In the Corporate Interest: Fossil Fuel Industry Input into Alberta and British Columbia’s Climate Leadership Plans

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ABSTRACT
Background This article examines the narrative strategies used by fossil fuel industries in responding to and shaping Alberta and BC’s climate leadership plans.

Analysis This article makes inferences about fossil fuel industry influence by examining submissions of industry players to both regions’ public consultation processes.

Conclusions and implications Key themes include: a need to take a leadership stance, a balance between environmental protection and economic growth, an appeal to protect industry competitiveness, and an emphasis on demand-side policies. These themes align with a policy discourse of weak ecological modernization and are central to advisory panel recommendations and subsequent subnational climate policies that facilitate market expansion and increased oil and gas production at a time when strong greenhouse gas (GHG) mitigation efforts are urgently required.

Keywords Policy analysis; Climate change; Ecological modernization; Subnational; Fossil fuel industry

RÉSUMÉ
Contexte Cet article examine les stratégies narratives utilisées par l’industrie des combustibles fossiles pour répondre aux projets de leadership climatique en Alberta et en Colombie-Britannique et pour influencer ceux-ci.

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Analyse Cet article tire des conclusions sur l'influence de l'industrie des combustibles fossiles en examinant les soumissions de représentants de cette industrie lors de consultations publiques effectuées dans les deux provinces.

Conclusions et implications Parmi les thèmes clés de l'article, il y a : le besoin d'assumer une position de leadership, l'équilibre à atteindre entre la protection de l'environnement et la croissance économique, les demandes par l'industrie d'être protégé contre la concurrence, et le désir d'avoir des politiques axées sur la demande. Ces thèmes correspondent à un discours politique prônant une modernisation écologique faible. D'autre part, ces thèmes orientent les recommandations de panels consultatifs ainsi que les politiques infranationales sur le climat découlant de celles-ci. Ces politiques, quant à elles, favorisent la croissance des marchés et une production pétrolière et gazière accrue dans un contexte où il y a un besoin urgent de réduire les gaz à effet de serre.

Mots clés Analyse des politiques; Changement climatique; Modernisation écologique; Infranational; Industrie des combustibles fossiles

Introduction
In 2015, Alberta and British Columbia announced their renewed climate plans. In both regions, the policy process looked remarkably similar: ministerial departments tasked with developing subnational climate policy carried out consultation processes where stakeholders from diverse sectors were invited to voice their recommendations on various policy options including carbon pricing, regulations, and incentives. With a vested interest in the outcomes of climate policy, the fossil fuel industry has claimed its position as an active participant in shaping these consultation processes.

This article investigates the narrative strategies used by fossil fuel industries in their submissions to provincial climate planning initiatives. Three questions guide this analysis: What key themes emerged across these submissions? How do these themes compare with advisory panel recommendations and subsequent government commitments? Whose interests do these themes and policy narratives serve?

The analysis shows that the fossil fuel industry articulates its climate policy recommendations through the following themes: leadership, balance, competitiveness, and the regulation of demand. These themes align with advisory panel recommendations and the language of climate plans ultimately adopted in Alberta and BC, suggesting that the interests of the fossil fuel industry are central to the framing of subnational climate policy. Theories of ecological modernization (EM) are drawn on to explain these findings. EM is an established environmental policy narrative that promotes the idea that environmental protection can be achieved through incremental reforms in markets, technology, and democratic practices. Proponents of EM believe there is no conflict between greenhouse gas (GHG) mitigation and economic growth, provided that the right technologies, markets, and participatory mechanisms are deployed. Through a policy discourse that resembles weak forms of EM, the oil and gas industry plays an active role in shaping the language and parameters of subnational climate policy in ways that suit its interests and impedes strong policy efforts to reduce GHG emissions.

The remainder of this article is organized into three sections. The first provides an overview of fossil fuel industry responses to climate policy, situating these responses in the context of ecological modernization theory. The second section outlines data
collection and analysis. In line with interpretive approaches to policy analysis, the analysis examines the climate policy context in both regions by consulting relevant academic, nongovernmental organization (NGO), government, and media documents, and then retrieving, coding, and analyzing relevant submissions to provincial climate leadership panels. The conclusion discusses the implications of the findings for provincial climate policy commitments in regions that derive significant economic and political advantage from fossil fuels.

