

Greener oil sands, greener planet



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Now that the noise and fuss of political posturing has faded, one key question emerges from the Copenhagen summit: Who will lead the evolution to a low-carbon future?

It must be Canada, the only energy superpower in the democratic world.

Canada's oil sands, if they can become greener, are a major part of the answer to stable and long-term hemispheric energy supply. Copenhagen made it all too clear that the planet needs a more sustainable energy platform to address the threat of climate change.

We can use the \$15-trillion wealth of the oil sands to fund and build a greener future. Indeed, we can use the enormous wealth the oil sands can confer

to pay for the transition to alternative energy, built on a platform of much greener hydrocarbon production.

This is more than possible. It is necessary. Of the world's four major oil reservoirs - Saudi Arabia, Canada, Iran and Iraq - we are best placed to invest tens of billions of dollars in the new technologies the world needs to meet the aspirations of India, China, Indonesia, Brazil and millions of others in the developing world.

It is not at all paradoxical to think that sustainable development of the oil sands will, in fact, launch the low-carbon economy: by giving us the means to pay for it, by investing in both the research and development and the implementation of this greener future.

The oil tyrannies are going to spend their wealth in cowing their populations and buying weapons to unsettle their neighbours. We Canadians must embrace greener oil sands; cleaner coal; solar, wind, hydro and other alternative energy; bio-energy and the bio-economy.

The greening of fossil-fuel

production and the development of renewable and alternative energy should occur at the same time, using biodiversity and the health of our ecology as guiding principles.

Why must we have sustainable and responsible development of the oil sands? If we don't do it well, others will come in and do it badly. The lurid fantasies peddled by Greenpeace and others need to give way to an adult conversation: In a world addicted to fossil fuels, our oil sands make us a coveted target. Yet if we look to the possibilities of the future, we see that the value of the oil sands enables us to serve the common good and foster the common wealth.

What are some elements of this green future?

Carbon-neutral oil-sands development, using fiscal and regulatory measures. These can include fiscal incentives to accelerate the greening of the oil sands, modelled on the incentives used in the 1990s to accelerate oil-sands development. Regulatory measures must make best practices mandatory, reward innovation and ensure that innovators profit.

Accelerating the bio-economy, including engineered bio-fuels, biomass energy and manufacturing based on bio-components. This, too, can be done through fiscal incentives and policies to accelerate growth.

Clean and renewable electricity generation, for domestic use and export. This includes near-zero-emission power plants using clean-coal technology, and extensive hydro-power development by harnessing the power of waterways in the Northwest Territories.

Developing the nano-economy as a "building-block" application in everything from health care to energy efficiency to safe nuclear reactors to manufacturing based on petroleum and cellulosic fibres. The National Institute for Nanotechnology at the University of Alberta offers the ideal base for this venture.

The world-leading standard on societal development, focused on wellness, literacy, connectivity, community, diversity, inclusion and sustainability.

How do we pay for it? With a

made-in-Alberta carbon tax.

Albertans own the oil sands. With the right kind of tax, we can capture the wealth here and fund the green future. I propose a Natural Resources Severance Tax (NRST) applied to the gross value of any natural resource, measured by the market price of the resource at the first "point of sale" upon severance. This would provide predictable and strong streams of revenue to pay for a clean-energy economy, accelerate the development of low-carbon industries and greatly increase investment in renewables and alternatives.

The scale of the revenue is significant. If a 5-per-cent NRST were applied to two million barrels a day of oil production priced at \$60 a barrel, Alberta would have \$6-million a day accumulating in its green fund. This keeps the wealth in Alberta and uses it for the benefit of the planet.

In the aftermath of Copenhagen, Alberta and Canada must embrace and advance the green future: It is the obligation of stewardship that comes with being the free world's energy superpower.