

# Building on **The Vision**



**HUFT Committee**

**Calgary, May 29, 2008**





# Alberta's Industrial Heartland Issues Update

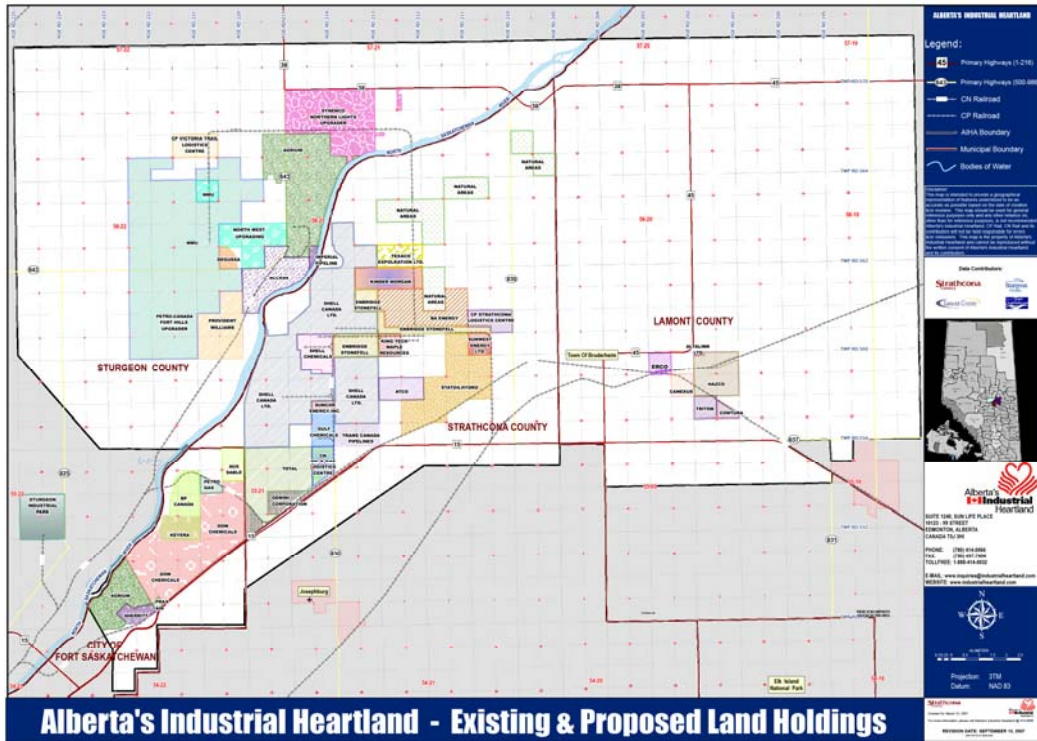
- Development Status
- Challenges to Development
- Infrastructure and Planning Progress