**Fossil fuel industry responses to climate change policy: From denial to action**

Since the global response to climate change began mobilizing in the late 1980s, the fossil fuel industry has played a considerable role in shaping climate and energy policy at international, national, and sub-national scales (for an overview, see Climate Nexus, n.d.; Kolk & Levy, 2001; Macdonald, 2007; Oreskes & Conway, 2010; Supran & Oreskes, 2017; van den Hove, Menestrel, & de Bettignies, 2002). In broad strokes, this literature identifies three general strategies used by fossil fuel corporations in response to climate change: deny or suppress the magnitude of the climate problem; position those who are concerned about climate change as threats to economic development; and acknowledge that the problem exists while proactively shaping policy responses.

Until the early 2000s, many fossil fuel industry actors perceived climate change regulation as a threat to corporate profit and used denial and obfuscation as delaying tactics (Oreskes & Conway, 2010; Supran & Oreskes, 2017; van den Hove et al., 2002). A core strategy of ExxonMobil’s external communication efforts, for instance, has been to raise public doubts about climate science to forestall policy action on climate change. While the company contributed to the advancement of climate science through internal research and peer reviewed publications, in its more publicly facing materials such as advertorials in the *New York Times*, it promoted uncertainty about the scientific consensus and severity of climate change (Supran & Oreskes, 2017). Although ExxonMobil committed to removing funding for groups that deny climate change or block policy action, an investigation by The Guardian and Oil Change International found that the company continues to finance climate denier groups and lobby efforts to halt climate regulations (Goldenberg, 2015).

An alternative industry response involves taking a proactive stance on climate action. For example, BP was the first fossil fuel corporation to publically acknowledge the need for climate change mitigation and to develop strategies for GHG emissions reductions in response (van den Hove et al., 2002). Anticipating a stringent regulatory environment, BP recognized that fossil fuel products can easily lose profitability, stating that “if the world is carbon constrained, then carbon is a cost and it is good business practice to take costs seriously” (van den Hove et al., 2002, p. 13). In subsequent years, other fossil fuel companies openly advocated for GHG emissions strategies, forming associations to implement and promote voluntary mitigation measures (Hoffman, 2002). To list just a few examples, in the wake of President Bush’s withdrawal from the Kyoto Protocol, Environmental Defense joined with several multinational oil companies to establish a Partnership for Climate Action program to champion cap and trade mechanisms, set internal emissions targets, and measure and publicly report
GHG emissions (Environmental Defense, 2000). Other voluntary corporate emissions reduction programs include US EPA Climate Leaders program, the US Department of Energy Climate Vision program, the Pew Center Business Environmental Leadership Council, and the Carbon Disclosure Project (see Hoffman, 2006 for an overview). Since then, industry associations have increasingly promoted carbon pricing as a way forward, and most major fossil fuel companies incorporate a hypothetical price on carbon (a shadow price) into risk analysis assessments to evaluate the costs of future projects (Carbon Disclosure Project, 2016; Climate Nexus, n.d). In 2017, several multinational oil companies, including ExxonMobil, Shell, BP, and Total, joined with high-profile environmental organizations and intellectuals to launch the Climate Leadership Council, the central focus of which is to promote the adoption of a carbon tax framework by national governments in the United States and elsewhere (Climate Leadership Council, 2017).

These proactive industry strategies did not develop in a vacuum; rather, they align with an existing and influential theory of ecological modernization (EM) that emerged in Western Europe in the 1970s and later spread to other regions. Ecological modernization signals a notable shift away from top-down state-led regulatory efforts to curb environmental degradation toward a more active role for civil society actors and industry in shaping environmental policy at national, subnational, and supranational levels (Mol, 2002). Unlike environmental policy narratives calling for radical transformations to existing political economic systems, EM proposes gradual and incremental reforms of political and economic institutions along ecological lines (Hajer, 1995; Schlosberg & Rinfret, 2008). Guided primarily by values of economic efficiency and technological innovation, EM operates under the conceit that “improving the environmental bottom line improves the economic bottom line” (Schlosberg & Rinfret, 2008, p. 256). For many government and corporate interests, EM provides an attractive option because it suggests that environmental protection can be achieved even while economic growth remains the driving focus, with little to no need for dramatic economic or political change.

Positions on EM are not monolithic and encompass diverse approaches with various proposals for institutional change that range from weakly technocratic and narrowly defined avenues that focus primarily on market-based solutions and technological efficiency to stronger positions that are socially innovative and institutionally transformative (Christoff, 1996). Weak versions of EM maintain political legitimacy and market competitiveness with very little change to political economic structures or to ecological outcomes. By contrast, strong versions of EM provide substantive institutional and economic transformation through participatory decision-making, transparent and accountable governance, and precautionary approaches to public policy. Weak versions of EM can easily use the terminology of strong approaches without delivering on the promise of transforming existing industrial practices and ensuring environmental protection.

