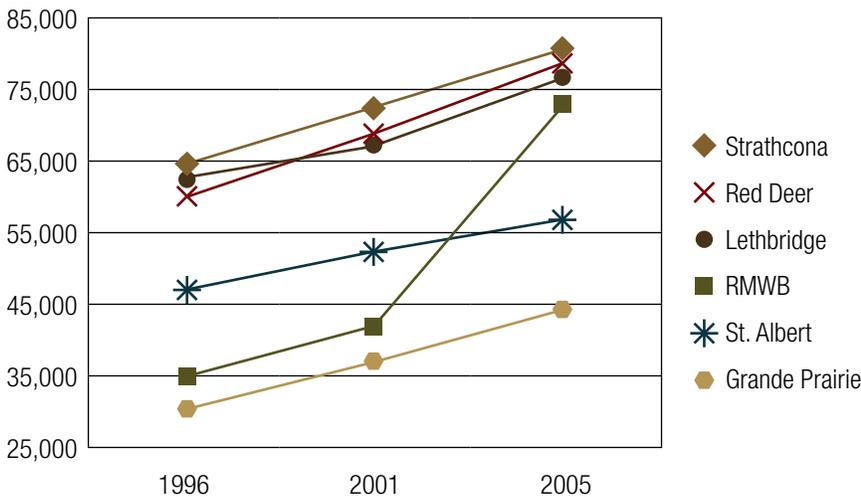
Accelerated oil sands investment over the past seven years has produced substantial population growth in the Regional Municipality of Wood Buffalo's population. From 1999 to 2006, the region's population increased from 39,727 in 1999 to 66,043 in 2006 (71 per cent), with the majority of that growth in Fort McMurray.

If current economic trends continue, making oil sands development appealing and sustainable, and the necessary housing and labour supply is available to build and operate oil sand plants and the necessary services for the region's population, the Regional Municipality of Wood Buffalo can expect to see high population growth for the foreseeable future. Under these premises, various forecasts project Fort McMurray (the urban service area) to reach a population of 100,000 sometime between 2011 and 2013. These forecasts are based on the known projects that have been proposed by oil sands companies. Another element of the region's demographics is "shadow population" which fluctuates during the construction phases of oil sands projects. As the construction phases are labour intensive, the shadow population is projected to peak sometime between 2010 and 2012 when the construction period of the proposed projects peaks.

“ A moratorium means we can tell our children we took the time to get it right. ”

- Chris Severson-Baker
Pembina, Calgary, Apr 24

Population of Selected Alberta Municipalities 1996-2005

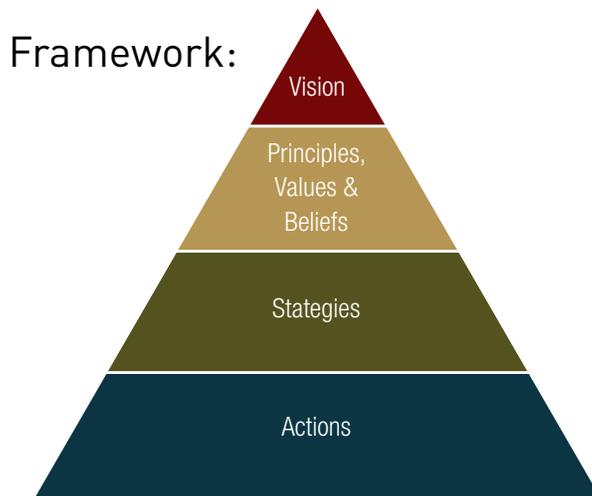


Source: Statistics Canada, Census of Canada and Alberta Municipal Affairs, Municipal Profiles

Note: RMWB = Regional Municipality of Wood Buffalo.

SECTION 2. The Framework

A suggested framework was created to help oil sands development to occur in an appropriate manner. The framework was based on visions underlain by principles. Strategies were then developed for each vision. Under each strategy, key actions were identified based on information obtained through the public consultations and input from members of the MSC.



Vision and Principles

The Vision and Principles developed to guide oil sands development are stated below.

Our vision for oil sands development leads to a future for Alberta that:

- *Honours the rights of First Nations and Métis*
- *Provides a high quality of life*
- *Ensures a healthy environment*
- *Maximizes value-added in Alberta*
- *Builds healthy communities*
- *Sees Alberta benefit from the oil economy and lead in the post-oil economy*
- *Sees Alberta as a world leader in education, technology and a skilled workforce*
- *Provides high quality infrastructure and services for all Albertans*
- *Demonstrates leadership through world class governance.*

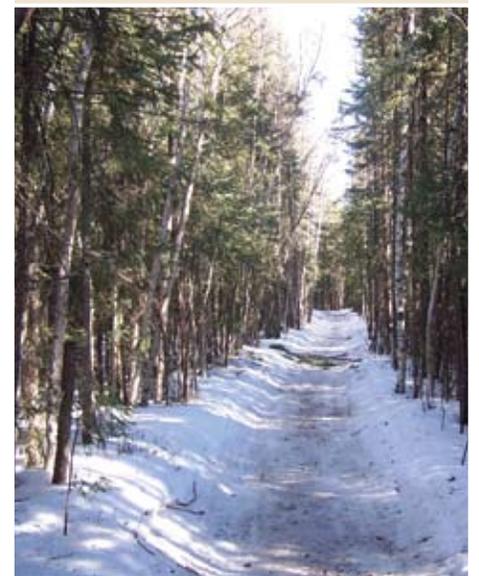
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The oil sands aren't going anywhere.

”

- **Chris Goss**

public, Edmonton, Apr 3



“

Using natural gas to develop oil sands is like using caviar as fertilizer to grow turnips.

- Allan Dunn

Strathcona County, Edmonton,
Apr 4

”

The following principles should be used to guide oil sands development:

- ***The rights of First Nations and Métis shall be honoured and respected.***
Oil sands development will occur in a manner that engages First Nations and Métis, and is respectful of their rights.
- ***The commercial value of the oil sands is maximized within the context of sustainable development.***
Economic development of the oil sands shall occur in a manner that maintains the integrity of the ecological and social systems upon which communities and society are dependent.
- ***Within constraints and parameters, economic development of the oil sands is based on market principles.***
Investors will make market decisions to plan and implement development within the constraints and parameters established by the government, such as the management of cumulative environmental and social impacts through legislation, policies and plans.
- ***Development of oil sands includes planning and implementation for orderly infrastructure and community development, including timely funding and services for communities that are now, and will be, most impacted by oil sands development, including First Nations and Métis.***
Planning and delivery of infrastructure (e.g., roads, buildings), and services (e.g., education, health care, social services, policing) need to keep pace with development.
- ***An orderly pace of development of oil sands requires responsible environmental management and appropriate development of services and infrastructure.***
The rate at which oil sands development proceeds should be influenced by the commitment of government, industry and stakeholders to responsibly manage the economic, environmental and social impacts and benefits of this development. This includes the commitment to maximize the economic benefits, monitor and manage environmental impacts, and provide adequate services and infrastructure.

Appropriate planning and development of infrastructure and services should influence the pace of development.
- ***The benefits of oil sands development are maximized and the negative impacts are minimized.***
Existing and future oil sands operators will need to continuously improve their technologies and operations to maximize benefits and continuously reduce negative impacts.
- ***Current and future generations of Albertans and other Canadians benefit socially and economically from oil sands development.***
Benefits from oil sands development should extend to future generations to maintain a high quality of life. Environmental, social/cultural or economic liabilities should not be passed on to future generations but should be addressed by the generation that creates the liability.



- ***A clean, healthy environment is ensured, and human and ecosystem health limits are identified and implemented.***

Through the identification of limits that protect human and ecosystem health, oil sands development should occur in a manner that ensures a clean, healthy environment for both current and future generations.

- ***Renewable resources are used in a sustainable manner, and non-renewable resources are used responsibly to attain a sustainable energy future.***

Oil sands development should occur in a manner that is integrated with the sustainable management of renewable resources, and that encourages the responsible use of non-renewable resources. Further, some of the economic benefits and advances in education and technology should be leveraged to transition toward a sustainable energy economy that includes energy conservation and efficiency, and the development of alternative and renewable sources of energy.

- ***As steward of the resources, the Government of Alberta maximizes the long-term value and creates a legacy from the oil sands resources for the people of Alberta.***

Development of the oil sands should occur in a manner that creates a positive and lasting legacy for First Nations, Métis, Albertans and Canadians. Through government stewardship and leadership, the development of the oil sands should contribute toward the diversification and sustainability of the economy, and maximize the long term return to Albertans while ensuring a healthy environment and a high quality of life.

- ***Regulatory structures and systems are reasonably certain and predictable, while maintaining adequate flexibility.***

Regulatory structures and systems should provide reasonable certainty and predictability for oil sands operators and proponents while maintaining adequate flexibility to ensure that the long-term economic, social and environmental interests of Albertans are upheld through government regulations, policies and plans.

The Government of Alberta, as steward of the resources, is responsible for regulatory re-evaluating and adjusting, as necessary, its legislation, regulations, policies, fiscal terms and plans to ensure orderly development and to maximize the public's benefits from development.

- ***Stakeholders are honest, inclusive, transparent, collaborative and effective in communications to ensure the best results are achieved for oil sands development.***

Alberta, other governments and stakeholders should work together to integrate policies, align and share information, and assess performance.

“

We can't take for granted that if you, as some people have suggested, put the brakes on development, that you never get it going again.

”

- Calgary Provincial Summit



Strategies and Actions

Key actions were identified as recommendations to the Alberta Government. In some cases, consensus on an action could not be reached among members of the Multistakeholder Committee. Where this occurred, the action was sent to the Panel for further discussion. In some cases, consensus was achieved by the Panel; however, where consensus could not be reached, Panel members were asked to clarify their reasons in writing, and this clarification is provided in Section 3.

The strategies and actions are given below. Consensus is indicated by [C]; non-consensus is indicated by [NC].

Vision 1. Honours the rights of First Nations and Métis

Strategy 1. Ensure adequate and legal First Nations and Métis consultation for all current, future and proposed oil sands development.

A single strategy was developed under Vision 1, and consensus was achieved on each action under the strategy. A number of the actions were in response to concerns heard from First Nations and Métis regarding the existing consultation, accommodation and compensation processes.

The actions are aimed at improving provincial government engagement, communication and consultation with First Nations and Métis to more effectively address issues related to oil sands development. A more detailed compilation of recommendations provided by First Nations and Métis related to this vision and others can be found in the companion Aboriginal Consultation Final Report.

V1.S1. Action 1.1 [C] Further consultation should occur between the governments of Alberta and Canada, and where appropriate, First Nations and Métis to address issues related to oil sands development such as:

- enhancement of current consultation processes;
- consideration of the need to address potential issues related to compensation and accommodation;
- protection of significant traditional use sites through the sharing of traditional use information;
- development of appropriate consultation mechanisms regarding integrated land management planning; and
- impacts of recreational activity on rights and traditional uses.

V1.S1. Action 1.2 [C] Develop a Métis consultation policy and guidelines.

V1.S1. Action 1.3 [C] Where not already in existence, set up regional tables where First Nations, Métis, industry and government (federal, provincial and municipal) can discuss issues arising from resource development in the Oil Sands Areas.

V1.S1. Action 1.4 [C] Incorporate Traditional Environmental Knowledge (TEK) into environmental planning and management in the Oil Sands Areas.

V1.S1. Action 1.5 [C] Work to develop appropriate mechanisms for involving First Nations and Métis in integrated land management that focuses on respecting their stewardship of and connection to the land.

V1.S1. Action 1.6 [C] Provide First Nations and Métis with an opportunity to have input into the disposition of crown mineral rights through participation in integrated land management processes as well as the placement of significant traditional use site information on Energy's Crown Mineral Restrictions Database.

V1.S1. Action 1.7 [C] Address outstanding access management issues on traditional lands and continue to work together proactively to address new access issues as they arise.

Vision 2. Provides high quality of life.

Strategy 1. Adopt and implement standardized quality of life indicators for all Alberta communities.

A single strategy was developed under Vision 2, and consensus was achieved on each action.

Overall, the MSC agreed that in order to provide a high quality of life, the indicators of quality of life should be measured and evaluated. The MSC was informed that several sets of quality of life indicators existed. The committee concluded the most appropriate ones could be considered for use in the province as a whole, including in the oil sands regions where some quality of life indicators may be unique. It also considered that new indicators may need to be developed. Using and publishing indicators across Alberta will help identify and clarify areas of deficiency and assist the province in making decisions to address them.

V2.S1. Action 1.1 [C] In a transparent manner, adopt appropriate quality of life indicators and use them to assess communities on a regular basis.³

V2.S1. Action 1.2 [C] Using the results from the quality of life assessments, develop and implement plans to address identified deficiencies in oil sands impacted communities.

Vision 3. Ensures a healthy environment.

The committee developed 11 strategies under Vision 3. Most actions under the strategies achieved consensus, but some remained as areas of disagreement (see Section 3 for nonconsensus discussions).

Strategy 1. Assess regional impacts and ensure government planning and regulatory processes are in place to encourage sound environmental practices.

Full consensus was achieved on Strategy 1 and its actions. It was agreed that a necessary first step in ensuring a healthy environment was obtaining good information and then using it to develop comprehensive plans. A further step was improving management systems to achieve the plans. The actions emphasize the value of planning at a regional level, including the related downstream activities associated with oil sands development. A number of presenters and committee members also expressed the importance of planning as part of environmental protection.

Committee members expressed support for focusing on minimizing releases to the environment and the need for continuous improvement in this area. This was also an aspect of environmental protection that had been raised by a number of presenters in the public meetings.

One of the key tools identified for continuous improvement was a requirement for implementing BATEA (best available technology economically achievable) for new and existing facilities within appropriate time frames. The committee members recommended the province lead a process to identify and require use of BATEA.

³ Note: There may be quality of life indicators that are unique to oil sands communities.

“ Homelessness is not high quality of life. ”

- Grant Neufeld
public Calgary, Apr 24



“

Development is going along at hyperspeed but reclamation is going along at geological speed.

- Don Cvell

public, Wabasca, Apr 11

”

V3.S1. Action 1.1 [C] Create and implement comprehensive regional resource and environmental planning and management systems for the Athabasca, Peace River and Cold Lake Oil Sands Areas.

V3.S1. Action 1.2 [C] Create and implement comprehensive regional resource and environmental planning and management systems for regions impacted by existing and proposed upgrader development.⁴

V3.S1. Action 1.3 [C] Environmental performance requirements for new projects and capital stock turnover of existing projects should be based on the use of BATEA.⁵

V3.S1. Action 1.4 [C] BATEA should be established through a government-led multistakeholder process.

V3.S1. Action 1.5 [C] Reinforce policy framework that focuses on minimizing releases from oil sands facilities to the environment, and requires continuous improvement in environmental performance.

V3.S1. Action 1.6 [C] Review, update and implement new version of IL 96-7 (Memorandum of Understanding between Environmental Protection and Energy and Utilities Board) for application and environmental impact assessment review to improve regulatory and review coordination including consideration of federal/Alberta cooperation agreement on environmental assessment.

V3. Strategy 2. Use economic instruments to encourage sound environmental practices.

Full consensus was achieved on actions under Strategy 2. Committee members agreed that economic instruments can be effective, and recommended their use specifically for regional air emissions, and for water use in general.

V3.S2. Action 2.1 [C] Evaluate the use of cap and trade system for air emissions in the oil sands regions.

V3.S2. Action 2.2 [C] Use market instruments to facilitate improvements in regional water usage.

V3. Strategy 3. Improve cumulative environmental impact assessment process for oil sands.

Consensus was achieved for most of the actions under Strategy 3. The committee agreed on the need to have comprehensive environmental baseline data and adequate resources to be able to make good cumulative environmental impact assessments, and thereby make the best decisions regarding development. It was also agreed that since some environment impacts of development extend outside Alberta, it was important to work with other governments.

Consensus was not achieved on actions defining baseline and assessment in more specific terms, and the range of nonconsensus views are provided in Section 3 of this report.

V3.S3. Action 3.1 [C] Assemble comprehensive environmental baseline data for each of the Oil Sands Areas.

V3.S3. Action 3.2 [C] Assemble comprehensive environmental baseline data for regions impacted by existing and proposed upgrader development.

⁴ Actions involving oil sands areas and regions affected by existing and proposed upgrader development are linked.

⁵ BATEA = best available technology economically achievable; BATEA refers to technology that can achieve superior performance and that has been demonstrated to be economically feasible through successful commercial application across a range of regions.



V3.S3. Action 3.3 [C] Provide adequate resources to enable the Government of Alberta to increase their knowledge and scientific capacity in order to better assess and manage the environmental impacts of oil sands development.

V3.S3. Action 3.4 [C] Work with neighboring jurisdictions and the federal government to ensure cumulative environmental assessment and management of transboundary issues.