**Strathcona**  
County

  
**Sturgeon**  
County

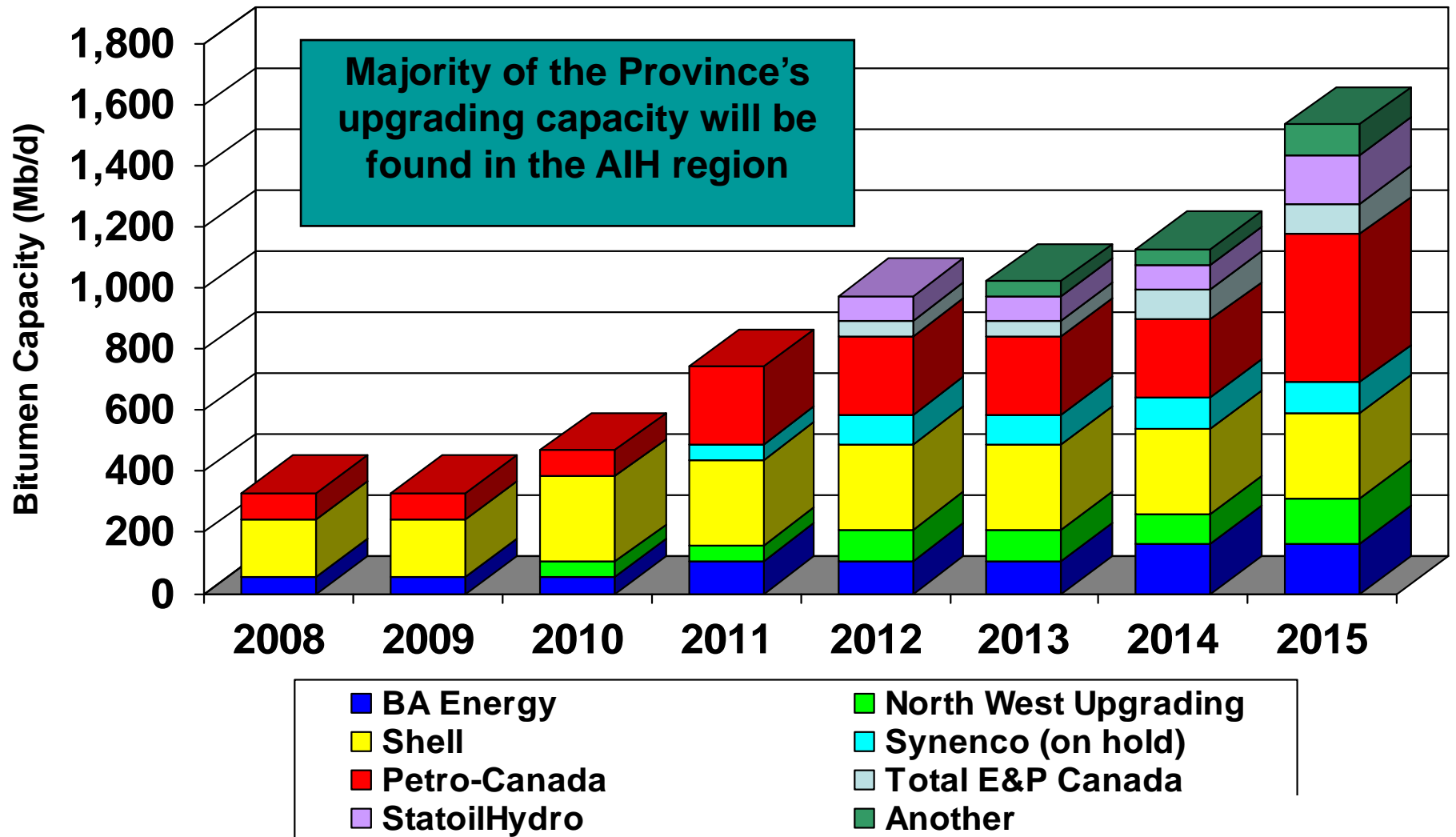
CITY OF **Fort**  
**Saskatchewan**  


  
Lamont County



# AIH Upgrading Capacity

Based on Upgrader Supply Chain Study – March 2007



# The “Value Proposition

GDP derived from 2 Million Barrels/Day



Bitumen - \$25 billion



Synthetic Crude - \$50 billion



Petrochemicals - \$75 billion



# Development Status

- **Seven potential upgrader announced**
  - One (1) under construction
  - Two (2) refinancing operations
  - Three (3) undergoing regulatory review
  - One (1) permanently on hold
- **Chemical Cluster Potential**
  - One (1) project currently under construction (HOP)
- **Infrastructure**
  - Sulphur Handling
  - Rail Roads



# Challenges

- **Cost Inflation**
  - Capital costs have increased by 100% or more since the initial project disclosures
  - Two operations currently seeking new financing to complete projects
  - Review by all other operations of economics and alternative locations
- **Regulatory Uncertainty**
  - Cumulative Environmental Management (CEM) plan
    - Air emission standards
    - Water use/disposal
  - Green House Gas Issues – Federal vs. Provincial Standards
    - Carbon tax ?
    - Sequestration opportunities
- **Skilled Labor Shortage**
- **Infrastructure Development Needs**

trying to pursue a climate for business to... the clear winners, in terms of identifying

5-2 BUSINESS / 104

“The biggest barrier to growth in the oil sands is going to be people”  
—Camarta, Shell Canada

# Fort McMurray groans under weight of megaprojects

Housing, roads and services have to be improved to attract and keep workers, companies say

CANADIAN CRUDE PRODUCTION SET TO SOAR

# Rapidly expanding oilsands projects

Recent high-profile incidents illustrate risks

JAMES STEVENSON  
The Canadian Press  
CALGARY

the next couple of years with projects.  
“And to the extent...”

