

Oil sands emissions rules stalled, despite vows to EU

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Canada's ambassador to the European Union privately promised EU politicians a year ago that the government would bring in regulations to reduce greenhouse gas emissions from the oil sands, newly released documents indicate. But Ottawa has yet to act on that commitment.

Meetings between Ambassador Ross Hornby and European parliamentarians were part of a campaign to derail the EU's proposed clean-fuel standards that would penalize the oil sands as "dirty fuel."

The industry is worried the EU will add to the momentum among U.S. states to adopt low-carbon fuel regulations that would penalize refiners who use crude from the oil sands.

In concert with the oil industry and province of Alberta, the federal government has launched an "engagement strategy" aimed at burnishing the image of the oil sands in the U.S. and Europe.

While Europe does not import oil sands crude, it is home to several major companies that invest in the Alberta projects, including France's Total SA, ([TOT-N](#)59.74-0.19-0.32%) Norway's Statoil ASA, ([STO-N](#)27.24-0.33-1.20%) Britain's BP PLC ([BP-N](#)46.04-0.83-1.77%) and the Anglo-Dutch Royal Dutch Shell PLC, ([RDS.B-N](#)71.94-1.08-1.48%) all of whom are facing increased public criticism of their activities there.

The Harper government was also lobbying to prevent the European Parliament from adopting fuel standards that would single out the oil sands projects as particularly heavy emitters, according to documents

obtained under Access to Information by the environmental group Climate Action Network Canada.

For a meeting with German politician Herbert Raul, Mr. Hornby was advised to stress the important role the oil sands play in Western energy security. Given Canada's role as the U.S.'s largest oil supplier, growing oil sands production "alleviates demand pressures" on European sources of supply.

"Demonization would also come at a high cost to Europe's major companies," the briefing note stated, noting the major investments of BP, Total, Statoil and Shell.

The ambassador was also to tell his European counterparts that Ottawa was committed to reduce emissions from the oil sands by bringing in regulations and encouraging the adoption of technologies like carbon capture and storage.

But the Harper government has continually delayed the introduction of emission regulations for industries such as the oil sands. Environment Minister Peter Kent says he will unveil the federal approach before the end of the year. But Ottawa is also watching events in the United States, where the Obama administration is in a battle with the Republican-dominated House of Representatives over its plan to impose emissions regulations on the oil and gas sector.

Mr. Kent's spokesman, Bill Rodgers, declined to comment on the briefing documents, but said "sector by sector regs" are "on the way."

Mr. Hornby was also told to highlight Canada's \$3-billion investment in the development of carbon capture and storage technology, though the briefing notes privately concede that CCS may be prohibitively expensive.

But Graham Saul, director of Climate Action Network, said the

government has been promising such regulations for the past four years and has failed to act.

“The Harper government is not being honest with our allies on climate change policy and is not being honest with our allies on what we’re doing in relation to tar sands,” Mr. Saul said. On top of that, Ottawa is using civil servants “to undermine clean-energy policies in other countries,” he said.

The federal officials who prepared the briefing documents concede that the oil sands produce roughly twice as much greenhouse gases per barrel as conventional oil production. But they coached Mr. Hornby to use the measure favoured by the industry and governments: that when full lifecycle is taken into account – emissions from the wellheads to the tailpipe – the oil sands are 5- to 15-per-cent more emissions-intensive than the average crude used in the United States.

The European Commission is still debating whether to impose the “proposed clean-fuel directive.” Trade Minister Peter Van Loan conceded the federal government has opposed the regulation, but rejected charges that Ottawa has injected the issue into Canada-EU free trade negotiations.