



AB Today – Daily Report July 29, 2019

Quotation of the day

“The proposed mitigation measures have not been proven to be effective or to fully mitigate project effects on the environment or on Indigenous rights, use of lands and resources, and culture.”

A joint federal-provincial panel recommended the approval of Teck Resources Ltd.'s Frontier mine project, despite finding it would have adverse impacts on the environment and Indigenous communities.

Today in AB

On the schedule

The House is adjourned until Tuesday, October 22.

Premier Watch

Premier **Jason Kenney** [celebrated](#) the election of Municipal Affairs Minister **Kaycee Madu** with Nigerian High Commissioner **Adeyinka Asekun** at the White Diamond Conference Center on Saturday. Madu is the first Nigerian-born Canadian to be elected to a provincial legislature and the first African-born Canadian to serve in a provincial cabinet.

Panel says largest oilsands mine in Alberta history ‘in the public interest’ despite damage to the environment and Indigenous communities

A joint federal-Alberta panel has recommended a massive oilsands mine proposed by Teck Resources Ltd. be approved.

The decision — outlined in a 1,325 page [report](#) from the joint review panel — asserts the economic benefits of the project will outweigh the adverse damage it will do to the environment and Indigenous communities.

The company claims the Frontier Oil Sands Mine Project will generate \$70 billion in tax revenues over its lifetime, including \$55 million for Alberta. It is also expected to create 1,700 jobs during construction and 2,500 permanent gigs during operation.

“We find that the project is likely to result in significant adverse environmental effects to wetlands, old growth forests, wetland- and old-growth-reliant species at risk, the Ronald Lake bison herd, and biodiversity,” reads the report, tabled by a three-person joint review panel that included members of the Alberta Energy Regulator and the Canadian Environmental Assessment Agency. “The project is also likely to result in significant adverse effects to the asserted rights, use of lands and resources, and culture of indigenous groups who use the project area.”

The panel also found that the measures Teck Resources proposed to mitigate the project’s damages are not “proven to be effective or to fully mitigate project effects.”

For its part, Teck provided a pro-Alberta oil argument, stating that as the global demand for oil continues, it is better to supply the world with crude from Canada than from foreign sources.

If approved, the \$20.6-billion Frontier mine near Fort MacKay would start producing up to 260,000 barrels of oil per day by 2026. The lifespan of the project is 41 years.

The Alberta Energy Regulator, one of the parties on the joint review panel, lists 64 conditions for approval in an appendix of the report.

There is, however, no guarantee that the project moves forward.

It still requires final sign off from Canada’s environment minister, **Catherine McKenna**, after which the federal cabinet will have until February 28, 2020, to decide whether to approve the project. The Frontier project has been undergoing environmental assessments since 2009.

“The minister will consider the results of these consultations prior to issuing a decision statement and any potential legally binding conditions,” said Environment and Climate Change Canada in a release.

Teck itself is yet to offer a timeline for its investment, while financial analysts have said new oilsands mines could be unsustainable as Alberta crude prices are low and suppliers are facing limited pipeline capacity.

A company spokesperson [told the *Globe and Mail*](#) that, for the time being, Teck's focus is on getting through the regulatory approvals. "Any further decisions on the project will depend on factors including our review of the joint review panel report, the outcome of the regulatory process which is not expected to be completed until the first quarter of 2020, market conditions and other considerations," said **Chris Stannell**.

"Teck stated it has an obligation to the people of Alberta to advance the development of the Frontier project to recover the bitumen resources within its leases in a timely and responsible manner," the report says.

The Pembina Institute, along with environmental law firm Ecojustice, said the panel failed to properly account for climate impacts of the proposed Fortier project.

"We need to ensure we pursue smart and truly responsible development," said **Duncan Kenyon**, regional director of Alberta for the Pembina Institute, in a news release. "If Canada chooses to approve this project, it needs to reconcile how this mine fits into our 2030 and 2050 national climate goals, and prevent any liability from landing on the backs of taxpayers. The oil and gas sector has done a lot to benefit Alberta's economy, but the 21st century will demand something more of us."

Ecojustice and the Pembina Institute also stated the report assumed sustained high oil prices to pay for the anticipated \$2.9 billion in cleanup costs at the end of the project's life.

Greenpeace climate and energy campaigner **Mike Hudema** slammed the decision in a statement.

"As climate-fueled heatwaves shatter temperature records across Europe and Arctic ice continues to disappear it is truly unbelievable that Canada's energy regulator would approve the largest tar sands mine in history," Hudema said. "Obviously when the Canadian government passed a motion declaring a climate emergency, it forgot to pass it on to its regulators."

Today's events

July 26 at 9 a.m. and 1 p.m. – Edmonton

The UCP Treasury Board committee will meet in the cabinet room of the legislature. The committee will meet four times in two days.

Topics of conversation

- Former Saskatchewan finance minister and current head of Alberta's blue ribbon panel on finances **Janice MacKinnon** [told](#) the *Edmonton Journal* by email that Alberta's fiscal

situation is not as dire as that in her own province and acting soon could avoid some of the same draconian cuts.

