

Alberta Wilderness Association
"Defending Wild Alberta through Awareness and Action"

Environment and Climate Change Canada Carbon Markets Bureau 351 Saint-Joseph Boulevard Gatineau, Québec, K1A 0H3

Sent via email to: PlanPetrolieretGazier-OilandGasPlan@ec.gc.ca

December 17, 2024

AWA Feedback Re: Proposed Oil and Gas Sector Greenhouse Gas Emissions Cap Regulations

Dear Environment and Climate Change Canada,

Alberta Wilderness Association (AWA) is writing you to provide feedback regarding the <u>proposed Oil</u> and Gas Sector Greenhouse Gas Emissions Cap Regulations (hereafter "proposed regulations") as part of the public consultation process initiated by Environment and Climate Change Canada (ECCC) ending on January 8, 2025.

This consultation process is intended to inform the development of the final emissions cap regulations, which will help ensure that Canada's oil and gas sector does its fair share to reduce its greenhouse gas (GHG) emissions.

AWA is the oldest Alberta-based environmental conservation group with more than 7,500 members and supporters in Alberta and around the world. AWA seeks the completion of a protected areas network and good stewardship of Alberta's public lands, waters, and biodiversity to ensure future generations enjoy the abundant benefits they provide.

While the proposed regulations are a great first step towards regulating emissions from Canada's largest polluting sector, they require significant improvements to meet the pace and scale of emissions reductions that are necessary to curb GHG emissions in line with Canada's existing climate commitments.

AWA appreciates having the opportunity to review the proposed regulations and to provide feedback and recommendations as part of this public consultation process. Our feedback is summarized in the list below and outlined in greater detail in the following sections.

Summary of Feedback:

- 1. Strengthen the emissions cap to align with Canada's international climate commitments (i.e., 40-45 percent emissions reductions by 2030) at a bare minimum.
- 2. Implement adequate enforcement mechanisms to ensure that oil and gas companies reduce their emissions during the data collection period from 2026 to 2029.
- Accelerate the implementation of the final emissions cap regulations prior to the 2025 federal budget to ensure that the regulations are enshrined in law before a potential election.

1. Align Emissions Cap with Climate Commitments:

According to ECCC, the proposed emissions cap is: "estimated to align with 35% below 2019 emissions levels" by 2030. However, Canada's nationally determined contribution under the 2015 Paris Agreement is a reduction of 40-45 percent below 2005 levels by 2030. This means that the proposed regulations are insufficient for meeting Canada's existing commitments – and those existing commitments are already well below the scale of reductions needed from heavy emitters like Canada.

Recent research from Dr. Ceecee Holz (2024) shows that for Canada to do its fair share of emissions reductions, Canada will need to cut its emissions by 160 percent from 2005 levels by 2035, rather than 40-45 percent. While it's difficult to conceive of emission reductions greater than 100 percent, what this means is that Canada needs to drastically cut its own emissions to near-zero, while helping to support other countries to cut their emissions as well (to make up the additional 60 percent).

Other sectors are being asked to do significantly more to reduce their emissions and the oil and gas industry – Canada's largest polluter – should be required to do its fair share. The final emissions cap regulations must compel greater reductions than are currently proposed, and those reductions should be in line with Canada's existing commitments at a bare minimum.

2. Compel Emissions Reductions During Data Collection Period:

AWA is concerned that the proposed regulations do not require emissions reductions to occur until 2030 and beyond. The government of Canada is proposing to use the period from 2026 to 2029 to collect necessary data to establish baselines for producers, which will be used to determine their respective reductions from 2030 onward. That means that this emissions cap, as currently proposed, discourages action prior to 2030.

The final emissions cap regulations should ensure that adequate enforcement mechanisms, incentives, and/or other tools are put in place to compel the oil and gas industry to reduce its emissions during the data collection period from 2026 to 2029. Enforcement mechanisms of this nature are necessary to prevent the possible scenario whereby an oil and gas producer intentionally maximizes its emissions during that period so that its baseline is artificially inflated when it comes time to implement emissions reductions in 2030 and beyond. Immediate reductions are needed to prevent catastrophic global warming beyond 1.5 degrees.

3. Accelerate Implementation:

An emissions cap for the oil and gas industry was first promised in late 2021 as part of the current federal government's election platform. In November 2022, at COP29 in Egypt, ECCC Minister Guilbeault promised that the final emissions cap regulations could be expected by 2023 at the latest, yet the current consultation on the proposed regulations does not close until early 2025.

These delays are unacceptable, and the longer it takes to implement an emissions cap, the more difficult it will be to achieve Canada's climate targets. Given the extensive delays, AWA encourages

¹ Ceecee Holz, "Canada's Fair Share of 1.5 °C-Consistent Global Mitigation Through 2035" (Climate Equity Reference Project, April 24, 2024), https://doi.org/10.5281/zenodo.11062130.

ECCC to expedite the completion of the final regulations and implement a revised emissions cap as soon as possible – and ideally before the Spring 2025 federal budget announcement – to ensure that these crucial regulations are enshrined in law before a potential federal election is called. Canada cannot risk delaying this implementation any further.

Concluding Remarks:

AWA is encouraged that ECCC is taking this important step to regulate emissions from Canada's largest polluting sector. Without an emissions cap in place, Canada's current policies are not strong enough to achieve the emission reductions needed to meet Canada's international commitments.

Recent evidence from the Pembina Institute shows that the oil and gas industry refuses to cut its emissions willingly, despite what they say,² and another study found that emissions from the oilsands could be 6300 percent greater than the numbers self-reported by industry.³ Canada needs strong regulations and adequate enforcement to ensure compliance from industry.

While an emissions cap will get things moving in the right direction, ECCC needs to recognize that it won't be enough if Canada hopes to curb emissions to the extent that's necessary. Current evidence suggests that to achieve our climate targets, countries must: A) Leave all known fossil fuel reserves in the ground. B) Halt all new and proposed fossil fuel projects, and C) Prematurely close at least half of all existing fossil fuel production facilities. This means that oil companies in Canada cannot increase production, or construct new wells, mines, or pipelines if Canada is serious about achieving its targets. Capping emissions is a good start, but it still allows for expanded production, which puts Canada's ability to achieve climate targets at risk. Stronger actions are needed.

AWA is grateful for the opportunity to provide feedback as part of this public consultation, and we hope to see our comments and recommendations considered in the final emissions cap regulations.

Sincerely,

ALBERTA WILDERNESS ASSOCIATION

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Phillip Meintzer

Conservation Specialist

pmeintzer@abwild.ca

² Matt Dreis, "Waiting to Launch: 2024 Mid-Year Update" (Pembina Institute, September 2024).

³ Megan He et al., "Total Organic Carbon Measurements Reveal Major Gaps in Petrochemical Emissions Reporting," *Science* 383, no. 6681 (January 26, 2024): 426–32, https://doi.org/10.1126/science.adj6233.

⁴ Dan Welsby et al., "Unextractable Fossil Fuels in a 1.5 °C World," *Nature* 597, no. 7875 (September 2021): 230–34, https://doi.org/10.1038/s41586-021-03821-8.

⁵ Fergus Green et al., "No New Fossil Fuel Projects: The Norm We Need," *Science*, May 31, 2024, https://doi.org/10.1126/science.adn6533.

⁶ Kelly Trout et al., "Existing Fossil Fuel Extraction Would Warm the World beyond 1.5 °C," *Environmental Research Letters* 17, no. 6 (May 2022): 064010, https://doi.org/10.1088/1748-9326/ac6228.

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