



## **Alberta Coal Policy (1976)**

The Alberta Coal Policy was developed in response to growing public concern surrounding the impacts and damage that would be caused if coal exploration and development was unhindered within the Eastern Slopes. Throughout the 1970's extensive public hearings were held by the Environmental Conversation Authority (ECA), which ultimately culminated into the development of Alberta's Coal Policy.

Alberta's Coal Policy has been used to delineate where coal mines could be most reasonably developed (based on quality and accessibility of coal seams and their proximity to railways), in addition to areas where it believed careful consideration should be undertaken before permitting coal mining (due to marginal economic benefits and the presence of important environmental values, such as wildlife migration and headwaters areas).

The policy included zoning of coal-bearing lands into four coal distribution categories derived from geological mapping done by the Alberta Research Council and the Geological Survey of Canada in 1975, in addition to coal exploration efforts during the late sixties and early seventies:

- **Category 1:** Prohibits any exploration or commercial development; this category includes protected areas such as National Parks, Provincial Parks, Wildlife Sanctuaries, Natural Areas, and major lakes and rivers. These areas have alternative land uses of higher priority, such as areas being deemed environmentally sensitive.
- **Category 2:** Areas classified to have limited exploration occurring under strict control, with coal development by surface mining not normally considered. Landscapes within this category are associated with environmentally significant areas of varying levels within the Rocky Mountains and Foothills where neither exploration nor development activities would be considered. Additionally, some lands within Category 2 have the preferred land and resource use yet to be determined. Category 2 lands are areas where supporting infrastructure for coal operations are generally minimal or absent. Underground mining or in-situ operations may be permitted if surface environmental effects are deemed to be inconsequential.
- **Category 3:** Lands in which exploration is desirable and may be permitted under appropriate conditions and control, with assurances in place to ensure environmental protection and effective reclamation for specific situations. These lands are generally less sensitive from an ecological standpoint, and have alternative land-uses considered to be compatible with coal mining activities. Category 3 lands are also identified as landscapes with supporting infrastructure, such as railways networks, being already in place. Category 3 lands overlaps with the Northern Forested Region, eastern segment of the Eastern Slopes, in addition to Class 1 & 2 agricultural lands associated with settled regions.
- **Category 4:** Lands where exploration and development is permitted under normal approval procedures for surface, in-situ and underground mining. Approved mining operations will be subject to proper assurances with respect to environmental protections and reclamation requirements.

In addition, the Alberta Coal Policy formulated a royalty regime for coal production.

### **The Coal Policy Today**

More than 40 years later, concerns over development of natural landscapes have not lessened; indeed, those concerns are more critical than ever. Despite this, the government of Alberta withdrew the Coal Policy in June 2020 without public consultation, leaving a regulatory process that evaluates coal exploration and





development projects on a case-by-case basis, with little to no surface disturbance thresholds set for land use management.

Without the Coal Policy, Alberta runs the risk of indiscriminately approving coal exploration and development without a regulatory framework that can effectively foresee and manage cumulative effects across all land use activities.

AWA believes the intent and environmental focus of the Alberta Coal Policy must be maintained or enhanced, with the following elements to guide the regulatory process for coal exploration and development:

1. Provisions must be made to fully assess the environmental impact of any new mine or the re-opening of mines operated in the past within Categories 2, 3 and 4. AWA supports the provincial government's decision to not permit new leases within Category 1 lands, however, AWA does not support potential coal mining activities within Prime Protection lands within the Eastern Slopes Policy, or in areas assessed as "nationally or provincially environmentally significant" within the ESA designations (2009). AWA believes those areas must remain non-viable options for coal mining activities due to their ecological significance, no matter what the change in policy.
2. Any new or re-opened mine must have a Surface Reclamation Plan backed by an adequate fund prior to the commencement of operations to ensure this work can be successfully completed.
3. New coal operations may be considered in Category 4 areas where existing supporting infrastructure is already in place, provided comprehensive Impact Assessments are conducted to determine whether the project will provide Albertans with net benefits.
4. An extensive Environmental Impact Assessment must be completed and approved before development can proceed for any new coal mine projects.

### **Economics of Alberta's Coal Production**

Reminiscent of the seventies "coal rush", Alberta is still facing demand and pressure for coal exploration and development from producers, despite the potentially marginal economic gains from volatile international coal markets:

- International metallurgical coal markets are notoriously volatile. While potential markets for Canadian coal exist in Asia, Alberta would face competition with relatively cheap coal from Australia. Australia now is the world's largest metallurgical coal exporter, accounting for 54 percent of global metallurgical coal exports.
- Market prices for metallurgical coal also depend on coal quality, which can vary in impurities such as sulfur, phosphorus, and ash. These impurities lower coal value; they require removal prior to using the coal to produce steel. Coal seams also contain different types of coking coal, ranging from soft to premium coking coal types. Current proposals in the Livingstone by Benga Mining and ELAN will mine coal of variable quality, with no certainty of demand in export markets.
- Alberta collects pennies in royalties for each tonne of metallurgical/thermal coal produced. In the 2018/19 fiscal year Alberta produced 22.2 million tonnes of coal; the government collected \$9.8 million through the coal royalty on this production...**45 cents per tonne**. Effectively, Alberta puts no royalty value on a product that, during years of high metallurgical coal prices, will reap many, many times the royalty collected for the company.





Coal mining operations provide variable or minimal economic gains at the expense of environmental impacts. AWA believes that retaining the ecological integrity of our Eastern Slopes will provide economic, social, and environmental benefits which far outweigh those provided by coal developments.





