

Energy industry has credibility problem, says executive

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Canada's energy sector still faces a credibility problem as the industry's environmental record remains under intense public scrutiny, an executive told a Calgary audience Tuesday.

"People do want the truth. And right now they don't believe us," Dawn Farrell, chief operating officer of power producer TransAlta, said during a panel discussion at the 2010 Energy Roundtable.

Part of the problem, she said, is that Canada lacks think-tanks that provide third-party evaluations of industry and government information. More independent assessments of industry data, Farrell said, would go a long way toward improving the trust the public has in industry information.

Alberta's energy industry, especially oilsands mining operations, and the provincial government are involved in a tough publicity battle to convince critics that the oilsands aren't a source of "dirty" energy.

Alberta Energy deputy minister Peter Watson, speaking at the same panel discussion, dismissed much of the criticism from environmentalists as "misleading", "out of context" and "misinformation."

He conceded, however, the government could perhaps make information more widely and easily available.

"We believe that more transparency around our performance is the way to go," Watson said.

Environmental groups, including the Pembina Institute, have long criticized Edmonton for the lack of access to industry data, especially about the tailings ponds.

The government, on the urging of Premier Ed Stelmach, has recently taken a step toward improving transparency and set up an independent panel to study toxins in the Athabasca River downstream from the oilsands.

Alberta's oilsands have been producing for more than a half century, but development only took off exponentially in the past decade during Alberta's economic boom, when higher oil prices made tapping the hard-to-get-to resource more profitable.

And it's during this time the public spotlight started focusing on the environmental impact on the energy-intensive extraction methods of bitumen mining and upgrading.

"We got a little caught out," said SilverBirch CEO Howard Lutley, noting that during the frenzy of the boom years, industry was too focused on getting new developments up and running rather than "focussing on stakeholder communication."

Industry is now suffering the consequences of this oversight and is facing an uphill battle in the arena of public perception.

But the fact remains — and industry and government officials stress this point every time they have a chance — that the demand for energy, especially oil, continues to grow, especially in Asia's developing economies.

"It's very clear that fossil fuels will play a dominant role for decades to come, even if we advance other forms of energy," Watson said.

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