

# Climate Change Policy: Lay of the Land



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# National Update

- Federal policy evolution
  - The government has committed to reducing emissions by 20% below 2006 levels by 2020.
  - Designed an offset system to encourage cost-effective domestic reductions or removals in activities or sectors not covered
  - Federal Offset system has been in development for a number of years and involved extensive consultations with provinces, territories, industry and other stakeholders.
  - Detailed eligibility requirements and application processes are set out in a series of guidance documents published for comment.
  - Anticipated launch in late 2009?
  - Will permit some emphasis on coordinating with US



	<b>ALBERTA</b>		<b>FEDERAL</b>	
	Existing Facilities	New Facilities	Existing Facilities	New Facilities
<b>APPROACH</b>	Intensity targets		Intensity targets	
<b>TRIGGER</b>	>100 Kt CO <sub>2e</sub> <i>Possible 50 kt CO<sub>2e</sub> baseline</i>		>50 kt CO <sub>2e</sub> ; 10 MW; 3kt for Upstream Oil and Gas	
<b>START-DATE</b>	1 July, 2007	After 3 years operation	2010	After 3 years operation
<b>BASELINE</b>	Average of 2003, 04 & 05	Third year of operation	2006	Third year of operation
<b>REDUCTION TARGET</b>	12% by end of 2007	2% per year	18% (6%/yr from 07 to 10) then 2% / yr thereafter	2% per year And Clean fuel standard*
<b>DURATION</b>	Until end of 2014		CEPA review in 2015?	
<b>RESULTS</b>	12%	2% to 12% age dependent	26%	2% to 8% (2010 onwards)

**\*Clean Fuel Standards -IGCC and CCS emission levels by by 2018**

# Waxman-Markey Bill

- Allows approximately 2B tonnes of offsets
- 50:50 split between Domestic/Int'l
- Capped sectors - 4 compliance units for every 5 tonnes of offsets
- Discounts used extensively
- Domestic Program
  - Additionality – 2009 onwards; common practice
  - Performance Std Baselines
  - Impermanence (buffers or insurance)
  - Adjustments for uncertainty (discounts)
  - Adjustments for leakage (discounts)
  - Early credits (CCAR, RGGI)



# Clean Energy Jobs and American Power Act

- aka Kerry Boxer Bill
- Released in Fall 2009 and includes details of a US Cap and Trade Program
- *“To create clean energy jobs, promote energy independence, reduce global warming pollution and transition to a clean energy economy”*
- Covers 7 GHGs
- Emitters threshold of 25000 tons per year GHGs encompassing approximately 85% of National emissions
- S. 1733 of the CEJAPA provides provisions that will ensure only quality offsets are used and that they are real, additional, measurable and verified GHG reductions
- Offsets are central to the environmental integrity and credibility of the Cap-and-trade program



# CEJAPA

- Does not include a list of eligible offset project types but requires that offset methodologies are credible and science based
- Establishes clear, consistent and rigorous definitions of offset criteria
  - Additionality, leakage, impermanence and measurement and quantification
- Stringent provisions including buffer accounts, discounting, assignment of liability and insurance mechanisms to account for impermanence.
- Places liability with project developers for intentional reversals and shares responsibility for unintentional



# Pause



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**Let's talk about Alberta for a  
minute...**