In terms of climate policy, EM approaches align GHG mitigation with imperatives for economic growth by presenting technological efficiencies and market mechanisms as viable solutions to the climate crisis (Newell & Paterson, 2010). Advocates of EM
suggest that climate change is an opportunity to improve the efficacy of existing mar-
kets and the efficiency of industrial production. In contrast with policy narratives seek-
ing to strictly regulate and even curtail fossil fuel production, EM is presented as the
most effective way to mobilize a powerful network of diverse stakeholders through its
ability to overcome ideological polarization, enabling industry to take an accommo-
dating rather than antagonistic position in climate change discussions. Those who see
cclimate change as a crisis that can and should catalyze a profound political and eco-

gonomic reorientation challenge EM’s viability on several grounds: it reinforces rather
than challenges the status quo, ignores questions surrounding the sustainability of
continued economic growth and industry production, and displaces discussions about
justice and equity (Hayden, 2014; Methmann, 2010; Schlosberg & Rinfet, 2008). Under
an EM framework, government and industry can claim to take policy action on climate
change while doing very little to substantively change business as usual practices.

**Provincial policy context and industry submissions**

This analysis of industry input into subnational climate policy begins from the assump-
tion that power is enacted and policies are legitimized through discourse, the ideas
and concepts “through which meaning is given to physical and social reality” (Hajer,
1995, p. 44; see also Yanow, 1999). Policy discourses produce a relatively ordered ap-
proach to public problems and enable diverse groups to make sense of and act on
complex phenomena. Interpretive policy analysis is an iterative process that situates
policy narratives in relevant social and historical contexts. Attributing direct influence
by industry actors in policy development is difficult as the mediation of political inter-
ests typically takes place outside of public view (Howlett, Ramesh, & Perl, 2009). One
way in which industry actors can exert power over policy processes is through strate-
gically framing issues by highlighting some avenues for change while diverting atten-
tion from others. In line with interpretive policy analysis, this analysis proceeds in two
stages: first, by establishing the climate policy context in both regions and second, by
examining publicly available submissions to provincial climate leadership panels.

**Climate policy context in Western Canada**

In Canada, provinces have a great deal of legislative power over natural resources, en-
ergy, and environmental issues (Field & Olewiler, 2015). A range of actors within and
beyond the state inform the development of climate policy at a provincial level. With
respect to climate change, developments at national and international scales also play
an important role in shaping regional policy narratives. Although the Canadian gov-
ernment put in place GHG emissions targets in the early 1990s as a signatory to the
United Nations Framework Convention on Climate Change, federal policy efforts thus
far have been ineffective at reaching even modest GHG reduction goals (Jaccard, 2015).
In the absence of a strong federal regulatory framework and due to long-standing re-
gional concerns about federal regulatory intervention, provincial governments have
filled the policy void and contributed to a fragmented and dispersed policy landscape
(Page, 2010). Although variation existed between Alberta and BC in their initial im-
plementation of climate policy, in recent years their respective climate policy narratives
and processes have converged, as will be discussed in more detail.
Compared to other regions of Canada, Alberta bears disproportionate responsibility for the country’s GHG emissions (Environment and Climate Change Canada, 2017). According to Canada’s National Greenhouse Gas Inventory, Alberta’s emissions are four times greater than BC’s; from 2005 until 2015, Alberta’s GHG emissions increased by 20 percent due primarily to the expansion of oil and gas operations (Environment and Climate Change Canada, 2015). Due to its comparative economic advantage and its contributions to provincial revenues, the oil and gas sector and particularly the oil sands industry has a high degree of influence over provincial energy and environmental policy (Hoberg & Phillips, 2011; Stewart, 2017; Taft, 2017).

