



JUL 19 2010

Mr. Milan Ilnyckyj
milan@sindark.com

Dear Mr. Ilnyckyj:

On behalf of the Honourable Jim Prentice, Minister of the Environment, I am responding to your letter of April 29 concerning climate change and fossil fuels.

Environment Canada appreciates receiving your input and research. Please be assured that the Government of Canada is committed to addressing climate change through sustained action to build a low-carbon economy, which includes reaching a global agreement, working with its North American partners, and taking action domestically.

Canada has inscribed in the Copenhagen Accord a 17-percent greenhouse gas emission reduction target from 2005 levels, which is aligned with the U.S. target. This target is realistic, yet ambitious, considering that Canada has a growing population and an energy-intensive industrial sector.

The Government supports an approach to climate change that achieves real environmental and economic benefits for all Canadians, including through harmonization of its climate and energy policies with those of the United States.

The Government is continuing to pursue work on a sector-by-sector basis. For example, the Government is working with the United States toward common North American standards for regulating greenhouse gas emissions from vehicles, and has recently published draft regulations for vehicle tailpipe emissions under the *Canadian Environmental Protection Act, 1999* that are harmonized with those of the United States. Given our deeply integrated automotive industry, there are significant environmental and economic benefits to a harmonized approach. The two governments have recently announced a similar approach for heavy trucks.

The need for the harmonization of Canada's policies with those of its main economic partner does not impede real action in the short term. Canada already boasts one of the cleanest electricity systems in the world, with three quarters of its electricity supply emitting no greenhouse gases. The Government is committed to building on this strength and leading the world in clean electricity generation as part of its overall strategy to combat climate change. The Government will move to reduce emissions in the power sector and develop regulations that balance the environment, jobs and investment with reductions in the industrial sector.

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On June 23, Minister Prentice announced that the government will introduce stringent new regulations on coal-fired electricity generation. These regulations will reduce greenhouse gas emissions, and improve air quality across the country.

In addition, Budget 2010 includes new measures totalling \$190 million to support a cleaner, more sustainable environment. These investments further reinforce our strategy of transforming Canada into the world's leading source of reliable, responsible energy. Budget 2010 also builds on billions of dollars in Budget 2009 investments in support of climate change and a cleaner and more sustainable environment. Key investments include the Green Infrastructure Fund under Canada's Economic Action Plan, which provides \$1 billion over five years toward priorities such as green energy generation and transmission infrastructure, carbon transmission and storage infrastructure.

As the federal government moves forward, it will work closely with the provincial and territorial governments, as well as stakeholders, to develop and implement ambitious climate change policies and initiatives.

Although the development of energy resources, including oil and gas extraction and transmission, is important to Canada's economy and energy security, it is equally important that all players work to ensure that these resources are produced in an environmentally and socially responsible way. The Government therefore recognizes that action is needed to ensure oil sands development takes place in a way that respects all aspects of the environment—water, air, land and wildlife. That is why the Government is taking action on this important front.

Environment Canada works to ensure that any new or expanded oil sands facility meets the requirements and regulations of the *Migratory Birds Convention Act, 1994*, the *Species at Risk Act*, the *Fisheries Act* (section 36 – water pollution prevention provisions), and the *Canadian Environmental Protection Act, 1999*.


The environmental impacts of the oil sands are the joint responsibility of the federal government and the Government of Alberta. Proposals for projects to develop oil sands deposits are subject to extensive environmental and regulatory review by multiple agencies and departments of the Province, and permits are granted only once environmental concerns have been addressed.

With respect to carbon capture and storage, it has the potential to play an important role in reducing Canada's greenhouse gas emissions. It is a tested and proven technology and is recognized around the world by groups such as the International Energy Agency and the Intergovernmental Panel on Climate Change. However, renewable energy, energy efficiency, and other tools will all be needed to address climate change.

In addition, while the Government respects that Canadians have differing views on the idea of imposing a carbon tax to reduce greenhouse gas emissions, it believes that its approach to reducing emissions is preferable to a carbon tax for Canada. Overall, the Government believes that its approach will allow Canada to reach its greenhouse gas emission reduction targets and, more importantly, to do so without putting the prosperity of Canadians at risk.

For more information on federal actions to address climate change and on how you can make an important difference, please visit www.climatechange.gc.ca, or call 1 800 O-Canada (1-800-622-6232, TTY 1-800-926-9105).

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Beale". The signature is written in a cursive style with a distinct loop at the end.

Mike Beale
Acting Associate Assistant Deputy Minister
Environmental Stewardship Branch