V3.S3. Action 3.5 [C] Conduct regional cumulative environmental impact assessments of oil sands development for current and planned developments, with one component to consider being the assessment of the value of ecosystem goods and services.

V3.S3. Action 3.6 [NC] Establish a pre-development baseline using historical data, TEK and modeling to be used as an assessment case in all EIAs and to inform reclamation requirements.

V.3 Strategy 4. Develop and implement limits and standards as part of a system to protect human and ecosystem health.

Consensus was reached on two of the actions under Strategy 4. The nonconsensus views on the other two actions are provided in Section 3 of this report.

Air and water quality concerns were heard extensively throughout the consultation process, and the protection of air and water was considered important by all MSC members.

There was lack of consensus over the use and interpretation of the term “precautionary principle”, and a on a specific recommendation to establish caps for air emissions in areas with upgrader development.

V3.S4. Action 4.1 [C] Continue to utilize ambient air quality objectives as one of the approaches for managing air emissions in oil sands areas.

V3.S4. Action 4.2 [C] Utilize caps as one of the approaches for air emissions in the Oil Sands Areas.

V3.S4. Action 4.3 [NC] Implement *interim* precautionary⁶ based environmental and emission thresholds, guidelines and frameworks based on the best information currently available, to be updated or replaced as new information is obtained and better management tools are developed.

V3.S4. Action 4.4 [NC] Establish caps for air emissions in the regions affected by existing and planned upgrader development.

⁶ The precautionary principle argues that if an action or policy might cause severe or irreversible harm to the public, in the absence of a scientific consensus that harm would not ensue, the burden of proof falls on those who would advocate taking the action. The precautionary principle is most often applied in the context of the impact of human actions on the environment and human health, as both involve complex systems where the consequences of actions may be unpredictable. As applied to environmental policy, the precautionary principle stipulates that for practices such as the release of radiation or toxins, massive deforestation or overpopulation, the burden of proof lies with the advocates. An important element of the precautionary principle is that its most meaningful applications pertain to those that are potentially irreversible, for example where biodiversity may be reduced.

Canada government definition: The precautionary approach / precautionary principle is distinctive within science-based risk management. It recognizes that the absence of full scientific certainty shall not be used as a reason to postpone decisions when faced with the threat of serious or irreversible harm. However, guidance and assurance are required as to the conditions governing the decisions that will be made. Guidance and assurance are particularly needed when a decision must be made regarding a risk of serious or irreversible harm about which there is significant scientific uncertainty. The precautionary approach / precautionary principle primarily affects the development of options and the decision phases, and is ultimately guided by judgment, based on values and priorities. Indeed, Canada has a long-standing history of implementing the precautionary approach in science-based programs of health and safety, environmental protection and natural resources conservation.

“
It would be madness to
maintain the status quo.
”
- Chris Severson-Baker
Pembina, Calgary, Apr 24



“ Oil sands development is the largest disturbance on the planet. ”

- Doug Olson

public, Calgary, Apr 24



V.3 Strategy 5. Reduce greenhouse gas emissions from oil sands development.

The MSC reached consensus on a strategy to reduce greenhouse gas emissions (GHG) from oil sands development, but there was not agreement on the specific time frame, method to achieve reductions, or the level/degree of reductions. Consensus was achieved on two of the five actions under the strategy, and the range of nonconsensus views are provided in Section 3 of this report.

The committee agreed on the value of developing technologies that would reduce greenhouse gas emissions. The need for development of new technologies, including carbon capture and storage, had been identified in a number of submissions and presentations, and the MSC further recognized that carbon capture and storage must be done safely.

Consensus was not reached on supporting intensity targets, implementing reductions consistent with the Kyoto Protocol, or requiring carbon neutrality by 2020. Several submissions and presenters had urged the committee to recommend to Alberta that reductions consistent with Kyoto be implemented, but a number of submissions disagreed with the use of emission intensity targets as a method to achieve reductions.

V3.S5. Action 5.1 [C] Encourage the advancement of technologies to reduce greenhouse gas emissions resulting from oil sands development.

V3.S5. Action 5.2 [C] Encourage participation by industry and government in the advancement of carbon capture and storage. Work is required to ensure public safety and to determine appropriate government funding, if any.

V3.S5. Action 5.3 [NC] Develop facility targets for energy efficiency measured by per barrel energy intensity, which will, in turn, reduce per barrel GHG emissions and encourage broader initiatives to advance energy efficiency in oil sands development.

V3.S5. Action 5.4 [NC] Set GHG targets that will cap emissions for oil sands industry and lead to reductions consistent with Canada's international obligations.

V3.S5. Action 5.5 [NC] Require carbon neutrality in all oil sands industry by the year 2020.

V.3 Strategy 6. Develop and implement watershed management plans for watersheds within Oil Sands Areas.

Consensus was reached on five of the actions under Strategy 6.

All MSC members noted the importance of water quality and quantity for everyone in the Oil Sands Areas. Most of the presentations at the public meetings involved the Athabasca River specifically, and to a lesser extent the Peace and North Saskatchewan Rivers.

The committee agreed on the importance of quality baseline information, proper monitoring and reporting practices, planning for the future and having management plans in place for development. However, consensus could not be reached on recommendations to put in place an interim suspension of new licenses, revise the current Water Management Framework, or implement the provincial/federal government framework.

V3.S6. Action 6.1 [C] Develop and implement a watershed management plan for the Athabasca River on a priority basis.

V3.S6. Action 6.2 [C] Establish guidelines for determining buffer zones along the Athabasca River and other rivers in the Oil Sands Areas to protect integrity of river valleys.

V3.S6. Action 6.3 [C] Complete mapping and inventory of groundwater aquifers.

V3.S6. Action 6.4 [C] Review regular surface and groundwater water quality and quantity monitoring and reporting practices throughout the Oil Sands Areas and improve as required.

V3.S6. Action 6.5 [C] Alberta should work in cooperation with other governments to develop distributional and environmental goals of water allocation to enable the development of mechanisms for conservation within the Mackenzie River Basin Transboundary Waters Master Agreement.

V3.S6. Action 6.6 [NC] Suspend granting new water withdrawal licenses until a Watershed Management Plan and a Water Conservation Objective are implemented for the Athabasca River.

V3.S6. Action 6.7 [NC] Implement the Federal/Provincial interim Water Management Framework: Instream Flow Needs and Water Management System for the Lower Athabasca River.

V3.S6. Action 6.8 [NC] Revise Phase 1 of the Water Management Framework to include an absolute limit (point of zero) water withdrawals during low flows to increase the level of protection for the Athabasca River.

V.3 Strategy 7. Minimize the impact of oil sands development on the biodiversity of boreal forests.

Consensus was reached on two of the eight actions under Strategy 7.

The MSC agreed on the importance of minimizing the impact of oil sands on biodiversity in boreal forests, and also agreed on actions aimed at improving ongoing work and processes, with emphasis on land use planning similar to that found in other strategies. The committee also reached consensus on establishing new protected areas as part of that planning process, but could not achieve consensus on limiting the total amount of land that could be disturbed, on establishing an interconnected network, or on setting aside four specific protected areas.

V3.S7. Action 7.1 [C] As part of the land use planning process, establish new protected areas within the Oil Sands Areas.

V3.S7. Action 7.2 [C] Review ongoing monitoring and research efforts to determine the impacts of oil sands development on fish and wildlife, and revise as necessary.

V3.S7. Action 7.3 [NC] Establish a limit on the cumulative amount of land that can be disturbed at any one time in each of the oil sands areas.

V3.S7. Action 7.4 [NC] Establish an interconnected network of protected areas and corridors by protecting areas of intact, high conservation value boreal forest that are representative of the region, will sustain ecological integrity, and will protect traditional land uses and species of value to First Nations and Métis communities. Industrial activities could be permitted within corridors under strict guidelines that ensure habitat quality is maintained and barriers to movement do not occur.

Additional Comments

Jim Boucher - Fort McKay First Nations

V3.S7. Action 7.5 [NC] Establish Richardson Backcountry as a protected area in Alberta, allowing for First Nations and Métis traditional activities to be embedded in protection status.

V3.S7. Action 7.6 [NC] Establish Athabasca Rapids as a protected area in Alberta, allowing for First Nations and Métis traditional activities to be embedded in protection status.

V3.S7. Action 7.7 [NC] Establish Gipsy Gordon as a protected area in Alberta, allowing for First Nations and Métis traditional activities to be embedded in protection status.

V3.S7. Action 7.8 [NC] Permanently protect the McClelland Lake Wetland Complex and its watershed from industrial development through its immediate establishment as a provincially designated protected area.

V.3 Strategy 8. Review current reclamation process and identify how reclamation can better proceed throughout the region given current rates of disturbance.

Consensus was achieved on the actions under Strategies 8 through 11. These strategies deal with aspects of reclamation. The committee recognized that proper reclamation, and in particular reclamation of tailings ponds, was considered an important outcome of oil sands development. The actions to support the strategy are primarily planning and coordination actions, with clearer definition of standards and penalties to enforce meeting requirements set out in plans.

V3.S8. Action 8.1 [C] Work with industry to develop and implement a comprehensive, coordinated reclamation research plan.

V3.S8. Action 8.2 [C] Require comprehensive reclamation and mitigation plans from the onset of development that include milestones. Establish penalties to be enforced if operators fail to meet identified milestones.

V3.S8. Action 8.3 [C] Require planning and coordination of reclamation across lease boundaries on a landscape basis.

V3.S8. Action 8.4 [C] Define a reclamation standard that describes final certification requirement where site conditions are clearly self sustaining, and where natural succession to a typical boreal ecosystem would occur.

V3.S8. Action 8.5 [C] Proceed with the establishment of tailings performance criteria and specific enforcement actions.

V3.S8. Action 8.6 [C] Involve First Nations and Métis in developing and implementing reclamation plans as well as determining appropriate end land use.

V.3 Strategy 9. Develop formal and transparent processes and policies for financial management of reclamation liabilities.

Consensus was achieved on actions under Strategy 9. The committee agreed the Alberta government needs to ensure Albertans are not required to pay for reclamation costs in the future in case project operators default on commitments or go out of business. Therefore, the province needs to ensure appropriate regulatory processes are in place to manage the potential risks. Improvements to the current process are being developed through a new Mine Liability Management Program (MLMP) that is under consideration by the province.



V3.S9. Action 9.1. [C] Ensure that Albertans are protected from financial liabilities related to reclamation of oil sands impacted lands, through regulation with well-defined processes that will result in full coverage of reclamation costs by companies.

V3.S9. Action 9.2. [C] Consider providing an opportunity for public comment prior to finalizing the draft Mine Liability Management Program currently being developed by Alberta Environment.

V.3 Strategy 10. Clearly identify standards, certification process and enforcement mechanisms for reclamation of all disturbances related to oil sands development.

Strategy 10 and the actions under it complement Strategies 8, 9 and 11. The committee agreed that clearer standards, certification and enforcement, including standards incorporating new methods, regional planning and management, would result in quicker and better reclamation over time.

V3.S10. Action 10.1 [C] Ensure that new, proven methods for reclamation are incorporated in project approvals within a reasonable timeframe.

V3.S10. Action 10.2 [C] Develop and implement regional systems (planning, management, monitoring, etc.) to achieve closer alignment between the rate of disturbance and the rate of reclamation.

V.3 Strategy 11. Alberta and industry have a joint responsibility to ensure the reclamation predictions and policy statements made in EIAs and hearings or during consultation initiatives are delivered on.

Strategy 11 and the action under it complement Strategies 8, 9 and 10. The MSC determined that following up on the statements leading to project approvals and the conditions of approvals is an important part of the process, and will provide greater assurance that development will take place as outlined. The committee considered that use of ongoing best practices would be one tool for meeting and exceeding the predicted reclamation outcomes.

V3.S11. Action 11.1 [C] Lead the establishment of a group to develop best management practices to continue the improvement of reclamation practices.

Vision 4. Maximize value-added in Alberta.

Strategy 1. Clearly identify the opportunities and barriers to specific value-added industries and facilities in Alberta oil sands, and develop policies to promote value-added in Alberta.

Consensus was achieved on all actions under Strategy 1. The MSC noted that a number of presentations and submissions supported higher levels of value-added activities taking place in Alberta. The actions include two parts. The first part is to determine the overall costs and benefits of increased value-added activities to establish optimal levels, and identify objectives and develop policies to achieve those objectives (and through which leading edge technology could be promoted and used to support further upgrading and other value-added activities).

The second part of the actions is to do regional planning for major oil sands related value-added activities. This is consistent with the committee's other recommendations focusing on planning.

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We must act like owners.

- Al Romanchuk
public, Edmonton, Apr 3

”



“
The time for action is
now.”

- Monique MacDonald

Canadian Federation of University
Women, Alberta Council,
Edmonton, Apr 3

V4.S1. Action 1.1 [C] Conduct a thorough analysis of social, economic and environmental costs and benefits on increased upgrading, refining and processing to determine the optimal level in Alberta.

V4.S1. Action 1.2 [C] Identify provincial objectives for upgrading bitumen in Alberta and implement policies to achieve those objectives to reach the optimal level.

V4.S1. Action 1.3 [C] Promote use of leading-edge technology for upgrading bitumen in Alberta.

V4.S1. Action 1.4 [C] Establish and administer regional plans to address oil sands related major development (e.g., upgraders, sulfur storage).

Vision 5. Builds healthy communities.

Strategy 1. Provide adequate resources to ensure health and wellness for citizens as well as quality services that meet the requisite provincial and national standards.

Consensus was achieved on 15 of the 16 actions under the two strategies for this vision. The committee agreed on the importance of providing a necessary level of health and other wellness services in areas where oil sands development was resulting in shortages of service capability. The committee also agreed there were actions that could improve the ability of the province to provide the resources necessary for this outcome.

A number of the actions involve obtaining additional information, and using that for appropriate planning and setting standards. An additional number of actions involve aligning and coordinating the actions of the province, the municipalities and other parties to obtain maximum benefits from use of the resources that are now or will become available. Several actions include advanced planning and forecasting to provide resources ahead of their need to reduce the impact of unexpected increases in activity and population.

HEALTH

Scope of Healthcare Services

V5.S1. Action 1.1 [C] Ensure that regional health authorities' basic service agreements are aligned with larger centres of excellence to provide timely health care services.

V5.S1. Action 1.2 [C] On remote project sites, encourage and promote industry-initiated health and medi-centres to alleviate pressure and complement public systems.

V5.S1 Action 1.3 [C] Enhance long-term public health surveillance in targeted regions (i.e., potentially impacted oil sands regions) to monitor changes in health conditions and environmental exposure.

V5.S1. Action 1.4 [C] Complete a comprehensive health services plan that identifies existing health services and strategically determines the appropriate level of primary, secondary and specialty services required for oil sands affected regions.⁷

V5.S1. Action 1.5 [NC] Initiate objective long-term health studies in targeted regions (i.e., potentially impacted oil sands regions) to monitor changes in health conditions and environmental exposure. Local engagement and external peer review are integral to the studies.

⁷ As an interim measure, ensure that basic services agreements are established with Capital Health to provide timely health care services.

Recruitment of Health Care Professionals

V5.S1. Action 1.6 [C] Increase the priority to develop and implement a plan to attract and retain health care professionals in the communities, including remote communities, to provide key services as a way to reduce substantial rates of staff turnover. Greater emphasis must be placed on narrowing the ratio between doctors and number of patients to reflect what occurs in non-oil sands areas of comparable size.

FUNDING

V5.S1. Action 1.7 [C] Undertake comprehensive review of financial requirements for funding and services for high growth areas as part of the design and construction phases of major projects.

V5.S1. Action 1.8 [C] Consider providing front end funding to municipalities through revised regional funding formulas to be directed to high priority community projects during construction phases.

V5.S1. Action 1.9 [C] Consider revising the current Regional Health Authority funding formula for high growth oil sands areas to incorporate additional funding to include shadow populations that reside in the region.⁸

V5.S1. Action 1.10 [C] During the budget cycle, consider increasing health care funding to Alberta Department of Health and Wellness budget to accommodate the payment for shadow populations and inter-provincial services versus the current model of allocating funds to regions based on Alberta Health Care registrations by postal code.

V5.S1. Action 1.11 [C] Consider ensuring funding for education and other infrastructure and services (pre-investment) is in place to meet the required future demands of approved projects until local taxation levels can provide a sustaining flow to cover capital and operating requirements.

SAFETY

V5.S1. Action 1.12 [C] Encourage better coordination and use of best practices to promote acceptable level of safety policies and training for all industries serving oil sands development, both on and off the worksite.

V5.S1. Action 1.13 [C] Develop comprehensive transportation safety plans for oil sands impacted regions with input from respective communities and public representatives.

V5. Strategy 2. Develop planning systems to assist high growth communities, including First Nations and Métis, affected by oil sands development in adapting to growth demands.

