

## **Alberta Coal Policy**

### **Issue:**

The current Alberta Coal Policy is outdated and is hampering new coal development projects, creating uncertainty for coal companies and difficulties for investment and government administration. The Alberta Ministry of Energy intends to revise and update the 1976 Alberta Coal Policy and is engaging the Alberta coal industry in the review process.

### **Background:**

Alberta's Coal Policy is in serious need of review. It contains administrative procedures, including the coal lease acquisition process, preliminary and public disclosure processes, the Crown coal royalty formula, coal resource estimates, and land category classifications for where coal can be developed. Many sections of the Policy are outdated or redundant, including the coal land categories, environmental and resource management standards, royalty, the "Buy Alberta – Hire Alberta" policy and government process and structural references.

The Alberta Coal Policy includes the disposition of coal rights based on four categories which spell out what type of activity (exploration, development, etc.) can take place. The current classifications have restricted the development of Alberta's coal resources in certain parts of the province.

The policy needs to be updated to reflect the current regulatory framework surrounding coal rights, tenure, lease agreements and Alberta's new land use policy framework. Changes to the royalty structure will not be included the policy review.

Alberta Energy has begun an 18-month process to create a new policy. The major policy work will take place from Winter 2012 to Spring 2013. Stakeholder dialogue and consultations will take place throughout the process.

### **Association Action:**

The Coal Association of Canada has struck a Working Committee of Alberta member companies to bring together a position on what the coal industry would like to see in the new regulation. The Committee will provide input to Alberta Energy as it drafts its new policy.

The first policy "exploratory" meeting between AB Energy officials and the Alberta coal industry was held on June 22, 2012. The minutes of this meeting are attached.

### **Key Messages:**

- Alberta's Coal Policy needs to be updated to reflect the current regulatory environment and rules surrounding coal rights, tenure agreements and the new land use framework.
- The Coal Association of Canada supports a policy that creates certainty for the coal industry and investors as well as land category classifications that strike the right balance between fostering development of Alberta's abundant coal resources and strategic land use planning.
- The Coal Association of Canada will provide input to Alberta Energy during the policy development to advocate for a policy that creates the conditions for a thriving coal sector in Alberta.

### **Contact:**

For further information on this initiative, and whom from industry is participating on the Working Committee, please contact:

Ann Marie Hann

President

Coal Association of Canada

Phone: 403-262-1544

Toll Free: 1-800-910-2625

Email: hann@coal.ca