

**Speaking Notes for Premier Ed Stelmach  
Montreal Board of Trade  
October 8, 2008**

**Partners in Prosperity:  
How Alberta's Economy Benefits all Canadians**

**(Check Against Delivery)**

Ladies and gentlemen, thank you so much for your very kind welcome, and thank you to the Montreal Board of Trade for inviting me to be here today.

I'm here today to share Alberta's story. It's as simple – and as important - as that.

Alberta is a different place today than it was 20 years ago.

Yes, we are still the province of cowboys, the Rocky Mountains, broad Prairies and wild roses.

It's a great place to live, work, invest and raise a family – and we take pride in that heritage.

But Alberta has also begun to attract some negative attention lately...some of it from far beyond our borders.

Questions are being raised about our energy developments, and how Alberta's prosperity impacts our larger Canadian family.

I'm here to tell you today that not everything you're reading and hearing about Alberta is accurate. In fact, much of it is completely inaccurate.

Alberta has a positive story to tell, and I want you to hear it.

I'd like to share with you what Alberta's economic growth means to us, and what it can and does mean for Quebec.

Alberta is not immune from the current market turmoil.

In fact we have the most volatile revenue stream of any government in North America.

Nevertheless, demand for Alberta's resources continues to drive growth in my province - and that's good news for all Canadians.

Fuelled mainly by the energy sector, that growth is helping to maintain our nation's economy at a difficult time when other sectors are struggling.

Alberta's growing economy buys goods and services, and creates jobs all over the country – including in Quebec.

I know that when people think about the Alberta economy, they often focus on the oil sands – and there's good reason for that.

The oil sands are a massive resource – the second-largest oil deposit on the planet – in a world where demand for oil continues to grow.

After decades when energy was both cheap and abundant, people are looking more closely at the impact of energy production on the environment.

And so are we.

We know there's a need for responsible development, and an increasing role for renewable energy.

Conservation and wise energy use must be our goal. But renewable energy cannot - and will not - eliminate the need for oil in the near future.

Worldwide energy demand is expected to grow by 50 percent over the next 30 years.

So we must focus on producing that energy in jurisdictions with tough regulations and a respect for the environment – rather than in places that have neither.

Alberta's resources provide Canada with energy security and the potential to be energy self-sufficient.

Countries without those resources are learning just how vulnerable they are to the whims of unstable jurisdictions and shifting markets.

Fortunately, Canada is blessed with many natural resources: hydro, uranium, coal, natural gas and oil.

These resources give our country strategic assets of growing importance in an energy-hungry world.

And while North America's conventional oil supplies are being depleted, Canada has the good fortune to be sitting on a tremendous energy treasure.

The oil sands of North-East Alberta contain proven reserves of 173 billion barrels of oil – enough to meet Canada's current energy needs for 500 years.

That potential has drawn in a huge amount of investment in recent years, and much more is planned – some \$170 billion over the next decade.

And a lot of that investment is supporting economic growth outside of Alberta, in other parts of Canada.

Quebec companies - large and small - are already benefitting from this growth.

SNC-Lavalin, a name you know well, is also a big name among oil sands contractors.

And just last month, Supermetal Structures, headquartered in Quebec, announced it had landed two major contracts – one valued at over \$150 million – with oil sands operators.

That's good news for workers in both of our provinces.

Estimates are that 44 percent of the employment generated by oil sands investment is outside of Alberta, with a significant chunk here in the manufacturing heartland of central Canada.

Tax revenues from oil sands operations also spread far beyond Alberta's borders.

In 2005, a study by the Canadian Energy Research Institute found that the federal government and other provincial governments benefit significantly from the oil sands...with federal revenues conservatively estimated at over \$100 billion between 2000 and 2020.

That study was based on oil at \$32 a barrel – a number we haven't seen in some time. Right now the Canadian Energy Research Institute is completing an update of its 2005 report.

Even with the uncertainty in the United States and elsewhere, I fully expect that update to show the economic value of the oil sands to Canada – in jobs, investment, and taxes – to be much greater than its previous estimate.

The dollars generated by Alberta's economic growth support important programs – health care, advanced education, and pensions – for Canadians from coast to coast.

As an energy source, the oil sands have incredible potential – but they bring their share of challenges too.

There's an environmental cost to producing energy from the oil sands, just as there is to producing energy from any source.

Like Quebec's hydro development, these are large-scale projects that are national in scope - so there's an impact on the environment.

The solution to those challenges isn't to risk Canada's future by shutting down development, and in the process driving up the cost of energy – not to mention the price of food and just about everything else.

Instead, we should look at this as an opportunity for Canada to become what the Prime Minister has called “a clean energy superpower.”

That’s what Alberta wants: to show leadership in responding to the challenges, and commitment to being a responsible energy producer.