MAR 23/04

# Workers to double

the next decade

# ...growing pains

# Life in Fort McMurray is tough enough without rollbacks

As a member of an Alberta trades union, I would like to know what the Klein government was thinking when it approved the lowering of our wages

Industry as our working due to the high cost of child... main untrained and unskilled...

GORDON JAREMKO  
Journal Business Writer  
EDMONTON

ty adding \$500 a month.  
A mobile home costs \$230,000, with houses costing even more.

UNDERWAY





# Anticipating the Impacts of Development

- **22,000 construction workers in the area at the peak**
- **Temporary worker accommodation creates a “shadow” population**
- **Increased road and rail traffic**
- **Air/Water quality impacts**
- **Increased demand for social service and infrastructure**
- **Affordable housing**



# Infrastructure and Planning Process

- **Eco-Industrial Master Plan (EIMP)**
  - Phase one completed
    - Transportation
    - Utilities
    - Social
    - Land Use planning
  
- **Addressing Residents Interests**
  - A number of other initiatives are being taken to address development concerns in the area
    - Land Trust Society
    - Life in the Heartland communication program
    - IHCARI



# Taking the Lead

## Eco-Industrial Master Plan

Integrated Resource Baseline				
Infrastructure Plans	Land Use & Environment Plans	Industrial Integration Plans	Community & Social Infrastructure	Communication Plans
Performance Goals and Measurement				

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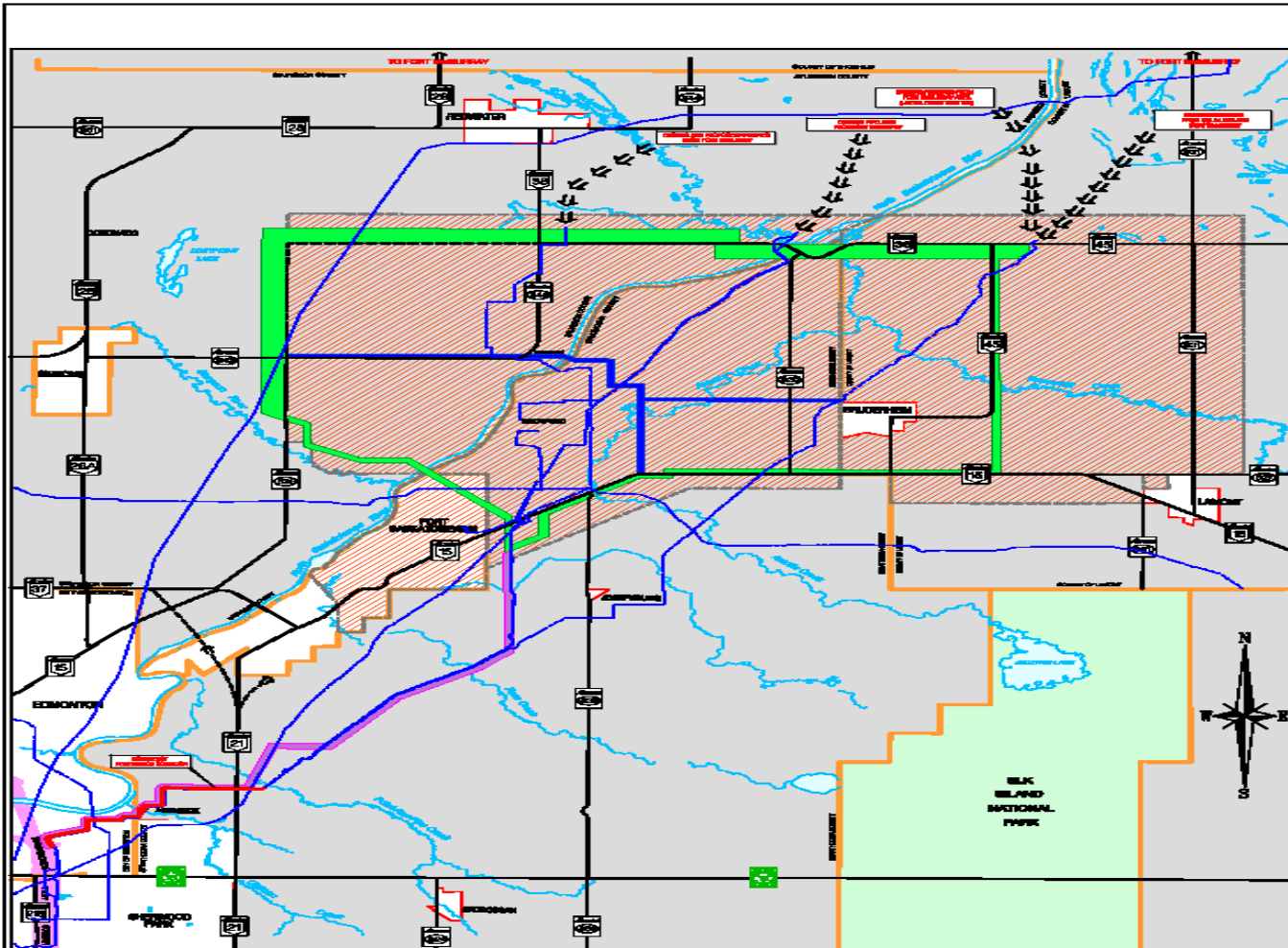
CITY OF **Fort**  
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# Other Influencing Factors and Programs