Prior to 2015, the Government of Alberta implemented two climate policy frameworks: Albertans & Climate Change: A Strategy for Managing Environmental & Economic Risks (2002), and Alberta’s Climate Change Strategy (2008) (Government of Alberta, 2002; Government of Alberta, 2008). The regulatory framework for these policies includes the Climate Change and Emissions Management Act (CCEMA) and the Specified Gas Emitters Regulation (SGER) (Fluker, 2013; Leach, 2012). The SGER positioned the province as an early adopter of climate policy, making Alberta one of the first jurisdictions in Canada to put an explicit price on carbon that extends beyond the implementation of a fuel tax. The regulation applies to large emitting facilities (those that emit over 100,000 tonnes of CO2 per year) and is based on emissions intensity, a ratio of GHG emissions to units of production rather than a measure of absolute emissions (Leach, 2012; Rivers & Jaccard, 2010). The SGER has numerous mechanisms that allow large emitters to comply with the regulation without necessarily changing production practices or emissions output, such as purchasing offset credits for emissions reduced elsewhere, improving operational efficiencies, or contributing to the Climate Change and Emissions Management Fund at a cost of $15 per tonne of GHG emissions. The SGER was introduced without public consultation and has been widely criticized because its intensity-based approach and numerous compliance mechanisms enable continued growth of fossil fuel production and increased GHG emissions (e.g., Bramley, Huot, Dyer, & Horne, 2011; Dunn, 2008; Read, 2014; see Leach, 2012 for a more sympathetic interpretation). In response to criticism of its previous climate policy framework, the Stelmach government unveiled in 2008 a new strategy that included energy efficiency measures and carbon capture and storage (McClearn, 2012). These climate policy frameworks have failed to live up to their promise to provide substantial GHG emissions reductions, leading many to conclude that the province’s regulatory efforts were largely symbolic and not a substantive means to curtail industry emissions (Wilt, 2016).

Alberta’s approach to climate change underwent a marked shift with the election of the centre-left NDP in May 2015. Ending four decades of Conservative party rule, the NDP, under the leadership of Rachel Notley, promised to rebrand the province’s reputation on the international stage to that of a leader in decisive climate action and responsible energy production. One of the government’s first measures was to strengthen the existing SGER legislation, moving the emissions intensity targets from 12 percent to 20 percent reductions from baseline levels, and increasing the costs of
the technology fund from $15 to $20 (Leach, 2015). An advisory panel led by energy economist Andrew Leach was also appointed to consult stakeholders and create recommendations for moving forward. From August to October 2015, the advisory panel solicited feedback from industry stakeholders, environmental groups, Indigenous communities, and interested citizens through open houses, facilitated consultation sessions, and online submissions. The panel also created a discussion document to frame and inform public input (Alberta Minister of Environment and Parks, 2015). In its final report, the advisory panel recommended that the government implement the following: a broad-based tax on carbon that covers 90 percent of provincial emissions; consumer rebates to cover the cost of the carbon tax for vulnerable individuals, families, and businesses; mechanisms to protect the competitiveness of trade-exposed industries and reward the most efficient producers; and policy alignment with other jurisdictions to avoid wealth transfer outside of the province (Leach, Adams, Cairns, Coady, & Lambert, 2015). Immediately following the release of the panel’s report and a mere six months after taking office, the NDP announced its Climate Leadership Plan and followed all the panel’s recommendations. In addition, the government announced a hard cap of 100 megatonnes on emissions from the oil sands. When the plan was unveiled, the premier and the minister of environment and parks were accompanied by representatives of major oil companies, including Canadian Natural Resources Limited (CNRL), Suncor, Cenovus, and Shell Canada, along with representatives from several environmental organizations and the Grand Chief of Treaty Six. This distinctive showing of support from industry, environmental groups, and First Nations communities garnered considerable public approval for the plan (Dinshaw, 2015).