Here’s what we’re already doing to achieve that.

The oil sands underlie a region of 140,000 square kilometers, an area the size of New York State.

A few deposits are shallow enough to be surface mined, and that’s how oil sands development began.

But mining impacts less than one-tenth of one percent of Canada’s boreal forest – an area about the size of the City of Montreal.

Critics of the oil sands like to say you can see this area from space.

They are indeed large, but let’s be realistic – you can see Montreal from space.

And even green energy sources, like hydro, have an impact on the land.

The fact is, most oil sands deposits – about 80 percent – are too deep to be surface mined.

The oil from these deep deposits is extracted using a made-in-Alberta technology called “steam-assisted gravity drainage,” or SAG-D.

This is where the bulk of new oil sands investment is happening, and it’s definitely the future of the oil sands industry.

In a SAG-D operation, steam is injected deep underground to separate the oil from the sand.

The oil is pumped up to the surface and the sand remains in place.

This is a far less invasive process than mining, disturbing only 5.5 square kilometers of land for every billion barrels of oil that’s extracted.

No matter which extraction method is used, companies must rehabilitate the land.

That’s the law in Alberta.

This means replacing the soil, re-contouring the landscape, and establishing native species of trees, shrubs and grasses so the land can support a similar range of uses as it did before.

This reclamation process starts soon after the mining is completed and continues until we accept the land as reclaimed to our strict standards.

This process takes time – often decades before we sign off on the results - but large areas are already being reclaimed. In fact we issued our first reclamation certificate to Syncrude earlier this year.

Development of the oil sands represents Alberta's future, and we're in for the long haul.

We're talking about a resource that, at current production levels, will sustain production of three million barrels of oil per day for over 150 years.

That's why we're doing all we can – and will do even more – to protect our environment.

We can't - and won't - risk our province's future, or our ability to market our resources – we owe that to Albertans and all Canadians.

That's why we monitor the air all over the oil sands region 24 hours a day, 365 days a year.

Last year, air quality in the region was rated good 98 percent of the time.

That's consistently better than in many major Canadian cities, including this one. We also take a strict approach to water.

We take our water very seriously in Alberta.

As a prairie province, Alberta's prone to periodic droughts so we've learned to make every drop count.

We use it wisely and manage it carefully under a program called "Water for Life." It's the most comprehensive water management plan of its kind in North America.

All existing and approved oil sands projects put together are permitted to withdraw less than three percent of the average annual flow of the Athabasca River.

Let me repeat that number – just three percent.

And during periods of low water levels, consumption is limited to just 1.3 percent of annual flow.

This is one of the toughest policies to apply to year-round water withdrawals in any northern climate.

And it has forced industry to be creative, and judicious, in its water use.

As a result, up to 90 percent of the water used by industry is recycled, depending on the facility.

Some operators are using brackish water from deep underground saltwater aquifers instead of fresh water.

And no untreated process water is allowed back into Alberta's waterways.

We've been monitoring water quality in the oil sands region since the early 1970s.

We collect and assess thousands of water samples from across the region each year.

Our testing has consistently shown no increase in concentrations of contaminants as oil sands development has progressed.

The tough steps Alberta is taking to protect its land, air and water are not isolated efforts.

We're pioneering a new environmental management approach that considers all the cumulative effects of industrial activity across an entire region.

This approach enables us to track and manage things like greenhouse gas emissions across the industry, and across the region as a whole - instead of on a project-by-project basis.

While we recognize the need to do more, what most people don't know is that Alberta began taking action on greenhouse gas emissions long before other Canadian provinces.

Given the nature of our economy, we had more at stake.

We knew that if we didn't take action on our own, someone else would step in and do it. We wanted to be leaders in this battle, not followers.  
That's why

Alberta was the *first* jurisdiction in North America to adopt a climate change plan backed by legislation, and the *first* province in Canada to legislate reductions for industry.

So far, Alberta's largest greenhouse gas emitters have made 2.6 million tonnes of actual reductions – equivalent to taking 550,000 cars off the road.

Last year, companies who weren't able to meet their reduction targets paid \$40 million into a fund that will support projects and technologies to further reduce greenhouse gas emissions in Alberta.

And we continue to do more.

In January, we released an action plan for our next step: cutting projected greenhouse gas emissions in half by 2050.

The plan focuses on using science and technology, particularly carbon capture and storage, to meet this goal.

The oil sands account for about five percent of Canada's greenhouse gas emissions.

It's true that it takes more energy to extract oil from oil sands than from many conventional deposits.

But production accounts for only 20 percent of the life cycle emissions of a barrel of oil.

The other 80 percent of emissions come from transporting that fuel to market, and finally from the tailpipes of cars, truck and planes.