V5.S2. Action 2.1 [C] Develop integrated planning processes with greater emphasis on responsibility and short and long term planning for regional growth strategies in areas of high resource development and related activity.

V5.S2. Action 2.2 [C] Immediate action is required to work cooperatively with industry and municipal government to ensure adequate land release, development of infrastructure and services, and affordable housing alternatives.

V5.S2. Action 2.3 [C] Support land use and development practices that enhance the quality of life in communities and preserve the natural environment.⁹

⁸ The base formula should also incorporate a provision for immediate population growth/ escalation based on approved project workforce projections for the various major construction projects within the region.

⁹ For example: mixed use development; transit-oriented development; multi-use corridors.

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We are concerned that industry has a “dine and dash” attitude.

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- Mike Queenan

public, Calgary, Apr 24

Vision 6. Sees Alberta benefit from the economy and lead in the post-oil economy.

Strategy 1. Ensure fiscal regime provides Albertans with appropriate resource revenue, and that revenues benefit current and future generations of Albertans.

The MSC achieved consensus on two of the actions under this strategy, primarily setting out general principles recommended to be followed by the province. A number of presentations and submissions commented the province needs to ensure that it receives the appropriate benefits for the development occurring in the Oil Sands Areas. A need to invest in the future was also stated at a number of venues. The MSC discussed accelerating/slowing down the current plan to remove capital cost allowance and considered increaseing/decreasing royalties, but members were not able to reach consensus.

V6.S1. Action 1.1 [C] Develop and implement a communication plan to increase Albertans understanding about the oil sands fiscal regime.

V6.S1. Action 1.2 [C] Ensure competitive fiscal regime that:

- is fair, flexible, predictable, and maximizes the return to Albertans as the resource owners; and
- includes mechanisms to respond to varying market conditions.

V6.S1. Action 1.3 [NC] Invest a set proportion of oil sands resource revenue in an existing long-term fund (e.g., Heritage Trust Fund) to benefit current and future generations.

V6.S1. Action 1.4 [NC] Recommend the federal government begin the phase-out of the accelerated capital cost allowance (ACCA) immediately, and that it apply equally to new projects and existing projects undergoing expansion.

V6.S1. Action 1.5 [NC] In collaboration with the federal government, reform the fiscal regime for oil sands to ensure that a minimum of 60% of the net value of the resource is retained by the federal and provincial governments through the combined tax and royalty regime.¹⁰

V6. Strategy 2. Government encourages economic diversification and transition to a post oil economy.

Consensus was achieved on all actions under Strategy 2. The MSC agreed that forward planning was important, and the province should consider its approach to diversification of the economy over the long term. The committee recommended actions for the province that would enhance and lead to research and development of methods to improve efficiency and increase the use of renewable energy.

V6.S2. Action 2.1 [C] Develop scenarios (e.g., 20 yr/50 yr) to look at planning diversification of the economy and the transition to post-oil economy.¹¹

V6.S2. Action 2.2 [C] Establish policy direction to enhance energy efficiency and use of renewable energy in Alberta.

V6.S2. Action 2.3 [C] Create a long-term fund for research and development on energy efficiency, new technologies and renewable energy.

¹⁰ National Oil Sands Task Force in 1996.

¹¹ Scenario should do risk assessment based on high and low economy cycles.

Vision 7. Sees Alberta as a world leader in education, technology and a skilled workforce.

Strategy 1. Increase and retain a skilled workforce through coordinated training, education and labour force programs.

Consensus was reached on all actions under Strategy 1. The MSC considered a strategy for increasing the workforce to meet the demand for all types of activities across Alberta, particularly in the Oil Sands Areas. The actions are grouped similar to the current Province of Alberta plan (Building and Educating Tomorrow's Workforce) under actions to attract, develop, and retain skilled workers.

The committee determined the long-term interests of the province (and students) would be best served by encouraging students to remain in school and achieve a grade 12 (high school) level of education as a minimum. The committee also identified actions that would encourage the participation of people from First Nations and Métis backgrounds in the workforce. This was a common theme at a number of public meetings.

ATTRACT

V7.S1. Action 1.1 [C] Support and implement studies on future labor demands (trades) and expand to include other related occupations.

V7.S1. Action 1.2 [C] Work with all levels of governments, industry and accredited institutions, First Nations and Métis to assist with removing barriers to allow for greater employment opportunities.

V7.S1. Action 1.3 [C] Work with all levels of governments, private sector/other organizations to encourage/fund First Nations and Métis students:

- to achieve minimum educational level, and
- continue funding for the existing Alberta Aboriginal Apprenticeship Program.

V7.S1. Action 1.4 [C] Ensure there are policies in place to ensure students remain in school and achieve minimum level of education.

V7.S1. Action 1.5 [C] Encourage businesses in the oil sands sector to maintain policies to ensure students remain in school and achieve a minimum (high school) level of education and life-long learning.

DEVELOP

V7.S1. Action 1.6 [C] Encourage development and delivery of the following:

- curriculum which fosters and enhances science and mathematics and introduces students to career opportunities within Alberta's oil sands;
- increase number of seats for students to enroll in programs in cooperatives and internships in post secondary institutions;
- participation to attract students into apprenticeship trades;
- educate, train and develop world class engineers, scientists, operators and technicians (including attention to cultural and social sciences) to advance the limits of oil sands technology.

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A lot of projects have been announced, but there may not be a lot of projects that go forward.

”

- Calgary Provincial Summit



“ We hope the difficult we can fix right away, while the impossible will take a little more time. ”

- Vance MacNichol

Chair MSC - Calgary Provincial Summit



RETAIN

V7.S1. Action 1.7 [C] Promote a portion of oil sands-related contracts to be in place with local businesses and entrepreneurs, including First Nations and Métis businesses.

V7.S1. Action 1.8 [C] All levels of governments, industry and accredited institutions to work with First Nations and Métis to increase participation levels and careers in the oil sands.

V7. Strategy 2. Ensure Alberta becomes a centre of excellence for technological development in oil sands operations.

Consensus was achieved on the action under this strategy.

The MSC noted that a number of presentations and submissions suggested a need for greater technological development as part of achieving better outcomes from development, often focusing on water use, air emissions and reclamation. The committee recommends an action for government to maximize benefits from new technologies through policies and plans that would incent, coordinate and focus research.

V7.S2. Action 2.1 [C] Develop and implement coordinated research and development policies and plans that will improve environmental performance in oil sands operations. At a minimum, policies should address the following: funding incentives; role of government, academic institutions and industry; coordination of research; transparency of results; protection of proprietary information.

V7. Strategy 3. Ensure that First Nations and Métis populations are afforded opportunities and participation in current and future oil sands development.

Consensus was reached on all actions under Strategy 3. The committee acknowledged that it was important to First Nations and Métis communities to actively participate in current and future oil sands development, and there needed to be the appropriate capacity in the communities for this to happen. A number of existing methods were also noted as potential models that could be expanded.

V7.S3. Action 3.1 [C] All levels of governments continue to develop participation and benefits models that follow from existing initiatives, such as Industry Relations Corporations, Athabasca Tribal Council–All Party Core Agreement, and the Draft Consultation and Resources Benefit Agreement.

V7.S3. Action 3.2 [C] Provincial and federal governments to provide adequate funding for capacity building for First Nations and Métis communities.

V7.S3. Action 3.3 [C] Ensure adequate capacity to allow First Nations and Métis communities to participate in oil sands economic development opportunities.

Vision 8. Provides high quality infrastructure and services for all Albertans.

Strategy 1. Ensure that high quality infrastructure and services are available for all Albertans.

Consensus was reached on all of the actions under Strategy 1. The MSC considered planning an important element and recommended actions for community planning to be able to address issues of growth. The importance of shelter was recognized, and committee members specifically agreed on additional housing programs in areas of need.

V8.S1. Action 1.1 [C] Implement additional housing assistance programs focusing on those on fixed incomes (e.g., seniors, First Nations and Métis) living in the Oil Sands Areas.

V8.S1. Action 1.2 [C] Create and implement community plans that would address issues such as infrastructure, child care and recreational facilities.

V8.S1. Action 1.3 [C] Where road transportation for oil sands related traffic is required, the government should ensure its roads are designed, engineered, constructed or upgraded and maintained to meet the increased demands of traffic flow and size of vehicles.

V8.S1. Action 1.4 [C] Proceed with the upgrade of Highway 63 as requested by the Municipality of Wood Buffalo, and expeditiously develop a bypass that will be required in the future. A corridor study will be the first step in the process to determine the most suitable location, and allow for planning of future development. The Government of Alberta needs to work closely with the Regional Municipality of Wood Buffalo to complete this study.

V8.S1. Action 1.5 [C] Traffic control measures should be implemented immediately at the Highway 63 turnoff to Fort McKay.

Vision 9. Demonstrates leadership through world-class governance.

Strategy 1. Establish an effective governance structure for oil sands development.

Consensus was reached on 7 of the 12 actions under Strategy 1. Governance of oil sands development was considered to be one of the most important elements in achieving the vision while still adhering to the principles. All members recognize the critical need for better coordination, integration and planning across government. Consensus was reached on a number of actions related to governance that potentially build upon existing strengths and improve areas of weakness in implementing the proposed framework. Consensus was also reached on actions for improving communication and understanding.

V9.S1. Action 1.1 [C] As an interim step, the MSC supports recommendation 7 of the Radke Report: *"The role and mandate of the Oil Sands Ministerial Strategy Committee (Cabinet Committee) should be expanded."*¹²

V9.S1. Action 1.2 [C] Undertake a thorough, transparent review of legislation, policies and institutional structures (such as the Energy and Utilities Board [EUB]) to identify gaps, strengths and weaknesses as they relate to oil sands development. Using the results of this review, move decisively to fill the gaps and ensure accountability for outcomes.

V9.S1. Action 1.3 [C] Request the federal government to undertake a thorough, transparent review of legislation, policies and institutional arrangements to identify gaps, strengths and weaknesses as they relate to oil sands development, and then move decisively to fill the gaps and ensure accountability for outcomes.

V9.S1. Action 1.4 [C] Increase financial and human resources of government departments and regulators to enable them to fully implement the recommendations of the MSC report.

V9.S1. Action 1.5 [C] Support the review and revision of regulatory processes dealing with trappers' consultation to address concerns regarding notification processes and timelines, and ensure Métis and First Nations are included in the consultations.

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We are risking the health of all. Slow down!

”

- Dr. David Swann

MLA, Calgary, Apr 23



¹² Role should include management and direction of the provincial delivery of infrastructure and services to the Regional Municipality of Wood Buffalo; coordination of provincial, municipal and industry responsibilities for the planning, financing and delivery of infrastructure in the Industrial Heartland; monitoring other potential high growth regions; identification and resolution of any policy gaps; and inconsistencies impacting oils sands development.

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We are overheating the engine. We need to take our foot off the gas.”

- **Bill Moore-Kilgannon**
Public Interest Alberta,
Edmonton, Apr 4

V9.S1. Action 1.6 [C] Consider the use of a Citizens Assembly as a tool to reflect the opinions of cross-section of Albertans.

V9.S1. Action 1.7 [C] Work together with First Nations and Métis to develop a framework for building relationships and enhancing communications.

V9.S1. Action 1.8 [NC] Consider a new ministerial portfolio with responsibility and authority for cross-ministry communication, integration, co-ordination and planning of oil sands development so the visions are achieved and principles are followed.

V9.S1. Action 1.9 [NC] Ensure the mineral disposition process is communicated clearly to Albertans and others.

V9.S1. Action 1.10 [NC] Eliminate the term “directly affected” from legislation to facilitate broader public input.

V9.S1. Action 1.11 [NC] Prior to Government of Alberta decisions on making land available for oil sands development, consult First Nations and Métis Communities and the public.

V9.S1. Action 1.12 [NC] Declare a moratorium on new oil sands development (no new leases, no new approvals) until environmental limits have been identified and infrastructure and labour concerns have been addressed.

V9. Strategy 2. Improve the cumulative effects management system for oil sands.

Consensus was reached on the actions under Strategy 2. The Panel members heard submissions from a number of presenters (including CEMA) on the role and performance of the Cumulative Environmental Management Association (CEMA), and the Regional Sustainable Development Strategy (RSDS) under which CEMA was established. The committee came to consensus on actions to potentially strengthen CEMA's ability to achieve decisions under a more current mandate, and with more available resources.

V9.S2. Action 2.1 [C] Review and update the role and relationship of government with CEMA, and government's expectations of CEMA, to ensure more timely outputs and decisions are achieved.

V9.S2. Action 2.2 [C] Review and update the Regional Sustainable Development Strategy for the Athabasca Oil Sands to reflect current needs and priorities.

V9.S2. Action 2.3 [C] Provide senior staff involvement to lead development and implementation of environmental management system for oil sands areas (e.g., CEMA).

V9.S2. Action 2.4 [C] Support the Government of Alberta's Information Sharing Initiative¹³ as the foundation to enable sharing of natural resource and environmental information in a multistakeholder environment.



¹³ This is a Sustainable Resource and Environmental Management initiative in which a pilot project proving successful sharing of natural resource information was completed in early 2007. Phase 2 is now underway to broaden the initiative to include other Alberta Government departments.

SECTION 3. Panel Discussion of Non-Consensus Actions

Members of the Panel had the option of providing comments in this section of the report on the actions that did not receive consensus. Each Panel members could provide a discussion outlining their views (or those of the sector they represented if this was the case), which explained why they agreed or disagreed on the particular action that did not receive overall consensus. It was the choice of the Panel member whether or not to provide comments.

| | |
|---|--------------------|
| Jim Boucher First Nations Panel Member | Jim Boucher |
| Martha Kostuch, Panel member Representing Environmental Non-Governmental Organizations | ENGOs |
| Mike Ekelund, Panel Member Representing Government of Alberta | GOA |
| Onno DeVries Panel Member Representing Industry Sector | Industry |
| Scott Garner Panel Member Representing Municipal Sector | Municipal |

Vision 3, Strategy 3, Action 3.7 — Establish a pre-development baseline using historical data, TEK and modeling to be used as an assessment case in all EIAs and to inform reclamation requirements

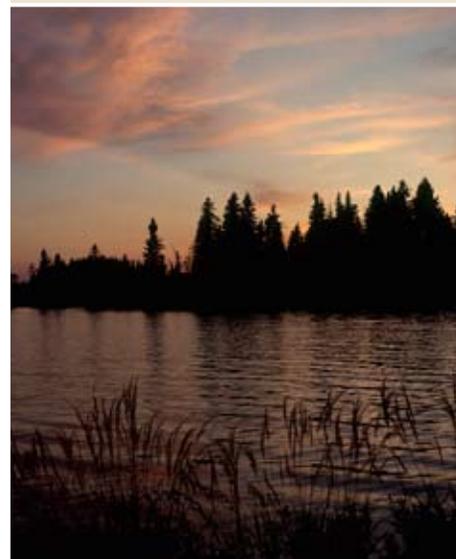
Jim Boucher AGREE:

The current approach of using existing and approved projects as a “baseline” means that each new project has an incrementally smaller impact than the last project simply because the baseline keeps getting larger. This small increase is used to justify projects going forward despite the fact that regional impacts are going up. There exists a wealth of historical data (e.g., air, soils, vegetation) and TEK (such as plant phenology [how they look] and water levels) that tells us what the environment was like before development. This information would provide meaningful information to establish a baseline against which new projects can be judged (especially as we move closer to environmental thresholds; e.g., air quality), as well as to guide reclamation plans by describing the environment prior to development.

ENGos AGREE:

When conducting an Environmental Impact Assessment (EIA) for a proposed oil sands project, it is first necessary to establish the “baseline” against which any impacts or changes associated with the project can be measured. Current EIAs model and predict environmental conditions far into the future (e.g., post-reclamation). Coupling this predictive capacity with historical data (aerial photos, vegetation and wildlife surveys), TEK would allow a pre-development baseline to be developed and utilized to conduct cumulative environmental assessments and to inform regional environmental management decisions.

Currently, Alberta Environment requires that proponents conduct their EIA using a baseline of the existing environmental conditions (including existing and approved development) at the time the EIA is conducted. The proponent then assesses the magnitude and significance of the incremental environmental impacts from the proposed development relative to this baseline. The key scientific issue with this approach is that the baseline “shifts” with the addition of each approved oil sands project. As such, the analysis is solely focused on incremental changes and ignores the cumulative ecological change that has occurred relative to pristine, or pre-industrial development, environmental conditions. This results in an inaccurate assessment of



“ We need a time out. ”

- Lindsay Telfer

Sierra Club of Canada, Edmonton,
Apr 3

the significance of cumulative environmental impacts over time and does not provide ecologically accurate information to inform environmental management decisions.

Municipal AGREE:

GOA DISAGREE:

The GOA disagrees with this specific prescriptive definition of a baseline. However, the GOA could establish baseline conditions so its cumulative environmental assessments can be undertaken.

