



Cap and trade's a sucker punch

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Imagine an Orwellian world where, by federal decree, every molecule of carbon dioxide has an implanted microchip. Each is tiny, traceable and measurable.

Picture how this dystopian regime would seize the opportunity to regulate the number of molecules that could be 'safely' emitted into the air.

Regional agencies would be established and lavishly funded. Bureaucrats would meet and decide the 'acceptable' emission levels for machines, manufacturing processes, travel, business activities, professional and amateur sports, even pleasure.

Finally, visualize how this government would diabolically launch a Carbon Revenue Agency (CRA) and apply a progressive tax rate to every molecule.

Perhaps legislation would even allow charities, churches, synagogues and mosques non-taxable status. How quickly would they grasp the chance to barter or sell their carbon molecule taxes to big emitters?

Voila, a cap and trade system or, a carbon tax by any other name. Needless to say, the Calgary Chamber of Commerce believes a cap and trade scheme would sucker punch an already sluggish economy.

In meetings with federal officials, we urged Canada to reject a North American cap and trade approach because it would ration Alberta's production and use of oil, natural gas and coal, cost thousands of jobs and offer few mitigating environmental benefits.

Yet, Alberta has taken great strides to lead North America in reducing carbon emissions. It was the first jurisdiction to monitor greenhouse gases, first to pass legislation to manage large industrial emitters, and the first to see real results, to quote Premier Ed Stelmach.

The Chamber supports the province's balanced and sensible approach to carbon emissions. Intensity targets were set, non-achievers were allowed to purchase offset credits from the province or pay a levy to the Climate Change and Emissions Management Fund. The fund aids dedicated scientists, engineers and researchers to develop clean technologies.

Soon, Alberta will be a world leader in low carbon equipment, machinery and expertise. It is a formidable challenge to move from carbon intensive to carbon smart. It does, however, offer entrepreneurs the tremendous business opportunity to create the Silicon Valley of energy innovation, headquartered in Calgary.



Obviously the federal and provincial governments will need to work hand-in-hand to pull this off. Ever helpful, the Chamber offers these suggestions:

- Introduce an Accelerated Capital Cost Allowance for clean energy technologies (including carbon capture and storage, as well as coal gasification).
- Use the U.S.-Canada Clean Energy Dialogue to expand and jointly finance research and development.
- Encourage and reward consumers for their individual and collective energy efficiency programs.
- Benchmark intensity-based emissions and establish environmental targets.
- Set a clear, realistic carbon dioxide price signal that gives businesses and consumers ample time to adapt, ensures it does not destroy our international competitiveness and applies to all Canadians, where practical.
- Recycle all carbon levies back to the industry and jurisdiction where they originated (e.g. energy sector in Alberta) to develop technology and infrastructure that actually reduces carbon emissions.

If Alberta and Canada make strides together, imagine how soon we'd become the clean energy superpower.

Several European governments have mandated installation of wind farms and solar panels to generate electricity and send it to consumers through highly efficient transmission lines. The world has applauded these efforts as environmentally sound.

But wait, isn't this the direction Alberta and Canada are heading?