



Canadian
Petroleum
Products
Institute

Institut
canadien
des produits
pétroliers

National Environment Committee Discussion with AB Environment

Stephanie Clarke
Bill Calder

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Who is the CPPI?

- The Canadian Petroleum Products Institute (CPPI) is an industry association representing Petroleum Refiners and Marketers in Canada.
- CPPI member companies operate over 80% of Canadian domestic refining capacity and supply in excess of 80% of fuel sold in Canada.
- CPPI western Refinery members are Chevron, Husky, Esso, Suncor, and Shell. The majority of Distribution and Marketing facilities are operated by CPPI member companies.
- CPPI represents the views of its membership on a number of environmental, economic, health, and safety issues.

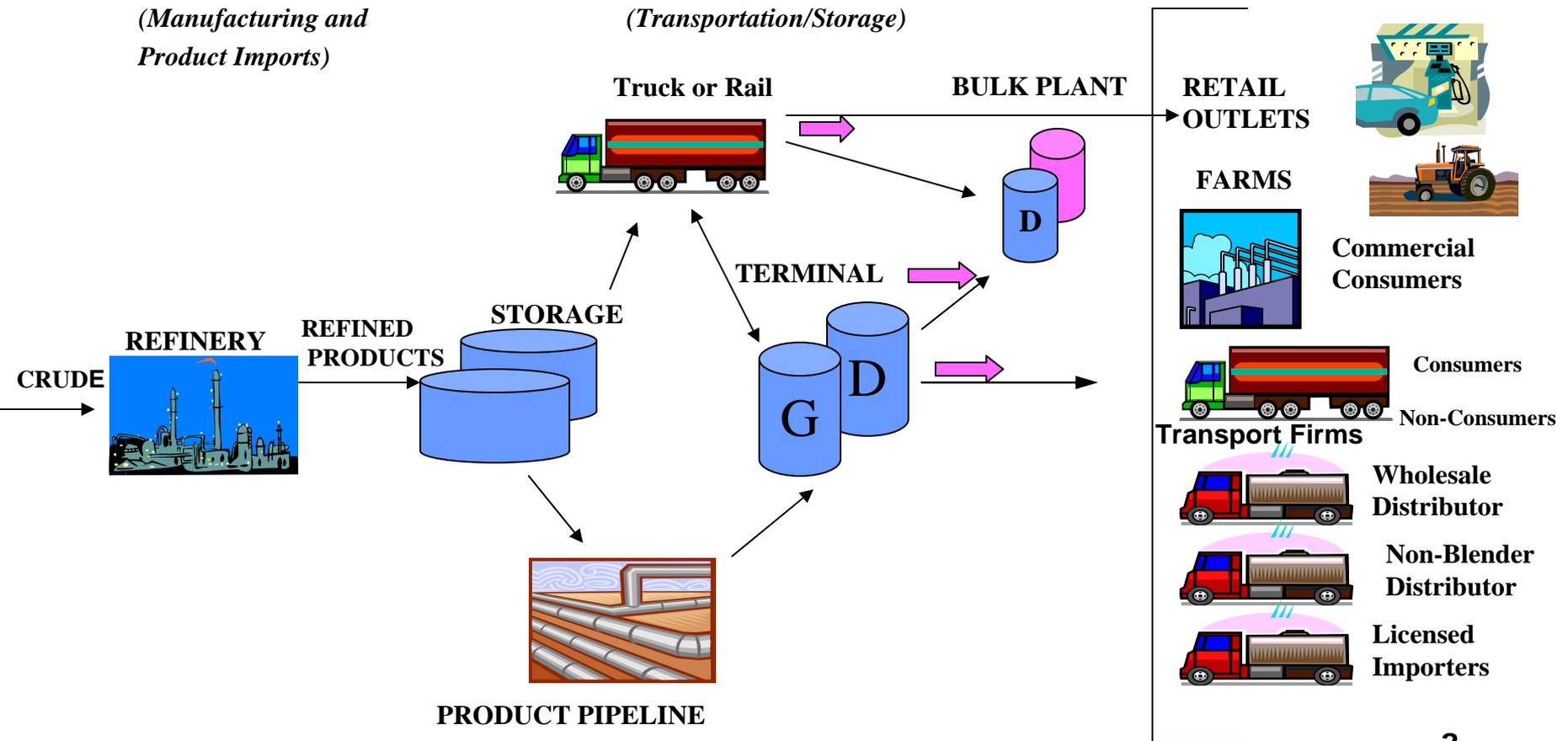


Downstream Petroleum Industry

*Refining
(Manufacturing and
Product Imports)*

*Distribution
(Transportation/Storage)*

Marketing



Perspective of Alberta Approach

- **Land-Use Framework**
 - Purpose: *to manage growth, not stop it, and to sustain our growing economy, but balance this with Albertans' social and environmental goals*¹
- **LUF Strategy 3:** *Cumulative effects management will be used at the regional level to manage the impacts of development on land, water and air*²
 - *The environmental objectives are established based on our understanding of environmental risks and socio-economic values.*⁶
 - *The Government of Alberta will develop a process to identify appropriate thresholds, measurable management objectives, indicators and targets for the environment (air, land, water and biodiversity), at the regional levels and, where appropriate, at local levels.*⁶
- **LUF Strategy 6:** *Establish an information, monitoring and knowledge system to contribute to continuous improvement of land-use planning and decision-making*⁴
 - *The Government of Alberta will facilitate the establishment of a network connecting researchers, practitioners, institutions and programs to address strategic needs and priorities for the Land-use-Framework.*⁷
- **Alberta co-chairs the Comprehensive Air Management System (CAMS) Steering Committee**
 - Base Level Industry Emission Reductions (BLIER)
 - Air zone management
 - *Place-based air quality management.*
 - *Solutions for air zone issues must be suited to specific circumstances in specific geographic area.*

1. Land-Use Framework, Alberta, December, 2008; page 2

6. Land-Use Framework, Alberta, December, 2008; page 31

2. Land-Use Framework, Alberta, December, 2008; page 3

7. Land-Use Framework, Alberta, December, 2008; page 20



