

# Climate Change Alberta's Strategy for Reduced Emissions

## FACTS AT YOUR FINGERTIPS

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Alberta is the first jurisdiction in North America to impose comprehensive regulations requiring large facilities in various sectors to reduce their greenhouse gas emissions.

These regulations are a first step. Our new climate change plan will address future challenges and outline how every Albertan can reduce emissions.

Alberta is the first jurisdiction in North America to require industries to reduce their greenhouse gas emissions.

Alberta facilities that emit more than 100,000 tonnes of greenhouse gases a year must reduce their emissions intensity by 12 per cent a year under the recently amended [Climate Change and Emissions Management Act](#). The reductions, which include facilities in the energy, chemical and electricity sectors, came into effect July 1, 2007.

They apply to about 100 large industrial emitters, which account for about 70 per cent of Alberta's industrial greenhouse gas emissions.

Industries have three options to meet the reduction. Facilities can make operating improvements, buy Alberta-based credits or contribute to the Climate Change and Emissions Management Fund.

These options give all affected sectors the flexibility to meet these reductions. They promote made-in-Alberta solutions that bolster the provincial economy and encourage investment in technology that will support larger reductions in the future. They also encourage all Albertans to reduce emissions.

### **Improvements to operations**

Facilities can make improvements to their operations that will result in reductions. For example, a facility could install a more efficient boiler.

### **Alberta-based credits**

Industries can purchase credits from other sectors that have reduced their emissions in Alberta.

Industries can also purchase credits from facilities whose emissions are below the 100,000-tonne threshold but are voluntarily reducing their emissions.

Alberta has released comprehensive and strict [protocols](#) that outline how to quantify and verify emissions reductions for different types of projects. Carbon-reducing projects can date back to 2002 but must be verified by a third party.

### **Climate Change and Emissions Management Fund**

Companies can pay \$15 for every tonne that they are over their reduction target. The money will be put into the Climate Change and Emissions Management Fund, which will be directed to strategic projects or technology aimed at reducing greenhouse gas emissions in the province. The Alberta government will determine a process for how the fund is allocated to projects that qualify. It will not be a holding account for companies to deposit money they could later withdraw.

Industries can also choose a combination of the three options.

The annual cost of compliance is estimated to be \$177 million – or less than one tenth of one per cent of Alberta's nominal GDP (\$242 billion in 2006). Industry can choose to absorb the costs. However, if passed on to the consumer, estimates show the impact would be minimal. For example, if the price of electricity was eight cents per kilowatt hour, consumers may see their cost increase to 8.2 cents per kilowatt hour.

Note: The draft protocols to quantify and verify emissions reductions can be found on Alberta Environment's website at [www.gov.ab.ca/env/climate](http://www.gov.ab.ca/env/climate).