

TransAlta Corporation

Background

Headquartered in Calgary, TransAlta is an energy company operating in Canada, New Zealand, Australia, Argentina and the USA. A major supplier of electricity in Alberta, the company has interests in gas and electricity distribution, independent generation, energy services and energy marketing. TransAlta corporation employs over 2,000 people and has assets of \$4.6 billion, revenues of \$1.6 billion earning of about \$185 million.

Environmental Issues

With the bulk of its Alberta-based electricity production based on coal-fired generation, TransAlta's most significant environmental issue is its greenhouse gas (GHG) emissions from its Canadian operations. Due to business growth, GHG emissions from its Canadian operations were anticipated to rise by up to 13% over 1990 levels by the year 2000. Other environmental issues include emissions to air of SO₂, NO_x, particulates and heavy metals, and impacts on water levels and flow rates and water quality.

Voluntary and Non-Regulatory Initiatives(VNRIs)

TransAlta has a comprehensive sustainable development program which is integrated into the operations of the business. It developed an environment, health and safety management system framework consistent with ISO 14001. Every two years, the company issues a sustainable development progress report. It is a founding member of GEMCO, a consortium established to identify opportunities to develop GHG offsets. TransAlta initiated stakeholder consultations and communications regarding its environmental policies and plans.

The subject of this case is the company's initiatives to return its net contribution of greenhouse gases to the atmosphere to 1990 levels in the year 2000. The company participates in the Voluntary Challenge and Registry Program (VCR) with measures to address internal efficiencies, customer efficiencies, renewable energy purchases, displacement with cogeneration and both domestic and international offsets.

According to the company's August 1997 VCR Program second report, through a variety of actions, including both efficiency projects, offset and cogeneration, TransAlta Corporation was able to reduce its net GHG emissions (measured in CO₂ equivalent) by 600,000 tonnes below the 1990 levels. This reduction of 2.3% was accomplished even though TransAlta increased its generation of electricity by 11%.

By 2000, TransAlta expects that it will reduce its net contribution of GHG emissions to the atmosphere by 2.3 million tonnes compared with 1990, a reduction of 8%.

Effects of VNRIs on Trade and Investment

TransAlta has several activities outside Canada. One element of its climate change action plan is its involvement in a project in an Indian dairy operation which uses a