

December 11, 2008

Provincial Energy Strategy charts course for sustainable prosperity

Plan aims for clean energy production and wise energy use

Calgary... A long-term action plan for Alberta to achieve clean energy production, wise energy use and sustained economic prosperity was outlined by the Government of Alberta with the release of the Provincial Energy Strategy.

“Our strategic approach going forward recognizes that 21st-century energy challenges also represent great opportunities for Alberta,” said Energy Minister Mel Knight. “The actions described in the Provincial Energy Strategy will help make Alberta a global energy leader that is recognized as world-class energy supplier, energy technology champion, and a responsible energy consumer and environmental citizen.”

Specifically, the Provincial Energy Strategy includes actions to:

- address the environmental footprint of energy and encourage the development of renewable energy;
- explore ways in which value will be added to Alberta’s energy industry, including supporting upgrading/refining/petrochemical clusters, and aggressively marketing Alberta’s energy globally;
- change energy consumption behaviour by industry and consumers through conservation measures and a review of emissions targets and carbon charges for large industrial facilities;
- improve innovation through increased investment in research, development, demonstration and deployment of energy technology; and
- enhance the capability of our electricity system by planning for a comprehensive upgrade to strengthen the transmission system by identifying requirements, technical solutions, timing, and updating of the approval process.

As part of clean energy production and encouraging renewable energy the strategy also recommends Alberta adopt a Renewable Fuels Standard (RFS). This new standard of five-per-cent ethanol in gasoline and two-per-cent renewable content in diesel by 2010 will help Alberta meet its climate change targets by reducing CO2 emissions by about one million tonnes annually, and will support Alberta’s renewable fuels sector and the technology development of next generation biofuels.

Implementation of the Provincial Energy Strategy will include ongoing reassessment of objectives and strategies. The Government will report annually to Albertans on progress implementing the strategy.

For more information or a copy of the Provincial Energy Strategy visit <http://www.energy.gov.ab.ca>.

Media inquiries may be directed to:

Jason Chance

Alberta Energy

Communications

780-422-3667

To call toll free within Alberta dial 310-0000.

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Additional details on the Provincial Energy Strategy

The Provincial Energy Strategy includes an energy vision, desired outcomes, and the series of levers to make progress toward Alberta's energy future. **Our vision is that Alberta will remain a global energy leader, recognized as a responsible world-class energy supplier; an energy technology champion; a sophisticated energy consumer; and a solid global environmental citizen.**

To realize this vision, Alberta must achieve **clean energy production, wise energy use, and sustained economic prosperity**, and take the necessary actions to meet these goals. Highlights of these actions include the following:

Address environmental footprint (Section 4.1)

- Manage cumulative environmental effects of development through regional plans developed under the Land Use Framework and ensure that regulatory agencies and decision-makers respect Government approved limits or thresholds when making individual project decisions.
- Encourage renewable energy sources that can improve the redundancy, reliability, and security of our energy supply.

Add value (Section 4.2)

- Create a government-led organization dedicated to developing policy analysis and options for upgrading/refining/chemical clusters in Alberta.
- Assess optimum targets for bitumen allocation (direct export/upgrading and refining/petrochemical feedstock).
- Aggressively market Alberta's energy to achieve a more diverse and resilient customer base.

Change energy consumption behaviour (Section 4.3)

- Review emissions targets and carbon charges for large industrial facilities.
- Promote smart metering, smart grids and improved energy consumption information.
- Green up transportation through the green transit program and reviewing the government vehicle fleet.
- Implement strong building codes, building energy conservation measures, and wise urban planning.
- Ensure that market price signals that can help promote consumer choices to conserve energy are not distorted, while also ensuring that those most vulnerable are able to afford the cost of energy.

Innovate (Section 4.4)

- Increase investment in research, development, demonstration and deployment in sustainable energy technology. This investment will be focused on a consolidated, coordinated initiative—a one-window approach with publicly established goals inviting industry involvement.
- Nurture an innovation culture and invest in Alberta's next generation of energy professionals.

Enhance electricity (Section 4.5)

- Lead the development of a plan for a comprehensive upgrade to the transmission system in Alberta that will identify the requirements, the solutions, and the schedules necessary to improve the system.

- Review and streamline the regulatory process for transmission siting.
- Adopt and implement a policy to build interties to other markets to ensure supply to Albertans and facilitate additional renewable generation.
- Adopt a policy to build transmission to zones of renewable or low-emission electricity.

Bolster knowledge & awareness (Section 4.6)

- Provide Albertans with information on how Alberta develops and uses energy, our environmental challenges and actions, and how Alberta’s energy sector provides economic stability and benefits to the province.
- Provide a better basis for Albertans to become involved in discussions around energy development.

Ensure Alignment (Section 4.7)

- Ensure components of the strategy are aligned with other Government of Alberta policies influencing energy outcomes, such as the *Land-use Framework*, *Water for Life* and *Alberta’s Aboriginal Policy Framework*, among others.

Additional details on the Renewable Fuels Standard (RFS)

Alberta’s RFS will be a regulatory requirement that renewable fuels be blended into commercial fuels.

Fuel	Per cent	By (year)
Ethanol	5%	2010
Renewable diesel	2%	2010

RFS policies have been used as a catalyst in all jurisdictions that have successfully established a renewable fuels sector. Alberta’s blending requirements and implementation date are in line with the renewable fuels standard established by the Government of Canada.

Biofuels have been clearly demonstrated to provide significant environmental benefit when implemented in a sustainable manner. Alberta’s RFS will include benchmarks for environmental criteria, established on a baseline level of emissions or environmental impact assessment of petroleum products. Benefits will include reductions in greenhouse gas (GHG) emissions, water consumption and net energy use, as well as improved waste utilization.

The province has also extended the funding deadline for the Biorefining Commercialization and Market Development Program and the Biorefining Infrastructure Development Program from 2009 to 2011.

In addition, the \$5-million cap on grants under these programs has been revised to a graduated scale that provides a more balanced funding approach for larger projects. Along with the renewable Energy Producer Credit Program, the province has allocated a total of \$239 million to support the expanded production and marketing of bioenergy and biofuels programs.

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Jason Chance
 Alberta Energy
 Communications
 780-422-3667

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