



BUSINESS COUNCIL OF ALBERTA

August 26, 2020

The Right Honourable Justin Trudeau, P.C., M.P.
Prime Minister of Canada
House of Commons
Ottawa, ON K1A 0A6

Sent via Email

Dear Prime Minister Trudeau:

As your government forges Canada's path out of the COVID-19 recession, we write this letter requesting an opportunity to share with you a set of recommendations as to how the private sector can work collaboratively with the federal government in achieving economic recovery and climate action.

This can be a watershed moment in our history; where our natural resource industries are true partners in helping Canada reach its climate goals, while also helping drive economic recovery.

The Business Council of Alberta believes that recovery efforts provide us with a unique opportunity: not just to rebuild, but to build back better. Our shared aim is for a more resilient, competitive, sustainable and inclusive Canada. One that provides even more opportunity than our past. We believe it is essential that Canada work towards recovery through the lenses of environmental progress, competitiveness and economic and social prosperity.

Your government has made it a clear priority to focus on a green recovery as part of Canada's commitment to net zero by 2050. We support and applaud this approach. As an organization representing Alberta's largest and most dynamic companies, we fully support the need to significantly reduce national and global GHG emissions to fight climate change. Many of our members have already committed their corporate performance to net zero by 2050.

It is in this spirit that the Business Council of Alberta convened a Task Force on Resource Development in a Carbon Constrained Future. Comprised of companies in the energy, agriculture and forestry sectors, BCA has harnessed the ingenuity of leading Canadian businesses to recommend solutions to the twin challenges of economic recovery and climate action.

This Task Force will be issuing its report in early September which outlines a broad framework for how Canada can meet these twin challenges. Its recommendations include:

1. Investing in ambitious infrastructure projects that:



- reduce emissions in existing industries and accelerate the development of lower-emission energy sources and technologies; and
 - enhance renewable power infrastructure, storage, and grid interconnections to green our electricity supply;
2. Setting a single, clear carbon pricing mechanism to enable the long-term, large-scale investment needed to create jobs and lower emissions;
 3. Providing broad, challenge-driven and outcomes-based R&D support for the entire innovation continuum, especially commercialization and scaling; and
 4. Fostering collaboration across stakeholder groups and partner countries, while also supporting skills training to support innovation and transition.

Canada's natural resource industries are critical to our economy. They account for 17% of GDP, 47% of exports and 38% of private sector capital investment, while generating \$22 billion per year in government revenues. They are also on the forefront of climate action. Energy companies are responsible for the vast majority of Canada's private sector investment in R&D and deployment of sustainable energy and climate solutions. Our forestry and agriculture sectors offer tremendous potential as carbon sinks while our traditional energy sector offers the greatest opportunity for emissions reduction. Simply put, Canada's natural resource sector must play an inclusive and active role in economic recovery AND achieving our climate targets.

As you contemplate recovery and rebuilding plans, we encourage a focus on areas of greatest economic and environmental returns, while also positioning the country for longer-term success. We believe that the natural resource sector offers the best opportunity to deliver on both these objectives. Consider:

- BCA resource members have invested over \$20 billion in GHG emissions reduction efficiencies and technology.
- Energy industries represent a full 75% of all of Canada's clean technology and innovation spending.
- Canada is positioned to be a world leader in the development of carbon capture, storage and utilization technologies through projects like the Alberta Carbon Trunk Line – the world's largest carbon capture and storage project.
- Blue hydrogen offers potential to both dramatically reduce GHG emissions while still extracting value from Canada's oil resources.
- Developing and exporting the world's cleanest natural gas can have a significant impact on global emissions by displacing coal-fired electricity abroad.

While much has been done, we can and must do more as a country to fight climate change. Our ultimate aim is a collaboration between private sector and the federal government to ensure a strong recovery that capitalizes on Canada's assets in reducing emissions and enables longer-term, economic growth for all. We are requesting 30 minutes of your time to share with you our framework for achieving these goals.



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The Business Council of Alberta is committed to building a better Alberta within a more prosperous Canada. Shaping a low-carbon Canada that is inclusive and prosperous is an important piece of this work. We look forward to working with you and your office to advance this goal.

Yours truly,

A handwritten signature in black ink, appearing to read "Adam Legge".

Adam Legge
President
Business Council of Alberta

A handwritten signature in black ink, appearing to read "Dawn Farrell".

Dawn Farrell
Vice Chair, Business Council of Alberta
President & CEO
TransAlta Corporation

Cc: Honourable Chrystia Freeland, Deputy Prime Minister & Minister of Finance
Honourable Seamus O'Regan, Minister
Honourable Jonathan Wilkinson, Minister
Honourable Navdeep Bains, Minister
Mr. Ian Shugart, Clerk of the Privy Council
Mr. Ben Chin, Principal Advisor