**BRITISH COLUMBIA**

Until 2008, BC had no climate framework or significant measures aimed at reducing GHG emissions. Under then-premier Gordon Campbell, BC began rolling out a substantial climate policy platform with its Greenhouse Gas Reduction Targets Act (2008). This act established legislated GHG reduction targets through 2050 and laid the foundation for BC’s subsequent Climate Action Plan (2008). Central to BC’s flagship climate policy was a revenue-neutral carbon tax starting at $10 per tonne of CO2 in 2008 and increasing to $30 in 2012 (Harper, Wong, Drost, Crossman, Taylor, Baker, Chernawsky, & Nolin, 2016). The plan also included provisions for a mandated percentage of biofuels in gasoline, energy efficiency retrofits, municipal climate action, and research collaborations between academia, government, and industry. Critics argued that BC’s climate action framework had numerous shortcomings noting, for example, that the revenue-neutral tax model adopted by the province meant its revenues were completely offset by personal and corporate income tax cuts (Lee & Sanger, 2008). As a result, carbon tax revenues could not be invested into related green initiatives, such as expanded transit or transition plans for rural regions. In turn, those with the largest GHG emissions, including corporations and upper-income earners, were net beneficiaries of the tax changes. Although the government claimed that it met its interim GHG reduction target by 2012, this claim was disputed on the grounds that targets were achieved through the purchase of offsets and did not represent actual reductions in emissions (Lee, 2017).
In 2011, Christy Clark replaced Campbell as leader of the Liberal party and reversed direction. Within the year, her government promised to develop a liquefied natural gas industry (LNG) to process and export natural gas from the northeast extraction region (British Columbia Government, 2011). Clark froze the carbon tax at $30, claiming that it negatively impacted BC businesses and taxpayers. In 2014, BC’s environment minister introduced the Greenhouse Gas Industrial Reporting and Control Act (GGIRCA) to manage emissions from large industrial emitters, including the province’s yet-to-materialize LNG industry. Similar to Alberta’s CCEMA, the GGIRCA implemented an intensity-based limit on industrial GHG emissions with compliance mechanisms to help industry meet emissions targets (Cassidy & Lee-Anderson, 2014; Harper et al., 2016). For instance, under the GGIRCA coal-fired and LNG plants can avoid carbon costs by retrofitting their facilities for energy efficiency, purchasing emission offsets from the government-managed Carbon Registry, or contributing to a technology fund (British Columbia Government, 2016). As some commentators have observed, the GGIRCA signals an alignment of Alberta and BC’s approaches to emissions management, in part as an effort to garner stakeholder support for the development of large emissions projects such as oil sands and LNG (Saric & Carson, 2014).

In 2016, the BC government appointed a Climate Leadership Team (CLT) advisory panel to inform the development of its renewed climate policy platform. Although the panel was tasked with providing recommendations on how the province could meet its climate targets, members were bound by the province’s “Cornerstone Objectives,” which required that all recommendations accommodate BC’s LNG strategy and Jobs Plan (Brown, 2016). BC’s subsequent climate plan, released nine months later, ignored nearly all the panel’s recommendations. Most notably, it rejected any further increases to the carbon tax, abandoned the province’s legislated GHG reduction targets, and announced new subsidies for natural gas production.

Industry submissions to Climate Leadership Plans
The public engagement process initiated by Alberta and BC governments provides an online repository of industry and citizen submissions. Of the total submissions (Alberta = 535; BC = 340), those that met the following criteria were selected: corporations involved in the extraction, production, and transportation of oil and gas (including those with pending infrastructure projects, such as proponents of Liquified Natural Gas terminals in BC); fossil fuel-related industry associations and corporate interest groups whose membership includes the fossil fuel sector; and corporations and associations related to GHG-intensive industries outside the direct fossil fuel sector, such as the cement industry. Based on these criteria, 37 submissions from Alberta and 16 from BC were selected for coding. Codes were developed in an iterative fashion by examining submissions repeatedly for key themes until saturation was reached and no new themes emerged. Two of the authors reviewed and coded the online documents. The first stage of coding utilized a pre-established category of acceptance or rejection of climate change. From this initial scan, a preliminary coding document was constructed. To ensure reliability and agreement between coders and to address ambiguities, submissions were re-examined and codes refined by all team members and results were discussed at numerous stages throughout the research process.
Consistent with ecological modernization perspectives, all industry submissions implicitly or explicitly acknowledge the reality of climate change, the legitimacy of climate science, and the willingness to support climate policy action. Across the submissions, four dominant themes emerged: leadership, balance, competitiveness, and demand-side management. These are discussed in turn.

LEADERSHIP

Industry submissions to both provinces encouraged their respective provincial governments to position climate policies as examples of leadership on the issue. This theme was found to have relevance in the context of Alberta, which has long been considered a climate laggard. The following quotes are illustrative of this sentiment:

- Alberta could arrive at the United Nations Framework Convention of Climate Change (UNFCCC) 21st Conference of Parties (COP 21) in Paris late this fall as the only major oil producing jurisdiction in the world to announce an economy-wide price on carbon. No longer a policy laggard, Alberta would be on the global leading edge of climate change policy. (Canadians for Clean Prosperity, AB, #342)

- Continued or enhanced climate leadership provides an opportunity for Alberta to improve market access for Alberta energy while maintaining a competitive advantage amongst energy producing regions. (Canadian Energy Pipeline Association, AB, #470)

