

After Kyoto and Durban: A question of balance

In his first major interview since the Durban Conference, Environment Minister Peter Kent sat for an extended Q&A with *Policy Options* Editor L. Ian MacDonald on January 10. He reiterated that Canada was still committed to working toward our Copenhagen obligations of reducing greenhouse gas emissions to 17 percent below 2005 levels by 2020. Sustainable energy, he said, is a question of balance.

Dans sa première entrevue d'importance accordée depuis la Conférence sur les changements climatiques de Durban, le ministre de l'Environnement Peter Kent a réitéré la détermination du Canada à respecter ses engagements de Copenhague de réduire les émissions de gaz à effet de serre de 17 p. 100 par rapport à leur niveau de 2005 d'ici à 2020, précisant que l'énergie durable est avant tout affaire d'équilibre. Ce long entretien a été réalisé le 10 janvier par le rédacteur en chef d'*Options politiques* L. Ian MacDonald.

POLICY OPTIONS: Thanks for doing this, Mr. Kent. The thematic of this month's magazine is "Sustainable Energy." How would you define that?

PETER KENT: I think it's the balance between developing, in a responsible way, the energy resources, the God-given energy resources that the country has been blessed with in a way that both encourages jobs, prosperity, and a great future in stewardship of the environment. So it's a balance. The line that I use in Question Period over and over again is that in this government, and certainly for me in this ministry, our challenge is to protect the economy and jobs, together with the environment.

PO: After Kyoto, after Durban, where are we? This has been quite a long journey from Kyoto to where we are today.

PETER KENT: It has been a long journey. We would have preferred a more ambitious outcome for Durban, but the Durban platform does represent, I think, a way forward. It has got us started on the process of negotiating a post-Kyoto climate regime, which will include more than 80 percent of the

major emitters of greenhouse gas emissions, as opposed to the Kyoto signatories, which now represent barely 11 percent. And we have the commitment of some of the major emitters, like the United States, who are fulfilling their obligations that they signed onto under Copenhagen. So we have, although it's voluntary and we don't have China or Brazil or India on board yet, a way forward. One of my disappointments coming out of the last meeting in Durban was that the European countries, the EU, was willing to offer a loophole of sorts in terms of legal ambiguity to India and China, to get their support to allow a second period for those who are in Kyoto. It basically gives them a 10 year window to continue as they are today, by not committing to reporting, to transparency, etc.

PO: Wasn't the problem with Kyoto in Canada's view, at least for the present government, that 50 percent of the world's emitters were not at the table? The US and China.

PETER KENT: Absolutely. Over 50 percent were not at the table, as well as the obligations of Kyoto that the Chrétien government never consid-

ered at the time. People who were in the Prime Minister's Office at the time have made it clear that not only were the implications of the Kyoto not considered, they realized they could never fully meet the obligations of Kyoto given, among other things, land-use areas of the agreement — for example, forest fires would count negatively in the annual audit of greenhouse gas reductions.

PO: So just to be clear, Canada is still committed to its Copenhagen commitment of reducing GH emissions to 17 percent below 2005 levels by 2020.

PETER KENT: Absolutely. We are fully committed. We will continue to work toward meeting the Copenhagen commitments made by the Prime Minister, and to our fast-start financing commitments, \$1.2 billion, for which we're rolling out most of years two and three now, simply because it's more effective to do it that way.

PO: You're referring here to the transition fund for the emerging economies, right?

PETER KENT: Yes. Most of it goes to adaptation. The fast-start financing

was an agreement by the Copenhagen signatories to commit \$30 billion in total, Canada's share of 4 percent is actually shown internationally as a percentage of this sort of support program. We committed \$1.2 billion over three years and over the next few

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months we will have fully allocated that amount of money.

PO: Though it's not clear that the Americans are keeping to the promises they made a Copenhagen, is it?

PETER KENT: The Americans have domestic issues in terms of compliance with some of the commitments they've made. But I think the intent is still there. Certainly the US delegation led by their climate change ambassador, Todd Stern, in Durban played a key role in pulling together a diversity of views and getting the Durban platform as a compromise outcome.

PO: Looking ahead to Qatar, let me ask you how you feel about the whole COP process. I mean two weeks, the period of time, at the ministerial level, is huge piece of your time. If anyone came to me and said, the minister has to be in a meeting for two weeks, I'd throw them out of my office.

