

**Written Submission on the
Climate Emergency:
The Transition to a Low Carbon Economy**

By: The Estevan Chamber of Commerce

Recommendation 1: That the government provide funding to develop Carbon Capture and Sequestration (CCS) Technology.

Recommendation 2: That the government provide funding to develop an *Energy Centre of Excellence* in Estevan, Saskatchewan.

Recommendation 3: That the government consider the social and economic implications of low carbon policies on communities.

Recommendation 4: That the government ensure that communities that are adversely impacted by Low Carbon Policies have access to funds and support in a timely manner necessary to transition.

Recommendation 5: That the government recognize that reliable and affordable base load power should not be compromised by the transition to a Low Carbon Economy.

Recommendation 6: That the government establish a Low Carbon Pricing Index Report.

Recommendation 1: That the government provide funding to develop Carbon Capture and Sequestration (CCS) Technology.

Saskatchewan is a pioneer in CCS technology. The federal government is requiring a move to a low carbon economy and yet not looking to develop and expand the technology at the Boundary Dam Power Station which has the capability of being a carbon neutral technology. In 2018, the CCS facility captured 625,996 tonnes of CO₂ and since its opening the numbers are even more impressive. According to SaskPower's website page titled Boundary Dam Carbon Capture Project, "In 2014, Boundary Dam Power Station near Estevan became the first power station in the world to successfully use CCS technology. Since start-up, the facility has captured 2,465,333 tonnes of CO₂, the equivalent of taking 616,333 cars off Saskatchewan roads."

This technology has moved coal generated power from fossil fuel generation to low carbon with the potential to be carbon neutral power generation. That is a huge distinction that is not understood nor recognized federally. This technology can be used on natural gas power plants, and across other industry sectors and provide a big impact on emissions.

The potential for the development of uses for the CO₂ by-products should not be overlooked. CO₂ is used in enhanced oil recovery making Canada's oil and gas sector more efficient and therefore lowering its carbon emissions.

Any technology that has a large scale impact on CO₂ emissions and can be adopted across technologies and industries plus secure Canada's place as a pioneer in Carbon Capture and Sequestration Technology development should receive full government support.

Recommendation 2: That the government provide funding to develop an *Energy Centre of Excellence* in Estevan, Saskatchewan.

The world is watching what Canada is doing. The world is coming to Estevan, Saskatchewan. Our community has hosted countless delegations and visitors to our CCS facility, the first large scale CCS project in the world. Just west of our community, the first large scale geothermal project in our country is being developed. We have a vast oil and gas industry, coal reserves, some of the highest sunlight hours in our nation, and we've got wind. The Petroleum Technology Research Centre and the CCS Knowledge Centre already do a lot of work in our area on CCS and we have an outstanding local college ready to diversify. Estevan is known as the "Energy City", unofficially the centre of energy production in our province, perhaps the country. The community of Estevan would be an ideal location for an *Energy Centre of Excellence*. A centre of knowledge and research excellence on low carbon energy production would unite energy industries from across our country to all focus on how to reduce our carbon emissions. We could be for the energy industries what the "Protein Industries Super Cluster" is for Agri-Food development.

Recommendation 3: That the government consider the social and economic implications of low carbon policies on communities.

The movement to a low carbon economy must encompass a comprehensive look at how government policies will impact everyday Canadians economically and socially. The push to a low carbon economy cannot come at the cost of pushing basic food, transportation, heating and shelter costs out of the reach of our citizens. We saw this reality come to fruition in Ontario as residents there often struggled between paying for the increase in heating their home and supplying their other basic needs.

This struggle has huge social impacts as well that need to be addressed. Any additional financial strain to provide basic food and shelter to your family brings about social issues such as increases in domestic violence, child poverty, increases in the need for government and community social services, strains on local food banks, stress in school classrooms, increases in disease and illness, and therefore increases in our healthcare system spending.

An emphasis needs to be placed on transitioning to a low carbon economy while improving our quality of life. It is possible if there is a conscious effort to mitigate extreme reactions to diminish our carbon footprint with a comprehensive plan that encompasses environmental, economic and social impacts.

The cost of moving to a low carbon economy cannot come at the cost of crippling our economy. Inevitably, even if we totally eliminated Canada's carbon emissions, we will not have any significant effect on the global situation. The largest impact Canada can have globally is to set an example to the world. Canada can truly make a difference by showcasing the amazing technologies we have in the resource sector that have had an impact and will continue to make an impact especially if they are adopted by other nations.

