



May 8, 2007

Backgrounder

Albertans' Perceptions of Oil Sands Development: Poll

Part 1: Pace and Scale of Oil Sands Development

The Pembina Institute commissioned Probe Research Inc., a professional research and survey organization based in Winnipeg, Manitoba, to conduct a study of Alberta adults. The purpose of the study was to gauge public attitudes toward the environmental and economic impacts of oil sands development in Alberta, with a focus on the pace and scale of development as well as on oil sands royalties — two issues that are receiving increasing public attention.

Survey data were collected using a state-of-the-art Computer Assisted Telephone Interviewing (CATI) system, and data analysis was conducted using SPSS 11. Random digit dialing was also employed to ensure that all Alberta adults would have an equal opportunity to participate in the survey. The survey instrument was designed by Probe Research Inc. in close consultation with the Pembina Institute.

The study was conducted via telephone interviews between April 3 and 16, 2007 of a random and representative sampling of 500 adults from across the province of Alberta. With a sample of 500, it can be concluded with 95 per cent certainty that the results are within plus or minus 4.4 percentage points of what they would have been if all qualifying Albertans had been interviewed. The margin of error is higher for each of the survey's population subgroups.

On May 14, the Pembina Institute will release the results of Part 2 of the survey, which focuses on Albertans' opinions on economic issues concerning oil sands development, particularly the oil sands royalty regime. This backgrounder summarizes results concerning Albertans' opinions on the pace and scale of oil sands development.

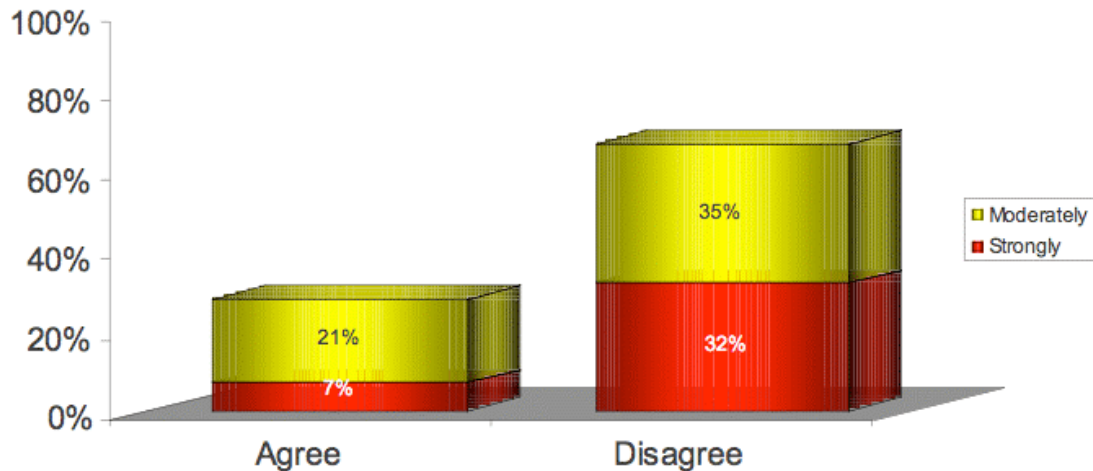
Question 1: Preferred pace of development of the oil sands

Despite the feverish rate of oil sands expansion, only 28 per cent of Albertans believe that the oil sands should be developed as fast as possible.

Probe Research Inc. Statement

The oil sands should be developed as fast as possible. (n=500)

Probe Research Inc. Results



Oil Sands Fact

In 1995, the National Oil Sands Task Force anticipated that production of oil from the oil sands would reach one million barrels a day by 2020. That level of production was achieved in 2004, 16 years ahead of schedule. Environmental rules for the oil sands, by comparison, have lagged, with the multi-stakeholder Cumulative Environmental Management Association delivering on only one-quarter of its mandate during this period of massive oil sands expansion.