Leadership was approached somewhat differently across the provinces. In Alberta, submissions tend to advocate for a “made in Alberta” approach that reflects the industry’s unique needs given the nature of the province’s investment in oil sands. As Cenovus stated, “We urge the panel to recommend to the Government of Alberta the above suite of policy options in order to take advantage of Alberta’s unique strengths and overcome our carbon challenge” (Cenovus, AB, #425). Submissions to BC’s consultations, by contrast, point out that the province is already a strong leader, suggesting that climate change should be understood as a global problem with solutions that lie largely beyond the province’s borders. As the Business Council of BC states:

- BC should be pragmatic and outward-looking in its approach to managing greenhouse gas emissions. It is time to shift away from a “made-in-BC strategy” and to put more emphasis on working collaboratively in a pan-Canadian context. Climate change can only be addressed through collective action. (Business Council of BC, BC, #118)

The implication is that, to demonstrate leadership, the provincial government should avoid taking strong regulatory action on climate change by streamlining with other provinces.

BALANCE

Many industry and industry group submissions promote climate policies within the narrative frame of balance, where GHG reduction strategies avoid impinging on fossil fuel production, industry profit, or economic growth. Climate action is presented as way of reducing greenhouse gas emissions while enabling growth in fossil fuel extrac-
tion and production. For example, TransCanada’s submission calls for a policy environment in which “(i)mproving the environmental performance of the industry, without sacrificing its ability to grow, is the desired balance” (TransCanada, AB, #219). In both its Alberta and BC submissions, the Canadian Association of Petroleum Producers (CAPP) recommends a policy approach organized around “3Es” that would “deliver economic growth, environmental protection, and a secure and reliable energy supply” (CAPP, AB, #439; BC, #179). In its BC submission, CAPP emphasizes its lack of support for carbon tax increases while encouraging other mechanisms to achieve balance:

CAPP does not support any further increases to the carbon tax at this time.

... While CAPP generally supports the Principle 2 in the discussion paper, namely, to “balance outcomes across economic, environmental, and social objectives”, emphasis needs to be placed not only on balancing, but strengthening economic outcomes. (CAPP, BC, #179)

It its Alberta submission, CAPP similarly states that “compliance should be achievable within the context of growing production” (CAPP, AB, #439). This sentiment is echoed by other industry submissions. For example, Shell Canada states emphatically that development of climate policy should not “unduly curtail” the “growth potential of the sector” (Shell, AB, #366).

COMPETITIVENESS

A key concern across many of the submissions rests with how the government will ensure industry competitiveness, particularly for those industries that rely on global export markets. Overall, industry submissions urged their respective governments to carefully consider the risks of new policy measures on the industry’s ability to compete with other, less stringent jurisdictions. The submission from the Canadian Fuels Association in BC is illustrative of the ways in which the protection of industry competitiveness is perceived as essential to achieving balance:

Competitiveness is a key concern for energy-intensive and trade-exposed (EITE) industries, such as petroleum refining, when competing jurisdictions do not have similar GHG reduction policies. ... We believe that focussing on the appropriate level of carbon tax, combined with policies that protect industry competitiveness, is an efficient way to achieve sustainable GHG reductions. (Canadian Fuels Association Western Division, BC, #020, Phase 2)

Under the competitiveness narrative, submissions suggest that climate policies encourage oil and gas companies to do business elsewhere. Echoing the sentiment that BC’s existing climate policies are too stringent, Chevron Kitimat LNG warns of future repercussions to industry:

Any increase or expansion of the carbon tax, or expansion of performance targets to the B.C. upstream natural gas industry, in the absence of policies to address trade exposure, could result in additional costs in the hundreds of millions of dollars annually, further deepening the existing trade divide and driving investment and operations to other Canadian and global jurisdictions. (Chevron – Kitimat LNG, BC, #185)
In its Alberta submission, CAPP similarly warns that production could move to areas that “do not have the same environmental and human rights standards” if climate policies are too stringent (CAPP, #439). The In Situ Oil Sands Alliance takes this sentiment further by reframing energy production as a state responsibility that would be hindered by a strong regulatory environment:

Alberta has an obligation to the global community to develop its energy. Failure to do so would result in other jurisdictions that don’t share our values of rigorous environmental stewardship, rule of law and human rights standards filling the production gap… the climate change strategy should focus on enhancing competitiveness and attracting investment, as well as GHG reductions. (In Situ Oil Sands Alliance, AB, #497)