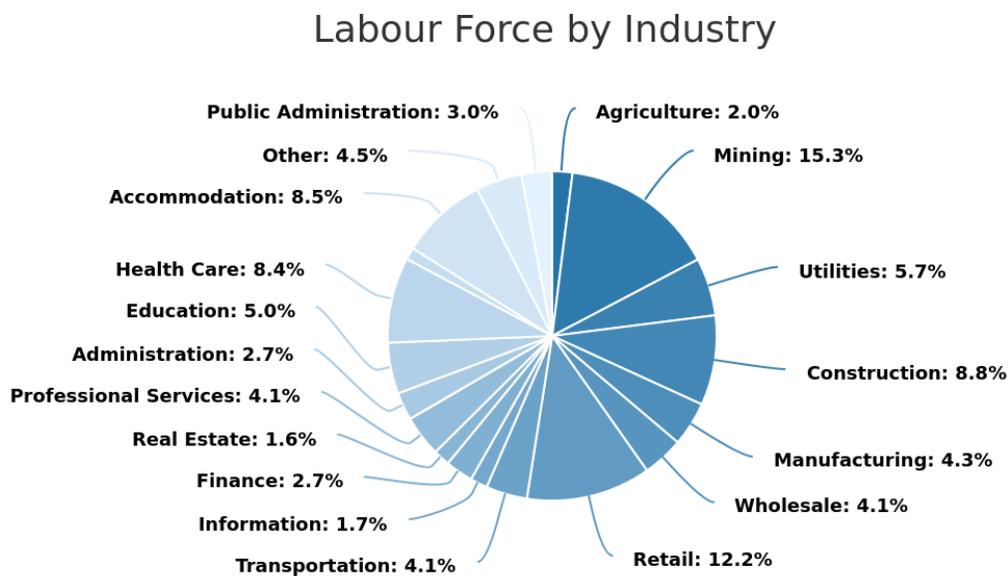
Geothermal technology in our province was possible because of the advances and research from the oil and gas sector. Carbon Capture and Sequestration technology was initially developed to offset the historical high cost of natural gas by providing a clean way to continue to utilize coal as a low carbon option. Continuous cropping techniques in agriculture were developed to diminish the vast soil erosion that was happening in the 1970's and 1980's and is now a widely recognized means of creating carbon sinks.

Recognizing what we have already done as a nation, developing those technologies further and watching all industries for technological advances from within that can be adopted in other

sectors and other nations absolutely needs to be a focus for our economy and for a real difference at the global scale.

Recommendation 4: That the government ensure that communities that are adversely impacted by Low Carbon Policies have access to funds and support in a timely manner necessary to transition.

The community of Estevan will be hugely adversely affected by the move to a Low Carbon Economy without the expansion of CCS technology on other coal power generation units. The graph below depicts the labour force by industry:



Source: Statistics Canada Last Updated: November 2017

The Mining and Utilities portion of the local labour force is equal to over 20% of the employment in Estevan. Due to the impact of the federal GHG regulations, by 2030 Estevan will lose approximately 20% of the labour force directly with the shutdown of coal. The subsequent divestment of those wages out of our local economy could have a reverse multiplier effect of 2 to 3 times the initial number potentially impacting nearly half of the labour force.

Estevan has been proactive in its strategic plan to diversify its economy. In 2017, funds were allocated to hire an Economic Development Coordinator and an Economic Development Committee was formed to represent major stakeholders and industries in our area. In 2018, the Coal Transition Committee was formed to get a comprehensive view of our community moving

forward. Also in 2018, Western Diversification came to the table with the promise of federal economic support to assist in transitioning away from coal.

The federal funding initiative is vital to this community. However, the parameters for funding have been ambiguous at best and the timeline between funding application and approval has been slow.

This is not the first time that a local economy has felt the impact of a shutdown of an industry but this time it is clearly the result of a federal policy. Federal funding is therefore crucial but ongoing government consultation is also vital. We have got to do better. Estevan should not be scraping together whatever means it finds available to try to come up with a self-guided plan for the future. There should be experts in place to consult with, best practises well documented to draw strategic plans from, and innovative quick start projects to initialize immediately. There should be a clear priority for transitioning this community that can be celebrated as part of our movement to a low carbon economy.

Ultimately, our community would not have to transition and we could still meet, actually exceed, low carbon requirements if CCS technology would be expanded to Estevan's other power generating facilities. Coal is not the problem. Coal emissions are the problem. CCS technology is the solution with two big impacts, movement to a low carbon economy and sustainability of the economy of Estevan.

Recommendation 5: That the government recognize that reliable and affordable base load power should not be compromised by the transition to a Low Carbon Economy.

Saskatchewan residents may recognize the urgency to move to a low carbon economy but that should never compromise their access to reliable and affordable base load power. We simply cannot survive in our harsh winter conditions without reliable base load power. Saskatchewan residents will not tolerate having a repeat situation in our province like the one that happened in Ontario. No Canadian citizen should have to see increases in their heating costs that leave them with the choice between heating their home or feeding their family.

Recommendation 6: That the government establish a *Low Carbon Pricing Index Report*.

Canadians should know what the move to a low carbon economy is not only costing us but also what it is saving us. Canadians have a right to know where their carbon pricing dollars are going and if those dollars are making an impact on the problem that they are supposed to be addressing.

Therefore, the recommendation that is being put forward is to create a *Low Carbon Pricing Index Report*. A systematic way of tracking and reporting how the carbon pricing revenues are being spent, the industries and research it is funding and the impact that is having on Canada's carbon footprint. If a transition to a low carbon economy is the goal then we should be seeing the steps that are being taken to that goal and be provided with reports that indicate where we are succeeding and where we are failing along that path.

Accountability is key. Accountability for industry sectors, accountability for provinces, accountability for individual Canadians and above all else, accountability for the federal government to report the effectiveness of the Carbon Pricing Strategy. How can we know that we are moving to a low carbon economy when we do not have a system in place to track our progress?