

# How is Canadian Energy Regulation Evolving to Support Canadian Prosperity?



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# The plan for today

- The projects conversation and where it comes from
- How much should we blame PM Trudeau for failed energy projects?
- Does Canada need new pipelines? If so, to where?
- Will the Building Canada Act get new pipelines built?
- What roles do the provinces and Indigenous communities play with respect to pipelines through the *Building Canada Act*?



### Recent work that informs today's talk



### The projects conversation

#### **ALBERTA**



#### Frontier Oilsands Mine Project - \$20.6 Billion

Teck Resources cancelled this northeastern project in 2020, citing political controversies surrounding climate change policies and indigenous rights.

#### Aspen Oilsands Project - \$2.6 Billion

Imperial Oil halted this northern Alberta project in 2019, saying it won't go forward until Alberta lifts its oil production restriction program meant to support local prices.

#### Dunkirk Oilsands SAGD Project - \$2.4 Billion

Koch Oil Sands Operating ULC cancelled this northeastern Alberta project in March 2016. The proposed project involved recovering bitumen using steam-assisted gravity drainage (SAGD) technology.

#### Muskwa SAGD Oilsands Project - \$0.8 Billion

Koch Oil Sands Operating ULC cancelled this northeastern Alberta project in December 2016, citing uncertainty in the regulatory and economic environment.

#### Carmon Creek Oilsands Project - \$3 Billion

Royal Dutch Shell halted this northwestern Alberta project in 2015, saying that the decision was in part due to lack of pipelines to access global markets. Kineticor bought the half-built facility in 2017 to repurpose it into a natural gas power plant.

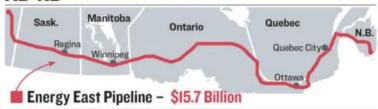
#### NT-AB



### Mackenzie Valley Gas Pipeline – \$16.1 Billion

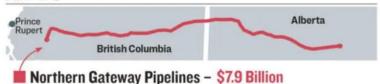
Imperial Oil in 2017 cancelled this natural gas pipeline project, proposed to run from the north coast of the Northwest Territories to northern Alberta, citing the economic environment.

#### **AB-NB**



TC Energy cancelled this oilsands pipeline in 2017 amid a decline in global oil prices since 2014 and at a time when the National Energy Board expanded the scope of the environmental review. The pipeline would have carried oil from Alberta to New Brunswick.

#### AB-BC



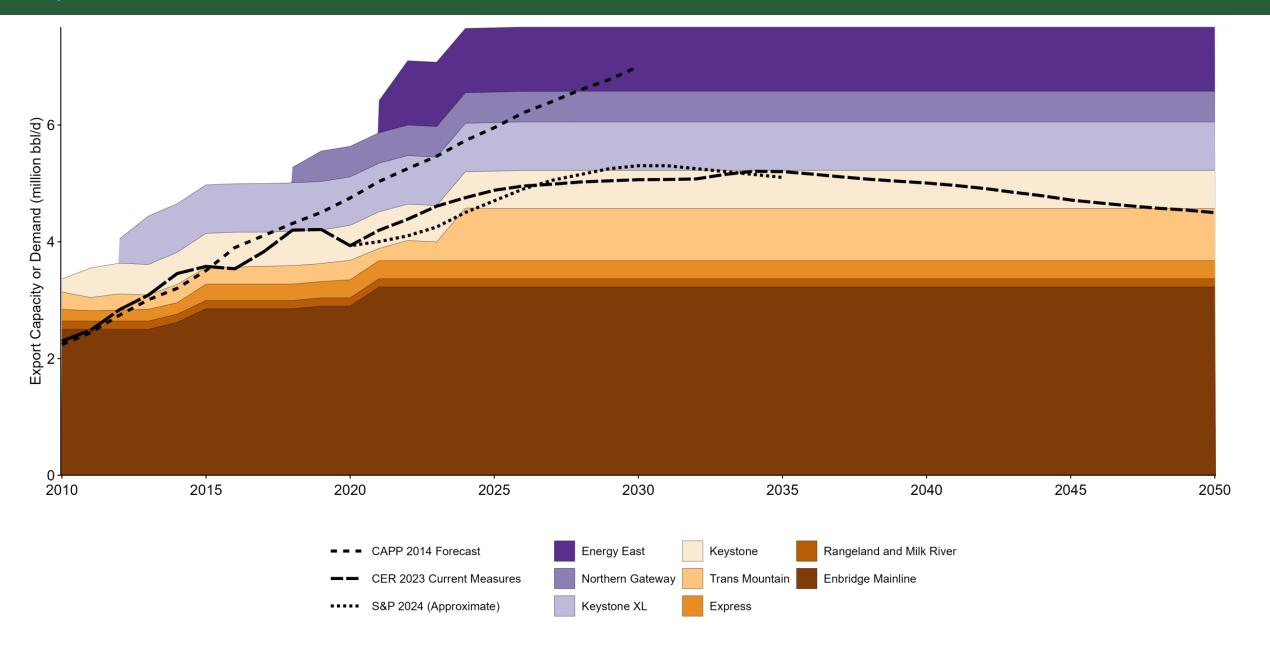
This twin pipeline was intended to transfer an oilsands product from Alberta to B.C., and transport natural gas from B.C. to Alberta. It was effectively cancelled in 2015

and transport natural gas from B.C. to Alberta. It was effectively cancelled in 2015 after the federal government affirmed its commitment to ban oil tankers from B.C.'s north coast and amid legal challenges over First Nations consultations.