**REGULATE DEMAND**

A dominant theme across submissions asked for a policy approach to reduce individual consumer demand for fossil fuels. In Alberta, a recurring recommendation suggests that carbon pricing be economy wide to avoid discrimination against any one sector. For instance, Cenovus calls for an economy-wide carbon pricing system that would “enable the necessary behaviour change” among all emitters not covered under the previous climate plan (the SGER), “as we move towards a low-carbon future” (Cenovus, AB, #426). In BC, industry similarly requested demand-side policies paralleled by a call for government to cultivate social license for the increased costs of the carbon tax. Suncor cautions that an emphasis on demand-side management should be aligned with policies to “sensitize stakeholders” to the increasing costs of carbon, claiming that “an objective and balanced discussion on climate change should include a reference to the possibility of increased costs for all stakeholders particularly consumers” (Suncor, BC, #184).

**Discussion of results**

In keeping with the EM frame, these submissions demonstrate that industry is playing an active role in shaping climate policy through key themes (leadership, balance, competitiveness, and demand management) and their respective policy mechanisms, such as carbon pricing, renewable energy incentives, technology development, offsets, and energy efficiency programs. These themes and mechanisms are reflected in both regions’ advisory panel recommendations and subsequent climate plans. For instance, Alberta’s advisory panel report to the government is called the Climate Leadership report, while both regions respective advisory panels are called Climate Leadership Teams. Meanwhile, policy narratives between the two jurisdictions bear critical distinctions: in the context of the “leadership” theme, the BC climate plan states that “As climate leaders, we know we can achieve more working together with Canada’s provinces, territories and the federal government, while respecting each other’s jurisdictions” (Government of British Columbia, 2016, p. 2), whereas the Alberta government promotes its plan as a “made-in-Alberta strategy to reduce carbon emissions while diversifying our economy and creating jobs” (Government of Alberta, 2017b, n.p.).

The theme of competitiveness also found significant uptake in both regions’ climate plans, and was frequently articulated as a requirement of successful climate pol-
icy. Whereas BC’s 2008 Climate Leadership Plan makes hardly any mention of the term, its 2016 Climate Leadership Plan centers competitiveness as a grounding principle. The following passage is illustrative of this trend:

The Province will also protect jobs by ensuring B.C.’s global competitiveness. As our Climate Leadership Team recommended, we will design a mechanism to protect the competitiveness of our industries that depend on energy and trade. (Government of British Columbia, 2016, p. 3)

Policy decisions following the climate plan process in Alberta further illuminate the uptake of the competitiveness theme as a core principle organizing the climate change plan and subsequent regulatory frameworks. In 2018, the Carbon Competitiveness Regulation (CCR) will replace the Specified Gas Emissions Regulation. Under this new regime, emissions-intensive and trade-exposed large emitters will be managed under a framework called an output-based allocation scheme where each facility is allocated a certain amount of emissions that are not subject to carbon pricing (Tombe, 2015). This applies to electricity and heat production, oil extraction, upgrading and refining, natural gas processing and transmission, and chemical manufacturing. Applicable facilities are determined based on a benchmark established by the top-quartile of efficient performers. In other words, one-quarter of the most efficient performers will be awarded subsidies, whereas the others will be subject to carbon pricing. The justification for this subsidy is that it provides incentives for facilities to become more efficient while in turn ensuring industry competitiveness. As the Alberta Government discussion document on output allocations describes:

The [Climate Leadership] plan includes a transition from the current Specified Gas Emitters Regulation to a carbon competitiveness system that will give output-based emissions allocations to emissions intensive, trade-exposed industries. Output-based allocations will reduce the average cost of compliance for some industries while ensuring that top performing facilities are rewarded. The purpose of this system is to drive best-in-class performance, support comparability with international jurisdictions, and maintain competitiveness of industries in Alberta. (Government of Alberta, n.d., p. 3)

Preliminary forecasts suggest that almost half of the revenue from the carbon tax will be returned to large emitters in the form of subsidies to cushion the potential effects of carbon pricing on industry competitiveness (Lee, 2015; Tombe, 2015). Economist Trevor Tombe (2015) estimates that for Alberta’s largest producers, which are also the most efficient oil sands players—Cenovus, CNRL, and Suncor—these subsidies will mean that the effects of the carbon levy on fossil fuel production will be negligible. The Calgary Chamber of Commerce illustrates the business community’s support for this approach:

This dual structure can be confusing, but it is critical to the future success of the energy industry in our province. After all, we don’t want to achieve emission reductions via production declines and negative industrial growth. (Mason, 2015)

Similarly, the Alberta government’s website explains that “this approach (CCR) protects industries from competitiveness impacts that could shift production to other ju-
risdictions” (Government of Alberta, 2017a, n.p.). A key principle of the output-based allocation system is to “minimize carbon leakage and competitiveness risks” by reducing “competitiveness impacts that could shift activity to other locations with no real global emissions reductions (emissions leakage)” (Government of Alberta, n.d.) However, very little compelling evidence exists to support the claim that climate policy will force industry to move elsewhere (Carbon Market Watch, 2016, Compton & Bailey, 2008; Farber, 2013). Indeed, corporate appeals to protect competitiveness, itself a vague and opaque concept, have long been used to bolster state subsidization of industry in globalized economic environments (Krugman, 1994).

The government’s promotion of natural gas as a clean, lower-carbon energy solution provides another example of the fossil fuel industry’s infringement on climate policy development. Shell, for instance, sold its holdings in Alberta’s oil sands as part of its strategic transition to natural gas, explaining this shift as a step on the path toward a “cleaner” business model (Katakey, 2017). Government policy appears to uphold this framing by providing subsidies for natural gas under the auspices of its role as a transition fuel while promoting “clean tech” infrastructure through incentives and technology funds.

When fossil fuel interests find direct alignment with government policy, the policy options available for public consideration are profoundly limited. In both provinces, an emphasis on demand-side policies diverted attention from supply-side policies, such as the removal of fossil fuel subsidies, targeted divestment strategies, asset retirement, or constraining reserve development (see, for instance, Lazarus, Erickson, & Tempest, 2015). Supply-side policy options were absent in both provinces’ advisory panel discussion documents and recommendations, even though these policies can play a considerable role in mitigating GHG emissions. Many scientists and NGOs argue that current fossil fuel reserves need to stay in the ground to meet international climate policy targets to keep warming below the established international target of two degrees Celsius (e.g., Anderson & Bows, 2012; McGlade & Ekins, 2015; Oil Change International, 2016). In turn, some economists are concerned that demand-side policies can accelerate the production and consumption of fossil fuels as owners of fossil fuel resources increase production in anticipation of future climate policies (Sinn, 2008). Demand-side climate policies can paradoxically foster continued investment in fossil fuel exploration, extraction, and delivery, making global climate protection even harder to achieve (Hughes, 2016).

Conclusion
This study of industry submissions to Alberta and BC’s climate policy consultation processes revealed four key themes: a need to take leadership, a call for balance between environmental protection and economic growth, an appeal to protect industry competitiveness, and an emphasis on demand side-policies, which are central to advisory panel recommendations and the climate policy approaches ultimately adopted in both provinces. Drawing on ecological modernization theory, this article explained that these themes allow industry and government to promote an image of leadership on climate change while structuring a policy environment that facilitates market expansion and increased oil and gas production. Behind the evocative terminology and
technical veneer of these subnational climate plans, large emitters are compensated for the costs of carbon policies under the guise of “competitiveness” while citizens disproportionately shoulder the economic costs and risks of climate change.

This analysis helps to uncover the politics underpinning Alberta and BC’s climate policies and the interests that shape them. It recognizes that developing a robust climate policy framework is a difficult task, particularly in regions that rely on jobs and revenues from fossil fuel industries. However, when fossil fuel interests define the contours of climate policy, the pursuit of economic growth will continue to trump environmental protection. Normative assumptions, such as the need to establish balance between environmental protection and economic growth or the need to protect the competitiveness of trade-exposed industries, should be open to public debate and not presented as uncontestable principles on which climate policy is based. The role played by the fossil fuel industry in shaping climate policies is deeply problematic, particularly at a time when bold climate policy that will reduce GHG emissions is most urgently needed.

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Notes
1. The complete coding document and list of submissions coded is available on request from the lead author. Quotes from submission letters include reference numbers from submission libraries (see Resources for relevant URLs)

2. The authors thank Marc Lee for this reference.

Websites
Guardian, https://www.theguardian.com/international

Resources
Government of Alberta climate leadership plan submission library, https://drive.google.com/drive/folders/oBwh0KweyfKHFndDUpxYXIQdUFOmGhSM25jr3RuLXppLUo1NXIMcDFqR2pJZHpkSmo2T2M [Nov. 13, 2017]

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