PETER KENT: Given that I was appointed just after COP 16 a year ago now, that I attended probably six meetings leading up to COP 17 in Durban, none of them more than a day or two, but in Washington, in Mexico City, and here, in Montreal. It was a long run-up and the outcome was perhaps not as productive as we would have hoped after all that time invested. But we have agreed that, going forward, the parties are now considering that rather than a major splash, a road show once a year in a different country, that we should begin looking to a permanently based secretariat, which would accommo-

date the interim meetings during the year, and certainly the annual COPs.

PO: You're an old media hand, a former network news anchor and foreign correspondent. You know what a media circus looks like.

PETER KENT: Yes.

PO: What's it like being in the middle of one like that, the all nighter, the agreement on the back of the envelope?

PETER KENT: Well this one certainly wasn't as chaotic as John Baird's experience in Bali. It wasn't as huge with perhaps not so unrealistic expectations as Copenhagen. It was even somewhat diminished from Cancun a year earlier. So I think all of the parties went in with fairly realistic expectations, with smaller national delegations, and the NGOs were more realistically focused on what might be achieved. It wasn't quite the media circus that I thought we might have experienced. The nights were long, and too much effort went into the final hours. You know, we lost too much time, not only through the year but even in the first 10 days of the conference, before folks realized that it was down to brass tacks and some hard negotiating. Despite the last few long days, it was a great experience, it was a stimulating experience, with some disappointment.

PO: How do you feel about Canada being targeted by environmental activists, by the fossil awards and things like that at these conferences?

PETER KENT: You heard this in Question Period in the weeks leading up to Durban when the opposition mentioned it, that we had and would be receiving fossil awards. There were cheers from our bench, because I think there is a recognition, not only that Canada has been unfairly targeted for

the product of the oil sands, but for the fact that this country is blessed by an abundance of natural resources, not just the oil sands but an abundance of natural resources, which Canadians know are being responsibly developed and the profits of that development help fund our social safety nets, our health and education systems across the country.

PO: Well, let me ask you about the oil sands, because it seems to me that we have, it's obvious, branding work to do in the United States. We know that the Keystone pipeline issue is politics, presidential politics in the US. We know it's not just about the route in the state of Nebraska. We know it's ultimately about the oil sands as a target. The *New York Times* still calls it the tar sands, they call it dirty oil. Demonstrations of Hollywood actors around the White House. What are your thoughts on that?

PETER KENT: First of all, to those Canadians who might have been caught in the spell of this propagandizing, I regularly remind them that Canada contributes less than 2 percent annually of the world's total greenhouse gas emissions.

PO: And the oil sands are about 5 percent of that.

PETER KENT: Well the oil sands are just over 6 percent, of 2 percent. But we are committed to reducing the emissions from the oil sands, and we believe that gives us social license to encourage the large emitting countries, both developed and those which claim to be undeveloped like China, to encourage them to do their part to reduce absolutely their greenhouse gas emissions.

PO: Derek Burney, who was a former ambassador to the US, and who knows how to push back on the Americans a little bit, did a piece for us a couple of years ago where he pointed out that the carbon footprint of the coal-fired energy industry in America is 64 times larger than the oil sands.

Do we do a good enough job of getting that story out?

PETER KENT: We haven't in the past done a good enough job. To be honest the industry was perhaps a little late to the game in promoting better practices, better technologies, better environmental responsibility. But we've seen recently that CAPP, the Canadian Association of Petroleum

PETER KENT: No, because the regulatory review is under the *Canadian Environmental Assessment Act*, although in this case, this review is being conducted under the National Energy Board's jurisdiction. No, I think it is the responsibility of my department and the agency and the National Energy Board, and it is Minister Oliver's responsibility and that of the project itself, that any

PO: In those days you would have been flying your film out to be souped for the six o'clock news, wouldn't you?

PETER KENT: There were dog sleds, Otter aircraft, etc. Today it would be live. And it is. But I think that an environmental assessment can be carried out in a much more predictable manner than we have seen in some cases in recent years.

PO: You've referred to the need for streamlining the process.

PETER KENT: Even with the variety of factors that can complicate it. Sometime it's an overabundance

in terms of the testimony process, sometimes it's a delay on behalf of the proponents, sometimes it's a delay on behalf of the panels who don't apply themselves as energetically to getting the job done.

