

**Topic: Does the CSA (Canadian Standards Association) not currently undergo independent auditing? (Reference Transcript PA303; Mr. Loewen)**

- The CSA Group undergoes independent auditing with respect to their financial systems, which includes the registry function and operation. This independent audit is done for CSA Group as a whole.
- The CSA Registries team that operates Alberta Carbon Registries is a small component of the overall organization.
- The CSA Group publicly publishes annual report results, but has declined to share the detailed independent financial audit results with the Alberta Climate Change Office.
- Therefore, in order to provide sufficient assurance, the Alberta Climate Change Office is requiring an independent audit of CSA Registries' financial system and process controls
- The Request for Proposals for this audit was released on January 23, 2017, and the independent audit work is scheduled to be complete by the end of 2017.
- Contract terms require the following of CSA Registries (the Contractor) in respect to the protection of data and maintenance of privacy:
  - With the exception of information that is already publically available, CSA Registries cannot disclose information that they obtain, generate, are provided, or collect without the prior consent of the Province.
  - The Contractor shall retain the Province's Information as confidential and shall make reasonable security arrangements against unauthorized access, use, disclosure, loss, destruction or alteration of the Province's Information.
  - The Contractor must immediately advise the Province of any actual or potential unauthorized access, use, disclosure, destruction or alteration of Personal Information and provide all reasonable assistance to the Province to prevent or remedy the same.
  - The Contractor shall store only in Canada all records of Personal Information which are disclosed to the Contractor under this Contract, including records that are collected, used or stored on behalf of the Province.
  - CSA Registries acknowledges that FOIP applies to all information and records related to the contract.
  - CSA Registries may provide confidential information to subcontractors who have a need to know information for the purpose of performing services. Confidentiality provisions substantially similar to the contract between Environment and Parks and CSA Registries must be reached for CSA Registries to provide information to subcontractors.

**Topic: Implementation of the 2008 policy on climate change (Reference Transcript PA306; Mr. Fildebrandt)**

- On November 22, 2015, the Government of Alberta announced the Climate Leadership Plan, signaling that the 2008 strategy was no longer being used as a driver for Alberta's action on climate change.
- Recognizing previous recommendations from the Office of the Auditor General on monitoring and public reporting, systems are being built to provide public information regarding Alberta's progress on the Climate Leadership Plan.
- Since 2008, the department has reported out on key elements of the 2008 policy on climate change through various venues.
- However, this reporting did not occur in a consolidated manner. Key actions under the 2008 strategy were reported in the Annual Reports of Ministries with climate-related funding included within Ministry budgets. Additionally, Environment and Parks reported on Specified Gas Emitters Regulation results, and the Climate Change and Emission Management Corporation (CCEMC) reported on spending and greenhouse gas reductions related to the Climate Change and Emissions Management Fund (CCEMF).
- Please see the following for additional detail:
  - Annual Reports were made public on the results of compliance of large final emitters under the Specified Gas Emitters Regulation.  
<http://aep.alberta.ca/climate-change/reports-and-data/default.aspx>
  - Other publicly-available results on greenhouse gas emissions can be found in the Environment and Parks Business Plan: (<http://finance.alberta.ca/publications/budget/budget2016/environment-and-parks.pdf>), and Annual Report (<http://aep.alberta.ca/about-us/corporate-documents/documents/AEP-AnnualReport-2015-2016-B.pdf>).
  - Specific information is available on Carbon Capture and Storage investments through the Department of Energy. <http://www.energy.alberta.ca/CCS/3822.asp>
  - Specific information related to the Green Trips program is available on the Transportation website. <http://www.transportation.alberta.ca/5409.htm>

**Topic: Is there anywhere within the department or on the website about consultations with so that people or investors or companies can be reassured the consultation did happen? (Reference Transcript PA309; Mr. Fraser)**

- Under the Climate Leadership Plan, large industrial emitters continue to be subject to Alberta's existing Specified-Gas Emitters Regulation (SGER) until the end of 2017, when the province will transition to an output-based allocation approach.
- The Alberta Climate Change Office has undertaken an engagement process with large final emitters across economic sectors to consider an industrial regulatory framework that will reduce greenhouse-gas emissions, and maintain the competitiveness of Alberta industry.
- This engagement is ongoing and began in October 2016.
- There have been three focused engagement workshops with representatives from the following sectors reflecting large final emitters under SGER: electricity, oil and gas, chemicals, fertilizers, mining, minerals, food processing, forestry, coal mines, and landfills. Current information on the carbon levy and large industrial emitters can be found at <https://www.alberta.ca/climate-carbon-pricing.aspx>.