Industry DISAGREE:

Industry does not support allocating limited government resources to this endeavour. Industry's focus is on developing current baselines to use for current applications to ensure current reclamation plans are accurate and appropriate. The ability to accurately identify the state of the environment in an oil sands area 50 years ago—before any development occurred—through a modeling exercise is considered to have little value as there is no way to assess the accuracy of the results of such an exercise. Regarding using such an exercise for the EIA process is seen as an attempt to slow down the EIA process. Given the expected unreliability of the proposed modeling exercise, to use such data in the EIA process will result in lengthy debates between companies and the environmental community about the accuracy of the modeling exercise and “what the world looked like 50 years ago”. Such debates would only exacerbate an already lengthy and complicated review process.

Vision 3, Strategy 4, Action 4.3 — Implement interim precautionary based environmental and emission thresholds, guidelines and frameworks based on the best information currently available, to be updated or replaced as new information is obtained and better management tools are developed.

Jim Boucher AGREE:

As supported by the Government of Canada in the absence of full scientific certainty, when there is risk of irreversible harm (e.g., not enough water flow to sustain fish species or air quality impacts to human health), a precautionary approach should be used to offer a level of protection. The burden of proof to do otherwise is on those who propose taking the action (in this case, industry—for example, withdrawing water). Taking such an approach based on the best information currently available will provide incentive to do the science; if the science collected says there is no risk of harm then the thresholds, guidelines and frameworks can be adjusted (i.e., adaptive management).

ENGOS AGREE:

Using the best scientific information currently available (government data, work to date by CEMA, academic research and analysis), the Government of Alberta needs to identify environmental (water quality and quantity, terrestrial and biodiversity) and emission (air quality, acid deposition, eutrophication, ozone) thresholds in order to effectively implement regional environmental management systems make informed public interest decisions regarding proposed oil sands projects and expansions.

The identification of environmental thresholds and implementation of environmental management systems was the cornerstone of the Government of Alberta's 1999 RSDS for the Athabasca Oil Sands, and an adaptive management approach to addressing the environmental impacts of oil sands development. For numerous reasons, CEMA has been unable to deliver recommendations



regarding environmental thresholds and environmental management systems in a timely manner, and current workplans suggest this work will take several more years.

Given the number of oil sands projects that have been approved in the absence of this information, interim thresholds and management systems must be implemented until this work is completed and prior to issuing any additional approvals. Recognizing that ongoing research (by CEMA and others) and field monitoring will result in enhanced knowledge regarding these thresholds, the thresholds and respondent environmental management systems should be adapted over time as appropriate and necessary.

GOA AGREE:

The GOA supports the use of the precautionary approach if it follows the definition laid out by the Government of Canada in their document "A Canadian Perspective on the Precautionary Approach/Principle: Proposed Guiding Principles" (September 2001).

Industry DISAGREE:

Industry does not support this broad application of the precautionary principle. This principle was developed for use in the medical scientific field where consequences and risks can be life threatening. This use of the precautionary approach has been used by some environmental stakeholders as a means to have governments postpone decisions when there is an absence of "scientific certainty". Complete certainty of any matter by definition cannot be attained. Industry views broad application and support of this measure as basis of delaying government decisions, including in important areas related to establishing government guidelines around cumulative environmental impacts, environmental thresholds and standards for reclamation.

Municipal DISAGREE:

The municipal sector believes that while there may be merits in adopting the precautionary model, the fact that the onus rests completely with the developer places too heavy a burden on this party and would generally stagnate the potential of advancing growth with the industry. Development under the precautionary model would decrease advancement in technologies and other areas that have historically demonstrated improved oil sands recovery rates while mitigating impacts on the environment. A more acceptable principle would be to advance a risk-based approach that identifies and develops aggressive strategies to mitigate against such risks on a planned and coordinated basis between industry and government.

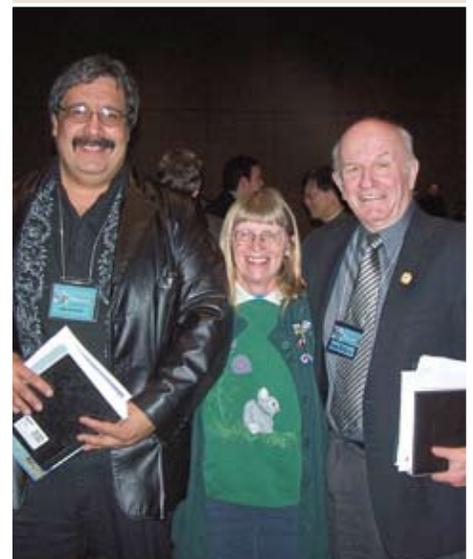
Vision 3, Strategy 4, Action 4.4 — Establish caps for air emissions in the regions affected by existing and planned upgrader development.

Jim Boucher AGREE:

Currently emission limits are on a project-by-project basis. This is an example of where we run into the "baseline" case that even though the EIA shows a project has an incrementally smaller contribution of emissions, the cumulative effects are approaching Alberta's guidelines and Canada-wide standards. By establishing regional caps on emissions, industry will have the incentive to use Best Available Pollution Control Technology and Alberta Environment will be better able to manage regional emissions as opposed to emissions on a project-by-project basis as they are doing now.

ENGos AGREE:

Upgraders are a source of many air quality contaminants that threaten the health of both humans and ecosystem. In order to protect both the residents of the Edmonton area and the surrounding ecosystems, caps must be placed on emissions released by upgraders.



GOA AGREE:

The GOA supports the establishment of caps for air emissions, within the context of an overall regional approach to caps that includes other sectors operating in an airshed, and is based on applying the concept of Best Available Technology Economically Achievable. This is only one tool that can be used in setting overall outcomes for air emissions. The GOA will be looking at a suite of options to ensure air quality is maintained.

Municipal AGREE:**Industry DISAGREE:**

Industry is of the view that government already monitors and regulates air emissions and that establishing “caps” for air emission now for all future potential developments is premature. Plus, some upgraders are expected to be located in areas together with other non-oil sands industries, which need to be taken into account. The federal government has already established a number of targets for key air emissions (pollutants) for absolute sector targets.

Vision 3, Strategy 5, Action 5.3 — Develop facility targets for energy efficiency measured by per barrel energy intensity which will, in turn, reduce per barrel GHG emissions and encourage broader initiatives to advance energy efficiency in oil sands development.

Industry AGREE:

Industry supports and in fact pursues continuing improvement in energy efficiency. The Alberta GHG emissions intensity improvement targets that begin in July 2007 will add to the already strong incentives from energy prices to incent ongoing energy efficiency improvements. There is no need to add an additional system of energy efficiency targets to this new policy and market incentives.

GOA AGREE:

GOA supports this action indirectly in that setting greenhouse gas intensity targets will lead to energy efficiency improvements. The Government is moving forward with the Specified Gas Emitters Regulation, which will set intensity limits for large facilities that emit over 100,000 tonnes of CO₂e annually. Targets will be set based on an emissions intensity limited per unit of production (or per barrel). Inherently, this will lead to energy efficiency improvements at the facility, but will also capture other related emission sources at facilities that are not directly tied to energy use.

Municipal AGREE:**Jim Boucher DISAGREE:**

Intensity based targets do not reduce or limit mass emissions which are growing rapidly.

ENGOS DISAGREE:

Human-induced global warming has been identified as one of the most urgent problems facing the world today. The oil and gas sector is one of the largest sources of climate changing greenhouse gas emissions. Alberta's emits 40% of Canada's industrial emissions, making it the most greenhouse gas-polluting province. The oil sands are the fastest growing single source of GHGs in Canada.



©Renato Gandia

While this action could decrease per barrel GHG emissions, as long as production continues to increase faster than GHG emissions intensity decreases, total emissions will continue to rise. This type of “intensity target” will allow oil sands GHG emissions to continue rising for years, maybe even decades to come. This action will not achieve the reductions necessary for Alberta to be a leader in GHG reductions, a goal that was clearly identified and supported throughout the provincial oil sands consultations.

Vision 3, Strategy 5, Action 5.4 — Set GHG targets that will cap emissions for oil sands industry and lead to reductions consistent with Canada’s international obligations.

Jim Boucher AGREE:

By establishing regional caps on emissions, industry will have the incentive to use Best Available Pollution Control Technology and Alberta Environment will be better able to manage regional emissions as opposed to emissions on a project by project basis as they are doing now.

ENGOs AGREE:

Reductions in total greenhouse gas emissions have been identified as the most significant action humanity can take to reduce the severity of global warming. As Canada’s fastest growing source of GHG emissions, the oil sands industry must be regulated to ensure that its growth does not prevent Canada from reducing its total emissions and meeting the targets set out under international law. Without a cap on oil sands industry emissions, Alberta’s GHG emissions will continue to rise and Canada will be unable to meet its international obligations—an embarrassing and illegal situation for both our province and our country.

The majority of the Alberta public is also in agreement with this recommendation. Recent polling has shown that 70% of Albertans support absolute caps on GHG emissions. During the recent provincial climate change consultations, 90% of the participants supported a shift in Alberta GHG policy towards absolute emissions.

Municipal AGREE:

GOA DISAGREE:

GOA cannot support this proposed action. Alberta is moving forward with setting intensity-based limits for all large facilities through the Specified Gas Emitters Regulation. This regulation takes effect July 1, 2007. This regulation does not place an absolute cap on greenhouse gas emissions for the oil sands industry, but does place an intensity target—or cap—on the emissions a facility can release per unit. This will reduce total emissions in the sector beyond what would otherwise occur.

Industry DISAGREE:

Alberta’s system of GHG emission intensity improvement targets with the Technology Fund compliance option is an innovative approach to beginning a multi-decade, escalating effort to manage industrial GHG emissions. The policy focuses on improving near-term emission performance and investing in the advancement of technology that will be required for major reductions in GHG emissions in Canada and globally. Alberta and Canada are contributing to an international effort to address global GHG emissions. The Alberta and federal government industry targets demand greater performance improvements than are built into the European Union Emission Trading System.

“There is no rush. It’s our oil. We can develop it at our pace.”

- Donna Horan

public, Bonnyville, Apr 10



“

What you allow, you approve.

- Fort McKay Summit

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Industry has been supportive of moving ahead with targets in advance of the US and our other major trading partners, so long as the policy design avoids undermining the competitive position of Canadian industry. Putting a cap on oil sands emissions that cannot be met at an acceptable cost would be out of line with what the rest of the world is doing and, if attempted, would curtail Alberta's future economic growth and unreasonably limit Alberta's future prosperity and economic well being. Alberta needs to keep the focus on improving performance and investing in technology to position the province for major future reductions when the technology is available to achieve those reductions at an acceptable cost in line with what the major emitting countries are doing.

Vision 3, Strategy 5, Action 5.5 — Require carbon neutrality in all oil sands industry by the year 2020.

Jim Boucher NEUTRAL:

No comment

ENGOS AGREE:

Producing carbon neutral (i.e., zero net emissions) synthetic crude oil from the oil sands by 2020 would demonstrate world-class leadership in reducing GHG pollution, and would drastically reduce the absolute GHG emissions in Alberta and Canada. A robust and ambitious regulatory framework is required to achieve significant absolute reductions in GHG emissions.

An analysis of GHG pollution reduction opportunities in the oil sands found that 61% of mining, 92% of in situ extraction and 99% of upgrading GHG emissions come from point sources, and would therefore be subject to carbon capture and storage (CCS). The remainder of the GHG emissions could be neutralized through the purchase of carbon offsets from a provincial, national or international carbon trading markets. Depending on how companies choose to comply, it has been calculated that carbon neutral oil sands production could be achieved for only a few dollars per barrel—a cost comparable to removing sulphur and lead from fuel.

Establishing a regulatory target of achieving carbon neutral oil sands production by 2020 would provide the oil sands industry with a clearly defined emission reduction requirement, while also allowing sufficient time for the industry to deploy its capacity for technological innovation and capital investment. In doing so, Alberta would achieve significant reductions in GHG emissions while facilitating the development of new processes and technologies that could be deployed around the world to take advantage of new market opportunities for GHG emission reduction technology.

Municipal AGREE:

GOA DISAGREE:

This will be considered, but the GOA cannot support this proposed action at this time. Alberta is moving forward with setting intensity based limits for large industry which includes the oil sands sector (Specified Gas Emitters Regulation). However, with the renewal of Alberta's climate change plan, the Province is looking at what further actions to take to reduce greenhouse gas emissions. The development of carbon capture and storage will be a critical element in support of this potential action.

Industry DISAGREE:

In practice, carbon neutrality in this proposal is a concept of taxing the oil sands to pay for reductions in other sectors and other countries. This is totally at odds with the strategy behind



the Alberta policy of improving performance and investing in technology advancement to address the industry's own emissions. The resource demands for developing and deploying carbon management technologies in the oil sands will be very large. It would be a serious mistake to divert the industry's resources from this focus to paying for others' emission reductions.

Vision 3, Strategy 6, Action 6.6 — Suspend granting new water withdrawal licenses until a Watershed Management Plan and a Water Conservation Objective are implemented for the Athabasca River.

ENGOs AGREE:

The Government of Alberta has an existing law—the Water Act—that provides a tool to ensure that water licensees are held to an enforceable standard. Currently, the Government of Alberta is not using this law to its full effect for the Athabasca River. Were it to do so, a Water Management Plan containing specific instream goals to protect fish and aquatic life would govern water withdrawals in the Athabasca watershed. These instream flow needs would include a basic Environmental Base Flow (EBF) in the form of Water Conservation Objectives (WCOs), which would establish a threshold below which the government could legally enforce the suspension of withdrawals by oil sands operators. Furthermore, the Water Management Plan would contain provisions that would allow the public to revisit these instream objectives as new science becomes available. A WMP should be in place to inform decisions regarding additional water withdrawals from the Athabasca River, and to ensure that legally enforceable WCOs are incorporated into any future water licenses granted under the Water Act. Until the WMP is in place, no further licenses should be allocated.

Municipal AGREE:

Jim Boucher DISAGREE:

What we need is to establish a weekly winter Ecological Base Flow at the 95% exceedence probability level.

GOA DISAGREE:

The GOA does not support this proposed action. The existing Instream Flow Needs (IFN) Framework for the Lower Athabasca River will govern existing and future facilities and will be enforced through approvals. The Water Management Framework (WMF) for the Lower Athabasca River shows there is no overall shortage of water for human (including industrial) use from the Athabasca River. Less than 4% of the mean annual flow at Fort McMurray has been allocated, and the current applications (coming before Phase 2 of the WMF is completed) will not change this significantly; the per centage allocated would move from approximately 3.6 to 4.1%. This degree of water use would generally not have any detectable impact. The WMF lays out the water withdrawal conditions that would apply to existing and new licences, and that will maintain a very high level of protection for the aquatic environment of the river. The Phase 2 work of the WMF will explicitly provide the foundation for an ultimate watershed management plan, which includes water conservation objectives (WCOs).

Industry DISAGREE:

Industry supports the government's existing controls, guidelines and plans. The current guidelines and restrictions for the Athabasca River have been developed with consultation with all stakeholders, including the environmental community. Such a blanket policy would also have serious negative impacts on municipalities.



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We will be left up the creek with too many paddles and not enough water.

- Peter Johnson

Green Party, Edmonton, Apr 4

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Vision 3, Strategy 6, Action 6.7 — Implement the Federal/Provincial Interim In-stream Flow Needs Framework.

Jim Boucher AGREE:

Provided that the Phase I Water Management Framework is revised as identified under V3, S6, Action 6.8

GOA AGREE:

The Alberta Environment / Fisheries and Oceans Canada Interim “Water Management Framework: Instream Flow Needs and Water Management System for the Lower Athabasca River” was officially released in March 2007.

Industry AGREE:

Industry supports the government’s current controls, guidelines and regulations. A combined Federal-Provincial initiative recently completed a review of the in-stream flow needs for the Athabasca River. This scientific based review included extensive consultation with all stakeholders, including the environmental community. Industry supports the results of this review.

Municipal AGREE:

ENGOS DISAGREE:

While we are supportive of the need to immediately implement a framework that will manage water withdrawals in order to ensure protection of the Athabasca River’s aquatic ecosystem, the Water Management Framework: Instream Flow Needs and Water Management System for the Lower Athabasca must be strengthened before it can achieve this objective.

Currently the framework fails to protect the river as it allows the oil sands industry to continue withdrawing water from the river no matter how low the flows are or how great the risk is to the sustainability of fish populations. As such, the river is not protected in the event of extreme or lengthy low flow periods. A precautionary and protective approach to managing water withdrawals would include absolute thresholds below which no oil sands withdrawals would be permitted (defined as an Environmental Base Flow and enshrined as a Water Conservation Objective under the Water Act).

