

# Alberta's Climate Leadership Panel and Policies

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# Alberta's Climate Leadership Panel

## Disclaimer:

The opinions and context provided herein are not representative of and should not be interpreted as statements on behalf of the Government of Alberta or on behalf of the Climate Leadership Panel.

This presentation constitutes a summary of recommendations and process from the perspective of the panel chair, Andrew Leach.

# Presentation Outline

- Climate policy landscape
- Climate panel process
- Climate policy proposals
- Expected outcomes from Alberta's policies
- Conclusions

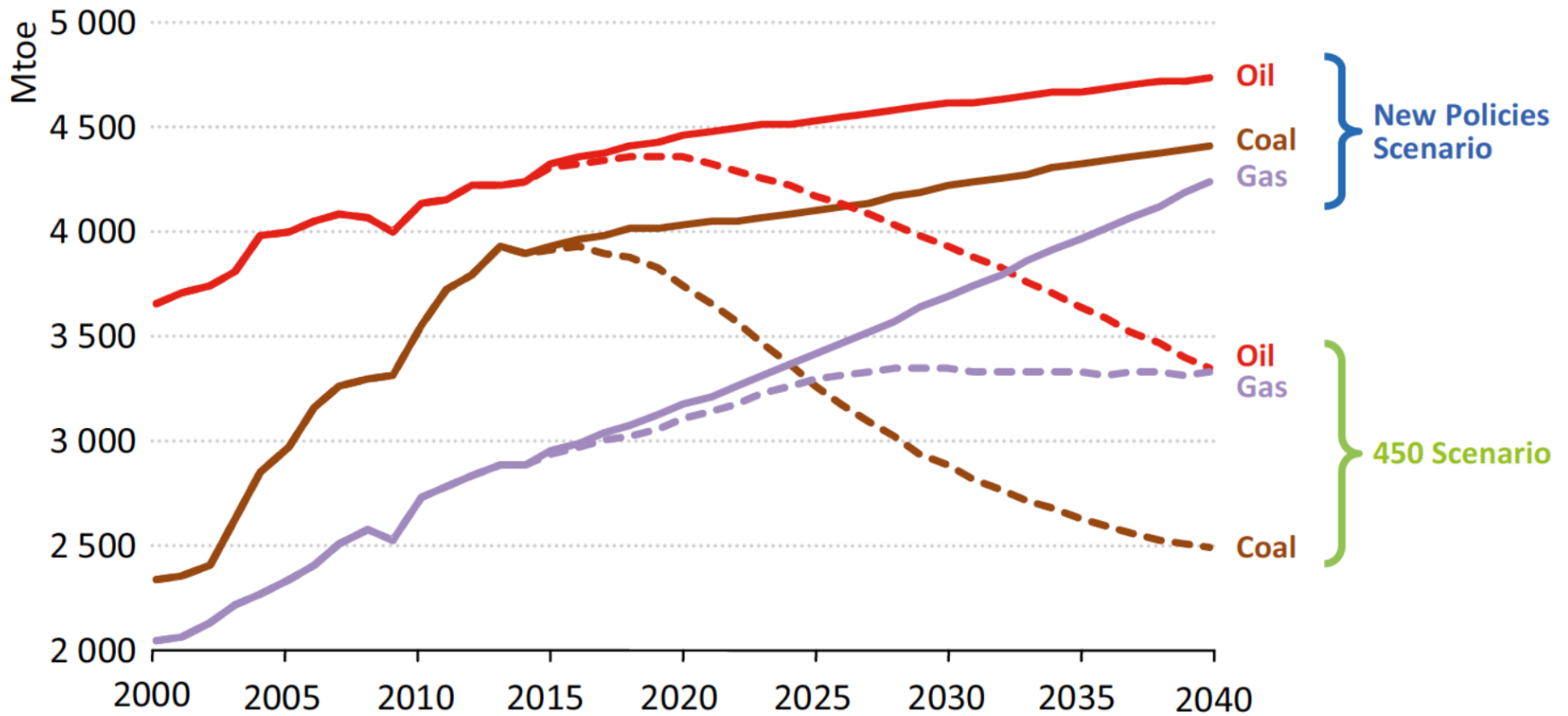


# Climate Policy Landscape

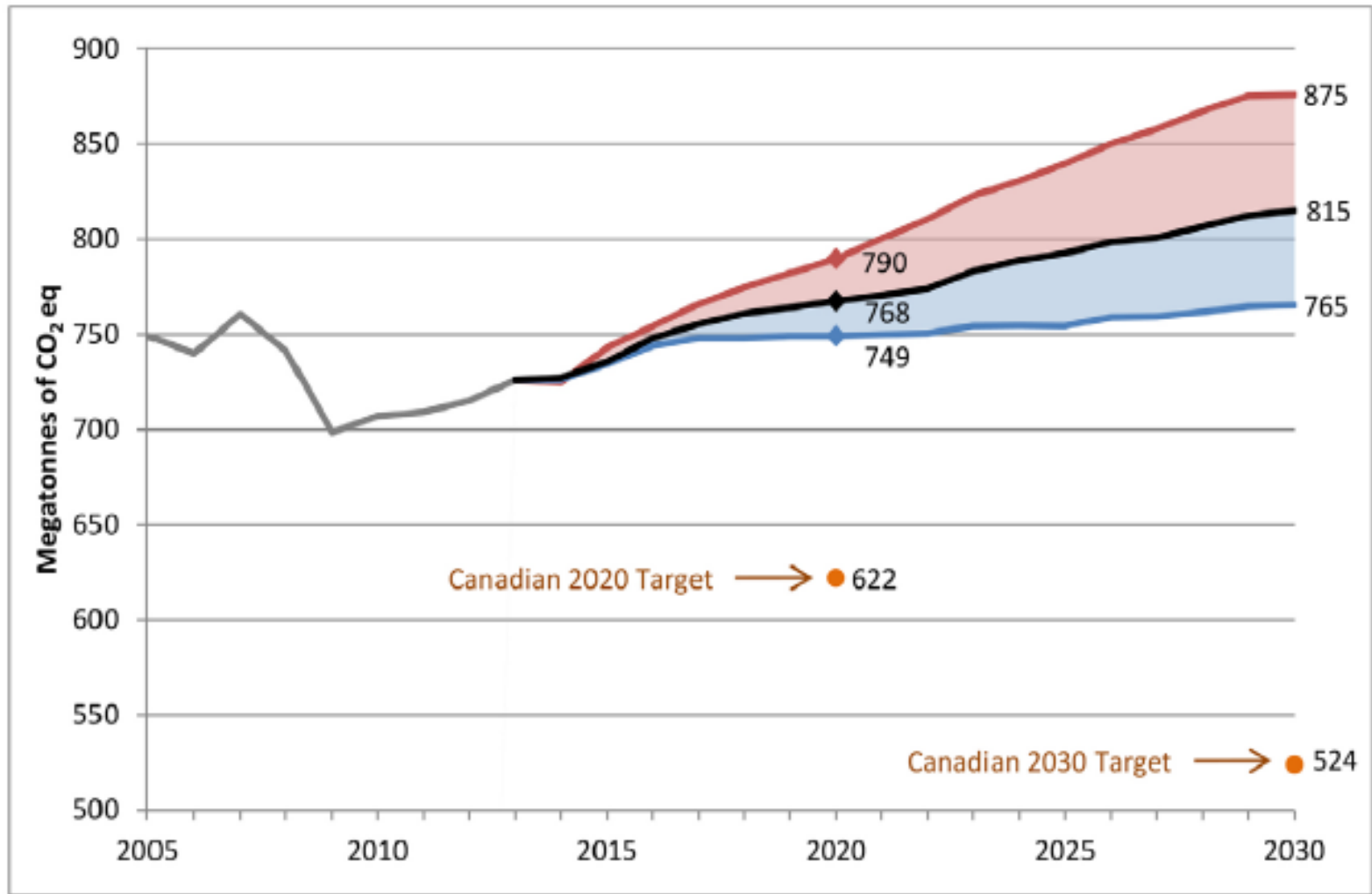


# The GHG Challenge: Global Context

Energy supply in million tonnes of oil equivalent (Mtoe) from oil, gas, and coal under New Policies and 450ppm scenarios from the International Energy Agency World Energy Outlook 2015

