

## ENERGIZING ALBERTA: THE PROVINCIAL ENERGY STRATEGY



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### Contributors in this issue:

**Rachel Hamilton**  
Edmonton Office  
780.429.6833  
rhamilton@davis.ca

### The Provincial Energy Strategy

The Alberta Government's Provincial Energy Strategy, unveiled on December 11, 2008, charts the future of Alberta's global role in energy conservation and production. As the Honourable Energy Minister Mel Night explains:

“Our strategic approach going forward recognizes that 21<sup>st</sup> century energy challenges also represent great opportunities for Alberta...The actions described in the Provincial Energy Strategy will help make Alberta a global energy leader that is recognized as [a] world-class energy supplier, energy technology champion, and a responsible energy consumer and environmental citizen.”

The Provincial Energy Strategy is designed to achieve three central outcomes:

- clean energy production;
- wise energy use; and
- sustained economic prosperity

### Clean Energy Production

The Government's commitment to clean energy production will prioritize innovation through investment in technology and research for both renewable energy and fossil fuel. The Provincial Energy Strategy emphasizes the importance of renewable energy sources in the Renewable Fuels Standard which is a government requirement to blend either ethanol or biodiesel into commercial fuels (mainly transportation fuel for consumers). Not only will the Renewable Fuels Standard help Alberta achieve its climate change goals and reduce greenhouse gas emissions, it will also create a larger market for renewable fuels in the Province and expand the Province's energy portfolio. The Alberta Government has also committed to supporting renewable energy research and development for emerging technologies such as biogas systems and gasification that converts waste from industry and agriculture into valuable energy products.

### Wise Energy Use

The Provincial Energy Strategy addresses the importance of wise energy use in the future of the Province, the nation and the world. The Alberta Government has recognized the opportunity for Alberta to serve as a role model in appropriate consumption and initiating change to emphasize efficiency and conservation. The Strategy implements change at all levels: individual, local, provincial, industrial and institutional, and recognizes the role that every Albertan has in saving energy.

### Sustained Prosperity

Alberta has also committed to sustained economic prosperity through its energy industry. This tenant of the Provincial Energy Strategy focuses on both production and development of energy resources and also on the importance of "value-added" industries. The Strategy commits to expanding the energy industry in Alberta through resource upgrading, reprocessing, manufacturing and innovation.

### Important Changes

The Alberta Government has already taken action in implementing the long term Provincial Energy Strategy. This is evident in Bill 28, the *Energy Statutes Amendment Act, 2009* which was introduced to the Legislative Assembly on March 22, 2009 by Barry McFarland MLA of Little Bow:

"This is an omnibus bill that will provide tools to help the Province achieve goals set out in the provincial energy strategy while eliminating inefficiencies found in the current energy legislation." (Alberta Legislative Assembly, *Hansard* (March 22, 2009), page 467)

The legislative changes proposed through the *Energy Statutes Amendment Act* provide a comprehensive update to current energy legislation making minor amendments which will promote sustainable energy development and regulatory efficiency. That Act, which passed its second reading on May 6, 2009, will amend the following 10 Acts of Legislature:

*Alberta Utilities Commission Act*  
*Coal Conservation Act*  
*Energy Resources Conservation Act*  
*Gas Resources Preservation Act*  
*Mines and Minerals Act*  
*Oil and Gas Conservation Act*  
*Oil Sands Conservation Act*  
*Petroleum Marketing Act*  
*Pipeline Act*  
*Water, Gas and Electric Companies Act*

and will repeal 2 Acts previously passed by Legislature:

*The Natural Gas Price Administration Act*

*The Natural Gas Pricing Agreement Act*

### Government Investment

In addition to these legislative changes, Alberta has committed significant financial support to a green future. Alberta's Innovative Energy Technologies Program will contribute 200 million dollars over a five year period to pilot projects that demonstrate new or innovative technologies to increase environmentally sound recoveries of existing reserves and encourage responsible development of new oil, natural gas and in situ bitumen reserves. On May 14, 2009 the Government of Alberta further strengthened its long term commitment to establishing the Province as a global hub for sustainable energy technology by announcing funding for 9 projects, totaling up to 41.5 million dollars, in addition to the 16 projects already announced. Minister Knight explained:

“Alberta is once again demonstrating global leadership in the advancement of innovative energy technologies...This investment in Alberta's future is a clear indicator that this government will continue to take positive steps to position Alberta as a science, technology, and clean energy leader.”

### Early Signs of Success

The success and broad reach of the Provincial Energy Strategy is already showing itself. In March, Alberta was awarded the prestigious Aspen Institute Government Award for leadership and innovation. Specifically, the Government was recognized for its development of carbon capture technology and Alberta's efforts to significantly reduce greenhouse gas

emissions. Moreover in April, Minister Knight travelled to Houston, Texas to be the keynote speaker at an American Petroleum Industry conference to discuss Alberta's growing role in North American energy security. The Provincial Energy Strategy is making its mark.

### Questions

We will continue to monitor this issue as the *Energy Statutes Amendment Act, 2009* will be brought before legislature for a third reading. If you have any questions please contact

Rachel J. Hamilton

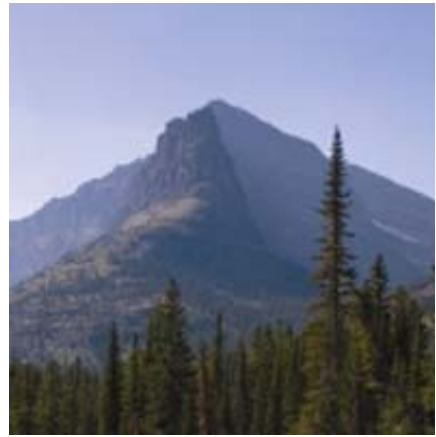
780.429.6833

rhamilton@davis.ca

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## Environmental, Energy and Resources Practice Group

The Davis LLP Environmental, Energy and Resources Law Group has a fully integrated network of legal advisory services that can assist our clients from anywhere in Canada, or elsewhere. We are able to provide service to successfully meet the demands of an ever-changing business market with high-level business legal strategies..



For more information please contact:

### Edmonton Office

Robert A. Seidel, Q.C.  
780.429.6814  
rseidel@davis.ca

Craig Rose  
780.429.6807  
crose@davis.ca

Jennifer Cleall  
780.429.6838  
jcleall@davis.ca

Rachel Hamilton  
780.429.6833  
rhamilton@davis.ca

Wendy-Anne Berkenbosch  
780.429.6810  
wberkenbosch@davis.ca

Elise Currie-Roberts  
780.702.4394  
ecurrie-roberts@davis.ca

Debbie Dresen  
780.702.4369  
ddresen@davis.ca

Mel Garbe  
780.429.6843  
mgarbe@davis.ca

Colin Lipsett  
780.429.6821  
clipsett@davis.ca

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