

Good afternoon everyone. Thank you for inviting me here today to tell you a little bit about my city, and the strong ties we have with Houston.

I am always impressed by the kindness and hospitality of our friends here. From the wonderful folks at the Greater Houston Partnership - our hosts for today's lunch – to my new friend Judge Ed Emmett, and old friend Mayor Bill White.

I'm disappointed to be losing Bill as a colleague. Mayor White has been a great leader for Houston. But I'm also certain that he would be a great leader for Texas in Washington, so I wish him well with his plans to run for the U.S. Senate.

Bill is unable to be here today for lunch, but this morning we signed a Bilateral Partnership for Business Growth and Cooperation between our two cities. That's a fancy way of saying we plan to expand on the strong relationship between our cities and regions.

For those of you not so familiar with Calgary, we are the largest city in the province of Alberta. We're a young city, founded in 1875 when the North West Mounted Police established Fort Calgary, at the confluence of two rivers. From those modest and humble beginnings, we have grown into a city of over a million people. We are also home to over 50,000 American citizens. We are Canada's energy capital and headquarters to some of the world's largest energy companies. Many of those companies also have a large presence here in Texas, and vice versa.

Our cities and regions share close ties. The State of Texas is our province's number one trading partner in the United States, with imports and exports between us totally about 6 Billion dollars last year. In airline passenger seats alone, there were almost a quarter of a million direct trips between our cities last year. But Houston and Calgary - Texas and Alberta – share a kinship well beyond our common bonds in business. We are cities and regions fueled by dreamers who work hard. We are free-thinkers, independent minded people, but with a strong sense of community. We are trading partners and friends, and as energy cities we share common opportunities, goals and challenges.

These are uncertain times, for our cities, our nations, and our world. Two issues dominate the public agenda: the economy and the environment - specifically dealing with greenhouse gases. And the policies chosen to address carbon emissions will have profound implications for Calgary and Houston. Indeed as energy cities one might say we have the most to lose, but I am a firm believer that in fact we actually have the most gain.

Mayor White has said that he wants Houston to be America's Renewable Energy Capital. Calgary shares that goal. We plan to be a global centre for "all things energy" - traditional and renewable. And as we scan the globe, there are few cities better positioned than Houston and Calgary to actually deliver. We have the corporate infrastructure, the people and the knowhow to spear-head the development and commercialization of green energy technology. And that will be achieved by leveraging our existing energy sector.

The demand for energy in North America is not dwindling, nor will it over time. Hydro-carbons as our primary source of energy are a reality, and will be for many decades to come. But conventional energy supply and geo-politics raise questions about the security and certainty of our access to energy, particularly petroleum. Therefore, it is both an environmental and economic imperative, that we use our hydro-carbons more efficiently and cleanly, and foster the development of more renewable energy.

Our cities are uniquely positioned to be leaders. And make no mistake, we must lead or we risk being told to follow. The desire and will to lead is there today, at the municipal level, community level, and among our energy industry.

Here's a fact that always seems to surprise people.

Do you know what city government buys the most green-power in North America? You got it, right here in Houston – followed by Dallas and Calgary. In Calgary's case, we recently signed the largest green electricity contract of any Canadian city. By 2012, we will be the only large city in North America which derives 100% of the electricity used for city operations from renewable sources.

When you tell that to people living in New York and Los Angeles or Toronto and Vancouver, it surprises them. But it shouldn't. The fact is while others have been talking, our cities have been aggressively "going green".

Houston has the Mayor's Hybrid initiative, which is "greening" the City's fleet of vehicles. You've been a leader in building new energy efficient buildings – what's known as LEED Certified buildings. Houston has initiated almost a million square feet of LEED municipal Buildings. It's estimated that almost 15% of Green House Gases come from commercial buildings, so developing higher standards for efficiency just makes sense. And with lower operating costs, higher efficiency buildings actually pay for themselves over time.

