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## Alberta's Plan for Climate Resilience is Government Propaganda

By: Drew Yewchuk

**Matter Commented On:** [The Canadian Energy Centre's Request for Proposal for a Creative and Production Agency](#)

After the 2019 Alberta election, the new government replaced the previous *Carbon Competitiveness Incentive Regulation*, [Alta Reg 255/2017](#) with the new *Technology Innovation and Emissions Reduction Regulation*, [Alta Reg 133/2019](#) (*TIER*). Both were regulations under the *Emissions Management and Climate Resilience Act*, [SA 2003, c E-7.8](#). For the story of the development of *TIER*, refer to [this post from Nigel Bankes](#).

*TIER* changed the name of the Climate Change and Emissions Management Fund to the Technology Innovation and Emissions Reduction Fund (TIER Fund). The fund accumulates money from emitters who fail to meet their emission targets. The fund can only be used for the purposes in section 10 (3)-(4.2) of the Act:

### Climate Change and Emissions Management Fund

10 (3) Subject to subsection (4.2), the Fund may be used only for purposes related to reducing emissions of specified gases or supporting Alberta's ability to adapt to climate change, including, without limitation, the following purposes:

- (a) energy conservation and energy efficiency;
- (b) demonstration and use of new technologies that emphasize reductions in specified gas emissions in the discovery, recovery, processing, transportation and use of Alberta's energy resources;
- (c) demonstration and use of new technologies that emphasize reductions in specified gas emissions through the use of alternative energy and renewable energy sources;
- (d) demonstration and use of specified gas capture, use and storage technology;
- (e) development of opportunities for removal of specified gases from the atmosphere through sequestration by sinks;
- (f) measurement of the natural removal and storage of carbon;

- (g) climate change adaptation programs and measures;
- (g.1) education initiatives, including education programs, research programs and scholarships;
- (g.2) outreach initiatives, including initiatives to provide information to stakeholders and the public;
- (g.3) reimbursing salaries, fees, expenses, liabilities or other costs incurred by the Government in respect of activities or functions related to reducing emissions of specified gases or supporting Alberta's ability to adapt to climate change;
- (g.4) funding salaries, fees, expenses, liabilities or other costs incurred by a Provincial corporation or the Independent System Operator in respect of activities or functions related to reducing emissions of specified gases or supporting Alberta's ability to adapt to climate change;
- (h) funding salaries, fees, expenses, liabilities or other costs incurred by a delegated authority in carrying out a duty or function of or exercising a power of the Minister in respect of the Fund that has been delegated to the delegated authority, if authorized by the regulations.

(4) The Minister may make payments out of the Fund

- (a) for the purposes of the Fund, or
- (b) in accordance with the regulations, to a delegated authority to enable the delegated authority to make payments for the purposes of the Fund.

(4.1) The Minister may transfer money from the Fund to the General Revenue Fund, except for

- (a) money paid into the Fund before January 1, 2021 and income earned by that money that accrues to and becomes part of the Fund under subsection (6), and
- (b) money paid into the Fund under subsection (5)(c) or (d) on or after January 1, 2021 and income earned by that money that accrues to and becomes part of the Fund under subsection (6).

(4.2) Subsection (3) does not apply with respect to a transfer of money under subsection (4.1) or to the use of money transferred to the General Revenue Fund under that subsection.

Subsections 4.1 and 4.2 were added in July 2020, and they allow money to be moved out of the fund and then used for any purpose. So what is the TIER fund put towards? Money from the TIER fund had previously been used to fund emission reducing projects like [carbon capture and sequestration technology](#). Now a portion of it is also going to the Canada Energy Centre (CEC,

often called by the name it received when it was a campaign promise: The War Room). [See page 11 of the 2020/2021 CEC annual report](#). The CEC is using that money to [hire a public relations and advertising agency](#) to promote the Albertan oil and gas industry ([Request for Proposals AB-2021-05194](#)). In short - the money taken from carbon intensive industry for the supposed purpose of reducing emissions and controlling climate change is being spent to build a “social movement” (as the key performance indicator for the [CEC’s ‘Brand Summary’ puts it](#) on page 28 of the Request for Proposals) favouring more use of Albertan oil and gas, and thereby the release of more carbon emissions.

The re-purposing of the fund generated by the *Emissions Management and Climate Resilience Act* for the purpose of hiring an advertising firm for oil and gas is a shockingly bad regulatory approach. First, it clearly defeats the emissions management purpose of *TIER* and the *Emissions Management and Climate Resilience Act* because the TIER fund will be used to encourage the use of more oil and gas and thereby increase net emissions (even if there are advances in reducing emissions intensity). Because the companies that pay into the TIER fund will know that money is used to advertise their industry, those companies can reduce their advertising budget accordingly. This is the sort of awful regulation that results from a regulatory system designed and implemented in tight consultation with industry (see [Nigel Bankes’s discussion of the engagement approach for TIER](#)).

Second, it is redundant. It does make some sense that the CEC would hire an outside advertising agency to do CEC’s job for them, as the CEC is widely [considered to have done an awful job](#). But if the CEC is hiring an advertising agency to do their jobs, why is there a CEC at all? (Other than as a make-work project for party loyalists?) But it is redundant in larger ways: the oil industry is already known to run [massive public relations campaigns](#) to promote themselves, [downplay the threat of climate change](#), and [block action to control emissions](#). Their success in doing so is a key part of why so little action has been taken to do anything about climate change despite catastrophe being foreseen for decades.

Third, the scheme even produces regulatory risks for the oil and gas industry. Alberta is not currently subject to the federal backstop carbon price for large industrial emitters found in part 2 of the *Greenhouse Gas Pollution Pricing Act*, [SC 2018, c 12, s 186](#). By undermining the effectiveness of *TIER*, Alberta creates a potential basis for the federal government to determine that *TIER* is no longer a sufficient carbon pricing scheme, and then re-implement the federal backstop carbon price. After all, the Supreme Court ruled the federal carbon pricing regime is indeed constitutional (*References re Greenhouse Gas Pollution Pricing Act*, [2021 SCC 11](#)). And, of course, with carbon border adjustments on the table in both the EU and the United States, undermining an already highly subsidized carbon price for large emitters in Alberta risks repercussions beyond Canadian borders.

Since *TIER* is a regulation under the *Emissions Management and Climate Resilience Act*, the casual reader might expect that *TIER* is meant to reduce emissions and make Alberta resilient to climate change by reducing Alberta’s emissions. It seems the casual reader would be wrong. The TIER fund is being used to manage the (accurate) perception that Alberta’s emissions are contributing to climate change and start a government organized “social movement” bent on resisting action on climate change. *TIER* has transformed from an emissions management plan to a method to fund

oil and gas advertising, simply a new version of the Alberta Energy Regulator’s old “Broad Industry Initiatives” program (see the summary of Broad Industry Initiatives in *Re Alberta Energy Regulator*, [ORDER F2016-39](#)). The oil and gas industry is massive and well-connected. It can defend itself. The Alberta government should stop the embarrassing practice of pouring money into propaganda schemes to protect the oil and gas industry from public opinion and the reality of climate change and the need to reduce greenhouse gas emissions.

The *TIER*-CEC advertising scheme is also representative of a problem seen throughout modern government practices, as it reveals an obsession with perception, branding, and public opinion management at the expense of an interest in solving the problems presented by reality. Climate change is not a public relations and image-management problem to be solved by re-branding and spin; it is a [real physical problem](#) requiring real solutions.

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