

Hon. Peter Kent, P.C., MP
Minister of the Environment
10 Wellington Street
Gatineau, Québec
K1A 0H3

July 4, 2011

Minister Kent,

I am writing to bring your attention to a critical challenge to the effectiveness of the federal government's future greenhouse gas regulations for coal-fired electricity generation.

The Pembina Institute welcomed the federal commitment in principle to put an end to conventional coal-fired electricity when it was announced in June 2010 by your predecessor as Minister of the Environment.

We believe that a continued reliance on conventional coal would make achieving adequate greenhouse gas reductions in Canada virtually impossible. In addition, phasing out conventional coal will help put Canada on track to achieve the Government of Canada's 2020 greenhouse gas emission reduction target. Reducing Canada's reliance on coal would also make an important contribution to the federal government's goal of ensuring that 90 per cent of Canada's electricity is generated from non-emitting sources by 2020.

While we understand that federal regulations on coal-fired electricity generation will not come into effect until 2015, Minister Prentice made a key commitment when he announced the intention to regulate: "We will guard against any rush to build non-compliant coal plants in the interim."¹

A non-compliant coal plant would be one that falls short of the proposed federal standards, which will require either the incorporation of carbon capture and storage technology, or the attainment of a performance standard based on parity with the emissions performance of high-efficiency natural gas generation. Although your government has yet to publish the details of its regulatory proposal, those standards are clearly spelled out in Minister Prentice's June 23, 2010 speech.

Thus, we were very concerned to see the Alberta Utilities Commission's June 30, 2011 decision to approve an application to construct a non-compliant coal plant. The project proponent, Maxim Power, plans to build a 500 megawatt (MW) supercritical pulverized coal plant in the area of Grande Cache, Alberta. Such a plant could emit over three million tonnes of greenhouse gas pollution per

¹ Speaking Notes for the Honourable Jim Prentice, P.C., Q.C., M.P., Minister of the Environment, "Announcement — Canada shows leadership on climate change and the environment," Ottawa, Ontario, June 23, 2010.

year over a 45-year lifetime. The proposed plant would also discharge mercury and large volumes of the pollution responsible for smog and acid rain, affecting a large area of Alberta.

Construction would start in the summer of 2012, and Maxim plans to bring the plant online three years after construction begins —in other words, just before the proposed federal regulations would take effect.

This unfortunate decision puts the ball in the federal government's court. We urge you to use the tools at your disposal to review Maxim's application on an urgent basis, and to ensure that this non-compliant plant is not rushed into service ahead of the federal government's regulatory timeline.

In our view, failing to take this step would put credibility of the proposed federal regulations on coal-fired power in jeopardy, just as they are poised to move forward.

Thank you in advance for your prompt attention to this important matter. Please do not hesitate to contact us if we can be of any assistance in addressing this situation; in addition, we are always happy to work with you and your officials on advancing sustainable energy in Canada.

Sincerely,



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Encl.:

Pembina Institute media release concerning proposed federal regulations on coal-fired electricity generation (June 23, 2010): <http://www.pembina.org/media-release/2038>

Maxim Power Corp. announcement of regulatory approval of HR Milner Power Plant expansion project (June 30, 2011): http://cnrp.marketwire.com/client/maxim_power_corp/n/release.jsp?actionFor=1466724&releaseSeq=0&year=2011

Pembina Institute Statement of Concern and Intervener Submission concerning Maxim Power's project proposal (March 23, 2011): <http://www.pembina.org/pub/2184>