These are initiatives which we are pursuing in Calgary too. We have established two sets of goals for reducing our carbon footprint – one for city operations, and one for the community. Our goal was cut our emissions from city operations to 50% of 1990 levels. By 2012 we'll actually beat that – cutting them by 63%.

For our community, our goal is to reduce our total emissions by 35% before 2030. That's our focus now, and it will take the entire community – public sector, private sector and citizens to do it. The typical household in Calgary is responsible for producing almost 20 tonnes of GHG emissions a year. Engaging people to do things in their own homes to reduce emissions and conserve energy offers tremendous, and largely untapped, potential. Capitalizing on that potential requires us to do a better job of providing information, incentives and options for people.

We're going to do that - Here's an example. The City owns a natural gas and electricity utility company called ENMAX, and they are working on the launch of some very innovative strategies. Things like "smart metering" homes and businesses. This will allow cost savings for customers using power in non-peak times, and it will allow residential micro-generation. They're planning on offering leasing options for home owners for solar, micro-turbine wind and heat-to-electricity generation. That means home owners will not only be able to produce some of their own electricity, but actually sell it back to the grid when they aren't using all that power.

The company philosophy is that there is money to made and money to be saved, by introducing clean energy technologies. And it is a philosophy which is gaining ground in our energy sector. Technology is making amazing strides in reducing the environmental impact of energy production.

Here's another fact that few people know. The biggest user of solar power in Alberta is actually the petroleum industry, with solar panels providing power to even the most remote facilities.

A few hours north of Calgary are Alberta's oilsands. They are massive – the largest confirmed deposits of oil outside of Saudi Arabia. However, compared conventional light crude, a barrel of oil from the oil sands produces about 15 – 20% more Green House Gases. That's a challenge, but its one that both government and industry takes very seriously, and one that technology is helping us to solve.

About one-fifth of the oil sands reserves require mining – digging it up and trucking it off for upgrading. New methods are being used to meet our environmental goals – looking at pipelines instead of trucks, and lower temperature methods of extraction. The record is encouraging. Suncor, the biggest oil sands company involved in mining has reduced GHG emissions per barrel by 44% since 1990.

The rest of the oil sands reserves are insitu, not mined. Oil's recovered by injecting steam deep underground. Again, new technologies are offering great environmental advances. They're piloting the use electrical current and hot air injection to allow oil extraction, which could reduce GHGs by about 50 – 60%. This technology is in the very early stages, but its application, combined with renewable sources of electricity such as solar or wind, could actually reduce GHG emissions by even more.

Environmental stewardship is something Albertans take very seriously. Just last year, the Province of Alberta dedicated 2 Billion dollars of public funding toward the development of carbon capture and sequestration technology. That is an unprecedented commitment, and reflects our desire to be at the forefront.

Carbon sequestration can also boost the “bottom line” when combined with Enhanced Oil Recovery. EnCana Corporation, headquartered in Calgary, has developed the largest CO2 sequestration project in the world, located in Weyburn Saskatchewan. For those of you not familiar with where that is, it's about 50 miles north of the U.S.- Canada border on the eastern boundary of Montana.

At EnCana's facility there, CO2 is piped from a coal gasification plant in North Dakota, and injected into an old oil field. Oil production at the site has improved by 60% and in one oilfield alone, has the capacity to store up to 30 Million tonnes of CO2. That would be like taking almost 7 million cars off the road for a year. Based on what EnCana's learning in Weyburn, scientists estimate that 10,000 billion tonnes of CO2 could potentially be kept out of the atmosphere if the technology were applied on a world-wide scale. That's like 425 year's worth of global green-house gas emissions.

That's leadership and it's an exciting glimpse of the possibilities and opportunities which energy cities like Calgary and Houston have before us.

In closing ladies and gentlemen, there is no doubt green house gas emissions have become one of our most pressing issues. The direction being set today will have a profound impact on cities like ours. But if we are willing to be engaged in that discussion, and to continue to show our leadership through the actions of our people, governments, and industry, I have no doubt we have the most to gain from the future.

Thank you again for your kind hospitality, and for partnering with Calgary.