canadian energy pipeline association | association canadienne de pipelines d'énergie

Suite 1110 505 3rd St SW
Calgary, Alberta T2P 3E6
P: (403) 221 8777
F: (403) 221 8760
aboutpipelines.com

May 14, 2021

Mr. James Maloney, M.P.
Committee Chair
House of Commons Standing Committee on Natural Resources
Sixth Floor, 131 Queen Street
House of Commons
Ottawa ON K1A 0A6

E-mail: RNNR@parl.gc.ca

Dear Mr. Maloney:

The Canadian Energy Pipeline Association (CEPA) is pleased to provide its perspective on the House of Common's Standing Committee on Natural Resources' study on the low-carbon and renewable fuels industry in Canada. CEPA consists of transmission pipeline companies responsible for transporting the majority of Canada's natural gas and oil to markets across North America.

Canadians need natural gas and oil and will need them long into the future to fuel life and prosperity, however, the energy mix is changing, and part of that change is the growing demand for low carbon and renewable fuels. We believe this offers a significant opportunity for Canada as a responsible producer of energy, a source to meet growing demand for energy across Canada and a potential avenue to displace other higher greenhouse gas (GHG) emissions intense energy sources in foreign markets. As the most environmentally responsible and least GHG intensive means of transporting today's fuels and tomorrow's renewable energy, transmission pipelines are an essential part of meeting domestic and international energy demand.

As the Committee's study progresses, it is important to understand the essential role pipelines will play in the low-carbon and renewable fuels industry. In the near-term, the existing natural gas network can continue to be utilized to blend low-carbon fuels into the energy delivered to consumers across Canada. CEPA members already have experience in blending renewable natural gas into the natural gas delivered to end users in multiple regions across the country and are examining opportunities to connect emergent hydrogen markets via blending with natural gas in the near future. Over the long term, expanding the pipeline network will enable the development of initial production facilities for hydrogen and other forms of renewable energy which will be essential in decarbonizing sectors of the economy that have limited low-carbon energy alternatives and are difficult to electrify.

It is important the pipeline network Canada relies on to move today's energy is supported so that it can continue to be utilized and expanded to move low-carbon and renewable fuels. In order to do so, industry must be able to operate efficiently, adapt to market changes and attract investment that enables innovation in a capital-intensive industry. This will require governments across Canada to develop and implement adequate policy in a manner that is efficient, effective and economically viable while helping to drive clarity, certainty and predictability in the regulatory system. This must include consideration for the following:

canadian energy pipeline association | association canadienne de pipelines d'énergie

Suite 1110 505 3rd St SW
Calgary, Alberta T2P 3E6
P: (403) 221 8777
F: (403) 221 8760
aboutpipelines.com

- Clarity regarding future regulatory and compliance obligations so industry understands how and where investment is needed to ensure future energy needs continue to be met safely and reliably
- Blending renewable fuels, into the existing natural gas pipeline network can change the composition of the product delivered to end users.[1] Composition changes can impact the end use of the product which, due to the interconnected nature of North America's pipeline network, is delivered to residential, commercial and industrial customers across the continent.
- Enabling and encouraging collaboration, innovation and technology in the pipeline industry to ensure it can be expanded to react to future demand for low-carbon and renewable fuels.

CEPA strongly believes that support for and expansion of Canada's low carbon and renewable fuels industry can be a step forward in meeting the dual objectives of reducing GHG emissions while also ensuring people and businesses around the world have access to reliable and affordable sources of energy. The Standing Committee's study is an important step towards enhancing our country's collective knowledge in this area and CEPA and its members look forward to more opportunities to work with federal, provincial, and Indigenous governments, industry partners and other stakeholders over the coming months and years.

Thank you for the opportunity to submit our views. Should you have any questions or wish to discuss the above in greater detail, I look forward to speaking with you.

Sincerely,

Chris Bloomer
President and CEO

[1] For example: Hydrogen has roughly one third the heating value by volume as compared to natural gas (12 MJ/m3 hydrogen vs 40 MJ/m3 methane). At 20%vol hydrogen flow rate and/or capacity must be increased by 15% to provide the same energy to the customer. With pure hydrogen, the flow rate/capacity requirements triple.