While the framework identifies goals for the cumulative maximum water withdrawals permitted during lower flows, it established no legal or policy requirement that requires the oil sands industry to meet these goals. As currently written the framework is voluntary in nature and has no legal mechanism whereby the Government of Alberta could enforce it. The framework should be strengthened to address these issues, and implemented immediately for existing holders of water licenses. However, no further water withdrawal licenses should be granted until a Watershed Management Plan (as described above) has been implemented for the Athabasca River.

Vision 3, Strategy 6, Action 6.8 — Revise Phase 1 of the Water Management Framework to include an absolute limit (point of zero) water withdrawals during low flows to increase the level of protection for the Athabasca River.

Jim Boucher AGREE:

International scientific consensus is that rivers need an EBF to protect their ecosystems. EBFs used elsewhere in the world range from 80% to 99% with the average being 95% flow exceedence (a low flow that occurs only once every 20 years). Suggest that we say: Modify the



Water Management Framework for the lower Athabasca River to include a weekly winter EBF at the 95% exceedence probability below which oil sands withdrawals would cease.

ENGOs AGREE:

Currently the framework fails to protect the river, as it allows the oil sands industry to continue withdrawing water from the river no matter how low the flows are or how great the risk is to the sustainability of fish populations. As such, the river is not protected in the event of extreme or lengthy low flow periods. A precautionary and protective approach to managing water withdrawals would include absolute thresholds below which no oil sands withdrawals would be permitted (defined as an Environmental Base Flow and enshrined as a Water Conservation Objective under the Water Act).

In doing so, the Government of Alberta will ensure that the objectives of the Framework are fulfilled even in the event of an unexpected severe low flow during the Phase 1 period. Further, it will provide clarity to the oil sands industry that there will be periods of time during which they will have to manage their operations without withdrawing any fresh water from the Athabasca River. This will provide the incentive needed for the industry to focus significant effort on research and development and new technologies that would allow them to reduce their fresh water requirements.

Municipal AGREE:**GOA DISAGREE:**

The GOA does not support this proposed action based on advice from our scientific experts. The proposal would mean no withdrawals 5% of the time. There is no supporting evidence to suggest that moderate and managed withdrawals are unsustainable. The current framework (Phase 1) has implemented 5.2% of median flow withdrawals at all natural flows below the 95% exceedence. This is both highly protective compared to other jurisdictions, and scientifically unlikely to shift ecosystem conditions outside the natural range. Phase 2 work, which is already underway, will provide more information. At such time as the information becomes available, an Ecological Base Flow (EBF) could be established at the appropriate exceedence probability. The new Alberta Environment Oil Sands Environmental Management Division will be looking at water use reduction and continuous improvement as an important parameter for the future.

Industry DISAGREE:

Industry supports the government's current work and guidelines in this area. The use of an "absolute limit" as suggested by some stakeholders is not required and is seen as unreasonable based on current conditions and recent findings by government.

Vision 3, Strategy 7, Action 7.3 — Establish a limit on the cumulative amount of land that can be disturbed at any one time in each of the oil sands areas.**ENGOs AGREE:**

Establishing ecological thresholds and environmental management systems for terrestrial indicators (biodiversity, wetlands, forests, wildlife) was identified as a priority in the 1999 RSDS for the Athabasca Oil Sands. While CEMA is undertaking work in support of this, it is well behind schedule in delivering a recommendation to the Government of Alberta. As noted above, precautionary and protective interim thresholds and management systems must be adopted immediately, and refined as appropriate on the basis of additional information (i.e.,



adaptive management). This is particularly urgent in light of the significant amount of additional disturbance that will result from recently approved oil sands mining and in situ operations, and the persisting slow rate of reclamation and uncertainty regarding the long-term success of current reclamation efforts.

The EUB has attempted to implement this type of an approach at the project-specific level: in its Decision regarding the Fort Hills oils sands mine, the EUB included a condition limiting the project's land disturbance to 5000 hectares at any one time. This approach must be implemented at the regional scale to ensure the ecological sustainability of the region is maintained over the period of development and to compel operators to more aggressively pursue reclamation.

Municipal AGREE:

GOA DISAGREE:

Alberta will manage land disturbance based on biodiversity objectives. Limits or thresholds on disturbance are a tool that can be used to meet biodiversity objectives. Other tools include Integrated Landscape Management (reduction of footprint through cooperative sharing of footprint between users), lower impact developments, offsets, mitigation strategies and reclamation.

Industry DISAGREE:

Industry is of the view that there is no identifiable basis to set such a theoretical limit on land disturbances in a region, which ultimately entail much more than just oil sands development. Industry supports the government's existing policies related to land disturbance that incorporate as an integral component of the existing reclamation plans, which are scrutinized and approved by government at the outset of any development.

Vision 3, Strategy 7, Action 7.4 — Establish an interconnected network of protected areas and corridors by protecting areas of intact, high conservation value boreal forest that are representative of the region, that will sustain ecological integrity and will protect traditional land uses and species of value to First Nations and Métis communities. Industrial activities could be permitted within corridors under strict guidelines that ensure habitat quality is maintained and barriers to movement do not occur.

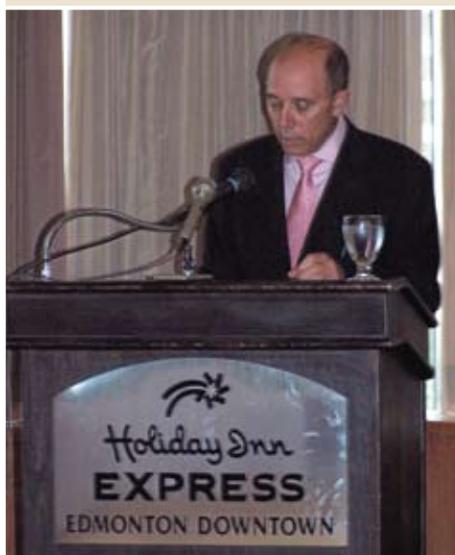
ENGOs AGREE:

The purpose of protected areas is to protect areas of high ecological value to ensure ecological value to ensure ecological integrity is maintained. Protected areas also play a vital role as ecological benchmarks. These benchmark protected areas can be used to monitor ecological changes that are occurring in areas disturbed by oil sands development. They also serve as benchmarks for reclamation of disturbed areas. It is important that protected areas are large enough to support viable wildlife populations and to maintain natural ecological processes. They also need to be interconnected to enable wildlife to move between the protected areas.

Municipal AGREE:

GOA DISAGREE:

The consideration of and identification of possible additional protected areas and management strategies is being explored by the Sustainable Ecosystems Working Group. Alberta is looking to this subgroup of CEMA for this advice.



Industry DISAGREE:

Industry disagrees and supports Vision 3 Strategy 7 Action 7.2 as part of the land use process establish new protected areas in the Oil Sands Areas.

Vision 3, Strategy 7, Action 7.5 — Establish Richardson Backcountry as a protected area in Alberta allowing for First Nations and Métis traditional activities to be imbedded in protection status.

ENGOS AGREE:

During public consultations on the oil sands, we heard that the Richardson Backcountry is a very important area for the First Nations and Métis. It is an area valued for traditional use.

Municipal AGREE:**GOA DISAGREE:**

The consideration of and identification of possible addition protected areas and management strategies is being explored by the Sustainable Ecosystems Working Group. Alberta is looking to this subgroup of CEMA for this advice.

Industry DISAGREE:

Industry disagrees and supports Vision 3 Strategy 7 Action 7.2 as part of the land use process establish new protected areas in the Oil Sands Areas.

Vision 3, Strategy 7, Action 7.6 — Establish Athabasca Rapids as a protected area in Alberta allowing for First Nations and Métis traditional activities to be imbedded in protection status.

ENGOS AGREE:

The upland portion of the Athabasca Rapids site features old coniferous forests, dune fields, and one of the most diverse wetland complexes in the Central Mixedwood Region. Woodland Caribou make this area their home. The Athabasca River serves as a major wildlife and recreational travel corridor.

Municipal AGREE:**GOA DISAGREE:**

The consideration of and identification of possible addition protected areas and management strategies is being explored by the Sustainable Ecosystems Working Group. Alberta is looking to this subgroup of CEMA for this advice.

Industry DISAGREE:

Industry disagrees and supports Vision 3 Strategy 7 Action 7.2 as part of the land use process establish new protected areas in the Oil Sands Areas.

Vision 3, Strategy 7, Action 7.7 — Establish Gipsy Gordon as a protected area in Alberta allowing for First Nations and Métis traditional activities to be imbedded in protection status.

ENGOS AGREE:

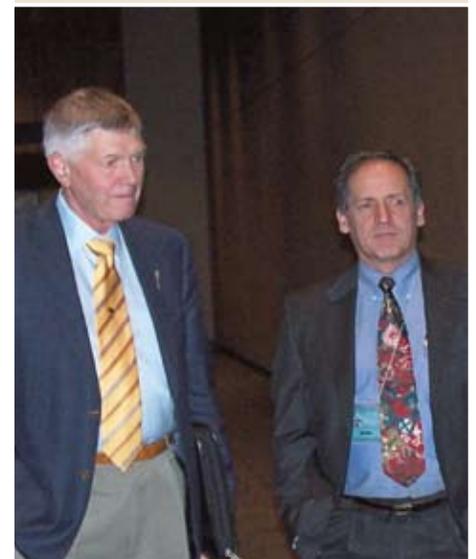
Gordon Lake is considered one of the most important waterfowl breeding, moulting and staging areas in the Mixedwood Region of Alberta. Gipsy Lake provides provincially significant white

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We can't make the assumption necessarily that, just because somebody announced that they have an intent to start a project, that anything will actually ever happen.

”

- Calgary Provincial Summit



pelican non-breeding habitat, while Birch Lake is an important white pelican and double-crested cormorant nesting area with diverse wetland habitat. A key feature of this area is it provides good representation of all forest types found in the oil sands region. Therefore this area presents the best opportunity for capturing the full diversity of natural features of the region in a single large protected area.

Municipal AGREE:

GOA DISAGREE:

The consideration of and identification of possible addition protected areas and management strategies is being explored by the Sustainable Ecosystems Working Group. Alberta is looking to this subgroup of CEMA for this advice

Industry DISAGREE:

Industry disagrees and supports Vision 3 Strategy 7 Action 7.2 as part of the land use process establish new protected areas in the Oil Sands Areas.

Vision 3, Strategy 7, Action 7.8 — Permanently protect the McClelland Lake Wetland Complex and its watershed from industrial development through its immediate establishment as a provincially designated protected area.

ENGOS AGREE:

The McClelland Lake Wetland Complex contains many environmentally significant features including McClelland Lake, a large patterned fen, a dissected kame and sinkhole lakes. The complex provides a stopover for endangered whooping cranes and habitat for many species of rare plants.

Municipal AGREE:

GOA DISAGREE:

Alberta reviewed the need for protection of the McClelland Lake Wetland complex through a public process and consultation with First Nations. The revision to policy provided protection to a portion of the fen. Subsequently, the Fort Hills mine was approved consistent with the condition of protecting the remaining fen and lake.

Industry DISAGREE:

Industry disagrees and supports Vision 3 Strategy 7 Action 7.2 as part of the land use process establish new protected areas in the Oil Sands Areas.

Vision 5, Strategy 1, Action 1.5 — Initiate objective long-term health studies in targeted regions (i.e., potentially impacted oil sands regions) to monitor changes in health conditions and environmental exposure. Local engagement and external peer-reviews are integral to the studies.

Jim Boucher AGREE:

Communities in the oil sands regions are very concerned that their health and wellness are being negatively affected by oil sands activity. Current project Terms of Reference only require a company to report a company-specific health risk assessment—to date there is no comprehensive means of measuring the cumulative health effects that development has had on



communities. Some (Dr. O'Connor) suggest that communities are being negatively impacted and that cancer rates are increasing. It is important that we have long term health studies to monitor exposure to pollutants and changes in health conditions, and that the scope of work be identified in cooperation with the potentially affected communities.

ENGOS AGREE:

Long-term health studies offer the opportunity to effectively identify the threats to human health over both the long and short term. Short-term studies only allow researchers to study acute toxicity (exposure to high concentrations of contaminants in a short amount of time). Many toxins, however, accumulate in the body and their health effects are only seen in longer studies that look at chronic toxicity (exposure to low concentrations of contaminants over a long amount of time).

Oil sands developments are a source of many carcinogenic toxins that are released into the air and water as well as seeping into the soil. Over time, these contaminants migrate through the environment along existing air and water currents as well as through plants and animals that are exposed to contaminated soil, water and air. Humans are exposed to these toxins when they breathe, eat, or drink contaminated substances. Many community members in the oil sands region are especially at risk of environmental exposure as they maintain a subsistence lifestyle that incorporates many traditional foods and activities. Significant concern has already been raised regarding the health conditions of communities in the oil sands development area due to unnaturally high rates of rare cancers and premature death.

To ensure an accurate survey of possible exposure routes, local engagement is critical to identify the traditional foods consumed, traditional activities practiced, and other lifestyle aspects that could increase or decrease exposure. Peer review of the study, a standard practice in academic research, will aid in the verification of the results and also allow for input from other experts in the field ensuring that the people of Alberta are receiving the best possible protection of their health.

Industry AGREE:

Industry supports the government conducting health studies, both short-term and longitudinal studies. Industry would encourage government to ensure "buy-in" from all affected stakeholders as an important and essential condition for the success of such studies and the general acceptance of any study results.

Municipal DISAGREE:

The municipal sector understands the sensitivities around performing health assessments in affected areas. The proposal outlined by the government is reasonable, given its involvement of community representatives in the development of assessment tools and implementation and conclusion of the process as well as including peer review as appropriate. As the former Chairman of a local Health Authority, I believe this type of assessment falls within the mandate of the local health authority to perform on an ongoing basis to ensure the health and protection of its citizens.

GOA DISAGREE:

The Government of Alberta is committed to protecting the health of all Albertans. Our investments in enhanced surveillance & monitoring, re-investing in collaborative partnerships and the engagement of local communities to highlight & address issues focused on human health are evidence of that commitment. The GOA will continue to collaborate with industry, government and non-government organizations, community stakeholders and the aboriginal community to ensure that no unacceptable health risks are predicted to occur as a consequence of existing, new, or proposed development. The Government of Alberta will also respond to the health concerns raised

“ We are making the poor poorer, and the rich richer. ”

- Chris Goss

public, Edmonton, Apr 3



by stakeholders through its ongoing collaborations with local and regional stakeholders through many initiatives including the Wood Buffalo Environmental Association (WBEA), Community Exposure and Health Effects Assessment Program (CEHEAP), Cumulative Effects Management Association (CEMA), the Clean Air Strategic Alliance (CASA) and others.

The Government of Alberta will therefore conduct or provide for assessments necessary, including peer reviewed processes as appropriate, to establish a baseline health status profile of Albertans living in the oil sands regions. In addition, the government plans to monitor the cumulative impact of factors that influence health on an ongoing basis, including environmental effects as reflected by exposure to contaminants influencing health, and socio-economic effects on health arising from rapid growth in the region. It also sees significant value in the involvement of community representatives throughout the process from planning to conclusion.

Vision 6, Strategy 1, Action 1.3 — Invest a set proportion of oil sands resource revenue in an existing long-term fund (e.g., Heritage Trust Fund) to benefit current and future generations.

Jim Boucher AGREE:

It is important that there is an adequate long-term fund in place to deal with existing and future liabilities associated with oil sands development.

ENGOS AGREE:

The oil sands are a finite resource. As vast as the reserves may be, they will not last forever. By investing a significant proportion of oil sands revenue in a long-term fund, Alberta can create a source of prosperity for future Albertans that will last indefinitely, effectively creating a “quasi-renewable” resource.

The country of Norway has already set sound precedent for this type of investment. Norway’s oil reserves are far smaller than Alberta’s, yet the development of these reserves has resulted in a long-term fund of \$300 billion US, 25 times greater than Alberta’s Heritage Fund which sits around \$12 billion US. The interest generated by Norway’s fund is invested directly into the country, while the capital is maintained as an on-going source of revenue for future generations. The State of Alaska has also seen the benefit of long-term financial planning for its resource royalties. Their Permanent Fund is sitting at \$38 billion US.

A guiding principle of the multi-stakeholder committee is to ensure that the benefits of oil sands development are felt by both current and future generations. The only way this can be guaranteed is for the province to hold a portion of these benefits in trust for those future generations so that when they arrive, they receive the dividends of wise investment rather than a legacy of shortsighted consumption of a finite resource.