Source: Dan Woynillowicz, Chris Severson-Baker and Marlo Reynolds, *Oil Sands Fever: The Environmental Implications of Canada's Oil Sands Rush* (Drayton Valley, AB: The Pembina Institute, 2005), 3.

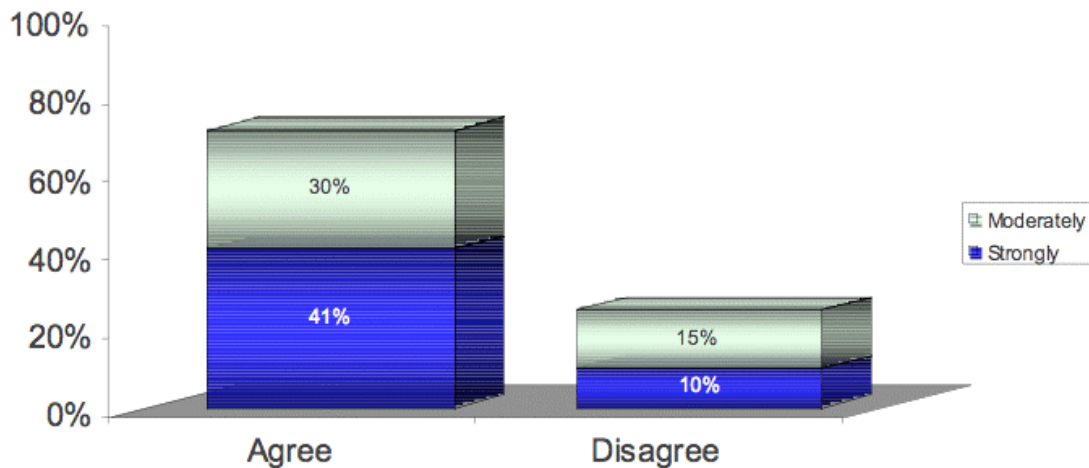
Question 2: Moratorium on oil sands approvals

Of Albertans surveyed, 71 per cent believe that the Alberta government should suspend new oil sands project approvals until environmental and infrastructure issues have been resolved.

Probe Research Inc. Statement

The Government of Alberta should suspend new oil sands approvals until infrastructure and environmental management issues are addressed in the oil sands region. (n = 500)

Probe Research Inc. Results



Oil Sands Fact

The National Energy Board (NEB) predicts oil sands production will reach three million barrels a day by 2015, while the Canadian Association of Petroleum Producers (CAPP) calculates that oil sands production could reach 3.5 million barrels a day by 2015 should all announced projects go ahead as planned. According to the NEB over 40 major oil sands projects have been announced for the period 2006–2015.

*Source: Standing Committee on Natural Resources, *The Oil Sands: Toward Sustainable Development* (Ottawa, ON: House of Commons Canada, 2007), 8.*

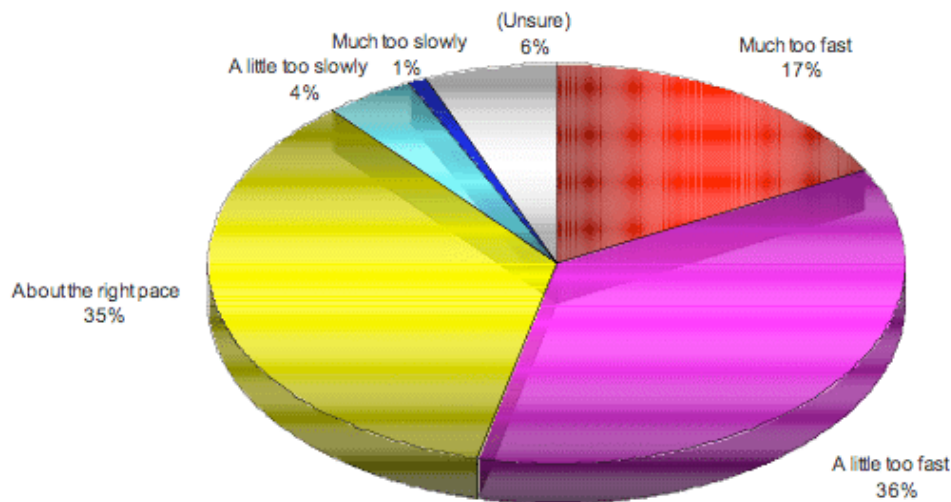
Question 3: Concerns about pace of oil sands development