PO: There are something like 4,300 interveners, people seeking standing before this regulatory review, which is going to travel the entire route, I gather, from Edmonton to Kitimat. And a lot of them are being funded by non-Canadian interest groups and NGOs, as you know. I wonder if you feel there are any sovereignty issues around that.

PETER KENT: Well I have concerns, and I believe Canadians should have concerns, about foreign dollars, some of which we know are coming in to fund activity that is against the oil sands or pipelines.

PO: And these aren't \$100 donations online. We're talking millions of dollars here.

PETER KENT: I think that there is good reason for an examination of the source of some of this funding. We know some of it comes from political action committees in the United States. Political action committees were created as a way of avoiding political accountability. These are significant amounts of money, and I think it's a red herring for anyone to suggest that the corporate interests of companies that are applying to develop the oil

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Producers, has been running commercials domestically. We haven't done as good a job beyond our borders, obviously, given the controversy in the United States over Keystone, which was, to a very significant extent, an underinformed domestic debate within the United States. I think that the State Department's assessment was a good assessment, it was a reasonable assessment. And in a non-election year I think the Keystone pipeline would have been approved months ago. But it's not for a Canadian environment minister to engage in domestic US politics.

PO: But you know how the White House works, and if the President of the United States gives five interviews to five local anchors in Nebraska, that's a message from the White House that something's about to go down.

PETER KENT: Well it's a message of domestic politics and domestic political sensitivity.

PO: Right. I want to come back to the oil sands and climate change in a couple of moments but as we speak here on the 10th of January, the regulatory review is beginning on the Northern Gateway Pipeline. Your colleague Joe Oliver, the Minister of Natural Resources, has already said, indicated very clearly that the government regards the Northern Gateway as being "in the national interest." Doesn't that make the regulatory review kind of moot?

impact, negative environmental impact, be considered, and that a recommendation be made on whether or not a program, which our government does consider to be in the national interest, can be environmentally responsibly, approved and proceeded with.

PO: So could there be a need for a timeline, a reliable timeline. You spoke here about streamlining. This is an 18 month process. Do you regard that as reasonable? I mean the Mackenzie Valley pipeline hearings went on for nine years. The James Bay energy project was built in nine years.

PETER KENT: Well, exactly. And we have recognized that over the years, but environmental assessments face a number of challenges. They face the original challenge when a proponent develops a project to be presented for assessment. There is a timeline that's involved in the actual assessment, environmental assessment process itself, in hearing from stakeholders, from interested parties. And then there's the evaluation and decision process. And it's true that the Mackenzie Valley pipeline — I travelled the Mackenzie Valley with Justice Berger when I was a relatively young reporter back in the 1970s — that process was painfully long and overly thorough. It's an example of the worst end of the spectrum in terms of consideration of a project that was in the national interest.



Policy Options photo, Adam Sweet

Policy Options Editor L. Ian MacDonald, in conversation with Environment Minister Peter Kent in his office on January 10.

sands, or to export the product beyond Canada's borders, should, or could be countered by offshore funds for political opposition to this project.

PO: Clearly if we are going to diversify our energy market, because the Americans now receive 99 percent of our oil and gas exports, we're going to have to develop routes to the Pacific.

PETER KENT: Right.

PO: There are even suggestions of building more pipelines to the east.

The oil sands outputs are going to double by the year 2015. At some point there becomes throughput or capacity issues, does there not?

PETER KENT: Absolutely. And the Northern Gateway isn't the only project

PO: There's Kinder Morgan's plan to twin their pipe on the southern route to Vancouver.

PETER KENT: Yes. It's not in the formal process yet, but it is a possibility. And movement of oil sands product

to eastern Canada is certainly a possibility. The history of Canadian pipelines is an impressive one in terms of not just a relatively small but a very small number of negative impacts. The movement of petroleum products by pipeline is undeniably the safest way of transporting it.

PO: I wonder if Canada still flies below the radar in the US. For example, let me give you a bullet point. Enbridge alone transports more oil to

the United States than Saudi Arabia does. Do the Americans know that?

