



Pacific Institute
for Climate Solutions
Knowledge. Insight. Action.

MEDIA RELEASE
Tuesday, July 27, 2010

SHALE GAS DEVELOPMENT AND CLIMATE TARGETS: CAN THEY BE RECONCILED?

The potential rise in emissions from shale gas development in B.C. will make it extremely difficult for the province to achieve its CO₂ reduction targets, according to a policy brief commissioned by the Pacific Institute for Climate Solutions (PICS) and spearheaded by Professor Mark Jaccard and Researcher Brad Griffin from SFU's School of Resource and Environmental Management.

The findings, compiled in the PICS White Paper entitled, "Shale Gas and Climate Targets: Can They Be Reconciled?" show that increased shale gas development would increase provincial emissions by almost 10% relative to where they should be in 2020 under the legislated emissions targets. The B.C. government is currently committed to reducing provincial greenhouse gas (GHG) emissions 33% below their 2007 level by 2020.

"The B.C. government has implemented some of the most progressive and effective policies in the world, including an essential carbon tax, the banning of fossil fuels for electricity generation, and stricter regulations for vehicles and buildings" says Jaccard. "Nevertheless, the likelihood of B.C. reaching its 2020 targets diminishes each year as we fail to attack head-on our addiction to fossil fuels and the emissions they cause".

Shale gas in northeast B.C., particularly in the Horn River Basin near Fort Nelson, is a very large resource with the potential development of trillions of cubic feet of natural gas. However, this gas is associated with high concentrations of CO₂, which, if not controlled by strict regulations or high financial penalties, will be vented by industry to the atmosphere as the gas is processed to market standards. B.C. faces a serious trade-off between its GHG emissions targets and the development of this resource. Under the current regulations, each new investment in shale gas increases the likelihood that the B.C. government will sustain a 20-year Canadian climate policy tradition – failure to meet its GHG emissions reduction targets.

Key findings from the report indicate that if B.C. is to achieve its GHG emission targets the provincial government would need to either ban shale gas development in B.C. entirely or only allow such development if it includes Carbon Capture and Storage (CCS) to prevent CO₂ venting. Even in this latter case, it is likely to be difficult to achieve B.C.'s GHG emissions reduction targets.

The report recommends that the B.C. Government should:

- require all natural gas projects processing shale gas to include CO₂ capture and storage
- establish a competitive bidding process for gas industries to apply for government funding to assist in the first development of shale-gas-with-CCS.
- conduct a thorough analysis of its evolving natural gas industry and the implications for its GHG targets. In particular, it needs to extend the preliminary analysis of this paper to examine options for reduction of methane leaks from pipelines and emissions from processing facilities.

The full report is available for download at: www.pics.uvic.ca

PICS is a collaboration of B.C.'s four research-intensive universities hosted and led by the University of Victoria.

—30—

Media contacts:

Ivan Watson, PICS Communications Officer: 250-418-0700 or iw@uvic.ca

Mark Jaccard, SFU Professor: 778-782-4219