**Topic: Now, going to the carbon tax, we know the rebates are already starting to go out to Albertans. Where is the money for the rebates coming from at this point? (Reference Transcript PA310; Mr. Loewen)**

**Topic: ..But those rebates were issued about 24, 48 hours after the tax came into effect on New Year's....Did the government borrow for that money? (Reference Transcript PA 311; Mr. Fildebrandt)**

- The payments of the Alberta Climate Leadership Adjustment Rebate (ACLAR) will impact the General Revenue Fund and will be dealt with as part of the government's general cash flow management.
- As a result, there is no direct borrowing required to make the ACLAR payments.

**Topic: Measurement of climate change goals... measurement of output... benefit to economic activity... benefits to the health of Albertans...are those measures that we can expect as you go through and actually meet the recommendations, whether we can expect those to be metrics as well. (Reference Transcript PA313; Mr. Gotfried)**

- Progress on the Climate Leadership Plan will be reported through the Ministry Business Plan and Annual Report process.
- The Environment and Parks Business Plan and Annual Report will include performance indicators and measures that are aligned with the specific accountability of the Minister of Environment and Parks.
- The 2016-19 Business Plan performance indicators related to the Climate Leadership Plan are:
  - Performance Indicator: Total greenhouse gas emissions (Total million tonnes of CO<sub>2</sub> equivalent (greenhouse gas) emitted from source categories).
  - Performance Indicator: Provincial air quality index (Percentage of good air quality days in urban areas based on Alberta's ambient air quality objectives for fine particulate matter, ozone, carbon monoxide, nitrogen dioxide and sulphur dioxide).
- The Alberta Climate Change Office is working closely with our Ministry partners and external entities on the implementation of the Climate Leadership Plan. Performance indicators and measures related to economic and social benefits will be reported through the respective Ministry Business Plans and Annual Reports.

**Topic: Do you have a contingency plan if it did go past and somebody that the people of Alberta have already sold a lease to couldn't produce?** *(Reference Transcript PA314; Mr. Barnes)*

- Internal estimates based on the levels of oil sands production used in the 2016 Budget indicate that emissions counting towards the limit will not exceed 100 megatonnes prior to 2030. Analysis in Environment and Climate Change Canada's 2016 Emissions Trends report reached the same conclusion using higher levels of production from the National Energy Board reference case (source: Footnote 4 in Table A6 linked [here](https://ec.gc.ca/ges-ghg/default.asp?lang=En&n=1F24D9EE-1&printfullpage=true) (<https://ec.gc.ca/ges-ghg/default.asp?lang=En&n=1F24D9EE-1&printfullpage=true>)).
- Regardless, the Government of Alberta will consider the risks of a binding emissions limit in the next phase of policy development and implementation.
- The Oil Sands Advisory Group will deliver implementation advice to the Government of Alberta in March 2017, which will inform subsequent policy and regulation decisions. Any policy option presented to the Government of Alberta for decision will assess the risks to future oil sands development and will, to the extent possible, mitigate those risks in order to maximize production under the emissions limit.

**Topic: I'd like to be assured again that we are going to, then, appropriately measure the health benefits that we will see from the climate leadership plan, and I'd like to understand better how that is going to be measured by which third parties we may engage to do so and how those metrics will be reported to us on a regular basis to indicate the success of the measures being taken. (Reference Transcript PA315; Mr. Gotfried)**

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- The Climate Change Office is working closely with our Ministry partners and external entities on the implementation of the Climate Leadership Plan. Performance indicators and measures related to economic and social benefits will be reported through their respective Ministry Business Plans and Annual Reports.

**Topic: This is relating to tri-river joint reservoir issue. I would request that a written response be made with respect to the engagement on that and the review and recommendations around that particular option?**