- As an NDP finance minister in Saskatchewan in 1993, MacKinnon was faced with the challenge of avoiding provincial bankruptcy — a feat the government accomplished, in part, by closing 52 rural hospitals.
- MacKinnon said it would be a “huge mistake” to compare present day Alberta with 1993 Saskatchewan, but that the UCP government should act early to avoid those same decisions like “cancelling the children’s dental plan.”
- The panel chaired by MacKinnon is [scheduled](#) to wrap up its work by August 15.
- Think tanks and energy companies are applauding the Alberta government’s recent decision to maintain the province’s energy-only electricity market.
 - **Evan Wilson**, regional director with the Canadian Wind Energy Association, [told](#) the *Calgary Sun* that a capacity market, which the NDP had planned to roll out, would have rewarded fossil fuel power plants. The capacity market would have meant up to 30 per cent lower revenues for wind generation, according to Wilson.
 - Both School of Public Policy economist **Kent Fellows** and the Pembina Institute’s **Sara Hastings-Simon** [told](#) the CBC that adjustments could be made to the existing energy-only market to solve some concerns that have led to alternative proposals.
 - “The energy-only market, we’ve been doing it for a while, we know how it works and so it may be easier to tweak that market if we are concerned that we are not going to get investment, rather than introducing this whole other side market,” Fellows told CBC.
 - He added the government could still increase a cap on wholesale prices.
- Alberta Innovates, a research and development grants program, says its Alberta innovation voucher and micro-voucher programs are [on hold](#).
 - A spokesperson for Economic Development, Trade and Tourism Minister **Tanya Fir** [told](#) the *Globe and Mail* the government is currently reviewing the funding programs to make sure they provide the “the best value for Albertans’ tax dollars.”
- Ditto for Lethbridge’s Highway 3 bridge replacement project. Transportation Minister **Ric McIver** [confirmed](#) the government is reviewing the former NDP government’s pledge to spend \$100 million to replace the bridge.
 - McIver told the *Lethbridge Herald* since the NDP made the pledge within the election campaign period, it is subject to a review by the new government and won’t be signed off on until it hears back from the blue ribbon panel on finances.
- Today is the eight anniversary of the groundbreaking ceremony on the yet-unfinished \$763-million Grande Prairie Regional Hospital, [according to](#) the *Grande Prairie Daily Herald Tribune*.

- Then-premier **Ed Stelmach** used a backhoe to break ground on what was then known as the Shields Health and Education Centre on July 29, 2011. It was supposed to be completed in 2015 with eight operating rooms and 239 beds.
 - Last September, the previous government cancelled its construction contract with Graham Construction following years of delays and cost overruns.
 - In May, the Alberta Court of Queen's Bench [ordered](#) the province to pay \$13 million to subcontractors following the main contract's cancellation.
 - Infrastructure Minister **Prasad Panda** told the *Daily Herald Tribune* the project is 60-70 per cent complete.
- The NDP met with organizers of the Calgary Pride march, who are standing by the jury's decision to ban all political parties from marching in the parade, the *Calgary Herald* [reports](#).
 - The Calgary Pride board said if it allowed one party to march, it would be unfair to others.
 - The Trans Mountain Pipeline board approved \$5 million in bonuses for executives and employees, according to [reporting](#) from CBC. Ten members of the management team will split \$3.01 million, while 81 non-executive members will split \$2.48 million in bonuses. The bonuses were approved at the end of 2018 but will be paid in 2021.
 - The bonuses hinge on four conditions: that the National Energy Board and cabinet approve the pipeline by June 2019; the pipeline must remain ready; the company must meet and exceed health, safety and environmental targets; and the project must stay on schedule and on budget.

News briefs — Governmental

Province eases oil production curtailment, but no phase-out in sight

The mandatory oil production curtailment will be further eased in September.

In September, producers will be able to extract 3.76 million barrels per day, 25,000 more barrels per day than in August, when it was set at 3.74 million.

This is the sixth adjustment since January.

An initial production limit of 3.56 million barrels per day was brought in by the NDP to help ease the oil price differential between Western Canadian Select and West Texas Intermediate.

While the NDP had planned to completely lift the curtailment by the end of the year, Premier **Jason Kenney** said he would be willing to extend it if necessary.

The curtailment was a short-term strategy to deal with sagging crude prices while plans were made to ship more oil by train. The UCP is currently trying to get the private sector to take on \$3.7 billion in crude shipping contracts signed by the former government.

Pipeline capacity struggles remain, however, with Enbridge's Line 3 replacement project still delayed and the Trans Mountain pipeline expansion years from completion.

The first 10,000 barrels per day are exempt, meaning the curtailment affects 29 of Alberta's 300 producers.

Education and Advanced Education

Ontario and Alberta's education ministers have inked a joint Memorandum of Understanding aimed at promoting science, technology, engineering and math (STEM) fields and skilled trades. Ministers **Stephen Lecce** and **Adriana LaGrange** signed off on the agreement at last week's meeting of the Council of Ministers of Education in B.C.

The MOU would "expand and enhance existing knowledge sharing and educational cooperation between the two provinces," says a press release. That includes sharing data, reports and research; increasing engagement with underrepresented groups to determine ways to promote STEM and skilled trades career paths; and boosting awareness of post-secondary options among high school students.

"Information sharing will ensure our students are given the tools they need to succeed, both now and in the future," LaGrange said in a news release. "This will lead to a more skilled workforce and give students the transferable skills to meet the demands of today's global economy and society."

Alberta Advanced Education Minister **Demetrios Nicolaidis** said the government is sending the message that skilled trades aren't just something to fall back on — they're as worthy as a university degree.

News briefs — Non-governmental

Alberta Federation of Labour

The Alberta Federation of Labour said the UCP's job creation tax cut has so far shown record profits for corporations, but no evidence of job creation.

"It makes no sense to be giving away billions in revenue to profitable corporations when we know they'll only use the money to pad their profits, not create jobs," AFL president **Gil McGowan** said in a statement. "To make matters worse, Albertans will be paying for these tax cuts in the form of big cuts to education, health care and other services. The UCP government

will use the deficits that result from these tax cuts as an excuse to slash jobs, privatize and cut spending on front-line services. This is not what Albertans voted for this spring.”

The statement comes after Suncor Energy Inc. announced it tripled its earnings in the second quarter, in part due to the corporate tax cut.