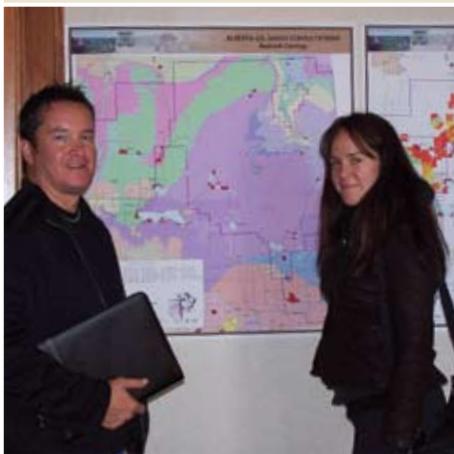
Municipal AGREE:

GOA DISAGREE:

The current policy and practice of the Government of Alberta is that revenues from all sources flow to the general revenue. On an annual basis, the Legislative Assembly of Alberta determines how it wishes to allocate revenues to support health, social services, education, infrastructure, debt servicing and savings.

Industry DISAGREE:

Industry supports the concept of a trust fund to ensure both current and future generations benefit from the province’s resource revenues. Industry does not support a “set proportion of



revenue” without proper context to budgetary surpluses. Without such context, the government could be forced to cut program spending to hospitals and schools in order to meet its “set proportional” commitments, which may not be generally desirable.

Vision 6, Strategy 1, Action 1.4 — Recommend the Federal Government begin the phase-out of the accelerated capital costs allowance immediately and that it apply equally to new projects and existing projects undergoing expansion.

ENGOS AGREE:

The Accelerated Capital Cost Allowance (ACCA) provides the oil sands industry with preferential tax treatment—allowing oil sands companies to write off 100% of their capital investments, versus a 25% write off for conventional oil and gas projects. The economic conditions have changed significantly since this tax break was introduced in the mid-1990s, and is neither appropriate nor necessary under current economic conditions.

In its 2007 Budget, the Government of Canada announced plans to phase-out the ACCA for oil sands. However, the current ACCA phase-out schedule, beginning in 2011, means that Albertan and Canadian taxpayers will continue to subsidize the oil sands industry for another eight years. Eleven oil sands projects currently under construction will receive the full 100% ACCA under grandfathering clauses. A further 45 planned projects will receive substantial capital cost allowances because they will be completed before 2015. As a result, over 90% of oil sands projects currently on the books—which will ultimately raise production to over 5 million barrels per day—will receive substantial subsidies.

Jim Boucher DISAGREE:

This phase out is already being done.

GOA DISAGREE:

The Province of Alberta has already appointed an independent panel reporting to the Minister of Finance to do a review of Alberta’s fiscal regimes, including the burden of federal taxes.

Industry DISAGREE:

Industry does not support this suggestion. As an “immediate” change this would have the same effective impact on a company as the government changing its tax rules retroactively, which is viewed as setting an undesirable precedent for how governments introduce tax changes.

Vision 6, Strategy 1, Action 1.5 — In collaboration with the Federal Government, reform the fiscal regime for oil sands to ensure that a minimum of 60% of the net value of the resource is retained by the Federal and Provincial governments through the combined tax and royalty regime.

ENGOS AGREE:

In the mid-1990s, the National Oil Sands Task Force (NOSTF) concluded that “... the retention of a combined tax and royalty rate in the range of 60% is reasonable.” Under the existing structure, the resource developer accrues the largest share (53%) of the available net revenue, the federal government obtains 15% of the net revenue through income taxes, and Albertans retain only 32% of the net revenue through the provincial government’s royalties and income taxes. As such, the provincial and federal governments are only collecting 47% of available net revenue, significantly lower than the 60% range advocated by the NOSTF.



A recent analysis found that the governments of Alberta and Canada could capture 70% of available revenue through taxes and royalties while still maintaining an internal rate of return for oil sands companies that is greater than 12%. Recognizing that Albertans are the owners of this non-renewable resource, it is imperative that the Government of Alberta maximize revenues, something that the current oil sands royalty regime fails to do.

Municipal AGREE:

GOA DISAGREE:

The Province of Alberta has already appointed an independent panel reporting to the Minister of Finance to do a review of Alberta's fiscal regimes, including the burden of federal taxes.

Industry DISAGREE:

The level of 60 per cent is an arbitrary level with no supporting analysis. Industry does not support setting royalties and taxes on an arbitrary basis. Properly designed royalty and tax regimes are cornerstones of sound economic planning and governance. Governments' royalty and tax policy decisions establish the foundation for corporate investment, economic development, employment opportunities and the overall health of the economy, and these policies should not be made arbitrarily. Accordingly, it is critically important for Alberta to set its fiscal regimes based on proper analysis that takes into account the many unique and varied aspects of Alberta's oil and gas industry and avoids superficial comparisons to other jurisdictions and countries that have obvious and inherent differences, such as Norway and Venezuela.

Vision 9, Strategy 1, Action 1.8 — Consider a new ministerial portfolio with responsibility and authority for cross-ministry communication, integration, co-ordination and planning of oil sands development so the visions are achieved and principles are followed.

ENGOS AGREE:

Coordination, integration and communication across ministries is important in order to efficiently and effectively address the significant social, environmental and economic impact resulting from oil sands development. Establishing a ministerial portfolio for oil sands would create a lead agency with responsibility for improving the interface between ministries and with other governments to address impacts related to oil sands development. This new ministerial portfolio should also take a lead role in ensuring an orderly pace of oil sands development.

Industry AGREE:

Industry strongly supports improvements related to governance. Improving coordination, integration and establishment of priorities across Ministries that deal with developing oil sands would be beneficial. The government's recent commitments related to the Radke report to set up an oil sands planning secretariat as a short-term action is supported. For the longer term, industry is of the view that adding another department may not be the right solution per sé. Before making such a decision, as a first step, industry supports the government conducting a comprehensive review of all current roles and responsibilities of existing ministries that deal with oil sands matters. This review should determine the how the government addresses the current deficiencies.

Municipal AGREE:

GOA DISAGREE:

The government representatives do not see it as being appropriate for them to recommend ministerial portfolios to the Premier.



Vision 9, Strategy 1, Action 1.9 — Ensure the mineral disposition process is communicated clearly to Albertans and others.

GOA AGREE:

It is important that Albertans and others understand the mineral tenure process and the benefits that it brings to the province. Alberta is seen to have one of the world's best systems for mineral rights disposition. This tenure system ensures rights are granted in a transparent and fair manner, and obtains the best possible value for Albertans while allowing companies to explore for and develop Alberta's mineral resources.

The disposition process is the method used to allocate rights in a fair, effective and efficient manner for areas where such development has been determined by policy, regulation, or law to be an acceptable use of the land and resources. It is not intended to be a mechanism for making future land use decisions. Broad policy decisions involving environmental stewardship, appropriate and responsible resource development and social and economic well-being are made by the government working proactively through other processes with stakeholders prior to rights (lands) being available for disposition.

Industry AGREE:

Industry supports this recommendation.

Municipal AGREE:

Jim Boucher DISAGREE:

Information on this process is already made available by the Department of Energy on their website. There is a special website for First Nations to join that shows who has obtained dispositions.

ENGOS DISAGREE:

While the public would benefit from greater clarity regarding how the mineral disposition process occurs in oil sands regions, as noted below the process itself is flawed and needs to be improved. At present, the process for granting oil sands tenure to prospective oil sands companies is insufficiently transparent and does not adequately consider cumulative environmental impacts or the concerns of those that may be impacted by this decision. It fails to consider the cumulative environmental impacts of existing industrial development and future exploration activity on a proposed lease, and the deliberations of the Crown Mineral Disposition Review Committee are not transparently documented. As such, the mineral disposition process must be reformed to ensure that it is informed by a land use plan, includes credible environmental assessment and provides opportunity for public input or comment.

Vision 9, Strategy 1, Action 1.10 — Eliminate the term “directly affected” from legislation to facilitate broader public input.

ENGOS AGREE:

In order to set policy and make decisions that benefit all Albertans, all Albertans must have an opportunity to participate in the decision making process. Currently, Alberta has the most stringent involvement criteria for participation in project reviews and approvals. One of the main reasons for this is that interveners must be “directly affected” by the project—meaning they live in the project area and/or their livelihood will be impacted by the development. This reasoning is flawed when all Albertans are affected by development of the scale, magnitude and pace of the oil sands.

“

What is the rush?

”

- Tammy Irwin

public, Edmonton, Apr 3



“ Companies are required to consult with us and they offer us trinkets. ”

- Rhonda Laboucan

Woodland Cree First Nation,
Peace River, Apr 16

Throughout the province, the Panel heard stories of how development of the oil sands is impacting the quality of life of every Albertan. However, while these voices were heard in the consultation, they carry no legal weight in the review and approval of projects. Giving that weight to their voices demonstrates a respect on consideration of the province as a whole and a commitment to truly acting in the public's best interest.

Jim Boucher DISAGREE:

First Nations in the oil sands are directly affected by development and this standing ensures that we are recognized in the regulatory process and are provided with the necessary capacity to do so (i.e., funding for reviews and participating in hearings). It is important there is focus on those stakeholders that are dealing with the effects on a daily basis.

GOA DISAGREE:

This section of the current legislation that deals with this topic strikes a fair balance between ensuring that individuals who will potentially be directly affected by a development have the ability to appear before a regulatory body and potentially having their legal bills paid by the proponent.

Industry DISAGREE:

Industry supports retaining the current legislation, which gives all stakeholders that are affected by a proposed development the ability to participate in the process and, in many cases, receive funding for this participation. A public process without this limitation is at risk of having non-affected parties use the regulatory approval process as a means to a platform to promote their own self-interests; unreasonably delay proceedings; secure funding; and impose significant costs on governments.

Municipal DISAGREE:

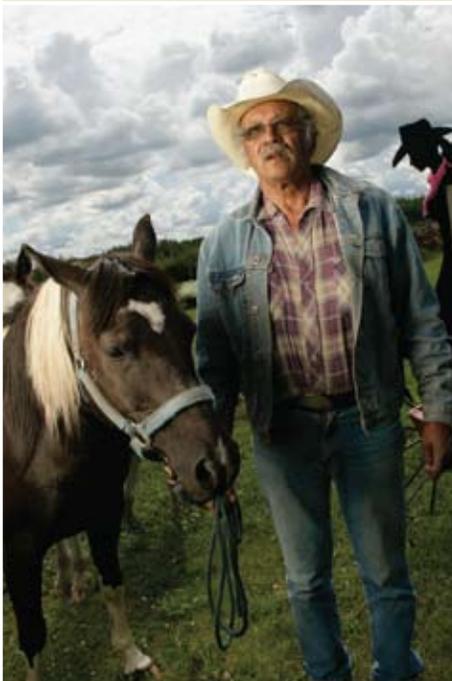
Vision 9, Strategy 1, Action 1.11 — Prior to GOA decisions on making land available for oil sands development, consult First Nations and Métis communities and the public.

Jim Boucher AGREE:

First Nations who may be adversely affected by the exploration and potential development of oil sands must be consulted prior to granted oil sands tenures. Such consultation is necessary for the GOA to comply with its lawful and constitutional obligations to First Nations. The decision to grant oil sands dispositions is a strategic decision regarding how the land will be potentially used. The Supreme Court of Canada held in *Haida v. Queen* 2004 SCC 73, and other cases, that consultation is required with respect to potential impacts, at the time when strategic decisions are made. The decision to grant mineral dispositions is a strategic land use decision. “The grant of mineral rights within a First Nation's traditional lands may conflict with the rights and interests of the First Nation. A fair and efficient system would include participation of the First Nation in this process. Once mineral rights are granted, and in the case of the oil sands, hundreds and millions of dollars have been spent acquiring the leases, the developer will have a significant vested interest in proceeding with development. Early strategic consultation would avoid the potential contest of rights—which is precisely the point of the duty to consult.”

ENGOS AGREE:

The current process for granting oil sands tenure to prospective oil sands companies is insufficiently transparent and does not adequately consider cumulative environmental impacts or the concerns of those that may be impacted by this decision. It fails to consider the cumulative



environmental impacts of existing industrial development and future exploration activity on a proposed lease, and the deliberations of the Crown Mineral Disposition Review Committee are not transparently documented. Further, there is no opportunity for input by local stakeholders that might be impacted by the activities permitted once tenure is granted. While the issue of managing cumulative environmental impacts may be addressed through setting environmental thresholds, implementing environmental management systems and regional land use planning, greater transparency and opportunity for public input into these decisions is also critical.

Municipal AGREE:**GOA DISAGREE:**

Alberta has many existing systems that create opportunities for public and First Nations and Métis input into decisions on potential oil sands developments. However, this action is being interpreted with a focus on the mineral tenure system which is likely too narrow for optimal solutions.

All mineral rights dispositions are first and foremost subject to all laws of Alberta, and any person obtaining a disposition is deemed to have knowledge of those laws. These cover, among other things, Acts, regulations and policies, including those laws regarding protection of the environment and production practices and acceptable use of the land and resources. Broad policy decisions involving environmental stewardship, appropriate and responsible resource development and social and economic well-being are made by the government working proactively through other processes with stakeholders, First Nations and Métis. The mineral tenure system ensures rights are granted in a transparent and fair manner, and obtains the best possible value for Albertans while allowing companies to explore for and develop Alberta's mineral resources. It is not intended to be a mechanism for making future land use decisions.

Specifically in regard to consultation with First Nations and Métis, Alberta has determined that the leasing of Crown mineral rights does not, in and of itself, adversely impact rights and traditional uses. Mineral dispositions do not grant the right of access to the land. Consultation activities will occur where surface activity is being considered that may adversely impact rights and traditional uses.

Despite this, Alberta Energy does provide First Nations with access to the Aboriginal Community Link which contains up-to-date information on active mineral agreements and lands posted for public offering. Coupled with traditional use data, it allows First Nations to assess whether a specific location is of critical concern to the First Nation due to a traditional use site, and to initiate discussions with the department regarding measures to avoid or mitigate adverse impacts. Traditional use data shared with the province can also be placed on government databases so these site-specific concerns can be captured as part of the list of known land use restrictions mentioned above. First Nations and Métis are also encourage to participate in provincial planning initiatives to ensure that government plans and policy take into account Aboriginal issues in relation to resource development and land management.

Industry DISAGREE:

Industry supports this proposal for the government to consult on the basis of a "general" development. Industry would not support, and views as impractical, a suggestion that would require a review each of the hundreds of leases put up for bid every two weeks, as part of the current competitive bid process to issue leases for development.



Vision 9, Strategy 1, Action 1.12 — Declare a moratorium on new oil sands development (no new leases, no new approvals) until environmental limits have been identified and infrastructure and labour concerns have been addressed.

ENGOS AGREE:

Of all the issues raised before the Panel, the pace of oil sands development was most consistently identified as being the central cause of environmental, social and economic issues of concern to Albertans. The only recommendation put forward by the Multistakeholder Committee that would affect the pace of future oil sands development is the call for a moratorium. Within this context, a moratorium means a temporary pause—in this case in the government’s approval of new oil sands projects and in the granting of new oil sands leases—until the right policies are in place to guide future development so that it’s environmentally, socially and economically responsible, and always in the best interest of Albertans. We believe that moratorium is the only mechanism that will sufficiently focus the energies of government and other stakeholders, including industry, Aboriginal groups, environmental organizations and the public, on finding and implementing the requirements for responsible development.

This “pause” in the granting of new approvals is the only way by which resources can be sufficiently harnessed and dedicated to catching up to currently approved oil sands development and getting ahead of future oil sands development by implementing a plan that will address the environmental, social and economic impacts of already approved projects. Much of this can be accomplished by implementing the short-term recommendations included in the MSC’s final report.

A moratorium on new approvals is not a moratorium on economic growth. The construction and operation of new oil sands projects that have already been approved—which will double the current operating capacity from 1 to 2 million barrels per day—means that Alberta’s economy will continue to expand, creating new jobs and generating new revenue. Beyond those Albertans that recommended a moratorium to the Panel, a recent public opinion survey found that 71 per cent of Albertans believe the Government of Alberta should suspend new oil sands approvals until infrastructure and environmental management issues have been addressed in areas affected by oil sands development.

GOA DISAGREE:

The use of a moratorium to attempt to manage timing of development according to availability of labour, infrastructure and services, would be ineffective and would also likely result in an additional risk premium by potential investors beyond that which takes into account the existing laws and policies and physical and market risks – thereby reducing the value of the resources for Albertans.

The ability to provide mineral rights for potential development when and where there is a significant market demand is one of the keystones of ensuring the people of Alberta obtain the full value of the resource they own. The disposition of mineral rights does not ensure continued or unregulated development. There is a substantial time allowed for rights holders to plan for and initiate development, tied to the complexity of access to the resource. As well, many of the mineral rights, particularly in conventional horizons, are disposed but not developed by the purchaser or assignees and are returned to the Crown. Many of the oil sands rights have been held for several decades, but not developed. All purchasers of mineral rights in Alberta are deemed to know that all rights are subject to all the applicable laws, regulations and policies—including the applicable approval processes. If development of a parcel is not in the public interest, or contrary to specific legislation or policy, it cannot be developed.