Ten times more Albertans believe that oil sands development is occurring “too fast” than believe it is occurring “too slowly.” In total, 53 per cent of Albertans believe that oil sands development is occurring either “a little too fast” or “much too fast.”

Probe Research Inc. Statement

There are a whole series of social, economic and environmental costs and benefits associated with Alberta’s oil sands developments. Based on what you know about these various costs and benefits, would you say that oil sands development is occurring
(n =500)

Probe Research Inc. Results



“There’s no such thing as touching the brake. . . . The economy, growth — that will sort itself out.” *Premier-Elect Ed Stelmach*

Source: Archie MacLean, “Stelmach Won’t ‘Brake’ Oilsands Growth,” The Edmonton Journal, December 5, 2006, A1.

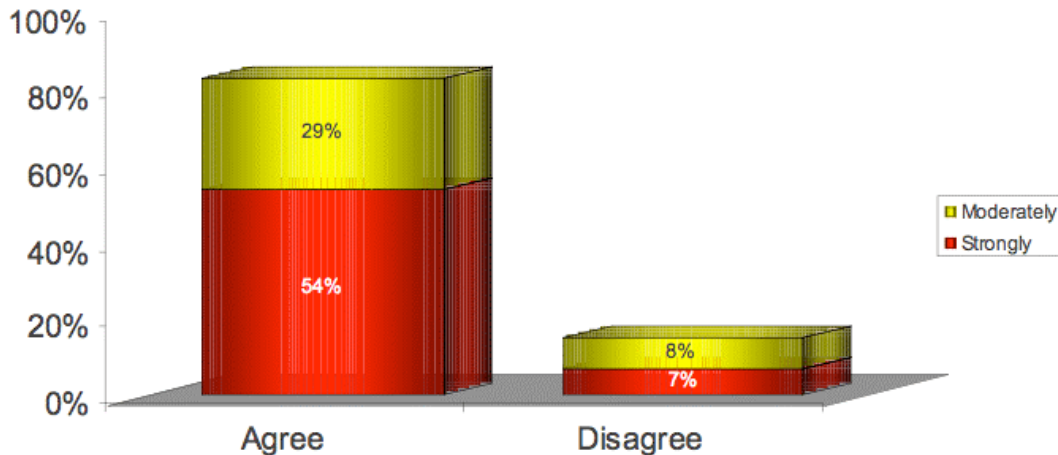
Question 4: Government investments in environmental protection in the oil sands

There is strong support (83 per cent) for increased government investments in environmental protection in the oil sands.

Probe Research Inc. Statement

I would like to see increased government investment in environmental protection in the oil sands. (n = 500)

Probe Research Inc. Results



Oil Sands Fact

Alberta's Budget 2007 did not demonstrate significant investments in environmental protection. In fact, staffing at Alberta Sustainable Resource Development and Alberta Environment will only just be restored to year 2000 levels after a period of cuts. At Alberta Environment there will be 842 full-time equivalent (FTE) positions in 2007 versus 845 in 2000. At Sustainable Resource Development there will be 2,001 FTEs in 2007 versus 1,969 seven years ago.

At the same time, however, both departments are facing rapidly growing workloads given the accelerating rate of industrial development in Alberta. For example, the number of approved oil sands projects has almost tripled since 2000 to 15, and more than a dozen additional projects are being proposed.

