

**NOV 14 2005**

Mr. Keith Leggat
Director, Environmental Policy Branch
Alberta Environment
4th Flr, Oxbridge Place
9820 – 106 St.
Edmonton AB T5K 2J6

Dear Mr. Leggat:

This is in response to your Notice of Objection, dated October 13, 2005, to the proposed order adding the Kyoto greenhouse gases to Schedule 1 of CEPA 1999. I note that that Notice of Objection was sent before your department had received my response of October 18th 2005 to the letter from Ministers Boutilier and Melchin to which you requested a response. I hope that your concerns were addressed in my response. I also understand that there have been continued interactions between your department and my officials on the details of the drafting of proposed LFE regulations.

Your Notice of Objection did not expressly state that the Alberta Government was requesting that a Board of Review be established but I have fully and carefully considered your Notice of Objection. The purpose of a Board of Review is to inquire into the nature and extent of the danger posed by the substance in respect of which the decision is made. Your Notice of Objection did not identify any new information or sources of information about the nature and extent of the danger posed by the Kyoto greenhouse gases. Therefore, I see no reason to establish a Board of Review.

I look forward to the continued cooperation between our governments to develop consistency between our proposed CEPA regulatory system for large emitters and the proposed Alberta system. As you are aware, CEPA 1999 enables the federal government to enter into equivalency agreements where the provincial regulations have the same effect and this is our desired outcome.

.../2

I would like to take this opportunity to once again recognize the important steps that the Government of Alberta has taken to address climate change.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stéphane Dion', written in a cursive style.

Stéphane Dion

Minister of the Environment



Ministre de l'Environnement

Ottawa, Canada K1A 0H3

OCT 18 2005

The Honourable Guy Boutilier, M.L.A.
Minister of Environment
Government of Alberta
10800 97th Avenue
Legislature Building, Room 423
Edmonton AB T5K 2B6

The Honourable Greg Melchin, M.L.A.
Minister of Energy
Government of Alberta
10800 97th Avenue
Legislature Building, Room 404
Edmonton AB T5K 2B6

Dear Ministers Boutilier and Melchin:

Thank you for your letter of September 16, also addressed to my colleague, the Honourable R. John Efford, concerning climate change action.

The Government of Canada recognizes the important steps that the Government of Alberta has taken to address climate change. Furthermore, we recognize that there is a substantial degree of commonality between the views of our respective governments on this issue.

Our governments agree on the importance of a regulatory system for large emitters, with targets based on emissions intensity. We also agree that the system must be based on environmental, economic and technological considerations. I am pleased that Alberta is developing such a regulatory system. For its part, the federal government is developing regulations based on the approach set out in the April 2005 climate change plan *Moving Forward on Climate Change – A Plan for Honouring our Kyoto Commitment*, and further elaborated upon in the *Notice of Intent to Regulate Greenhouse Gas Emissions by Large Final Emitters*, published in the *Canada Gazette* in July.

I believe that our common goal is consistency between the two regulatory systems. In this regard, I am advised that our respective officials are discussing both sets of proposed regulations, including the possibility of equivalency agreements. These agreements, authorized under CEPA 1999, will ensure the nationally consistent approach that stakeholders are seeking with implementation by provincial or territorial governments. The approach will allow for other jurisdictions to take a similar approach to Alberta, should they so choose, while still ensuring consistency across the country to achieve both competitive and environmental benefits.



.../2

Canada

Our governments also agree that technology must be a critical part of any climate change plan (specifically, we agree on the important role played by Climate Change Central, the potential role to be played by EnergyNet, and the importance of a carbon dioxide pipeline, clean coal technology and renewable energy). This is why several elements of our plan focus on technology research and development, and why the federal government has funded, and will continue to fund, technology development. Such a view also underlies the Partnership Fund, whereby the federal government will invest, together with provinces and territories, in technologies and infrastructure development that are important to both government jurisdictions.

I am pleased to note that good progress is being made on a Memorandum of Understanding between our two governments regarding co-ordinated action on climate change. I share your optimism that this will provide a workable framework for continued co-operative action between our governments to achieve climate change objectives.

Please be assured that the Government of Canada is strongly committed to working with Alberta, as well as other provincial and territorial governments, to implement a framework for action on climate change across all sectors of Canada's society and economy.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stéphane Dion', written in a cursive style.

Stéphane Dion

c.c.: The Honourable John McCallum, P.C., M.P.
The Honourable Ralph Klein, Premier
The Honourable Edward Stelmach, M.L.A., Minister of International and Intergovernmental Relations