

# Drawing a Line in the Sand: Why Canada needs to limit tar sands expansion and invest in a green economy

A KAIROS Position Paper July 2010

Development of the Alberta tar sands poses a serious ethical dilemma for Canadians. How can we create meaningful employment and meet our energy needs while at the same time respecting Indigenous rights and the Earth's natural limits?

The way, and the extent, that the tar sands are developed will affect the lives of all Canadians and greatly influence our economy, our trade and foreign policy priorities, and the legacy we leave to future generations.

KAIROS adopted the following policy positions in November 2009:

- 1) No further approvals for tar sands projects;
- 2) Support Indigenous communities' and environmental groups' longstanding calls for independent studies, funded by the Alberta and federal governments, on the cumulative impacts of the tar sands development, especially on health, water and ecosystems. These studies must involve Indigenous people and be accessible to them and the public.
- 3) The federal government must develop a clean and sustainable energy strategy, based on conservation and the development of renewable energy as well as a funded transition plan for sustainable jobs in a renewable energy sector. The principles of ecological sustainability and Indigenous Rights must be applied to the development of a renewable energy projects.

#### Introduction

This paper describes in more detail how KAIROS came to these positions and how we intend to work with others towards making them a reality. As KAIROS, we seek a positive role in the care of God's creation, right relations among peoples and economic justice – all of which raise major questions about the tar sands. Our position on the tar sands flows from our December 2007 policy paper *Re-energizing the Future: Faith and Justice in a Post-Petroleum World*. This paper calls for "a major shift toward a sustainable and just energy economy with a decrease in the human rights violations and the ecological destruction that accompany the current fossil fuel dominated energy economy."

In May 2009, KAIROS organized an ecumenical delegation to the tar sands in order to better understand the interwoven social, economic and environmental issues. The delegation consisted of 10 leaders from Canadian churches and church organizations, a hereditary Indigenous chief from British Columbia and partners from Ecuador and Nigeria. They went to northern Alberta to listen and learn from the people who live and work in the tar sands, Indigenous people who live downstream from them, church and community groups, the industry itself, unions, government, and environmental groups.

Members of the delegation were profoundly moved by what they heard from those who depend on, and are impacted by, tar sands development. This included concerns about the possible health and environmental impacts of the projects, their impact on Indigenous rights, the pace of development, and the sustainability of the industry and surrounding communities. In response, the delegation called for a new approach to Canada's tar sands, one built on "positive directions that will protect jobs, people and the earth."<sup>2</sup>

## 1. No further approvals for tar sands projects

After considering the projected carbon emissions, impacts on the land and biodiversity, and negative impacts on the rights of Indigenous peoples, KAIROS has reached the conclusion that no further tar sands projects should be approved, nor should existing projects receive approval for further expansion.

Over the past four years, a wide range of Alberta and national environmental and social justice organizations have reached a similar conclusion. They have signed on to a "No New Approvals" (NNA) campaign which asserts that no new projects should be approved or land leased for tar sands development, and that the social and environmental problems created by the tar sands must be addressed. Signatories to the campaign include Indigenous Chiefs representing Treaty Areas 6, 7, and 8 in Alberta and the Alberta Federation of Labour, among others.

Over the past decade, the pace of tar sands development has skyrocketed as the price of oil climbed and it became more difficult for Western companies to access conventional oil reserves internationally. What had been a relatively slow and orderly development pattern since the late 1960s turned into a tar sands boom. The true cost of this rapid development, including the so far externalized cost to society and the environment, is only beginning to be counted.

Although the global economic crisis of 2008-09 dampened energy demand and temporarily slowed the rate of capital investments in the tar sands, output can be expected to double, from 1.7 million to 3.3 million barrels per day, if all currently approved projects are eventually built and brought into commercial production. Halting any further tar sands approvals would prevent a quadrupling to more than seven million barrels per day.<sup>3</sup>

The tar sands are already the fastest growing source of greenhouse gas (GHG) emissions in Canada. Environment Canada reports that tar sands emissions increased by 27%, or eight megatonnes, between 2003 and 2008.<sup>4</sup> The tar sands' share of Canada's overall carbon footprint is also set to increase dramatically over the next decade. In 2006, the tar sands produced 4% of Canada's greenhouse gas (GHG) emissions (29 out of 756 megatonnes). By 2020, this is projected to grow to 12% (108 out of 937 megatonnes).<sup>5</sup>

The Intergovernmental Panel on Climate Change (IPCC) recommends that countries like Canada must reduce GHG emissions at least 25% below 1990 levels by 2020 to avert the worst impacts of climate change. In 2008, Canada's emissions stood 24% *above* 1990 levels, due in part to the growth of the tar sands.<sup>6</sup>

The federal government sees carbon capture and storage (CCS) as a major part of Canada's efforts to reduce GHG emissions. CCS is a technology for trapping carbon dioxide emissions and storing them underground before they escape into the atmosphere. However, CCS is costly and unproven at the scale and scope required in the tar sands. The federal and Alberta governments have given the oil industry billions of dollars to research and pilot the potential of CCS at the expense of funding more immediate, lower-cost climate change solutions. Despite these major subsidies to fossil fuel producers, CCS technology is probably decades away from being implemented in any significant way in the tar sands.<sup>7</sup>

Nor will CCS be an answer to the need for Canadians to wean us off fossil fuels. CCS does not deal with the carbon emissions associated with cars, trucks and airplanes that burn gasoline and jet fuel produced from the bitumen extracted from the tar sands. 70-80% of the carbon emissions associated with fossil fuels come not from the production side but from their consumption (i.e. combustion). We must therefore decrease our consumption of petroleum products across the whole economy. Achieving this objective is hindered when a vast expansion of the tar sands is seen as critical to that economy's future.

