



# 2019 CEPA Pipeline Dialogue

## Participants Report Executive Summary

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# Executive Summary

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In March 2019, the Canadian Energy Pipeline Association (CEPA) convened a small group of interested parties in Montreal, Quebec to discuss the future of energy in Canada and test the premise of whether eastern Canadians (Quebec and the Maritime provinces) see a need to access western Canadian oil and natural gas and for further pipeline development. Participants included representatives from academia, think tank / research institutions, industry, regulators, landowner groups, and the young professional community.

This is just one in a series of Dialogues that CEPA has been convening in recent years to engage openly with interested parties to build mutual understanding of perspectives and expectations. Insights from the 2019 Dialogue will be used to inform CEPA's long-term vision and narrative about pipelines and their role in Canada's energy future.

## What is the Future of Oil and Natural Gas and Pipelines in Eastern Canada?

Demand for oil and natural gas in Canada and globally is increasing and, while the energy mix is changing as countries begin to move toward low-carbon economies and increase investments in more renewable energy resources, fossil fuels are forecast to continue to be a major part of that future energy mix to 2040. Energy markets are also shifting, and Canada can no longer rely on the US as its key export as it has for decades. With this context in mind, a number of overarching themes and challenges emerged from the Dialogue:

- **Reconciling Realities:** While some see this as a zero-sum game – either develop our oil and natural gas industry by investing in pipeline infrastructure or address climate change – Dialogue participants stressed that the issue is not so black and white. As we move toward a low-carbon economy and more renewable sources of energy, there will still be a role for non-renewable resources. It will be important for industry, however, to acknowledge the issue of climate change and position itself as part of the solution.
- **Regional Fragmentation:** Some provinces may not be able to see an immediate / direct economic or social benefit from enabling eastern Canadian access to western Canadian oil and natural gas. It will be important for industry to continue to remind Canadians that we are a federation and we need to collaborate more like a nation than individual provinces.
- **Lost Opportunities:** The benefits of gaining access to western oil and natural gas are not immediately obvious to those who lack awareness and / or understanding of energy issues (e.g. where energy comes from). It will be important for industry to communicate the opportunities – or missed opportunities – associated with pipeline development to eastern Canadians.
- **Acceptability:** Acceptability is considered one of the main sticking points when it comes to enabling eastern Canadian access to western Canadian oil and natural gas. This has been expressed through the “not in my backyard” (NIMBY) and, to a lesser extent, the “build absolutely nothing anywhere near anyone” (BANANA) campaigns in recent years. It will be important for industry to explore new ways to build pipelines and enable access to western Canadian oil that would be palatable for those who are generally opposed to fossil fuels.

## Attitudes and Perspectives of Eastern Canadians Towards the Future of Energy in Canada

According to participants, there are no “eastern issues” as the attitudes and perspectives toward oil, natural gas and pipelines differ across the sub-regions. Multiple reasons for regionalized attitudes were flagged, including:

- **Differing definitions of energy:** the energy mix of a province can influence the way energy is defined or understood and affect attitudes and perspectives toward oil, natural gas and pipelines in eastern Canada.
- **Cost of energy:** the cost of energy in a province can play a significant role in determining whether eastern Canadians see the need for an alternative source of energy.
- **Weighing of risks and benefits:** the perceived risks associated with further pipeline development may outweigh the rewards if eastern Canadians are unable to see the immediate benefits from access to western Canadian oil and natural gas.
- **Preference for natural gas over oil:** use and familiarity with natural gas in some eastern Canadian provinces has resulted in greater acceptability, creating an opportunity for further access to western Canadian natural gas and development in the region.
- **Rural-urban split:** the rural-urban divide could shape attitudes and perspectives toward oil and natural gas and pipelines in eastern Canada, with the more urban and economically advantaged tending to be the biggest opponents.
- **Past politics and incidents:** past politics and incidents both within and between eastern Canadian provinces can shape the attitudes and perspectives of today.

## Options for the Future of Energy in Eastern Canada

Several options for the future of eastern Canada’s energy infrastructure were identified and discussed during the Dialogue.

- **A pan-Canadian, national energy strategy** to guide the future of oil and natural gas and pipelines in eastern Canada and build awareness around the role of the industry. Some challenges associated with this option include coordination (i.e. bringing together the different sectors for constructive conversation) and legitimacy if the strategy is industry driven.
- **A sector strategy** to communicate how the oil and gas and pipelines sectors are improving on environmental and socio-economic indicators and to create a renewed sense of national pride in the sectors by talking about innovation, jobs and prosperity.
- **A sustained educational campaign** to share information about oil and natural gas – notably supply (helping to make the connection between production and consumption) – and to communicate the opportunities (or missed opportunities) that come with enabling access to western oil and natural gas in eastern Canada.
- **An energy corridor** or defined, remote area of land where energy infrastructure could be built with reduced environmental, social and economic impacts to allow energy infrastructure projects to move ahead without very lengthy and costly regulatory approval processes. This option would not be a simple solution and the commercial viability would need to be explored.
- **A coordinated effort** by the oil and gas and pipelines sectors to develop and deliver a clear and strong narrative around what the future of energy will look like to signal to the public that

the industry recognizes that we are in a transition toward a low-carbon economy and sees a role for itself in this future.

- **Recognizing that Indigenous peoples are rights holders** and enabling Indigenous peoples to become more meaningfully involved in the future of energy. This will be key to surmounting many of the challenges associated with getting western oil and natural gas to eastern Canada.

For each of these options to be successful it is believed that it will be necessary to engage multiple voices along the way. This is especially true for Indigenous peoples and environmental non-governmental organizations. Moreover, while a number of the options above require some level of government intervention, there is an expectation that industry will still have a key role to play.