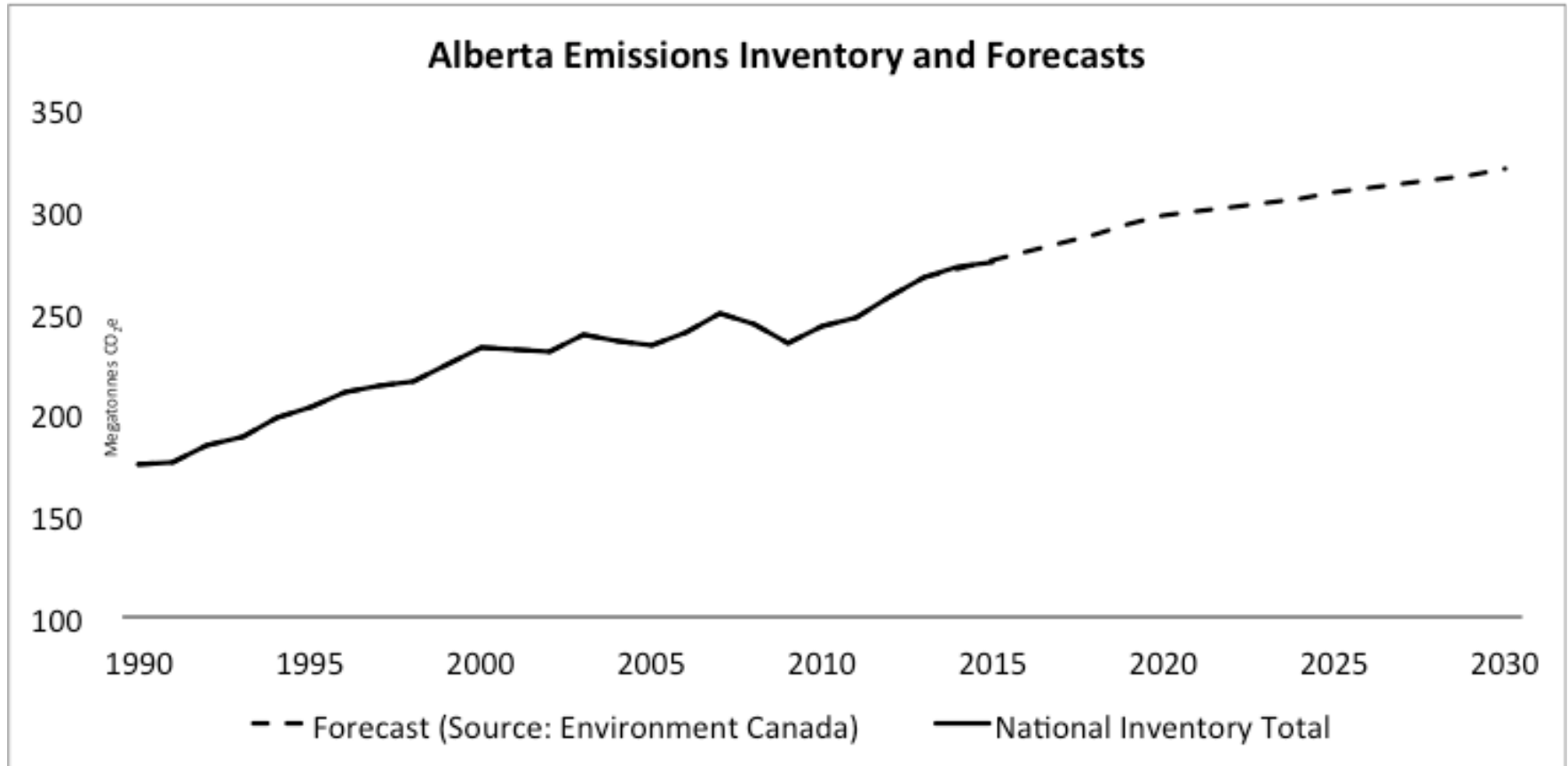


# The GHG Challenge: National Context



Source: Environment Canada

# Alberta's GHG Challenge



# Climate Policy Proposals

What did we propose

How did we rely on research, academic and other

Where were the key holes





# Climate Policy Fundamentals

## Main components of our proposed policy package

- **Carbon pricing as the backbone of a climate policy system**
  - Delivers emissions reduction at lowest total cost to the economy
  - Influences large and small decisions beyond regulatory approach
  - Drives markets for new products and services
- **Carbon pricing is improved by complementary policies**
  - Market does not perfectly transmit information and prices to all consumers
  - Carbon policy will have impacts on other priorities and these need to be taken into account (royalties, infrastructure, etc.)
  - Carbon policy interacts with other policies
- **Compatibility and comparability with existing policies**
  - *Made-in-Alberta* solutions have led to *only-in-Alberta* understanding
  - Consistency with policies in other jurisdictions enables apples-to-apples comparisons

