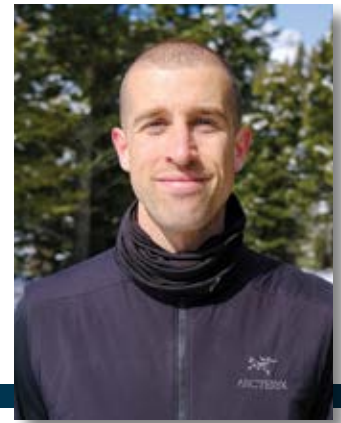


Corporate Welfare in the Oilpatch



By Phillip Meintzer

Alberta Wilderness Association learned in February that the Alberta Energy Regulator (AER) had issued an Environmental protection Order to Imperial Oil (owned by ExxonMobil) for two separate tailings leaks at the Kearl oil sands mine going back to May 2022. Tailings are a type of toxic industrial wastewater that contains harmful levels of arsenic, benzene, mercury, naphthenic acids, and other chemicals. This leak had been ongoing for nine months without any notification provided from Imperial or the AER to Indigenous communities in the region — including Athabasca Chipewyan First Nation — who have been vocal in their outrage over this situation, as well as Mikisew Cree First Nation who have demanded an independent review of the AER and their management of the tailings ponds.

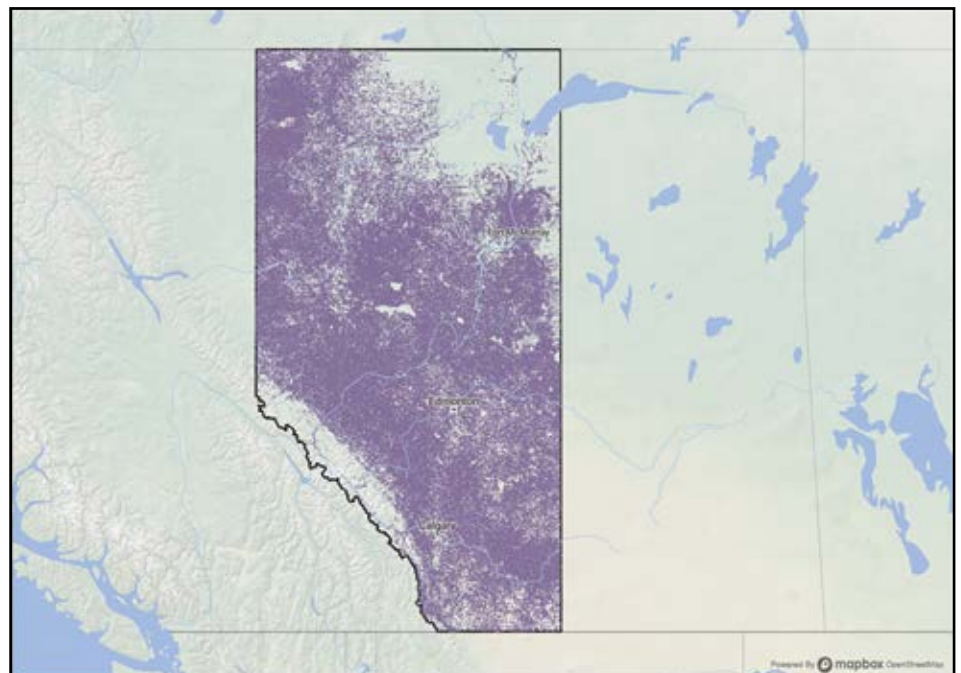
Initially, the AER and Imperial both said that there had been no impacts to wildlife or the public from these incidents, but even if that were true, it doesn't ease our concerns that these tailings ponds won't fail again in the future, with potentially catastrophic consequences. We have also learned in the aftermath of this story that Environment and Climate Change Canada (ECCC) found evidence that this seepage was likely deleterious or harmful to fish. Imperial Oil was directed, under the federal *Fisheries Act*, to take immediate action to prevent any seepage from entering fish-bearing waters. Later, it was confirmed that the AER had detected the presence of hazardous tailings

chemicals in an unnamed fish-bearing lake within Imperial's lease area at the Kearl mine.

Then in April 2023, we learned that nearly six million litres of contaminated wastewater had been spilled from a sedimentation pond at the site of Suncor's Fort Hills mine. This spill is not identical to the one at Kearl, as it was from a sedimentation pond rather than a tailings pond and therefore likely less toxic, but the spilled effluent still exceeded the approved regulatory limit for suspended solids. One week later, news broke that 32 birds (along with two small mammals) had been found dead at a tailings pond located at Suncor's Base Mine, roughly 30

kilometres north of Fort McMurray, during a bird monitoring survey. This string of disturbing incidents only serves to highlight — yet again — the risks associated with storing such massive volumes of contaminated fluid on Alberta's landscape, and preventing them from harming the neighbouring watersheds, ecosystems, and the communities that rely on them.

More than 1.4 trillion litres of toxic tailings are sitting across northern Alberta, covering more than 300 square kilometres, and the problem only continues to grow. As the volume of effluent stored within these ponds grows, it poses a greater risk of harm to downstream communities and the environment in the case of tailings



Alberta's landscape is littered with oil and gas infrastructure (pictured), with cleanup costs for orphaned and abandoned sites estimated between \$58 to \$260 billion. Map © Alberta Biodiversity Monitoring Institute (ABMI) 2019 Human Footprint Data.

pond failure. More information on the extent of the tailings issue is available in a recent report from CPAWS Northern Alberta and Environmental Defence Canada. According to this report, only one square kilometre of the oil sands has been certified as fully reclaimed by the AER as of 2016. The cost to clean up the tailings ponds has been estimated at \$28 to \$130 billion, but oil sands companies have only set aside less than three percent of the funds necessary to cover cleanup costs.