Source: Alberta Department of Finance, *Fiscal Plan 2001-2004*,
<http://www.finance.gov.ab.ca/publications/budget/budget2001/fiscal.html#23>

(accessed May, 2007)

Department of Finance, *Fiscal Plan 2007-2010*,
http://www.finance.gov.ab.ca/publications/budget/budget2007/fiscal_tables_charts.html#full_time_equivalent_employment (accessed May, 2007)

Question 5: Managing the pace and scale of oil sands development

Of Albertans surveyed, 74 per cent believe the Alberta Government should play an active role in managing the rate of oil sands development. Only a minority of Albertans believe that it should be up to market forces to decide how fast oil sands should be developed.

Probe Research Inc. Statement

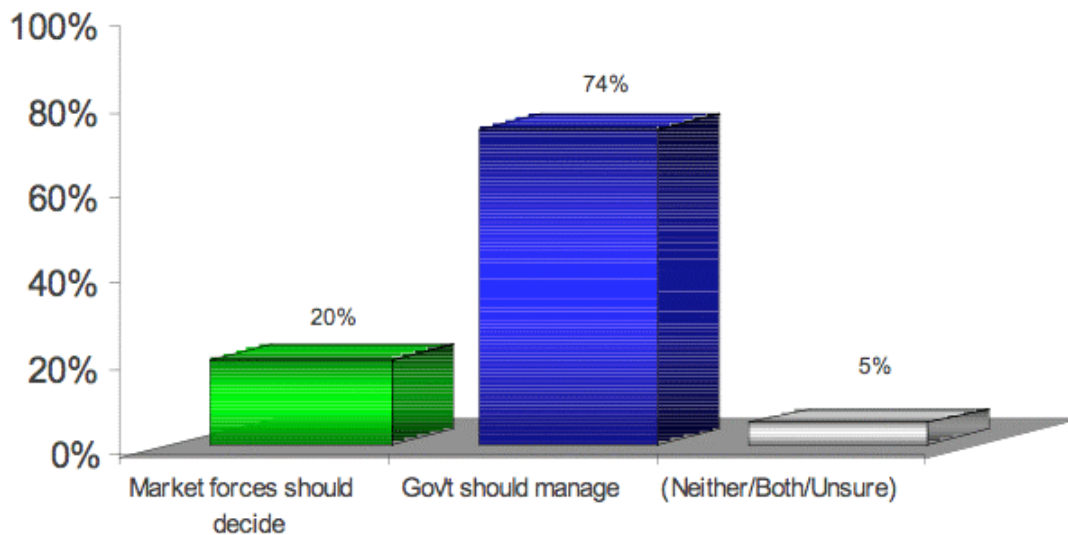
I am now going to read you two statements, and I'd like to know which one of the following statements most closely describes how you feel about the pace of oil sands development in Alberta: (n = 500) (The order in which these statements were read was rotated.)

It should be up to market forces to decide how fast oil sands should be developed.

or

The government should manage the rate of oil sands development in order to meet the best long-term interests of Albertans.

Probe Research Inc. Results



Oil Sands Fact

“As for quality of life, just ask someone from Fort McMurray, where 70 of 72 quality of life measures are “deficient,” according to the mayor and city council. Or ask someone in Calgary, where skyrocketing inflation is partly why the price tag for the city’s new south hospital jumped by \$350 million this year.”

Source: Dan Woynillowicz, “Wanted: A Balance between Oilsands Growth and Quality of Life,” opinion editorial, *Edmonton Journal*, April 3, 2007, A16.

