

# OIL & GAS EMISSIONS CAP

In November, this Liberal government introduced an emissions cap on the oil and gas industry. Just the oil and gas industry.

Not only is this cap destructive to our economy, but it will have **no environmental benefit**. Every drop of oil not produced in Canada will be produced somewhere else. Perhaps Canada's emissions will be capped, but global emissions will not decline. **That is not global leadership on the environment. It is window dressing.**

This policy matters a great deal to the people of Calgary Centre. Many residents are employed by the oil and gas industry - if not directly, then indirectly in the many supporting companies. And we all use government services - at all three levels of government - that oil and gas industry taxes and royalties help to fund.

**This government is already destroying our economy.** Per capita GDP (personal income) is relentlessly trending downward. Taxes are up. Unemployment is up. Inflation and interest rates continue to hammer household budgets.

**Investment is fleeing Canada because of deliberately hostile policies.** With lost investment, productivity goes down, business activity goes down, incomes go down, and governments collect less revenue to pay for the services we need. This emissions cap - on top of the capital gains tax increase - is yet another policy that will send investment and prosperity to the business-friendly United States.

## FALL SURVEY

Have you completed my fall survey? It will be open until the end of December. Tell me what you think.



Scan this QR code, or go to my website at [GregMcLeanMP.ca/survey/](https://www.GregMcLeanMP.ca/survey/)



▲ Knocking on doors this fall to hear from constituents.  
▼ Laying a wreath at the Cenotaph for Remembrance Day.



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Mon cabinet est heureux d'offrir le service dans les deux langues officielles.

# Greg McLean MP

## Calgary Centre



Standing Committee on Finance

Comité permanent des finances

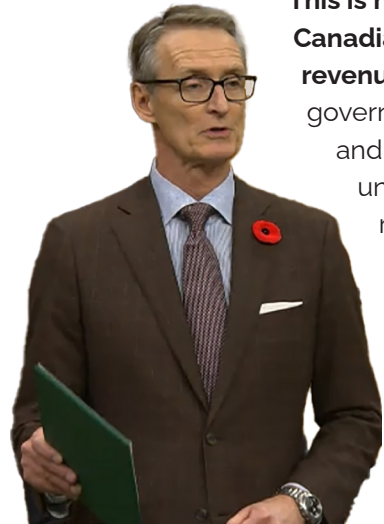
# EMISSIONS CAP

## December 2024



**The newly announced emissions cap on oil and gas will enforce an upper limit of emissions that is 35% below 2019 levels, to be achieved by 2030-32. It is estimated that this policy will shut in one million barrels of oil per day, and cost 150,000 jobs.**

Canadians are experiencing the worst decline in our living standards in 40 years, the worst drop in per person income in the G7, and rising unemployment; and yet this government has taken specific aim at Canada's major industry for export earnings (\$177 billion in exports in 2023; 25% of Canada's total) and source of GDP (\$209 billion in 2023; more than 10% of Canada's total)\* - not to mention almost one million workers directly employed, or employed in the thousands of spinoff industries and communities that supply and support exploration and production.



**This is not a cap on emissions. It is a cap on responsible Canadian oil production, a cap on jobs, and a cap on revenues and royalties that belong to Canadians.** The government's own figures point to a loss of billions in revenue and thousands of jobs - mostly in Alberta where the unemployment rate is already well above the national rate [see Conference Board of Canada analysis.]

In 2022, the oil and gas industry provided \$45 billion in revenues to governments - taxes and royalties that help pay for public services at every level.

### **NO Environmental Benefit**

**This policy will not help the environment.** Cutting Canadian oil and gas production will not cut one drop

\*Source: Environment and Climate Change Canada, Backgrounder to Regulations, Nov 4, 2024

of global oil and gas consumption. Countries will simply buy the oil and gas they need from other producing countries - countries that typically have much lower environmental and labour standards than Canada.

This policy will continue to impoverish Canadians, while enriching dictators and corrupt regimes in places like Russia, Libya, Iran, Algeria, and Venezuela.



I will quote Canada's destructive environment minister. He said, 'Look around the world, no other...oil and gas producer is doing what we're doing.' One could wonder why."

*Greg McLean, MP*

*House of Commons, November 8, 2024*

### **A Better Way to Reach Emissions Goals**

This government has yet to meet a single one of its climate targets, in spite of an array of punishing policies such as the consumer carbon tax. It is time to employ a new, more collaborative approach.

Canada's energy sector is the country's single largest private sector investor in clean technologies. It has a clear record of reducing emissions and adhering to the highest standards of environmental protection, and is on the road to net-zero by 2050.

- In 2023, the industry spent almost a billion dollars cleaning up inactive wells, pipelines and sites.
- The industry is spending billions developing carbon capture, utilization and storage technology, with two large projects already in operation and several

more projects in planning phases. Since 2015, CCS facilities in Alberta have permanently sequestered a cumulative total of 8.8 million tonnes of CO<sup>2</sup> [Alberta Energy Regulator].

- The *Alberta Energy Regulator* also reports that as of 2023, oil and gas producers have reduced methane emissions by 52% compared to 2014. The target of 45% was surpassed three years ahead of the 2025 government deadline. Alberta's approach to reducing methane emissions is an international best practice, and has won national and international awards.
- An updated study by *S&P Global* in August found oil sands emissions did not increase in 2022 even though production grew.



One could also ask why [the Environment Minister] ignored the warnings of the economic destruction this Canadian energy cap would cause while offering no environmental benefit. Any reduction in Canada will automatically be met by supply from other producers around the world."

*Greg McLean, MP*

*House of Commons, November 8, 2024*

This government should be working WITH the industry to invest in new technologies, implement them here at home, and even more importantly, export the knowledge to help other countries around the world reduce *their* emissions footprint. **That would be global leadership.**

Instead, their ideological blinders compel them to use the power of the government to force a policy that will be both ineffective in meeting global environmental goals, and harmful to the people and economy of Canada.