

2016 Bill 25

Second Session, 29th Legislature, 65 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 25

OIL SANDS EMISSIONS LIMIT ACT

THE MINISTER OF ENVIRONMENT AND PARKS

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 25

2016

OIL SANDS EMISSIONS LIMIT ACT

(Assented to , 2016)

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and Emissions Management Act

Preamble

WHEREAS the Government of Alberta is committed to taking action to enhance Alberta's role as a global leader in addressing climate change and as one of the world's most progressive energy-producing jurisdictions;

WHEREAS the Government of Alberta is committed to limiting oil sands greenhouse gas emissions;

WHEREAS the Government of Alberta is committed to creating the conditions for the oil sands sector to innovate and become more globally competitive; and

WHEREAS the Government of Alberta is committed to establishing a limit on oil sands greenhouse gas emissions that provides room for growth and development of our resource as a basis of a strong economy by applying technology to reduce our carbon output per barrel;

THEREFORE HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

Definitions

1 In this Act,

- (a) “CO₂e” means the 100-year time horizon global warming potential of a greenhouse gas, expressed in terms of equivalency to CO₂;
- (b) “cogeneration” means the simultaneous generation of electric energy and production of thermal energy from the same fuel source;
- (c) “cogeneration emissions” means greenhouse gas emissions that are attributable to the energy generated or produced by cogeneration;
- (d) “enhanced recovery” means enhanced recovery as defined in the regulations;
- (e) “experimental scheme” means experimental scheme as defined in the regulations;
- (f) “greenhouse gas” means a specified gas that is prescribed as a gas to which this Act applies;
- (g) “greenhouse gas emissions” means all greenhouse gases, expressed in tonnes on a CO₂e basis, that are released from sources located at an oil sands site, including greenhouse gases sent off site;
- (h) “oil sands site” means an oil sands site as defined in the *Oil Sands Conservation Act*, including all the buildings, equipment, structures, machinery and vehicles that are integral to the operation of the oil sands site;
- (i) “prescribed” means prescribed or otherwise provided for by the regulations;
- (j) “primary production” means primary production as defined in the regulations;
- (k) “synthetic crude oil” means synthetic crude oil as defined in the regulations;
- (l) “upgrading emissions” means greenhouse gas emissions that are attributable to the production, at an upgrader, of

synthetic crude oil or a comparable fully upgraded product prescribed by the regulations.

Oil sands greenhouse gas emissions limit

2(1) Subject to subsection (2), the greenhouse gas emissions limit for all oil sands sites combined is 100 megatonnes in any year.

(2) In determining the greenhouse gas emissions for all oil sands sites combined in a year for the purposes of subsection (1), the following greenhouse gas emissions are excluded:

- (a) cogeneration emissions attributable to the electric energy portion of the total energy generated or produced by cogeneration, as determined in accordance with the regulations;
- (b) upgrading emissions
 - (i) attributable to upgraders that complete their first year of commercial operation after December 31, 2015, or
 - (ii) attributable to the increased capacity resulting from the expansion, after December 31, 2015, of upgraders that completed their first year of commercial operation on or before December 31, 2015,

as determined in accordance with the regulations, to a combined maximum of 10 megatonnes in any year;

- (c) greenhouse gas emissions from any prescribed experimental scheme or any experimental scheme within a prescribed class of experimental scheme;
- (d) greenhouse gas emissions from any prescribed primary production or any primary production within a prescribed class of primary production;
- (e) greenhouse gas emissions from any prescribed enhanced recovery or any enhanced recovery within a prescribed class of enhanced recovery.

Regulations

3 Without limiting the authority of the Lieutenant Governor in Council to make regulations in respect of this Act under the *Climate Change and Emissions Management Act*, the Lieutenant Governor in Council may make regulations

- (a) prescribing specified gases as gases to which this Act applies;
- (b) defining “enhanced recovery”, “experimental scheme”, “primary production” and “synthetic crude oil” for the purposes of this Act;
- (c) prescribing fully upgraded products that are comparable to synthetic crude oil for the purposes of section 1(1);
- (d) prescribing a method for determining the cogeneration emissions attributable to the electric energy portion of the total energy generated or produced by cogeneration;
- (e) prescribing a method for determining upgrading emissions excluded under section 2(2)(b);
- (f) respecting the administration of upgrading emissions excluded under section 2(2)(b);
- (g) prescribing experimental schemes, primary production and enhanced recovery and classes of experimental schemes, primary production and enhanced recovery for the purposes of section 2(2)(c), (d) and (e);
- (h) establishing and governing mechanisms to keep greenhouse gas emissions from oil sands sites within the limit established by section 2(1), including, without limitation, regulations
 - (i) prescribing thresholds, including limits, triggers, ranges, measures or indices;
 - (ii) establishing a system of greenhouse gas emission allowances and governing the purchase, auction, trading or retirement of greenhouse gas emission allowances or any other matter related to a system of greenhouse gas emission allowances.

Integration with Climate Change and Emissions Management Act

4 This Act shall be construed as forming part of the *Climate Change and Emissions Management Act*, and the *Climate Change and Emissions Management Act* shall be construed accordingly.

RECORD OF DEBATE

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