KAIROS believes that Canada cannot reduce its GHG emissions under the current pace of tar sands development. The No New Approvals position represents a small yet significant step that would at least begin to put Canada on the path towards being able to achieve a substantial reduction in GHG emissions.

There are differing opinions in Indigenous communities about the tar sands, but in the three communities with whom the KAIROS delegation engaged (Fort McMurray First Nation, Fort McKay, Fort Chipewyan), there were serious questions raised about the violation of Indigenous rights, the impact of the projects on traditional territories and the approvals process.

KAIROS believes that all tar sands projects must recognize and respect Aboriginal land, treaty and inherent rights. In 2008, the Athabasca Chipewyan First Nation launched a legal challenge calling for a judicial review of the Alberta government's leasing and permit approval process. The federal and Alberta governments should undertake judicial reviews

to assess whether and to what extent Aboriginal rights have been respected and upheld in their granting of leases and permits for tar sands development. In the interim, companies that have received regulatory approval but not entered the construction phase should put their projects on hold until such reviews are completed and any required corrective action has been taken.

# 2. Independent studies of the cumulative impacts of tar sands developments on human health, water and ecosystems

A key message that the KAIROS delegation heard from the meetings with Indigenous communities was that ecological damage is occurring on a large scale and its full impacts are not completely known. Land reclamation lags far behind stripping and mining of the boreal forest. The community of Fort Chipewyan spoke of its experience with higher than normal death rates from cancer. It is asking for independent studies to see if there is a direct connection between the cancer rates and pollution from the tar sands.

KAIROS has a long history of working for the protection of fresh water resources and equitable access to water by communities that depend on such resources for sustenance and livelihood. There are serious, unresolved questions about the threats that the tar sands pose to the integrity and health of the complex Athabasca River system.

An increasing number of groups in Alberta, across Canada, and around the world are calling for cumulative effects studies. A 2007 study by the Pembina Institute found that 71% of Albertans believe that there should be no new approvals in the tar sands until the environmental questions raised by current activities are settled.

The federal and Alberta governments must commission and fund independent studies on the cumulative impacts of tar sands development, especially on human health, water and ecosystems. These studies must involve Indigenous people and be accessible to them and the public.

### 3. A clean and sustainable energy economy for Canada

In addition to halting approvals and addressing the immense ecological damage that has already been done, the federal government must develop a clean and sustainable energy strategy, prioritizing energy conservation and the development of sustainable, renewable energy as well as a funded transition plan for workers to find new jobs in renewable energy sectors. The strategy must establish targets and timelines for such a shift and offer incentives to consumers and industry to facilitate the transition.

Some of the key elements of such a transition are being developed by a new national network, the Green Economy Network, comprising environmental, labour, anti-poverty and faith groups.<sup>8</sup> The vision being developed includes some of the following concrete proposals:

- **A green economy vision:** building an economy that provides good green jobs for all in a way that responds adequately to the environmental, energy and equity challenges of our times;
- Clean renewable energy use: facilitating the transition from a fossil fuel dependent economy to one that is increasingly powered by clean and renewable sources of energy;
- **Energy conservation and efficiency:** implementing a national action plan for the retrofitting of buildings across the country residential, industrial, commercial, and office buildings to become more energy efficient, conserve energy resources and establish new green and urban building designs;
- **Just transition strategies:** transferring and training workers in industries undergoing major changes to new or green industries;
- **Carbon emission reduction targets:** setting medium and long-term targets for absolute reductions in greenhouse gas emissions.

Given the serious ecological and Indigenous rights concerns that are being raised globally and in Canada in relation to the development of some large-scale renewable energy projects, KAIROS adds to this vision an emphasis on environmental assessment and respect for Indigenous rights in the development of renewable energy projects. Canada must not repeat the errors of the past but must ensure that renewable energy is developed in a sustainable manner and with full respect for Indigenous rights.

<sup>&</sup>lt;sup>8</sup> The Green Economy Network launched its website on April 22, 2010. http://www.greeneconomynet.ca/



KAIROS unites 11 churches and church-related organizations in faithful action for justice and peace.

KAIROS: Canadian Ecumenical Justice Initiatives 310 Dupont St, Suite 200, Toronto ON M5R 1V9 1-877-403-8933 www.kairoscanada.org

<sup>&</sup>lt;sup>1</sup> Re-energizing the Future: Faith and Justice in a Post-Petroleum World, KAIROS, December 2007.

<sup>&</sup>lt;sup>2</sup> Concluding Statement from the KAIROS Delegation to the Athabasca Tar Sands. KAIROS, June 2009.

Existing and Proposed Canadian Commercial Oil Sands Projects. Strategy West Inc., February 2009, p.1.

<sup>&</sup>lt;sup>4</sup> Canada's 2008 Greenhouse Gas Inventory: A Summary of Trends, 2010. Environment Canada, p. 2.

Turning the Corner: Detailed Emissions and Economic Modelling. Environment Canada, 2008.

<sup>&</sup>lt;sup>6</sup> Environment Canada, 2010. p.1.

<sup>&</sup>lt;sup>7</sup> The Costs and Risks of Carbon Capture and Storage, KAIROS, November 2009.