

MACKENZIE GAS, CLIMATE CHANGE AND SUSTAINABILITY ASSESSMENT

**Stephen Hazell
Ecojustice**

November 16, 2010

Canada, Oil Sands and GHGs

- Canada's GHG emissions have steadily increased (24%) since Canada first committed to reducing them in 1990
- Oil sands operations are the fastest growing source of GHGs in Canada
- Federal EAs have had little impact in reducing GHG emissions associated with assessed development projects

EA and GHGs in Canada

- *Canadian Environmental Assessment Act* focuses on:
 - assessing adverse biophysical effects of projects (and other directly related effects)
 - determining significance of adverse effects
 - proposing measures to mitigate significant adverse effects

Kearl Oil Sands Project

- \$5 - 8 billion open-pit oil sands mine proposed by Imperial Oil in northern Alberta
- 346,000 barrels bitumen per day
- 3.7 million tonnes CO₂ per year or 0.5% of Canada's national GHG emissions
- 800,000 cars on road annually
- Joint Panel Review - GHG emissions would not have significant adverse environmental effects (2007)
- Federal Court directed Panel to justify how an emissions-intensity regulatory approach would mitigate GHG emissions (2008)

Mackenzie Gas Project

- \$16 to 20 billion natural gas pipelines (Mackenzie Delta to northern Alberta) and anchor fields in Northwest Territories
- 1.2 to 1.8 billion cubic feet per day
- Proposed by Imperial Oil, Shell, Conoco-Phillips and Exxon Mobil
- “Basin-opening” project
- MGP Panel reported in December 2009

Mackenzie Gas Project and GHG Emissions

- 1.4 to 2.7 Mt CO₂ project emissions (20.5 to 34.7 Mt CO₂ downstream emissions)
- MGP's CO₂ emissions would not have significant adverse effect on global climate
- But MGP Panel also applied a sustainability assessment approach

Sustainability Assessment and Mackenzie Gas Project

- MGP Panel understood that adverse effects on global climate from any one megaproject (not matter how large) could never be significant globally
- MGP Panel also asked: Would the project make a positive contribution to ecological, economic and social sustainability?

Sustainability Assessment and Mackenzie Gas Project

- Five key sustainability issues:
 - cumulative biophysical effects
 - cumulative socio-economic effects
 - equity effects
 - legacy and bridging
 - cumulative impacts management and preparedness

Sustainability Assessment and Mackenzie Gas Project

- MGP Panel determined that carbon offsets and end use of gas (fuel oil sands growth vs displace coal-fired electricity generation) are relevant to sustainability
- MGP Panel did not recommend:
 - Mandating carbon neutrality
 - Market intervention to specify end use
- Governments should address through climate policies/plans/strategies

Sustainability Assessment and Mackenzie Gas Project

- MGP Panel recommended that Canada develop strategy to:
 - Optimize benefits of using gas as transitional fuel towards sustainable low-carbon economy
 - Ensure that gas is preferentially used to replace/not augment carbon-intensive fuels
- MGP Panel also recommended that Canada develop EA guidance document on assessing GHG emissions in which sustainability is overarching objective

Is Sustainability Assessment coming to Canada?

- CEAA Seven-year Review likely to start in early 2011
- Joslyn North Oil Sands Mine is next test
 - \$8 billion open-pit oil sands mine proposed by TOTAL in northern Alberta
 - 1.5 MT CO₂ per year (270,000 cars on road annually)
 - No plans for carbon capture and storage
 - Joint Review Panel hearings completed October 2010

Conclusions

- Legislate sustainability assessment

One Earth, One Chance