There is currently no comprehensive tailings reclamation plan for the oil sands region, but the AER and the Government of Alberta continue to allow these energy companies to produce more and more tailings without a cleanup plan in place. In 2021, we learned that the Government of Alberta, jointly with ECCC, were developing new regulations that would permit the release of treated tailings effluent back into the Athabasca River, which is a solution AWA strongly opposes. Rather than eliminating the root cause of the issue — continued oil sands production — which is driving both the climate crisis and the growth of tailings, our leaders would prefer to suggest various Band-Aid solutions, like figuring out how and where to dump the tailings elsewhere. How long would this problem go unaddressed if the seepage occurred along the Bow River upstream of Calgary?

What makes the whole situation more frustrating is that Imperial just posted a \$1.7 billion profit in the fourth quarter of 2022 alone. They are making more than enough money to set aside funds for reclamation, but we need a regulator, governments, and a public that is willing to pressure them into dealing with this issue. Instead, our governments at both the federal and provincial levels seem content to continue throwing public taxpayer money at oil and gas companies in the form of tax incentives and subsidies for activities which they are wealthy enough to afford themselves.

News broke in February of Alberta

Premier Danielle Smith's plan to dish out a \$20 billion bonus to oil and gas corporations for cleaning up orphaned and abandoned well sites across the province — a clean up which they are already required to do by law. It is estimated that the cost to remediate environmental liabilities, such as abandoned well sites, could be anywhere from \$58 to \$260 billion, but only \$1.5 billion has been collected from energy companies to date. This incentive, known as the R-Star program, would pay even more money to already profitable companies to clean up a mess that they created, and that they are already legally obligated to remediate.

The group of six Canadian oil sands companies (CNRL, Cenovus, ConocoPhillips, Imperial Oil, MEG Energy, and Suncor) known as the Pathways Alliance collectively recorded profits of more than \$35 billion in 2022. This was a record year for oil sands profits, spurred on by the rising energy costs driven by Russia's invasion of Ukraine. Yet despite record earnings, these six companies have spent a meagre \$500 million of their own money on their pursuit of much touted — and still unproven — carbon capture and storage (CCUS) technologies.

CCUS is intended to prevent carbon dioxide from entering the atmosphere at the point of production through a process that concentrates carbon dioxide so that it can be transported and stored underground. One of these projects hopes to install CCUS technology at sites across the oil sands region, while connecting them to an underground storage site near Cold Lake. The estimated cost for this project is \$16.5 billion, of which these companies have only spent a paltry \$500 million while continuing to demand public funding from governments to cover the costs. We should not be spending a cent of public money on a technology that is still unproven and would only serve to prolong the status quo by allowing these companies to continue

producing, rather than limiting their production. Especially as these companies hide the full extent of their emissions from the public.

New research from Environment and Climate Change Canada (ECCC) published in the journal *Proceedings of the National Academy of Sciences Nexus* in April 2023, found that oilsands emissions could be 65 percent greater than currently reported by industry in the greenhouse gas reporting program. The study notes that the oilsands could be releasing 21 million tonnes of unreported carbon dioxide emissions every year, with potential under-reporting dating back to at least 2018.

In a report from the Pembina Institute released in September 2022, it was noted that: “While the pledges and promises of the Pathways Alliance may give the impression that action on this front is imminent or already underway, our analysis here demonstrates that oilsands companies have yet to make the necessary investment decisions — or even release sufficiently detailed project plans, with information about allocation of capital expenditure, timelines, and individual company GHG reduction targets — to provide proper reassurance about the likely pace of decarbonization in the sector.” These two reports taken together reinforce the notion that Canadian oilsands companies are not doing enough when it comes to environmental sustainability. They are taking public money to greenwash their operations through investments in unproved carbon capture, while under-reporting their own emissions, and asking for even more public money to cleanup their mess. We cannot trust that they will follow through on their emissions reduction commitments without meaningful enforcement.

We need to remember that all of this is happening while we keep approving new or expanded oil sands mines, like Suncor's Fort Hills expansion into the McClelland Lake Wetland Complex (with ditching and draining planned

to begin in 2025), as well as Suncor's proposed Base Mine Extension project. With respect to McClelland, Suncor says it can place a large underground wall in the middle of a sensitive wetland area, and guarantee that no harm will come to the unmined side from mining right next door. That means this wall, and the associated wells, pipelines, and people need to work flawlessly for over 50 years (from 2025 to 2076) without failure. Meanwhile, Suncor can't even prevent a spill from a simple sedimentation pond at the very same mine (Fort Hills) as we saw back in April. New and expanded mines will only exacerbate the problem of cleanup. More scars on Alberta's landscape, more tailings pollution, and more GHG emissions, all to line the pockets of shareholders.

As things stand, oil and gas companies are permitted to profit off the exploitation of Alberta's landscape and people, while we are left to clean up their mess. This must change, and change will only happen if there's enough public outrage directed at those responsible for this mess. Energy companies have an obligation to their shareholders to be profitable, but these profits should no longer come at the expense of Alberta's ecosystems, Indigenous communities, and people's health. Suncor's new CEO recently announced plans to cut jobs under the guise of "efficiency," which is just another great reason why we should reduce our reliance on oil and gas companies who are only here for short-term profits.

To do this, we will need a provincial energy regulator that is genuinely capable of the task of regulation, and governments that are courageous enough to stand up to corporations, and willing to create the laws, policies, and regulations that will limit and reduce fossil fuel production in line with credible science and a sustainable, equitable future. 🌱



Taxpayers should not be on the hook for covering the cost of cleanup and reclamation while oil and gas companies, like Imperial Oil, are posting record profits at the expense of Alberta's ecosystems and those who rely on them. Photos © C. Olson (top) G. Lenz (bottom).