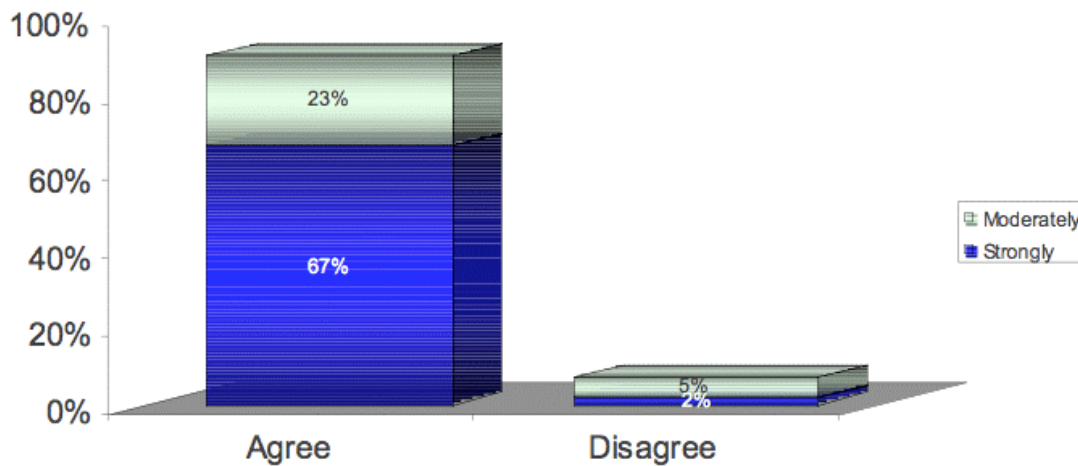
Question 6: Managing the rate of oil sands lease sales

Of Albertans surveyed, 90 per cent believe that the rate of oil sands lease sales should be managed to optimize long-term benefits for Albertans. Currently, oil sands companies request that lands be made available for oil sands development. These lands are then auctioned off by the government to the highest bidder.

Probe Research Inc. Statement

The Alberta Government should only sell oil sands leases at a rate that is in the best long-term interests of Albertans. (n=500)

Probe Research Inc. Results



Oil Sands Fact

When a decision is made to grant oil sands rights to a company, no public interest assessment is conducted. As of April 2007, rights to 54,274 square kilometres of oil sands — an area almost twice the size of Vancouver Island — have been sold for oil sands development, without consideration of the cumulative environmental and social impacts of these “land sales.”

Source: Alberta Department of Energy, *Facts on Oil Sands Tenure* (Calgary, AB: Government of Alberta Government, 2007),

http://www.energy.gov.ab.ca/docs/oilsands/pdfs/FactSheet_OilSands_Tenure.pdf (accessed May 7, 2007).

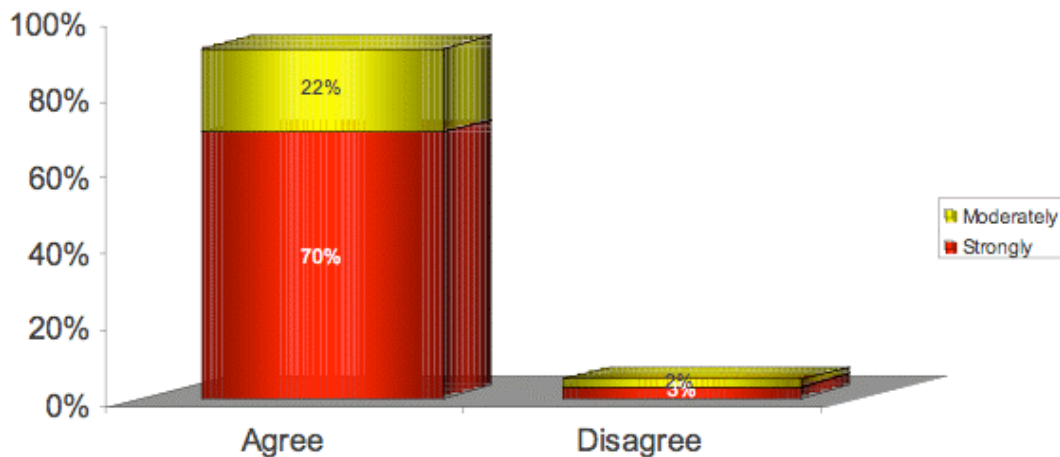
Question 7: Managing oil sands greenhouse gas emissions

Managing greenhouse gas emissions in the oil sands is a major concern of Albertans. An overwhelming majority (92%) feel that oil sands companies should be required to reduce greenhouse gas emissions in each of their plants.