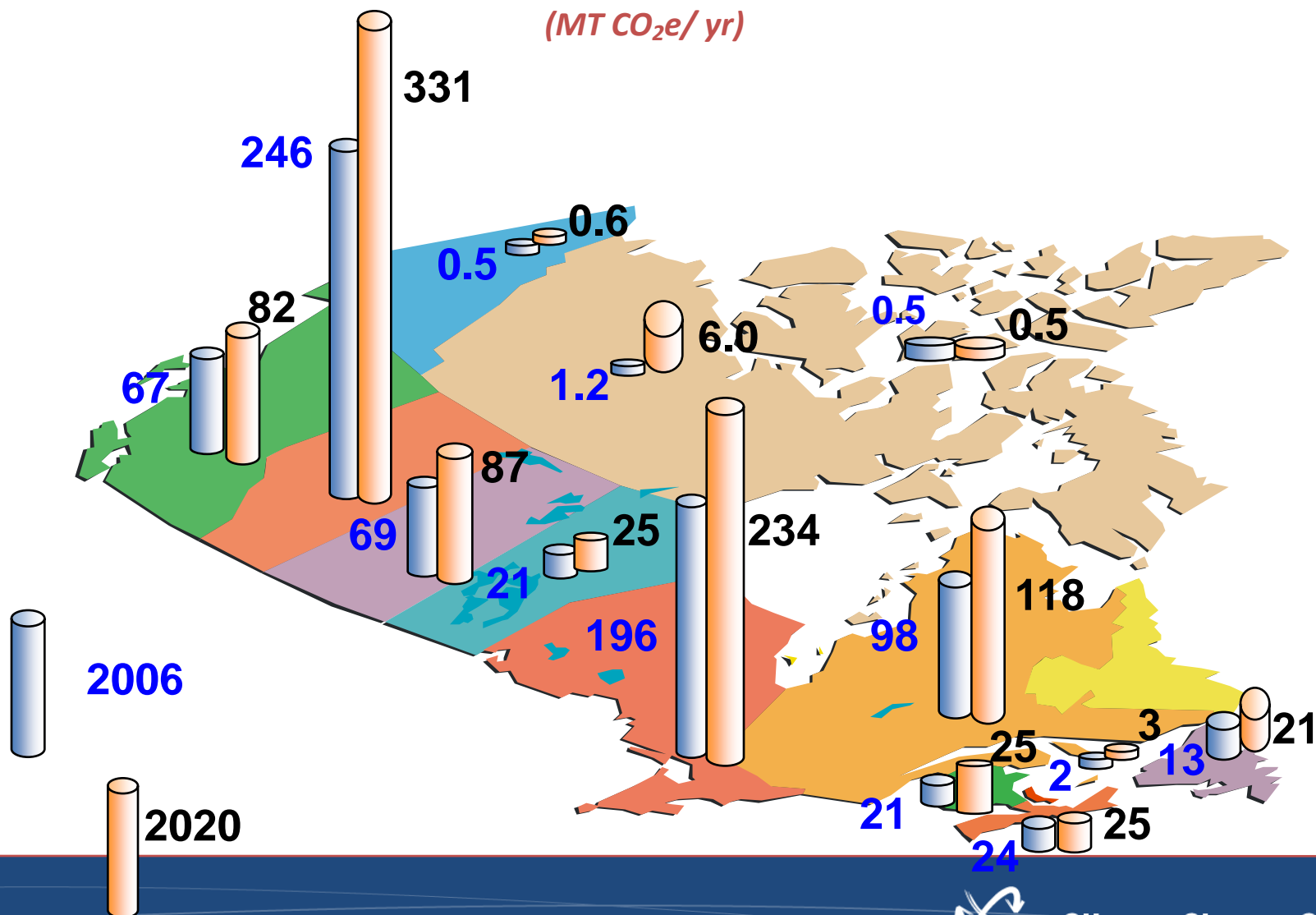


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# Alberta's GHG Emissions in the Canadian Context

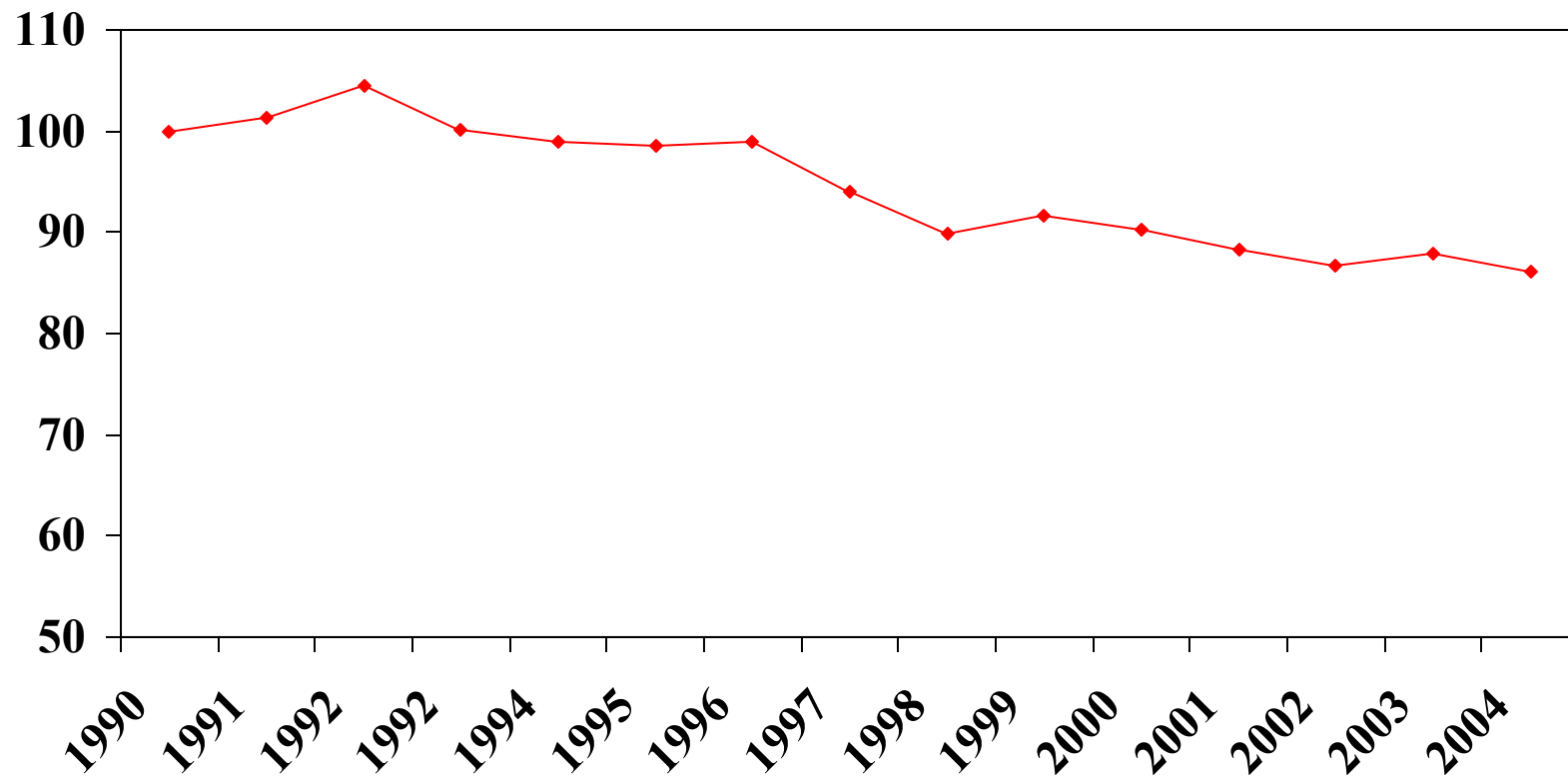
(MT CO<sub>2</sub>e/ yr)



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# Alberta Emissions Intensity Trend

*(Emissions per GDP / Indexed to 1990=100)*



# Alberta's Emissions

*(MT of CO<sub>2</sub> Equivalent)*