# Carbon Competitiveness Regulation

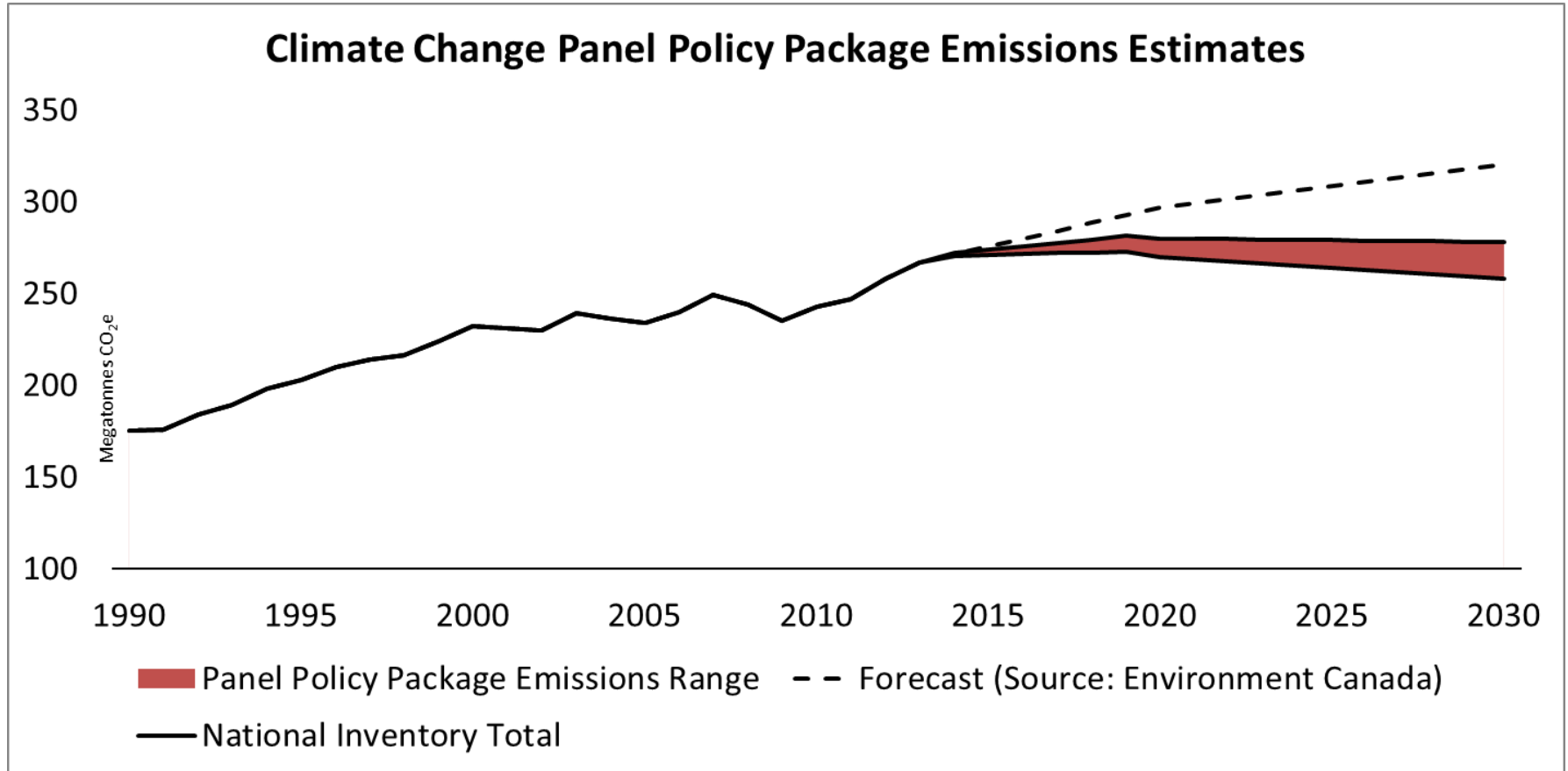
- An economy-wide price on carbon at \$30/tonne increasing by 2% per year above inflation
- Improves existing SGER by:
  - Making it broader
    - Previous policy covered only about 50% of emissions
    - Proposed policy will extend coverage to ~90% of emissions
  - Making it better
    - Previous policy allocated free emissions permits to facilities in proportion to their historic emissions intensity
    - Higher emissions firms in the same industry received more free permits
    - Proposed policy would allocate permits based on sector-level benchmarks

# Complementary policies

- Electricity sector
  - Government purchase of renewable energy credits
  - Regulated phase out of coal-fired power by 2030
- Oil and gas methane emissions
  - Provincial and federal regulations and offset program
- Energy efficiency program
- Aboriginal engagement policies
- Technology development mandates



# Expected Outcomes



# The Politics and Policies of Climate Policies and the Alberta Plan

- Alberta plan shows that energy-producing jurisdictions can implement stringent climate policies
- Alberta implementation changed national conversation from targets to policies – something which will be crucial in the months to come
- Canada needs to close the gap between the ambition of its targets and the stringency of its policies

# Contact Information

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