
Energy

Positioning Alberta as the Energy Capital of the 21st Century



Wildrose Caucus

Get it Right!

Energy

Alberta's diversified energy resources rank among the greatest economic treasures in the world. They include oil, natural gas, coal, hydro, wind and the feedstock for biofuels. New oilsands extraction technologies have resulted in Alberta now possessing the largest recoverable oil reserves on earth! Alberta is already a major global hydrocarbon energy producer, fifth in the world behind only Saudi Arabia, Russia, the United States and Iran.

With energy, capital, knowledge and technology, Alberta also has the potential to significantly expand into alternative energy sources. Behind the energy itself are numerous spin-off technologies, the myriad of products and services related to our energy industries that have already made Alberta a global leader for Research and Development, innovative equipment manufacturing and world-class support services.

With strong leadership, Alberta can lead the world in responsible, safe and reliable energy development. Done thoughtfully, this will secure a dynamic and prosperous economy in Alberta for generations to come.

Unfortunately, we have not seen thoughtful leadership from the current government. In fact, they have failed to show competent policy leadership in any aspect of energy development, management or stewardship. Examples include the disastrous royalty changes that drove tens of billions in investments and tens of thousands of jobs out of the province, and the mismanagement of the oilsands environmental file that has drawn global negative attention to Alberta.



Oil & Gas

Because oil and gas will remain the primary driver of our province's economic engine and be the world's major transportation fuels in the coming decades, an important balance must be struck between creating a fiscal and regulatory regime that encourages exploration and development and protection of the environment, while at the same time ensuring Albertans receive appropriate value for their resources.

Albertans deserve competent and forward-looking management of their oil and gas industries. A Wildrose Government would institute the following policies to ensure responsible development of these energy resources in our province:

- **Create and maintain royalty and tax regimes that attract and sustain investment in our energy industries from research and development right through to bitumen upgrading, value-added products, and spin-off industries.**
- **Commit to consulting extensively with industry and other affected stakeholders to ensure new policies do not harm Alberta's investment climate.**
- **Help create new markets and reduce market barriers for natural gas in electricity generation, co-gen, and transportation.**
- **Create a formula to remit provincial energy revenues fairly to the municipalities that need help coping with the impacts of energy development in their regions.**
- **Cut red tape to streamline our energy application, permitting, and regulatory regimes without compromising the safety of Albertans or the health of our environment.**

Electricity Generation and Transmission

Alberta is a growing province with quickly expanding commercial and industrial sectors. Even with increases in energy efficiency, Albertans will continue to need more electricity each and every year. Unfortunately, the PC Government, as with virtually every portion of the energy file, has mismanaged Alberta's electricity generation and transmission system as well.

Alberta's current electricity system is oriented to benefit generators and transmitters more than ratepayers. Because the costs of transmission are not internalized for generators, and because the price-setting mechanism is faulty, electricity prices for individuals, families, and businesses are higher than they should be.

Most disturbing of all has been the PC Government's passage of its infamous Bill 50, which expedites the construction of billions of dollars worth of new transmission lines across Alberta. An objective needs-based assessment by the Alberta Utilities Commission would undoubtedly show that emerging alternative energy sources, especially local natural gas-based electricity generation, render much of the Bill 50-facilitated transmission lines unnecessary. Instead of looking at the future of electricity in these rapidly-changing times, the government by-passed consultation and introduced expensive policies based on an outdated electricity paradigm.

Because of advances in recovery technology, there is suddenly much more natural gas available across North America, including in Alberta. This has depressed the price and vastly increased its potential as a reliable and cost-effective energy source for electrical generation. Therefore, it makes sense to level the playing field so that generators can start to use more cleaner-burning natural gas for local electricity generation.

Get it Right

Albertans deserve better. A Wildrose Government would implement the following reforms to vastly improve our province's electricity generation and transmission system:

- **Repeal Bill 50 and restart the process with an impartial needs assessment by the Alberta Utilities Commission.**
- **Promote more locally-generated electricity from natural gas.**
- **Ensure transmission costs are properly worked into planning and delivery, so that generators and transmitters are encouraged to minimize costs instead of ratepayers subsidizing inefficiency.**
- **Reform the way in which electricity is purchased and sold in Alberta, specifically focusing on reducing price spikes for consumers and businesses.**
- **Reduce electricity demand by developing market based mechanisms that encourage efficiency and allow businesses and individual Albertans to sell locally-generated electricity from co-gen, wind, solar, biomass, and other alternatives back to the grid.**

Did you know?

- Bill 50 enables power companies to spend approximately \$16 billion constructing new transmission lines that will increase capacity 8-fold. That's the equivalent of allowing a paving company to expand the QEII Highway to 16 lanes. Alberta's companies and homeowners will pay for this boondoggle overbuild.