Probe Research Inc. Statement

Oil sands companies should be required to reduce greenhouse gas emissions in each of their plants. (n=500)

Probe Research Inc. Results



Oil Sands Fact

The greenhouse gas emissions associated with the production of synthetic crude oil from oil sands is approximately three times higher per barrel than that associated with the production of conventional crude oil. Annual greenhouse gas emissions from oil sands plants in 2007 are expected to be 39.3–41.4 million tonnes of CO₂ equivalent. Development of the oil sands is projected to be the single largest contributor to the increase in greenhouse gas emissions in Canada in the next decade.

*Source: Matthew Bramley, Dan Woynillowicz and Derek Neabel, *The Climate Implications of Canada's Oil Sands Development: Background* (Drayton Valley, AB: The Pembina Institute, 2006), 5.*

Question 8: Absolute vs. intensity-based targets

Of Albertans surveyed, 70 per cent support targets that will result in absolute reductions in greenhouse gas emissions in the oil sands, compared to only 20% of Albertans who support an intensity-based approach.

Probe Research Inc. Statement

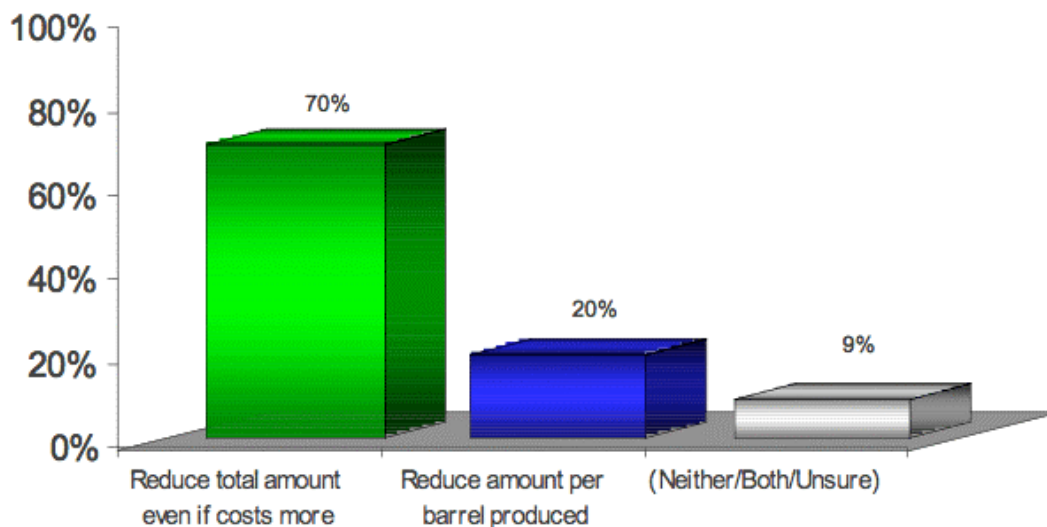
The next question compares two ways to set targets for greenhouse gas emissions in the oil sands for the next few years. Do you think that greenhouse gas reduction targets should . . . (n=500) (The order in which these statements were read was rotated.)

Seek to reduce the total amount of greenhouse gas emissions below current levels even if it costs industry more.

or

Seek to reduce the amount of greenhouse gas emissions per barrel of oil produced, even if total emissions continue to increase.

Probe Research Inc. Results



About the Pembina Institute

The Pembina Institute creates sustainable energy solutions through research, education, consulting and advocacy. It promotes environmental, social and economic sustainability in the public interest by developing practical solutions for communities, individuals, governments and businesses. The Pembina Institute provides policy research leadership and education on climate change, energy issues, green economics, energy efficiency and conservation, renewable energy and environmental governance. More information about the Pembina Institute is available at www.pembina.org or by contacting info@pembina.org.