



# Oil Sands

A strategic resource for Canada, North America and the global market

## GHG Emissions

### Addressing the issue

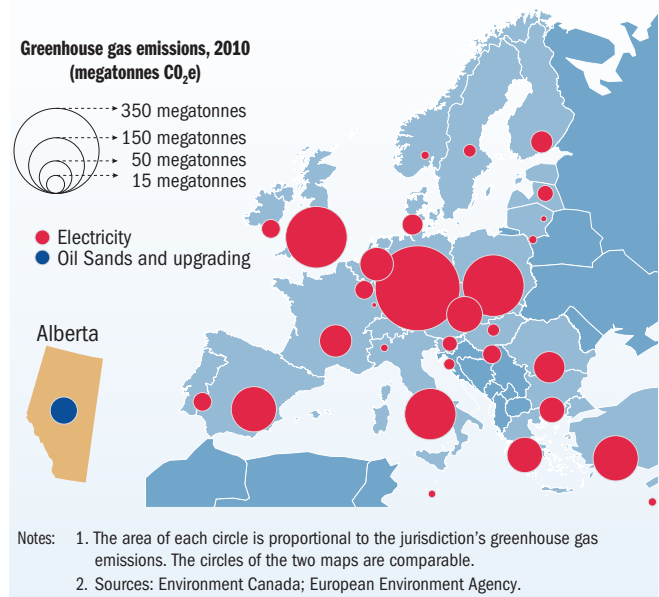
Canada is one of the few major oil-producing nations to have established an economy-wide GHG reduction target. By signing on to the Copenhagen Accord, Canada has committed to reducing GHG emissions by 17 percent below 2005 levels by 2020. Federal and provincial regulatory frameworks are currently being developed to reduce GHG emissions. Possible actions include steps to increase energy efficiency, fuel diversity, stricter tailpipe emission regulations and greener energy systems. Steps already taken bring Canada halfway to meeting its 2020 target.<sup>1</sup>

Alberta is the first jurisdiction in North America with mandatory GHG emission reduction targets for large emitters across all sectors. As of July 2007, the Government of Alberta requires facilities that emit more than 100 000 tonnes of GHG emissions per year to reduce their emissions intensity by 12 percent. Companies that are unable to comply with the target through direct emissions reductions can use recognized offsets or pay a C\$15 per tonne fee into a clean energy technology fund. This fund has collected more than C\$300 million, as of March 2012, that is being invested in technologies and projects that will reduce GHG emissions. More than 32 million tonnes of GHG emissions have also been reduced, from a business-as-usual scenario, since 2007.<sup>2</sup>

### GHG Emissions – a shared challenge

Regardless of the source, GHG emissions are a shared global challenge. In 2010, GHG emissions from European electricity generation, which make up about a quarter of EU GHG emissions, were more than 25 times greater than GHG emissions from the oil sands.<sup>3</sup> On a per-country basis, GHG emissions from electricity generation in Germany were

### EU GHG Emissions From Electricity Generation vs. Oil Sands GHG Emissions



nearly six times greater than emissions from the oil sands, while GHG emissions from electricity generation in the United Kingdom and Poland were each about three times greater.

### 7.8 percent of Canada's emissions: 0.1 percent of global emissions

Extracting bitumen and other heavy crude oil requires more energy than the production of lighter and more accessible forms of crude oil. This tends to make heavy oil production more emissions-intensive per barrel of oil produced.

The oil sands contributed 7.8 percent of Canada's total GHG emissions in 2011, which is equal to approximately 0.1 percent of global emissions.<sup>4</sup>

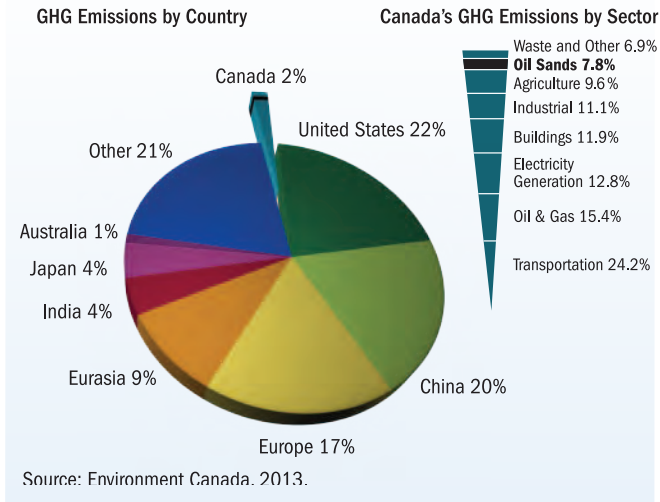
<sup>1</sup> Source: Environment Canada, 2012.