Environmental Stewardship

Energy production and development has become inextricably linked with environmental stewardship. It is imperative that our province's economic reliance on the production, use, refinement and sale of hydrocarbons and other sources of energy never undermine the right of Albertans to enjoy a healthy and pristine environment.

The current government's approach to environmental management has been reactive to public criticism instead of pro-active in the development of cost-effective long-term solutions. Short term and expensive solutions to demonstrate Alberta is "doing something" include massive funding for selected carbon capture and storage experiments and oilsands lease cancellations under the guise of a land-use framework. A better alternative is examining Alberta's total emissions from all energy sources and working with energy producers to develop economically viable solutions that will yield measurable improvements to air, land, and water province-wide.

Albertans love and respect the environment. We expect our provincial government to act accordingly. That is why Alberta was the first province in Canada to appoint a provincial minister of environment and has, until recently, been a national leader on a wide variety of environmental initiatives. It's time for Alberta to lead again on this issue.

For more on Wildrose Caucus' environmental policy, go to:
www.wildrosecaucus.ca/issues/environment



Albertans deserve better. A Wildrose Alliance Government will ensure our energy resources are developed in an environmentally sustainable manner by undertaking the following initiatives:

- **Place all energy producers on a level tax and regulatory playing field, and work with industry to develop viable, long-term strategies that will yield measureable improvements to Alberta's air, land, and water.**
- **Work with industry to develop and implement a strategy that will see the eventual elimination of tailings ponds and an accelerated elimination and reclamation of existing tailings ponds sites.**
- **Work with industry to reduce fresh water use and minimize surface impact while maintaining a competitive fiscal regime that sustains commercial development.**
- **Ensure all oil and gas development conducted on privately owned land is done in an environmentally responsible fashion, and that properties are returned to landowners in essentially the same condition and value as they were before development.**
- **Promote industry investment in environmental research and upgrades through tax incentives (i.e. accelerated capital cost allowance) with the private sector making the technical and economic decisions, not governments.**
- **Work with industry to review air quality and emission standards, particularly in areas with concentrated, high volume industrial activity, such as oilsands extraction, bitumen upgrading, refining, petrochemicals, and power generation.**
- **Encourage technologies for enhanced recovery of existing conventional crude oil and natural gas supplies. Incremental recovery of oil and gas from existing reservoirs has the lowest environmental impact of any new supplies of hydrocarbon fuel. Furthermore, the processes, equipment and technologies developed for enhanced recovery have global market applications, thereby enhancing Alberta's value-added industrial and technology sectors.**

Alberta Energy Promotion

As the fifth largest producer of oil and natural gas in the world, Alberta is highly regarded on the global energy stage. Our knowledge, capital, expertise, equipment, procedures and technologies are internationally recognized as world-class.

Yet somehow, this PC government has managed to either play down or under-promote the importance of Alberta's energy industries, particularly in our own provinces. Alberta needs and deserves a government that is able to competently manage our energy industries and clearly articulate our positive and powerful message to Canada and the world. In fact, through the *New Royalty Framework* in 2007, the current PC government pitted Albertans against Albertans by claiming that Alberta's participation in oil and gas development was "unfair." It then introduced economically devastating fiscal policy changes at the same time as the collapse of world commodity prices and capital markets.

Albertans deserve better. A Wildrose Alliance Government will protect and promote our interests at home and abroad by implementing the following strategy:

- **Lead by example and demonstrate a plan to achieve sustainable long-term environmental improvements in the years ahead instead of being reactive to the "flavour of the day" criticism of particular special interest groups, sectors or industries.**
- **Develop an aggressive, thought-provoking and articulate communications strategy that promotes our energy resources and environmental stewardship to the world – starting in Alberta then expanding across Canada, the United States and Europe.**
- **Facilitate increased partnerships between Alberta's post-secondary institutions and the private sector with the intention of making Alberta a recognized global centre of energy excellence.**

For more on the Wildrose Caucus' post-secondary policy, go to:
www.wildrosecaucus.ca/issues/advanced-education

- **Encourage local understanding and support for our most economically important industry by supporting energy literacy initiatives in Alberta.**
- **Diversify Alberta’s energy export markets, particularly in Asia, by promoting investment and trade opportunities with interested governments, while working with the same to reduce import and export barriers. We will work with the federal, provincial, and U.S. governments to facilitate the building of pipelines to new markets.**
- **Develop a natural gas strategy to create and expand domestic markets for natural gas in electricity generation, co-gen, transportation, and value-added industrial inputs.**
- **Resist any attempts by the federal government to regulate Alberta’s international exports of bitumen via policies in areas such as environmental protection or marine transportation.**
- **Appreciate that the energy industries in Alberta are greater than the energy sources themselves. This includes dynamic and vibrant technology-based energy services and equipment manufacturing for domestic and export markets. This gives Alberta a value-added, vertically-integrated energy industry that can export knowledge and import wealth from other energy-producing regions.**





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