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Photochemical Modeling

- CPPI supports networks connecting researchers and practitioners to ensure well informed decisions.
- An industry coalition has been working with AEnv to cooperate on the science of photochemical modeling in Alberta, however, information hasn't been shared and the coalition hasn't heard from AEnv recently.
- What are Alberta's plans regarding the collaborative approach to photochemical modeling?



CCME's NFPRER

- CCME's National Framework for Petroleum Refinery Emission Reductions (NFPRER - 2005) is the result of a unique multi-stakeholder approach, co-chaired by Alberta, to help jurisdictions establish regulated facility-wide emissions caps.
- Goals:
 - Protection of human health and the environment.
 - Achievement of real, quantifiable, verifiable emission reductions that will contribute to improved air quality, both locally and regionally.
 - Core of approach is to achieve similar performance to US, but with greater flexibility on how to achieve those levels thus preserving competitiveness.
- Alberta refinery operating approvals refer to the NFPRER.
- CPPI believes that the NFPRER, properly maintained, provides an efficient and effective tool to set refinery emission requirements consistent with Alberta's Land-Use Framework.
- How does Alberta view the NFPRER as a primary tool for setting refinery air emission limits, and its use in the CE approach?

CASA Turbine NOx

- **CPPI supports the Electricity Framework objectives of emission performance improvement strategies that:**
 - Protect the environment
 - Optimize economic performance and efficiency, and
 - Seek continuous improvement
- **CPPI believes that Proposal B best achieves these objectives; meets BATEA**
 - Proven technology
 - 34 % more stringent than current
 - additional control if an adverse effect is anticipated
 - \$60/t NOx removed; \$6,300/t incremental NOx removed by Proposal A
 - Proposal A introduces significant new risk
- **CPPI is concerned with “end-of-life” as a means of continuous improvement**
 - Driving emission reductions based simply on equipment age does not fit the LUF approach of emission reductions where and when required
 - Industry may have more cost-effective options available to obtain a similar emission reduction
 - The “end-of-life” approach stems from EUB concern for “grandfathering”. Alberta reviews refinery approvals on a ten year cycle, imposing new requirements based on airshed needs or technology developments.
- **How does Alberta view industry’s proposals to meet technology standards with good (BATEA), not necessarily best performance?**