



The Round-Up: October 19th 2006

Posted by [Stoneleigh](#) on October 19, 2006 - 1:22pm in [The Oil Drum: Canada](#)
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[Conservative Government Tables Clean Air Act](#)

The bill sets no short-term targets for cutting greenhouse gas emissions but the government says it will seek to cut emissions between 45 to 65 per cent from 2003 levels by 2050.

In the meantime, the government will set so-called "intensity targets" which would obligate industry to reduce the amount of energy used per unit of production, without implementing a set restriction on emissions.

Industrial polluters would have until at least 2010 before they would face regulations and the government is giving itself until 2020 to set national emissions-cutting targets for the pollutants that cause smog.

[The Oilpatch Faces Unprecedented Changes In Its Workforce](#)

Oilsands development is not the only reason that the industry stands in need of so many new hands within the next decade. Another crucial factor has been price instability. For 30 years, both oil and gas prices have cycled erratically up and down with an intensity rarely experienced in steadier sectors like manufacturing and services. Since 1999, for example, the monthly average value of West Texas Intermediate crude oil has ranged from \$10 (U.S.) per barrel to upwards of \$70. In the past year, natural gas prices have plunged by 50%.

Petroleum producers and service companies face the constant risk of a plunge in annual income. In order to survive, they have learned to run very lean, flexible operations. Training and staff development programs were drastically reduced. When a payroll downsizing could occur at any moment, it made more sense to hire experienced veterans under temporary contracts rather than to invest years in training new permanent employees.

Today, Maynard explains, petroleum producers have a heavy preponderance of skilled professionals in their late forties and fifties. It's a generation that received its first training during the long period of price stability that the oil and gas sector enjoyed between 1945 and 1975. Very soon, that age group will be retiring in very large numbers. "Employers will try to persuade as many as possible to continue working but these people have done well financially," the CAPP vice-president says. "Most of them are in a position to retire earlier rather than later."

In May, citing a potential for reliability problems for the provincial network, the Alberta Electric System Operator (AESO) -- which oversees the electricity market and transmission network in Alberta -- surprised the industry by announcing that wind power generation in Alberta, currently at about 300 megawatts (MW) of capacity, would be capped indefinitely at 900 MW. However, there are proposals for about 3,000 MW of projects above and beyond the ones already lined up and paid up to meet the 900 MW mark.

[Integration Talks Kept in the Dark](#)

(subscription to Calgary Herald required)

Since Paul Martin, Vicente Fox and George W. Bush signed the Security and Prosperity Partnership in March 2005, discussions on continental integration have gone underground.

The media have paid little attention to this far-reaching agreement, so Canadians are unaware that a dozen working groups are currently "harmonizing" Canadian and U.S. regulations on everything from food to drugs to the environment and even more contentious issues like foreign policy.

Make no mistake, this process of harmonization is not about improving food, environmental and other norms; it is about priming North America for better business by weakening the impacts of such perceived obstacles as environmental standards and labour rights.

The U.S. administration, anxious to keep up with its country's high energy demands, has shown great interest in this "secure" energy source located just north of its border. With corporations like Suncor involved, energy was an important item of discussion at the Banff meeting last week.

Given the detrimental impacts of oil sand extraction on our environment and given that Canada currently exports 66 per cent of its oil (primarily to the U.S.) while importing 55 per cent of what we use domestically from countries like Algeria, Venezuela and Norway, it is alarming that Ottawa would discuss a "North American Energy Strategy" with the U.S. and Mexico before establishing a Canadian strategy that would ensure our ability to protect the environment and ensure a secure energy supply for Canadians.

[Making fire from ice: a new fuel for the 21st century](#)

Gas hydrate, despite its potential as a low-carbon fuel, could wreak untold damage on the atmosphere. Due to the very high methane content in its structure, a dissociation of methane hydrate into its constituent parts, methane and water, could lead to staggering levels of the gas being released into the atmosphere.

With this grim caveat in mind, major countries around the world are now in a race to discover how to produce energy from methane hydrate. But the challenges involved are

manifold. "Hydrate reservoirs are different from conventional reservoirs," says Professor Tohidi. "In traditional reservoirs, the energies are freed. Here, the source of energy is solid. Because hydrates are like ice, they are already in formation. So, to produce from them, you have to turn hydrates into water and gas: you have to dissociate them."



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