

Alberta's Energy and Innovation Ministers Visit Heartland Region

Tour showcases over \$13 billion in new industrial projects and employment for 25,000 people in Alberta's Industrial Heartland

Alberta's Industrial Heartland (July 22, 2015) – Alberta's Energy Minister, Honourable Margaret McCuaig-Boyd, Minister of Innovation and Advanced Education Honourable Lori Sigurdson, and local MLAs met with industry and municipal stakeholders Wednesday to tour Alberta's Industrial Heartland, including the Sturgeon Refinery and Shell Quest site.

"Albertans expect our government to focus on creating good paying jobs and building long-term prosperity in the energy sector, and that's exactly what we are doing by engaging with Alberta's Industrial Heartland." - Minister McCuaig-Boyd, Minister of Energy

"The heartbeat of our province beats steady thanks to the innovative thinking and hard work from Albertans determined to make their home a world-leader in energy solutions. That is nowhere more obvious than in Alberta's Industrial Heartland, where work is on-going to add value to our resources." - Minister Sigurdson, Minister of Innovation and Advanced Education

Heartland's Role Key in Alberta

As Canada's largest hydrocarbon processing sector and an advocate for sustainable growth, Alberta's Industrial Heartland plays a key role in the province's future.

For example, opportunities for new investment in the petrochemical sector can create thousands more jobs and billions in added GDP and corporate taxes. A recently released [short video](#) explains the investment opportunity and resulting benefits.

"We discussed our desire to work with the government on diversification programs that add value to our energy resources while maintaining a commitment to environmental sustainability and local communities," explained Councillor Ed Gibbons, Chair of Alberta's Industrial Heartland Association (AIHA). "We would also like to applaud the government for their hard work on the Canadian Energy Strategy. This new set of guiding principles will help ensure Alberta's resources have increased access to markets through projects such as the Energy East pipeline."

Attracting Investment Dollars

Given the decline in commodity pricing, there exists a major opportunity in Alberta to encourage new investments in downstream industries. These industries focus on converting energy resources into consumer ready goods. Recent analysis has determined that Alberta could attract billions in new capital investment.

An example of successful programs that have worked in the past include the ethane extraction program. This resulted in over \$3.5 billion in direct investment from Dow, Nova Chemicals, and Williams Energy which captures off-gasses from the oil sands and supplies ethane/ethylene from its fractionator in Redwater to Nova's operation in Joffre, Alberta.

“We continue to see a competitive investment climate as jurisdictions from around the globe are hoping, like us, to secure new industrial projects worth billions of dollars,” commented Neil Shelly, Executive Director of AIHA. “We know from a recent study that 93% of Albertans believe it’s important to diversify the economy to include more processing of our primary oil and gas products right here in the province. We are encouraged by our new government’s commitment to bringing diversification to Alberta’s economy and efforts to attract global investment dollars that stand to benefit all Albertans.”

AIHA continues to work cooperatively with industry and other stakeholders under the [Alberta Energy Plus](#) campaign, which highlights the importance of enhancing the province’s value added sector.

For more information and regular updates on Alberta’s Industrial Heartland Association, visit www.industrialheartland.com or follow [@ABHeartland](#) on Twitter.

Alberta’s Industrial Heartland Association is dedicated to coordinating, advocating, and promoting sustainable industrial development in the region. The Association is a cooperative effort of Lamont County, Strathcona County, Sturgeon County, and the Cities of Edmonton and Fort Saskatchewan.

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BACKGROUNDER – ALBERTA’S INDUSTRIAL HEARTLAND

As Canada’s largest hydrocarbon processing region, Alberta’s Industrial Heartland is a key contributor to economic and employment growth in the province. Companies in the region employ approximately 25,000 people and inject over \$1.5 billion annually into the local economy alone through goods and services spending. An additional [\\$13 billion in capital project expenditures](#) is planned or already under construction in the region, with potential for billions more in new petrochemical sector development.

More than 40 industry-based companies produce fertilizers, energy, petrochemicals and other products for local, national and global markets. The companies operate in five municipalities which include: City of Edmonton, City of Fort Saskatchewan, Lamont County, Strathcona County and Sturgeon County. These municipalities created a formal partnership more than 15 years ago to guide and promote growth in the region. Alberta’s Industrial Heartland Association continues to promote and plan for investment for the benefit of industry and community.

Alberta’s Petrochemical Industry

Alberta’s Industrial Heartland contributes significantly to the province’s petrochemical sector. Alberta is Canada’s leading producer of petrochemicals, shipping about \$12.8 billion of chemicals and chemical products every year. The Government of Alberta currently supports value-added development through initiatives such as the Bitumen Royalty In Kind (BRIC) program and the Incremental Ethylene Extraction Program (IEEP), and through its carbon capture and storage program.

Value Added Development in the Heartland

Current projects under construction or planned in Alberta’s Industrial Heartland include a variety of value added development such as [North West Redwater Partnership’s Sturgeon Refinery](#) to convert bitumen to high efficiency diesel as well as Williams Energy’s proposed project to use oilsands-derived propane to produce polymer-grade propylene, a major building block of plastic.

Several existing and planned carbon capture and storage projects in Alberta’s Industrial Heartland will reduce carbon dioxide (CO₂) emissions by 16.2 million tonnes annually. Two notable projects include the Shell Quest project and Alberta Carbon Trunk Line. In addition, [Williams Energy Canada’s offgas processing](#) captures off-gas from Alberta’s oil sands upgraders that was previously burned. The first of its kind in the world, Williams reduces upgraders’ annual CO₂ emissions by 300,000 tonnes (up to 500,000 tonnes by 2016). Williams utilizes the captured offgas and extracts valuable byproducts like propane and ethane at its Redwater Fractionator in Alberta’s Industrial Heartland.

Economic Impact of Development

A study commissioned by AIHA, *Economic Impacts of Adding Value to Alberta’s Hydrocarbon Resources Study*, prepared by University of Calgary Economist Ron Schlenker reported on the economic impact of new value added development. Current and planned projects will create long term manufacturing jobs that pay \$1.8 billion a year in salaries, and increase provincial revenue by over \$6.5 billion and federal revenue by \$10 billion over a 10 year period respectively.

The report conservatively assesses the impact of a number of petrochemical and hydrocarbon processing projects already sanctioned or being considered in Alberta. Despite the conservative assessment, the report demonstrates significant benefit for long term stable corporate taxes. These revenues provide ongoing stable income to all levels of government and offset the current and future fluctuation in oil and gas commodity prices.