PETER KENT: No. Most Canadians don't know that. The other thing that most Canadians don't know, and an awful lot of Americans don't realize, is that the American refineries in the

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south, to which would deliver oil sands oil, were built to refine heavy oil. And now the heavy Venezuelan oil, which the Americans have been refining in the Gulf Coast refineries, is going to China, and they are looking actively for replacement oil.

PO: To be fair to the Obama administration on Keystone, President Obama, at his Washington meeting with the Prime Minister before Christmas, did say that Keystone is important for Canada. What does that tell you about where this is going to come out?

PETER KENT: Secretary Hillary Clinton has said that Keystone is important for the United States. I think that while we're in this election cycle, as Canadians, we have to stand back and let the decision-making process run its course. But I believe that it will continue to be a recurring issue in the United States in this election year. And I believe that it will ultimately be built.

PO: Premier Alison Redford, in a really quite remarkable speech in Toronto before Christmas at the Economic Club, which I'm sure you saw, said that the key to improving the environmental performance of the oil sands and the industry as a whole is R&D and innovation. Do you agree with that?

PETER KENT: R&D and innovation are a critical part of that. Another part is developing the social licence to defend the product that comes out of the oil sands. And by the time this story is published, there will have

been an announcement, a joint announcement by our government and the Government of Alberta, about the rollout of our water, air and biodiversity monitoring of the oil sands, which I am convinced will counter the slanderous characterizations of

the oil sands south of our border and in Europe.

PO: I have a question on climate change and the bilateral relationship between the United States and Canada. We are 20 years since the acid rain accord. Does that serve in some sense as a template for possible progress on climate change? Or is this an issue that's much bigger than that?

PETER KENT: Although I've mentioned it in any number of times in the course of the year, it hasn't been widely recognized as one of the great treaties, one which was, if you'll recall, viewed with some skepticism in both the United States and Canada when it was negotiated, but which stands today as a model. We're moving forward with what's called AQMS, air quality management system, which our government is developing with the provinces and territories, and which will eventually engage with the United States in terms of a continental air quality management system that looks at pollutants beyond the NOX's, the SOX's, the sulphur oxides, the nitrogen oxides, the particulate matter, because as we learned with the acid rain treaty, those pollutants don't know national boundaries.

The air sheds don't recognize provincial, territorial, state, or national borders. And we can go a long way toward developing agreements in those areas as well. And we see in the Canadian North, for example, alarming evidence of mercury in mother's milk, which we know is air transported from coal-fired plants in China and

enters the food chain in the Arctic, into fish. The fish is consumed by mothers and it shows up in mother's milk. And mercury, of course, is an internationally recognized toxin.

We're working on levels both in parallel and beyond climate change.

We're working with the Americans, the Mexicans, the Swedes and the United Nations on what are called short-lived climate forces: methane, black carbon, the fluorocarbons, which don't

live as long in the atmosphere but have a much greater negative impact on global warming. So we have an ambitious, multidimensional program to address pollution, which we obviously have to communicate better and more effectively.

We also need the Canadian media to look at it in its complexities and challenges. But I think that there's a good story to tell, and in many ways I can safely say, as I do occasionally to cheering in Question Period, Canada is a leader in moving the climate change discussion forward.

PO: Do you have any measures of success for 2012?

PETER KENT: Well, the measures of success will be to advance on the Durban platform in terms of negotiating with the other parties to the convention. We'll have an announcement in February, I hope, with the Americans and other partners, on short-lived climate forcers. We'll be making an announcement domestically with our partners in Alberta on water, air, and biodiversity monitoring. So I think that we will have some accomplishments.

PO: Sounds like you're looking at your achievables.

PETER KENT: They are achievables. And so is a post-Kyoto climate change regime, which will eventually, I believe, engage all of the major emitters and result not in people trading hot air credits from depressed Eastern European economies, but an absolute reduction in greenhouse gas megatonnage.

1000 RESEARCHERS ON A MISSION.

Here at the University of Alberta, more than 1000 researchers are collaborating on a single challenge: responsible development of our oil sands. They're looking for breakthroughs and continuous improvements – techniques that have less impact on the air, the water and the land. There may be a perception that nobody's working on these challenges. Nothing could be further from the truth.

David T. Lynch

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A message from Canada's Oil Sands Producers.

The Canadian Association of Petroleum Producers (CAPP) represents member companies that produce over 90 per cent of Canada's natural gas and crude oil, including Canada's Oil Sands Producers.



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