Unlike emissions from the transportation sector (which accounts for about 25 percent of Canada's greenhouse gas emissions), the oil sands are stationary and concentrated in one area - making them an ideal candidate for carbon capture and storage, or CCS.

The United Nations, the International Energy Agency, and the G8 all believe CCS is a safe, viable climate change solution.

The European Union has plans to create 10 to 20 commercial-scale CCS projects.

So it's not a pie in the sky idea. It's already happening.

In fact, Weyburn, Saskatchewan is the home of the largest CCS demonstration project in the world – recognized by the UN's Intergovernmental Panel on Climate Change.

It should be no surprise that a large-scale, integrated CCS project is up and running in western Canada.

The Western Canadian Sedimentary Basin has many geological traps that can be used to store carbon dioxide, including depleted oil and gas fields.

Many of them have already safely held hydrocarbons or liquids for millions of years.

Estimates are that carbon capture and storage has the potential to reduce projected emissions by 70 percent – about 139 million tonnes – by 2050.

That will help Alberta meet its goal of reducing oil sands greenhouse gas emissions to equivalent or less than those of conventional oil.

This represents good environmental stewardship – and good business. Our customers demand it.

Recent developments in California and Washington make it easy to see which way the market is going.

So we're responding, not just with words but with action.

This summer, our government announced a \$4-billion investment in climate change initiatives, equal to taking more than a million cars off the road.

That includes \$2 billion for projects to advance carbon capture and storage – the largest investment in CCS in the world – and \$2 billion for energy-saving public transit.

We'll be looking for Quebec's expertise there...at companies like Bombardier, which is a world leader in energy efficient transit...and at cities like Montreal, who know how to move people around efficiently using regional and high-speed rail.

Alberta would like to work more closely with Quebec in other areas too.

On the surface, our two provinces may seem quite different. But in the past, we've found common ground on many issues.

We've often stood together to defend provincial jurisdiction, and the ability of provinces to represent themselves internationally.

Of late, Quebec has worked to establish labour mobility between this province and Ontario, much as Alberta has done with British Columbia.

And we're watching with great interest as Premier Charest seeks to build closer ties to the labour market in Europe... even as I prepare for a mission to Europe next month for the same purpose.

Like Quebecers, Albertans don't see those actions as undermining our nation. On the contrary, we believe that strong provinces make for a strong Canada.

And Alberta and Quebec are perfect examples of provinces that aren't afraid to elbow their way to the table, and play vital roles within Confederation.

I don't accept the "one size fits all" approach.

On the environmental file, for example, Alberta and Quebec have chosen different paths.

But it would be a mistake to doubt Alberta's sincerity and commitment to do its share in a way that works for a major energy producer – just as Quebec will take steps that make sense for a major energy consumer.

Provinces must be free to exercise their responsibilities in ways that meet the needs of their citizens – and that's a fundamental principle I think Albertans and Quebecers agree on.

I've noticed that those who call for punitive energy taxes, massive wealth transfers, or even a complete halt to oil sands development, never explain to Canadians – to Quebecers – how they would pay for the health care, education and other national programs supported by Alberta's contribution to the federal treasury.

They never talk about the job losses that would result from crippling the most productive sector of the Canadian economy right now.

I want to strengthen the relationship between Alberta and Quebec, not only politically, but also culturally and socially.

There's an old and very vibrant francophone community in Alberta.

In fact, Alberta boasts the third largest French-speaking minority in Canada, after Ontario and New Brunswick.

Almost a decade ago, our government created a Francophone Secretariat to strengthen relations between the Alberta government and the francophone community.

Last summer, Edmonton hosted the francophone games, welcoming young athletes from across Canada.

And Alberta continues to work with this province on student exchange programs and other youth initiatives.

Alberta has been enriched by these experiences.

One of my first acts when I became Premier was creating “The Spirit of Alberta” – my province’s first-ever culture policy.

We’ve also inaugurated a province wide Arts Day, and we’re creating a new Premier’s Council on Arts and Culture.

I see culture as a critical element in a vital, engaged society. It’s about who we are... as Albertans. Pioneers and innovators; leaders in responsible energy production; and yes, like Quebec, we’re known for doing our own thing. I think Quebecers can appreciate that.

If I could leave you with one message today, it would be simply this: It’s not a question of energy production or concern for the environment. To maintain our prosperity and quality of life, we must have both.

I believe that’s true for Albertans, for Quebecers... and for all Canadians. As Albertans, all we ask is a fair hearing and recognition of the facts – from academic and business leaders, and from journalists and commentators. We’re partners in prosperity, with every province and territory, and every citizen of Canada.

That’s a role we’re proud, and honoured, to play.

Ladies and gentlemen, thank you for your kind attention, and thank you for joining me this afternoon to hear Alberta’s story.