

What will determine my vote on April 23rd? I suppose it will surprise no one that I will vote based on the energy and environmental policies of the parties. My key issue list includes 5 categories: 1) Savings, transparency, and accountability; 2) Market access; 3) Local environmental management; 4) Global environmental credibility; and 5) Getting the most value for our resources. Here are some of the questions I'll ask the candidates who visit my house during the campaign, and some context for why I'm asking them. How does your party line up?

How will your party make the proceeds of resource sales more transparent, and to what degree will you save those proceeds for the future?

Alberta's energy resources are, for the most part, Crown-owned. That means they are owned by the people of Alberta and managed, on our behalf, by the Government. Since we entrust the government with a capital asset worth billions if not trillions of dollars, we should ask and expect transparency in how that asset is managed. The first step in doing so, in my view, is to deposit all non-renewable resource revenues (land sales and royalties) into the Heritage Savings Trust Fund (HSTF). That way, the proceeds from the sale of one capital asset, the oil, are transferred into another capital asset, the Fund. From that point, you can spend the money in the Fund, but it will be accounted for as it should be – as a withdrawal from savings. Would you consider such a policy?

The Alberta NDP believes that we can have at least \$100 billion in the Heritage Fund by 2050. It is important to be using revenue from non-renewable resources to make a significant contribution to how Alberta prepares for the future. We can do that by stopping the practice of taking investment income out of the Fund to General Revenue, and by putting some of our surpluses, resulting in part from higher bitumen royalties, into the Fund.

What proportion of the proceeds from the sale of these assets should be re-invested in other Crown assets, including but not limited to an investment fund?

Our platform estimates an additional \$1.4 billion in royalty resource revenue with our proposal beginning immediately. Of that amount, about \$950 million would be invested in the Fund. The amount involved will grow with the estimates of the amount of bitumen to be mined increasing significantly in the next ten years. Because the province has developed a fiscal structure that has used revenues from non-renewable resources for immediate fiscal purposes for so many years, there will need to be careful work done to develop a plan for the move away from this.

How will your party make sure that the resources we sell command a competitive price?

Market access will determine the value of our energy assets – if we can't sell resources for the prices they could otherwise command in the global economy, or if we have to spend more in transportation to get them to market, our resources are worth less and/or someone else is collecting the rents.

How do your party's policies mitigate a potential *Alberta Discount*?

Distance from major markets is always a challenge for any resource but the Alberta NDP is committed to increasing the province's upgrading capacity so that more valuable products are leaving the province. Upgrading our bitumen before shipping it will mitigate the discount and help create more long-term employment in the province with a range of other benefits resulting.

How will your party make sure that our environmental performance will not be used as a lever to capture and/or reduce the value of our resources?

The oilsands industry has become a target for global environmentalists, and is now symbolic of unsustainable energy production for many people in the world, not to mention Canada. As a result, from the EU to California, we've seen policies evolve which discriminate against Alberta's oilsands relative to other sources of oil. How will your party's policies change this?

The Conservative thought they could address this problem by spending money on public relations and by trying to discredit respected scientist and experts. The real solution is to take concrete steps so the world can have confidence that extraction and production of non-renewable resources is as environmentally clean and safe as possible. That's why the NDP will double the monitoring and enforcement activities of the Ministry of Environment and develop science-based deadlines for the clean-up of all existing tailings ponds. The NDP is concerned about any claims to address environmental concerns that are not based on the monitoring and reporting being adequately independent of governments. Excessive dependence on industry self-reporting has been shown to be a particular area of concern.

Will your party commit to having reclamation liabilities accounted for in the province's budget and to legislation to ensure that the province no longer underwrites environmental liabilities?

Alberta takes great pride in claiming to be debt-free, but I am not sure that is accurate. The current unfunded reclamation liability in the oilsands is likely well into the 10s of billions of dollars, and this attracts the lion's share of attention, but we must also remember that many, smaller reclamation liabilities exist in the form of orphan wells and pipeline sites. How will your party change this?

As a first step, the province must provide a reasonable assessment of the unfunded reclamation liabilities and the risk associated with it. The NDP has been calling for this for years. Then we can take a look at what changes need to be made. The Alberta NDP is committed to ensuring an effective reclamation system for a cleaner environment and to a greater share of the value of our natural resources for all Albertans. Failure to address reclamation liability will damage both our environment and our economy.

What changes would your party make to our GHG and water policies?

I'd like to see a commitment to nationally- and globally-credible policies applied and/or maintained on water pollution and GHGs. Please, no platitudes or unattainable targets – tell me about the stringency of the policies you would propose and why.

The Alberta NDP is committed to introducing constructive, practical programs to help Albertans reduce their energy use and costs, invest in alternative energy, make companies live up to their responsibilities under environmental law, and improve our nature reserves.

In terms of water policy, we would

- stop the expansion of water markets and make human and ecosystem needs the priority for water allocations
- ensure we have comprehensive overall watershed management plans for all parts of Alberta
- increase monitoring and enforcement of pipelines, to halt the recent increase in hazardous leaks which threaten fresh water sources and community drinking water
- expand Alberta's network of parks and protected areas aiming for the target of 12% of the province as conserved land in order to preserve habitat *and vital watersheds*
- appoint an independent scientific panel to review and make recommendations on hydraulic fracturing before more is permitted in the province.

In terms of reducing greenhouse gas emissions, we would

- create a Renewable Development Fund, with an associated research centre, to support activities to make Alberta a leader in energy efficiency and renewable energy generation
- provide interest-free loans up to \$5,000 to help Albertans retrofit their homes for energy efficiency, and revise building codes to ensure speedier movement towards energy efficient building
- increase funding to municipalities to strengthen the GreenTRIP program for public transportation
- not spend the approximately \$400 million remaining in the original commitment for the Carbon Capture and Sequestration Fund and use the money for more immediately beneficial steps to address carbon emissions.
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Will your party restrict the export of raw bitumen, and how do you plan to manage bitumen received through the BRIK program?

First, a quick question – Will your party restrict the export of non-royalty bitumen?

The NDP has not taken the position it will restrict the export of bitumen but rather is proposing a 25% royalty increase for extracted bitumen and then the use of a royalty incentive to make it more attractive for companies to invest in upgrading and other value-added activity with bitumen in Alberta.

Second, how will your party manage the bitumen collected through the bitumen royalty in kind (BRIK) program?

Under BRIK, producers turn over a percentage of their bitumen rather than cash to the government in order to meet their royalty obligations. By 2030, the Alberta government expects to receive over 500,000 barrels of bitumen per day in kind from producers, and these volumes could increase if prices stay high and cost inflation is kept under control (because of the sliding-scale, net revenue royalty regime). At today's prices, that's about \$7 billion worth of bitumen per year – not small change.

Will your party choose to *provide* BRIK bitumen at a discount to those willing to upgrade it here in Alberta? Will your party pay a commercial upgrader to process BRIK bitumen and require that this commercial processor be located in Alberta? In Canada? Or will your party open the market for processing and/or commit to sell BRIK bitumen for the highest available price, regardless of where that market may be?

Generally the NDP preference is that companies producing bitumen pay royalties on it and the government then has ordinary revenue that is used in the same way as other revenue to meet the spending and saving commitments of the budget. An NDP government would undertake a careful analysis of the benefits and the challenges related to BRIK and determine whether there was an adequate case to continue to provide this option to companies

Thanks for visiting my house!

The platforms of the various parties on each of these dimensions will, more than anything else, determine who gets my vote in 2 weeks. I hope you'll think about some of these issues when deciding on your vote as well. I welcome responses from any of the parties to this post, including links to relevant policy documents.