

Alberta premier promises \$4B in green cash

Jason Markusoff

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EDMONTON - Alberta Premier Ed Stelmach has announced \$2 billion for public transit and another \$2 billion for capturing industrial greenhouse-gas emissions and storing them underground, as his government strives to prove its green credentials amid growing Canadian and international scrutiny.

"Our government recognizes that we need to take action on both sides of the emissions equation - that's the (energy) production side, and the consumer side," the premier told a news conference in Calgary on Tuesday.

Carbon capture and storage has formed the cornerstone of Alberta's climate-change strategy, although until now the government has done little to foster it, beyond setting up a task force.

This investment is designed to spur three to five large-scale capture projects. Stelmach said it is the world's largest single investment in the widely touted technology.

The premier predicted that five million tonnes of climate-changing carbon dioxide from industry would be trapped underground - necessary to keep emissions from spiralling upward as Alberta's oilsands and coal-power generation, its most-polluting industries, are set to expand rapidly.

The government expects energy companies to help pay for the vast, multibillion-dollar networks of pipelines, scrubbers and storage systems for carbon capture, but did not reveal details of how the costs will be divided.

The transit funding is designed to help cities expand light-rail lines, start intercity train projects, purchase buses and develop park-and-ride lots.

The \$4-billion announcement, one of Alberta's largest-ever spending commitments, was lofty enough to draw rare praise from Stelmach's detractors on the environmental file.

"It's progress. It's a step towards what we've all been calling for, including the public," said Liberal environment critic David Swann, although he added that Alberta's regulations are far too weak to prompt much climate-change action.

The Pembina Institute's Dan Woynillowicz called it a "clear sign the government is taking climate change seriously," but he qualified that by noting the province should invest more heavily in renewable energies like wind power, which doesn't ravage land as much as oilsands or coal mining.

However, not all were impressed. Both the Sierra Club and the NDP said Alberta taxpayers shouldn't have to help companies lower their greenhouse-gas emissions with subsidies for carbon capture.

The money will come out of the massive budget surplus the Alberta government expects this year, because the oil price has beaten its conservative forecast of \$78 US per barrel and has hovered around \$140 US.

Comments the premier made Tuesday suggest the surplus is now estimated as high as \$13.5 billion, although a government spokesman said that figures are still being calculated for an update to come next month.

Alberta has found itself at the centre of growing criticism recently over its "dirty oil."

A series of campaigns in the U.S. - including initiatives from Democratic and Republican presidential hopefuls Barack Obama and John McCain - have raised concerns about the environmental toll of extracting oil from Alberta's tarlike sands.

Alberta officials are still worried that a U.S. energy bill, depending on its interpretation, could prohibit U.S. government agencies from using unconventional energy sources that produce too many greenhouse emissions, including fuels from the oilsands.

What's more, an energy adviser for Obama recently warned that an Obama administration might shift the U.S. sharply away from consumption of carbon-intensive fossil fuels.