- **Cumulative Environmental Management Program**
  - Targets for total emissions of NO<sub>x</sub> and Sox
  - Water Management Framework
- **Capital Region Growth Management Plan**
  - Coordination of planning and services across the greater Edmonton region
- **Land Use Framework**
  - Regional planning across the province
- **Linear Infrastructure Corridor**
  - Master plan for utility/pipeline corridors through the region
  - Report submitted to Alberta Government in 2007
  - Future meetings to discuss implementation and integration with other planning exercises for the region.




**LEGEND**

- |  |  |
|--|--|
|  INDUSTRIAL HEARTLAND AREA                                |  URBAN AREA           |
|  EXISTING PIPELINE ALIGNMENTS                             |  MUNICIPAL BOUNDARIES |
|  OUTER RING CORRIDOR                                      |  MAJOR HIGHWAYS       |
|  SUPERIOR FROM HIGHWAY 21 TO ALBERTA INDUSTRIAL HEARTLAND |  SECONDARY HIGHWAYS   |
|  INTERESTS AND ACCESS CORRIDORS                           |  |
|  NORTH-EAST PENETRATOR CORRIDOR                           |  |
|  TRANSPORTATION UTILITY CORRIDOR                          |  |


**Alberta** - Employment, Innovation & Industry  
**Alberta's Industrial Heartland**

**RECOMMENDED  
 PIPELINE & UTILITY CORRIDORS  
 for  
 Industrial Heartland's Linear  
 Infrastructure Corridor Group**

**SCALE** 1:100,000  
  
**Stewart, Weir** (403) 210-7777  
 & Co. Ltd. (403) 210-7778



# Summary

- **Alberta's Value Added Future**
  - Diversification of markets and products
  - Significant contribution to economy
- **Challenges Still Ahead**
  - Coordinated effort of all levels of government to make the dream a reality
  - Significant competition to process outside of Alberta
- **Planning for Development**
  - Anticipate and prepare for development pressures
  - Build on the work already completed
  - Coordination of current and future regulatory frameworks.



# Contact Us

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