Industry DISAGREE:

Industry does not support the need, or the call for a moratorium. The Alberta Government's current approval and regulatory processes that manage the approval and development of new oil sands projects or the expansions of existing oil sands projects include assessing all impacts both negative and positive. The current Alberta Energy and Utilities Board approval process includes a comprehensive and public review process that considers all aspects of a proposed development, including the many environmental considerations and future reclamation requirements before any project approvals are granted. The existing regulatory approval process includes a public Environmental Impact Assessment process; addresses cumulative impacts; considers special protection areas; and examines air emissions, water use, wildlife corridors, reclamation plans and social impacts.

The EUB process considers and balances environmental, economic and social needs and merits of development, and makes balanced decisions that are in the public interest of all Albertans. Regarding Alberta's tight labour market, this is being caused not solely by oil sands development. Canada's overall strong economic performance has created an abundance of labour market opportunities in most provinces, not just Alberta. Hence, a moratorium would certainly cause unemployment in Fort McMurray but it will not, for example, mitigate labour shortages in the province's service sector.

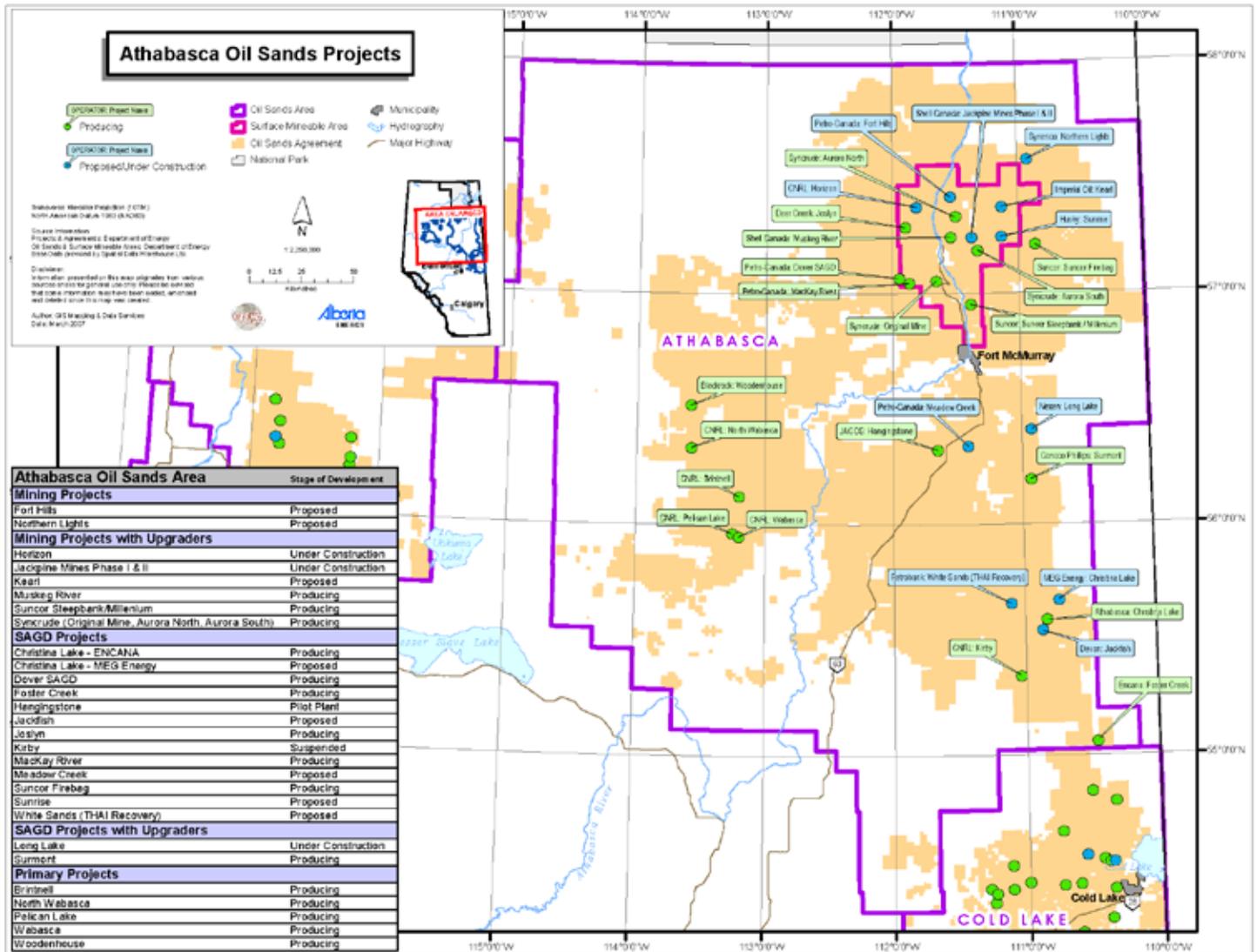
Municipal DISAGREE:

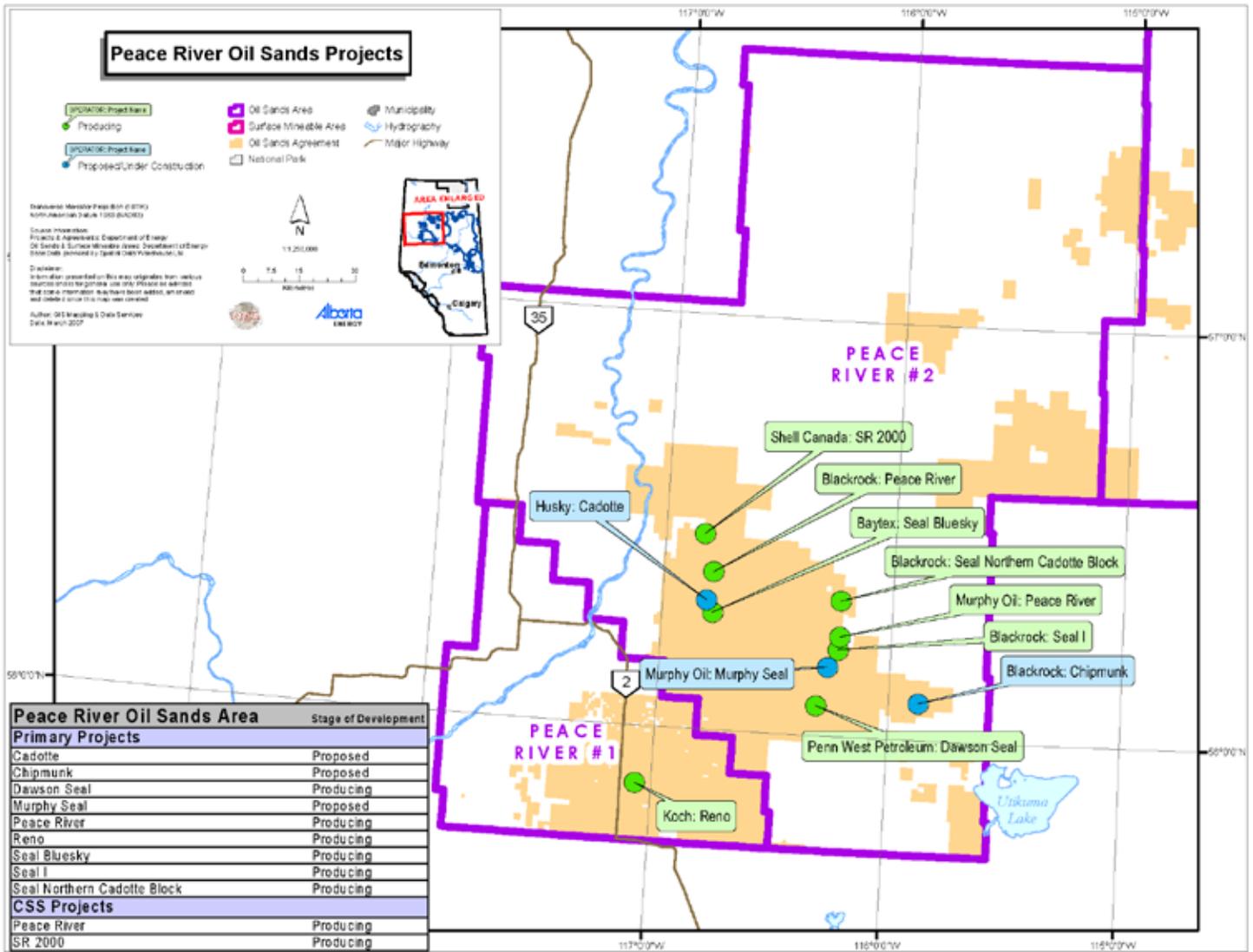
The municipal sector does not support a "moratorium" on new oil sands development. In 2007, the Regional Municipality of Wood Buffalo and Northern Lights Regional Health Authority advanced a common position to regulators for the need of additional funding sources, basic infrastructure and affordable housing to support increased oil sands development. Many of these gaps were confirmed in the Radke report. If the recommendations of the Radke report are implemented along with continued cooperation between the RMWB and GOA relating to planning and development of social support systems and regional infrastructure needs (roads, utilities services etc.), oil sands should proceed at an orderly pace and be very beneficial to all Albertans.

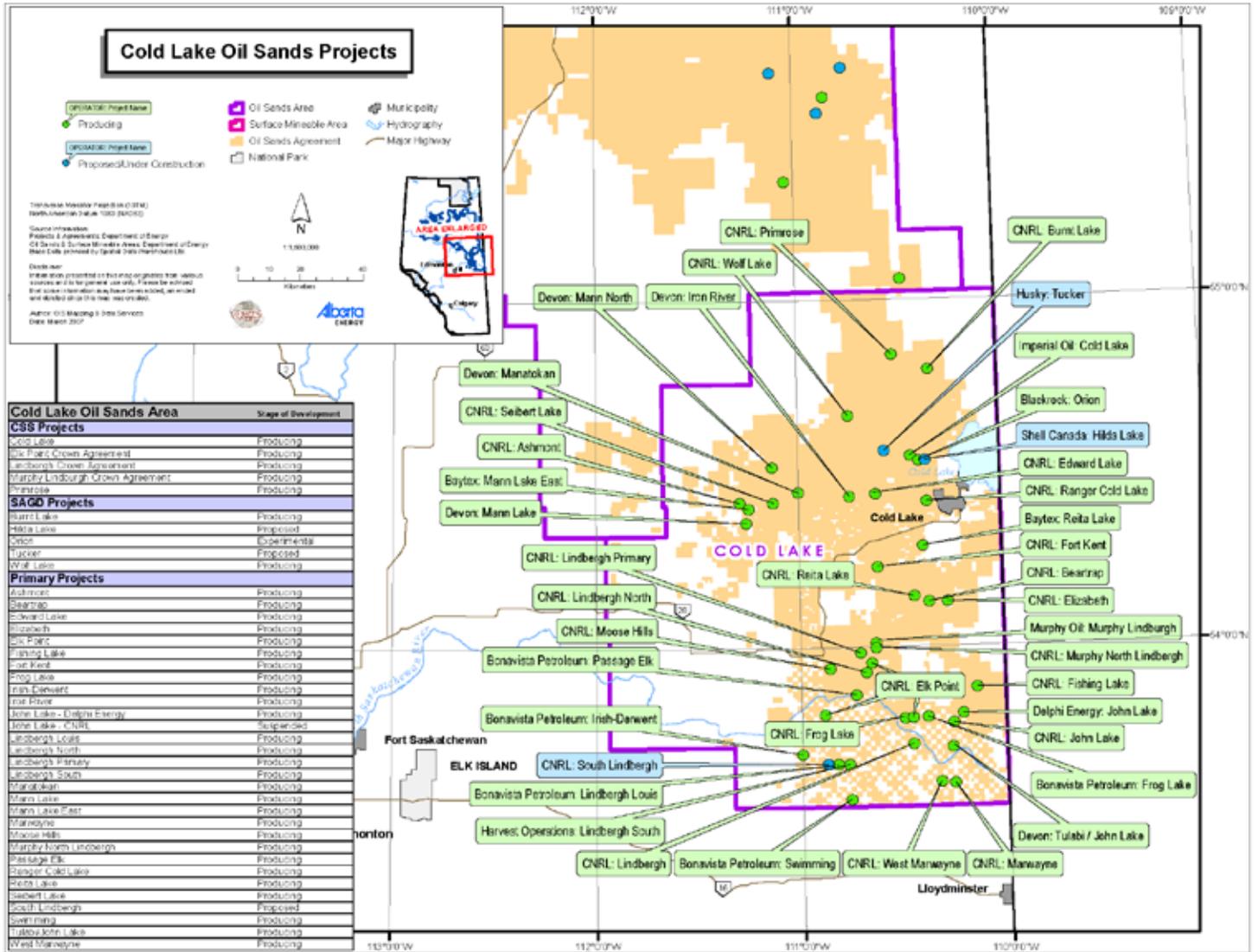
“
You can't communicate
bad policy.”

- Vance MacNichol
Chair MSC

ADDENDUM 1. Maps Showing Oil Sands Projects







ADDENDUM 2. Membership of the Oil Sands Multistakeholder Committee

Chair

Vance MacNichol *
Deputy Minister of Executive Council (1993-1998)
Deputy Minister of Environment (1987-1993)
Deputy Minister of Utilities and Telecommunications (1981-1987)

Province of Alberta

Mike Ekelund *
Jay Nagendran
Neil Barker
Alberta Department of Energy
Alberta Environment
Alberta Sustainable Resource Development

Local Government

Jim Carbery
Jeff Thompson
Scott Garner *
Regional Municipality of Wood Buffalo Council
Fort McMurray Public School Board
Northern Lights Health District Former Chair

Federal Government

Jim Vollmershausen *
Kevin Cliffe
Environment Canada
Natural Resources Canada

First Nations

Jim Boucher *
Archie Cyprien
Jim Badger
Fort McKay First Nations
Athabasca Chipewyan First Nation
Tallcree Tribal Government

Métis

Trevor Gladue *
Métis Nation of Alberta

Industry

Onno DeVries *
Peter Kinnear
Brant Sangster
Canadian Association of Petroleum Producers (CAPP)
Canadian Natural Resource Limited
Petro-Canada

Environmental Organizations

Martha Kostuch *
Lindsay Telfer
Dan Woynillowicz
Prairie Acid Rain Coalition
Sierra Club of Canada
Pembina Institute

* indicates Panel Member

ADDENDUM 3. Terms of Reference

BACKGROUND

Based on the recommendations from the MLA-led Oil Sands Consultation Advisory Group, the Multi-stakeholder Committee (MSC) has been formed to lead a public consultation on the development of Alberta's oil sands. The MSC includes a Panel, which is a specific sub-committee put in place to conduct public consultation, including information sharing sessions in different locations. The Panel will also be responsible for bringing information, from the public consultation and information sharing sessions, back to the MSC and to seeking consensus on issues referred to it by the MSC. Where consensus could not be reached the differing views will be recorded and presented to the MSC. The MSC and Panel will consist of a single individual that will Chair both committees. The Chair will have a dual role that will assist in providing consistency and balance between the MSC and Panel. The consultation will be conducted in two phases:

Phase one:

Consists of an initial public consultation where feedback will be used by the MSC to develop recommendations for a vision for oil sands development and principles to assist in guiding future policy directions.

Phase two:

MSC will incorporate the Panel information and other feedback to develop policy recommendations for implementation of the vision and principles. A component of phase two will have the findings of the MSC validated with First Nations and Métis groups who participated in the consultation to ensure that the recommendations presented to the Ministers of Energy, Environment and Sustainable Resource Development in June 2007, accurately reflect what was heard from the First Nations and Métis who participated in the consultation.

MISSION STATEMENT

The MSC/Panel will consult with stakeholders in an open and collaborative manner on oil sands development in Alberta. The scope of consultations will include social, economic, environmental and First Nation/Métis issues related to oil sands development. Recommendations in each phase and discussions of issues affected by oil sands development will be submitted to the Ministers of Energy, Environment and Sustainable Resource Development (the Ministers).

PURPOSE

The purpose of the MSC is:

- To be accountable for the overall consultation process and details, subject to ongoing guidance from the Ministers.
- To provide direction for the Panel to arrange public consultation and information sharing sessions in at least five locations in the province.
- To arrange for additional information and feedback capability.

- To identify further information, research or expert input required for a full understanding of issues by the MSC.
- To work towards consensus recommendations, direct issues to the Panel where it is believed consensus cannot be reached and document diversity of views where consensus could not be reached.
- To hold a meeting of individuals considered to be leaders in oil sands areas on an oil sands vision and principles prior to completing the phase one of the report.
- To coordinate, consolidate, evaluate and submit recommendations, within the responsibility and jurisdiction of the province, to the Ministers.