*(Reference Transcript PA315; Mr. Gotfried)*

- Between 2014 and 2016, there was consistent engagement with Dr. Emile Gabriel, lead of the proposed Tri-River Joint Reservoir Project.
- To date, the department has received nine formal submissions, including white papers, from Dr. Gabriel.
- As part of the correspondence with Dr. Gabriel, a high-level evaluation of the technical merits of the "Tri-River Joint Reservoir of Alberta" proposal was undertaken.
- The key points of concern identified by the review were provided to Dr. Gabriel in a letter from the Department on July 10, 2015. These are excerpted below:
  - Further details on the proposal are required. These details include the costs and cost/benefits; the number and the design of the dams; the numerous engineering difficulties in constructing the connector channels through mountains; and the environmental impacts of proceeding with the project.
  - The profile presented for the Sheep-Highwood channel must cross a rise of approximately 600 metres. It is not clear whether a tunnel, channel, or some other method to get the water across this barrier being proposed. The proposed connector channels would present significant engineering challenges.
  - Construction of significant works in a provincial park, such as are being proposed, would be very controversial.
  - The proposal could only help if the storm were right over the drainage area of the reservoir. For example, if the storm centre were further south, outside of the drainage area of the reservoir, it would provide very little benefit for the Highwood River.
  - This proposal may violate provincial policy with regards to inter-basin transfer.
- In the correspondence received after this feedback was provided, Dr. Gabriel did not address these key points of concern.
- Government officials were in attendance when Dr. Gabriel presented on the Tri-River Joint Reservoir proposal at the Bow River Basin Council Forum on June 8, 2016.
- Dr. Gabriel has not contacted the department on this proposal since August of 2016.



**Topic: If you could provide a written response, a status update on the Rosebud raceway, what the status of that is within the department.**

*(Reference Transcript PA315; Mr. Fildebrandt)*

- Kneehill County has jurisdiction under the *Municipal Government Act* to make land use decisions for the purposes of development.
  - The county will determine if the proposed activity is an appropriate development in this particular area, which may include traffic and noise impact studies.
- The development requires authorizations pursuant to the *Environmental Protection and Enhancement Act* and the *Water Act* for municipal drinking water, storm water, and wastewater systems, and to infill wetlands.
  - In 2015, the department received a *Water Act* application to infill wetlands. To date, no *Environmental Protection and Enhancement Act* application has been received on the project.
  - A wastewater concept report (written by the applicant's consultant to their attention) was forwarded to the department, however it does not have the information required to be deemed an application. This was communicated to the applicant by email.
- A letter was sent to the Badlands Recreation Development Corporation on December 15, 2016, indicating that in order to process the *Water Act* application with a full understanding of effects on the environment and proposed mitigation plan, an *Environmental Protection and Enhancement Act* wastewater management system application, complete with a soil suitability assessment and groundwater impact assessment, is required by February 15, 2017. If a complete *Environmental Protection and Enhancement Act* application is not received by February 15, 2017, the department will proceed to withdraw the subject *Water Act* application.
- As of February 15, 2017, the department had not received the required *Environmental Protection and Enhancement Act* application; however, we will not be able to confirm whether an application was received until March 1, 2017, further to the application process system.
- This does not preclude the developer from reapplying at a later date.

### **Supplemental Information: Update on Office of the Auditor General audits of the Climate Change Strategy**

As a part of the Office of the Auditor General's financial statement audit plan, the Office of the Auditor General informed the Alberta Climate Change Office that they would be following up on recommendations made regarding the implementation plan, monitoring and reporting of the 2008 climate change strategy, to determine if the Alberta Climate Change Office has implemented recommendations for the new Climate Leadership Plan released on November 22, 2015.

The audit entry meeting occurred on February 2, 2017 and the Alberta Climate Change Office is now compiling responses to the initial questions of the Office of the Auditor General.

In the same audit plan, the Office of the Auditor General indicated that they would also be following up on recommendations made in 2011 to strengthen the guidance for regulated facilities and offset protocols. This audit will begin in summer-fall of 2017, and the Office of the Auditor General will report on findings in February 2018.

Also on February 2, 2017, the Office of the Auditor General provided a Performance Audit Plan for Managing Alberta's Climate Leadership Plan, where they referenced three recommendations they made in 2008 around creating an implementation plan, improving monitoring and evaluation processes, and improving reporting processes. While subsequent audits concluded that these recommendations have not been implemented, and the department asserts the same, the Office of the Auditor General has decided to close off these recommendations because of the change from the 2008 Climate Change Strategy to the 2015 Climate Leadership Plan. The Office of the Auditor General will carry out a new audit on how the department plans, monitors and reports on the Climate Leadership Plan.

Finally, regarding the third party service provider audit, the Alberta Climate Change Office met with the Office of the Auditor General on February 3, 2017, and during this meeting the Office of the Auditor General indicated they would consider the management comments provided by the department on their draft audit report and re-open the audit to consider additional information the department had provided. The information is related to the Office of the Auditor General's findings around the department's inter-registry duplication check procedure that CSA carries out and with respect to the process to check crediting periods for projects listed on the registry to ensure the periods are stated accurately. The department expects these two issues to be resolved before the final audit report.