<sup>2</sup> Source: Government of Alberta, 2012.

<sup>3</sup> Based on data available from the European Environment Agency.

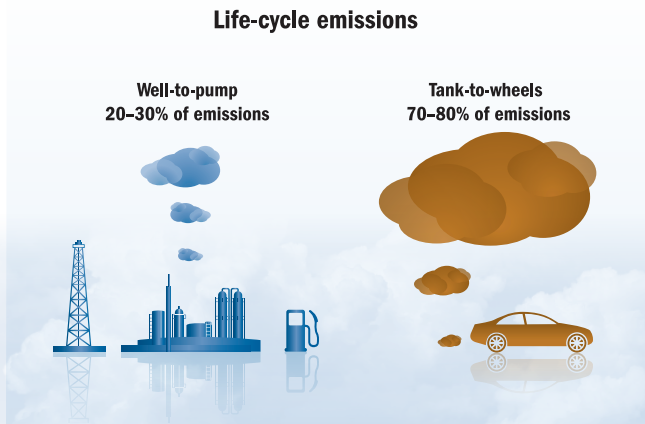
<sup>4</sup> Environment Canada (2012), *National Inventory Report, 1990–2010, and Natural Resources Canada*.

## Global GHG Emissions



## 70 to 80 percent of life-cycle emissions come from a vehicle's tailpipe

GHG emissions from oil production should be considered in their full context, taking into account the emissions produced when the oil is consumed. For example, final combustion emissions of gasoline emerging from tailpipes account for 70 to 80 percent of life-cycle emissions.<sup>5</sup> These vehicle emissions are the same, regardless of the crude oil from which the gasoline is derived.



<sup>5</sup> International Energy Agency (2010) *World Energy Outlook*.

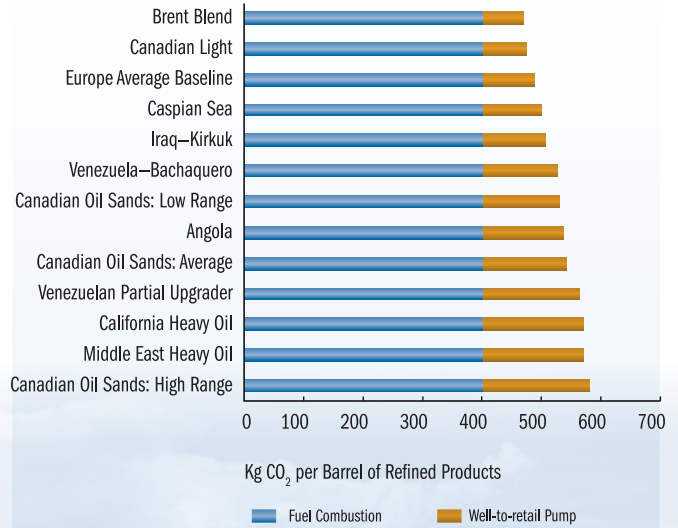
## Oil sands emissions are within the same range as many other crude oils

Recent independent studies have shown that oil sands emissions are similar to a number of crudes, both heavy and light, imported and refined in the EU, in particular when emissions created by flaring and venting practices are considered.

## 26 percent reduction in GHG per barrel

The oil sands have a long history of technological innovation that has led to improvements in energy efficiency and associated emissions reductions. Oil sands cogeneration operations, which produce electricity as a by-product of oil sands production, are an example of this. Cogeneration operations produce approximately 2000 megawatts of power per year. Between 1990 and 2011, oil sands GHG emissions per barrel were reduced by 26 percent. It is expected that emissions per barrel will continue to decline over the coming years.

### Life-cycle GHG emissions for various sources of crude oil



Source: IHS CERA April 2011 Special Report *Oil Sands, Greenhouse Gases, and European Oil Supply: Getting the Numbers Right*.