SCOPE

The scope of the MSC work will include:

- Reviewing, discussing and deliberating existing information associated to social, economic, environmental and First Nation/Métis issues related to oil sand development.
- Directing the Panel on consulting with the stakeholders in the three oil sands areas as well as Calgary and Edmonton.
- Ensuring that all interested Albertans have a chance for input.
- Directing the Panel on holding public information sessions, meetings and/or workshops to gather input.
- Developing, a high level framework focusing on vision and principles during Phase one, for oil sands development in all three oil sands areas related to economic, environmental, social, and First Nations and Métis benefits and impacts that will contribute to shaping a provincial vision and principles for oil sands development.
- Developing further recommendations, during phase two, for implementation of the vision and principles. Phase two will be a more detailed approach and will look at strategies and actions to achieve the vision.
- Direct the Panel in holding additional open houses, public meetings, focused working groups or other events in order to receive feedback from stakeholders the MSC or Ministers determine to be of importance.
- Prepare to hold an Oil Sands Stakeholder's Summit to gather input from leaders in oil sands development and test feedback already gathered from stakeholder meetings.

The scope of the MSC's work will not include:

- Recommending changes to existing policy or regulations outside of the issues associated with oil sands development.
- Recommendations that may prejudice the rights of First Nations and Métis people.
- Recommendations on specific projects or applications.

RESPONSIBILITIES

Responsibilities of the MSC:

The MSC's individual and collective responsibilities will include:

- Becoming informed about oil sands development issues in Alberta.
- Being informed about pertinent policies and regulations through attendance at committee meetings and participation in other related activities as required.
- Establishing working groups, if appropriate, to investigate, deliberate and draft alternatives and/or recommendations to address different sets of issues including:
 - determining working groups' structure and terms of reference;
 - advising on composition; and,
 - assisting with recruitment of working group members when and if the MSC considers them advisable.
- Organizing the consultative processes through the following examples:
 - engaging their own organizations, organizations within their region and people from other regions to becoming informed about oil sands development and regulation and providing input to the work of the MSC and working groups;
 - promoting open and respectful exchanges of information, perspectives and knowledge relevant to responsible development of oil sands among Albertans, throughout the consultation process;
 - coordinating and providing oversight of the working groups' activities to enhance the timeliness and quality of recommendations developed;
 - fostering the development of agreement among members of the MSC regarding issues to be addressed, using interest-based approaches to build agreement and resolve conflicts; and,
 - co-ordinating, consolidating and evaluating information received from different working groups in order to harmonize the recommendations made to the Ministers.
- Participating and attending meetings of the MSC, while listening to and respecting the opinions of their co-committee members.
- Assigning issues to the Panel for its consideration when the MSC feels that reaching consensus will not be possible.
- MSC members will represent, to the best of their abilities, the views of their constituents and communicate regularly with them to ensure that their interests are being fairly and adequately portrayed.

Responsibilities of the Panel:

The Panel's individual and collective responsibilities will include:

- Conducting public outreach, including holding public meetings and workshops/information sessions and collecting public input.
- Attending the public meetings.
- Considering issues where the MSC has determined it cannot reach consensus and earnestly attempt to reach consensus recommendations for consideration by the MSC.

If the Panel cannot reach consensus on an issue then the report back to the MSC will document the diversity of views heard.

- Providing input to the MSC for inclusion into the report to the Ministers.

Responsibilities of MSC Chair:

The Chair will:

- Clarify the province's expectations of the MSC.
- Act as liaison between the Ministers and the MSC.
- Facilitate and coordinate meetings to ensure the MSC remains on topic with their discussions and adheres to the terms of reference.
- Test for agreement when necessary.
- Participate in meetings as a MSC member.
- Request logistical support and resources when requested by the MSC.

Responsibilities of Panel Chair:

The Panel Chair will:

- Co-ordinate activities of the Panel including hearing submissions and comments on issues and summarizing the information.
- Chair the public meetings.
- Facilitate and co-ordinate meetings to ensure the Panel remains on topic with their discussions and adheres to the term of reference.
- Test for agreement when necessary.
- Report to MSC on Panel activities and information collected from public forums.
- Participate in Panel meetings.

Responsibilities of Secretariat:

The Secretariat, drawn from government staff, will:

- Provide necessary background information to the MSC to ensure an adequate understanding of existing policy, regulations and legislation regarding oil sands development.
- Ensure MSC members receive meeting minutes and other supporting documentation in a timely manner.
- Provide logistical support for organizing meetings, public sessions, Panel meetings, etc.

RELEASE OF INFORMATION

All documents prepared by the MSC and Panel are considered to be under the custody and control of the province unless otherwise specified. These documents are solely for the use of the MSC, Panel and the province during each phase. Release of the documents will occur after committee approval is given or otherwise specified by the Ministers. All internet responses will be in a publicly available forum. All documents will be subject to access and privacy provisions of the Freedom of Information and Protection of Privacy Act.

“If I am no longer able to live off the land and I am unable to eat the foods that have sustained our life for centuries, then the Treaties are being broken because our Treaties guarantee us the right to hunt, fish and trap.”

- Pat Marcel

public, Fort Chipewyan, Apr 12

FIRST NATION AND MÉTIS OIL SANDS CONSULTATION

Preamble

Phase one of the oil sands consultation will take the form of a high level vision and principles exercise. The First Nations and Métis consultation at this level of engagement is based on “good government” consultation as opposed to consultation that leads to the avoidance or mitigation of possible infringement to treaty and constitutional rights. In this regard, the MSC and Panel will receive First Nations and Métis input that will contribute to shaping a provincial vision and principles for oil sands development. Phase two will be a more detailed approach and will look at strategies and actions to achieve the vision. At this phase, the consultation process may be altered for First Nations and Métis. The alteration will depend on the nature of the findings in phase one and whether the province believes that the strategies and action plans being considered infringe on the constitutionally protected rights of First Nations and Métis. The findings of the MSC will also be validated with First Nations and Métis groups who participated in the consultation.

Process

The Panel will meet with First Nations and Métis in the Fort McMurray, Cold Lake and Peace River areas during their visits to those communities to receive input from all stakeholders in the communities. First Nations and Métis will be encouraged to participate in public sessions in order for all stakeholders to understand and consider First Nation and Métis views around the vision and principles. The First Nations consultation process will be further facilitated by Government of Alberta Cross-ministry First Nations consultation staff. The consultation staff will liaise with and support the 23 First Nations located in the three oil sands areas with adequate notice, necessary information and available resources to be able to participate. Alberta will consider utilizing existing First Nations technical resources to assist First Nations in developing their input during the strategies and action plans stage.

Findings from the Vision and Principles Phase

Feedback received from First Nations and Métis by the Panel will be incorporated into the Panel reports submitted to the MSC. The MSC interim report, due in November 2006, will attempt to merge, where aligned, First Nation and Métis input with that of general stakeholders. However, the MSC interim report may also contain separate recommendations relating to First Nation and Métis visions and principles. Consultation with First Nations at the vision and principles phase is not intended to fulfill Alberta’s consultation obligations regarding any specific oil sands development and will not abrogate nor derogate a First Nation’s treaty and constitutional rights.

Findings in the Strategy and Action Plan Phase

The general consultation process will continue in spring 2007 and will look at strategies and action plans to achieve the vision. At this point the MSC, in consultation with the province, will determine the most appropriate approach for First Nation and Métis consultation to carry forward to the strategy and action plan phase. It is accepted that, if proposed strategies and action plans could lead to possible infringement of treaty and constitutional rights, separate consultation with affected First Nations will occur in a manner that is consistent with the province’s policy commitment to consult with First Nations. Consultation with Métis will occur consistent with the province’s consultation policies in place at that time for that purpose.



Validation Phase

The MSC will validate its findings with the First Nations and Métis who participated in phase one and two by indicating what was heard from First Nations and how that input was addressed in their findings.

TIMEFRAME

Phase one:

Public meetings are expected to be complete near the end of September 2006. The Stakeholder's Summit is expected to be held in mid-October 2006. All recommendations are expected to be forwarded to the Ministers by the end of November 2006.

Phase two:

The findings of the MSC will be validated to ensure that the recommendations presented to the Ministers at the end of June 2007, accurately reflect what was heard from the First Nations and Métis who participated in the consultation. All recommendations are expected to be forwarded to the Ministers by the end of June 2007.

STRUCTURE AND REPORTING OF THE COMMITTEE

MULTI-STAKEHOLDER COMMITTEE

| Participants | No. |
|----------------------------------|-----|
| Chair* | |
| Provincial Government | |
| Energy | 1 |
| Environment | 1 |
| Sustainable Resource Development | 1 |
| Federal Government | 2 |
| Municipal Government | 3 |
| Industry | 3 |
| First Nations | 3 |
| Métis | 1 |
| ENGO's | 3 |

PANEL (SUBSET OF MSC)

| Participants | No. |
|-----------------------|-----|
| Chair* | 1 |
| Provincial Government | 1 |
| Federal Government | 1 |
| Municipal Government | 1 |
| Industry | 1 |
| First Nations | 1 |
| ENGO's | 1 |
| Métis | 1 |

*Chair of MSC and Panel are to be the same individual.

ADDENDUM 4. Glossary

ACCA: Accelerated Capital Cost Allowance, an increase in the rate at which the capital costs of a facility may be claimed as an expense against revenues for taxation purposes.

AENV: Alberta department of Environment

Alberta Energy's Crown Mineral Restrictions Database: a computer database, administered by Alberta Energy, that indicates major surface or environmental concerns that may result in Crown-imposed surface access restrictions capable of affecting mineral exploration and development activities. The identified concern(s) arise from policies, programs, projects, initiatives or similar interests pursuant to provincial legislation or regulations. These concerns are attached as addenda to the Public Offering Notice for Crown minerals to inform potential purchasers of possible surface access issues and also appear as a note to the lessee, licensee or permittee in each mineral agreement document.

Ambient air quality: The status of the air that plants and animals breathe (except the air inside buildings) with respect to the presence of potential pollutants.

Baseline data: Information gathered at the beginning of a study from which variations found in the study are measured.

BATEA: Best available technology economically available, an approach that prescribes the acquisition of the best technology available without comparison of costs and benefits.

Biodiversity: The variation of life forms within a given ecosystem, often considered a measure of the health of biological systems.

Bitumen: A thick, sticky form of crude oil, so heavy and viscous that it will not flow unless heated or diluted with lighter hydrocarbons.

CAG: Consultation Advisory Group, established by the government of Alberta in January of 2006 to provide plans for a consultation process for oil sands development.

Cap and trade: An administrative approach used to control pollution by providing economic incentives for achieving reductions in the emissions of pollutants. In such a plan, a central authority (usually a government agency) sets a limit or cap on the amount of a pollutant that can be emitted.

Carbon neutral: Zero net greenhouse gas emissions

CCS: Carbon Capture and Storage

CEMA: Cumulative Environmental Management Association, a registered not-for-profit, non-governmental multi-stakeholder organization established in Fort McMurray, governed by 44 members representing all levels of government, industry, regulatory bodies, environmental groups, Aboriginal groups, and the local health authority, which have an interest in protecting the environment in the Wood Buffalo region

CO₂e: Carbon dioxide equivalent, an internationally accepted measure that expresses the amount of global warming of greenhouse gases in terms of the amount of carbon dioxide (CO₂) that would have the same global warming potential.

Crown Mineral Disposition Review Committee: a provincial government Committee with representatives from Energy, Environment, Sustainable Resource Development, Community Development, Agriculture, Food and Rural Development and Municipal Affairs/Special Areas Board that reviews lands requested for disposition prior to the department of Energy issuing an agreement granting rights to explore for and develop Alberta's mineral resources.

Cumulative Effects Management: Management of the changes to the environment in a geographic area caused by an activity in combination with other past, present and reasonably foreseeable human activities.

Crude Oil: A naturally occurring mixture of hundreds of different hydrocarbon compounds trapped in underground rock. In Canada, the term 'conventional crude oil' usually refers to light, medium and heavy hydrocarbons like those produced from the Western Canadian Sedimentary Basin, an area that includes Alberta and is the traditional source for most Canadian oil production.

EBF: Environmental Base Flow

Ecosystem: A self-sustaining association of plants and animals and the physical environment in which they live.

EIA: Environmental impact assessment, an assessment of the likely influence a project may have on the environment.

Emission Intensity Targets: (or net emissions intensity limit) means the applicable maximum net emissions intensity permitted under the Specified Gas Emitters Regulation. The Specified Gas Emitters Regulation also states the annual emissions intensity reduction targets.

ENGO: Environmental non-governmental organization

EUB: Alberta Energy and Utilities Board

GOA: Government of Alberta

GHG: Greenhouse gases, components of the atmosphere (some occur naturally in the atmosphere while others result from human activities) that contribute to the greenhouse effect, the process in which the emission of infrared radiation by the atmosphere warms a planet's surface.

Groundwater Aquifer: Groundwater is water located beneath the ground surface in soil pore spaces and in the fractures of geologic formations. A formation of rock or soil is called an aquifer when it can yield a usable quantity of water.

IFN: Instream flow needs

Kyoto Protocol: The Kyoto Protocol to the United Nations Framework Convention on Climate Change is an amendment to the international treaty on climate change, assigning mandatory emission limitations for the reduction of greenhouse gas emissions to the signatory nations. As of December 2006, a total of 169 countries (including Canada) and other governmental entities have ratified the agreement.

Mackenzie River Basin Transboundary Waters Master Agreement: The Mackenzie River Basin Board was created in 1997 by the Transboundary Waters Master Agreement between the Government of Canada, Saskatchewan, Alberta, British Columbia, Yukon and Northwest Territories. The agreement commits all six governments to work together more closely to manage the water resources of the whole Mackenzie River Basin. Also see Mackenzie River Basin Board website: <http://www.mrbba.ca/>.

Market instruments: Market-based instruments are those that utilize economic incentives through processes that either explicitly mimic markets or explicitly alter market conditions as means of achieving environmental objectives and allow for some flexibility in how those objectives are met.

MLA: Member of the Legislative Assembly

MLMP: Mine Liability Management Program

MOU: Memorandum of understanding

MSC: Oil Sands Consultations Multistakeholder Committee

NOSTF: National Oil Sands Task Force

Northern Lights Regional Health Authority: The largest of nine regional health regions in Alberta, the Northern Lights Regional Health Authority serves over 20 remote and rural communities across Northern Alberta from the provincial boundaries of B.C., Saskatchewan and the N.W.T.

Oil Sands: deposits of bitumen, a heavy black viscous oil that must be rigorously treated to convert it into an upgraded crude oil before it can be used by refineries to produce gasoline and diesel fuels.

Precautionary principle: The precautionary approach / precautionary principle is distinctive within science-based risk management. It recognizes that the absence of full scientific certainty shall not be used as a reason to postpone decisions when faced with the threat of serious or irreversible harm. However, guidance and assurance are required as to the conditions governing the decisions that will be made. Guidance and assurance are particularly needed when a decision must be made regarding a risk of serious or irreversible harm about which there is significant scientific uncertainty. The precautionary approach / precautionary principle primarily affects the development of options and the decision phases, and is ultimately guided by judgment, based on values and priorities. Indeed, Canada has a long-standing history of implementing the precautionary approach in science-based programs of health and safety, environmental protection and natural resources conservation. (Canada Government definition)

RMWB: Regional Municipality of Wood Buffalo

RSDS: Regional Sustainable Development Strategy

Shadow population: Any person who is present in the community and has a residence elsewhere may be considered to be a part of the temporary or Shadow Population.

This person resides in the community for a minimum 30 days or on a seasonal basis and is employed or has been employed by an industrial or commercial establishment in the municipality. (definition from Regional Municipality of Wood Buffalo 2006 Municipal Census Report)

Specified Gas Emitters Regulations: The Specified Gas Emitters regulation applies to all facilities in Alberta that emit 100 000 tonnes of CO₂e or more in 2003 or any year since. For established facilities (those that completed their first year of commercial operation before January 1, 2000, or have completed eight years of commercial operation) a 12 percent intensity reduction will be applied to the average of the facility's 2003-2005 baseline emissions intensity. For new facilities (those that completed the first year of commercial operation on or after December 31, 2000 and

have less than eight years of commercial operation) the intensity reductions will be phased in with a 2 percent annual reduction starting the fourth year of commercial operation and an additional 2 percent each subsequent year until the 12 percent target has been achieved.

SRD: Alberta Department of Sustainable Resource Development

Tailings: the materials left over after the process of separating the valuable fraction from the uneconomic fraction of an ore.

TEK: Traditional Environmental Knowledge

Watershed management: management of water and of directly connected activities on the surrounding land.

WCO: Water Conservation Objectives, pertain to the amount and quality of water necessary for protection of a water body and its aquatic environment for human uses and for management of fish or wildlife.

WMF: Water Management Framework, a framework to enable water planning, allocation and management, e.g. the February 2007 "Water Management Framework: Instream Flow Needs and Water Management System for the Lower Athabasca River".

WMP: Water management plan, a plan that provides broad guidance for water management and sets out clear and strategic directions for how water should be managed.

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