



Winners of Alberta's New Carbon Policy

Description

Alberta unveiled a new carbon policy last week that will have both companies and consumers paying more to use fossil fuels. The policy will limit emissions in the oil sands to 100 megatons and force coal-fired plants to emit zero greenhouse emissions by 2030. Consumers will be hit on their heating bills and at the pump starting in 2017.

The ambitious plan, announced with a dual aim of limiting carbon emissions and promoting renewable energy, will have an impact on some of the large companies in Alberta's energy sector.

Let's take a look at a few of those companies and what this new policy will mean to them.

Suncor Energy Inc.: more efficient operations

Suncor Energy Inc. ([TSX:SU](#))([NYSE:SU](#)) is the largest oil company in Canada. The company has found success in decreasing production costs amidst very high extraction costs and falling oil prices.

The 100 megaton cap on oil sands emissions will have an impact on Suncor, but the company welcomes the challenge.

President and CEO Steve Williams indicated that he would support the initiative: "This will create a wealth of opportunities and jobs for generations to come. We in Alberta want to take a leadership role on climate."

The oil sands currently account for a quarter of the greenhouse gas emissions of the province. It is the hope that this new policy will drive companies to become more efficient through technology and innovation, so the oil sands will be better able to compete with other crude-producing jurisdictions.

Enbridge Inc.: renewable energy source and energy delivery

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#)) is one of the largest energy transportation companies in North America that focuses on distribution, transportation, and generation of energy.

Enbridge owns 2,065 megawatts of wind power—enough to power over 650,000 homes. As the wind-down of coal-powered plants rolls out over the next decade, Enbridge will be in prime position to recoup the difference in power generation.

TransCanada Corporation: provider of renewable energy

TransCanada Corporation ([TSX:TRP](#))([NYSE:TRP](#)) also generates and stores power; it has 11,800 megawatts of power generation and storage facilities for 407 billion cubic feet of gas.

TransCanada operates wind, hydro, and nuclear power plants. TransCanada has already invested in other areas that have transitioned to renewable energy and will likely play a large role in the wind-down of coal power plants in Alberta.

All three of the companies mentioned stand to benefit greatly from Alberta's new carbon policy, which will drive more efficient operations, lower costs, and greater revenues for years to come.

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