Source: Epoch Times via Pierre Poilivre and the Conservative Party of Canada

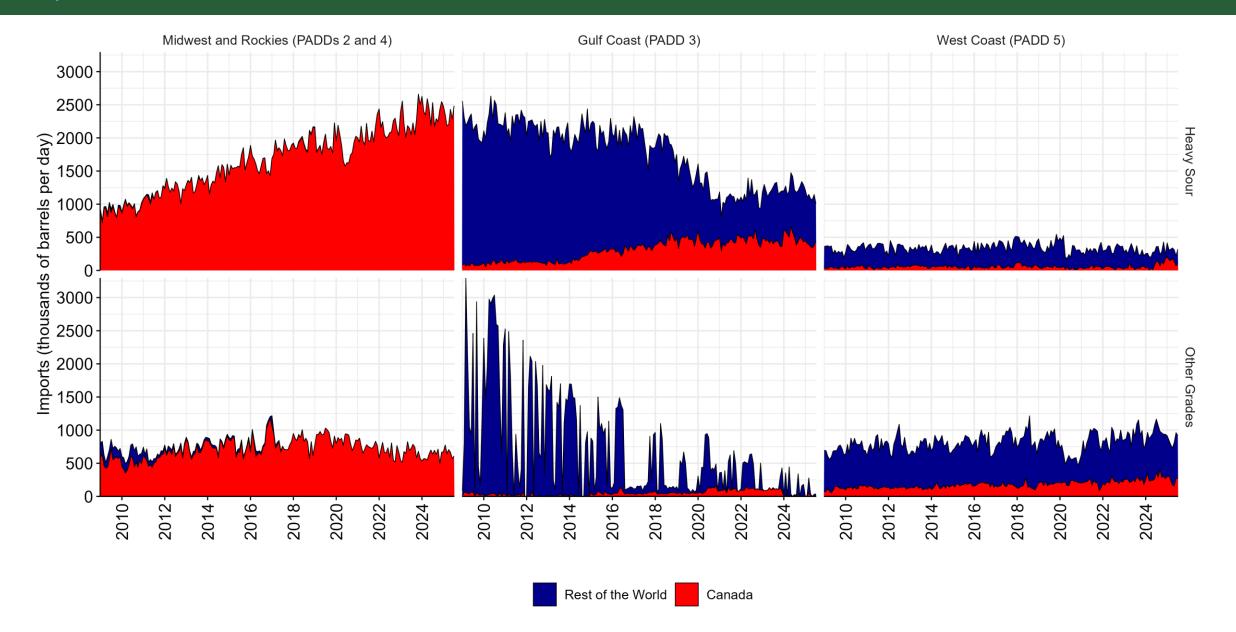


## The need for new pipelines? To where?





### The US Market for Canadian Crude



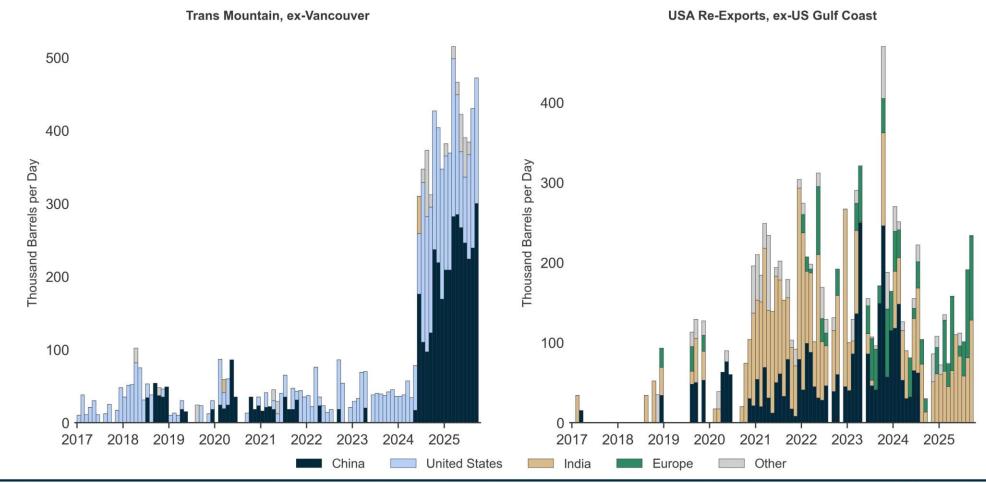


### The US Market for Canadian Crude



#### **Canadian West Coast Exports and USGC Re-Exports by Destination**

November 3, 2025





- BCA allows for decisions like the final, political approval of a pipeline or permit issuance to be pre-determined.
- *BCA* allows cabinet to exempt projects from requirements under other legislation.
- BCA does not provide complete certainty for pipelines
  - Pipes may not be added to the PONIs list w/o CER approval
  - PONIs may not be designated w/o consultation with provinces or Indigenous peoples.
  - But, there's more...

In making the listing decision, [Cabinet] <u>may consider</u> factors it considers relevant including the extent to which a project can:

- (a) strengthen Canada's autonomy, resilience and security;
- (b) provide economic or other benefits to Canada;
- (c) have a high likelihood of successful execution;
- (d) advance the interests of Indigenous peoples; and
- (e) contribute to clean growth and to meeting Canada's objectives with respect to climate change.



The role of the provinces and section 92(10)

Before listing, the Minister "must consult with the government of the province or territory in which the project will be carried out, and obtain its written consent if the project falls within areas of exclusive provincial or territorial jurisdiction."

Section 92(10) sets out provincial jurisdiction over "Local Works and Undertakings <u>other than</u> [interprovincial and international pipelines, powerlines, etc.]

So, what does it all mean?

Front-ending political decision is probably good news

 Indigenous rights and the Duty to Consult cannot be avoided through fast-track legislation

 Previous projects have not been excessively delayed <u>by</u> the review process but <u>because of process insufficiencies</u>.

### **THANKS!**

### **CONTACT INFORMATION**

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