



Calgary Energy Dialogues

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Academic Partners



Consulting Partner



Technology Partner



2019 Summary Report



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INTRODUCTION

As part of their City Series, Energy Dialogues LLC and Canadian academic partners, the University of Calgary's Haskayne School of Business Centre for Corporate Sustainability and Mount Royal University's Institute for Environmental Sustainability, held a conversation on June 18, 2019, to discuss the energy outlook for Canada.

PARTICIPANTS

The event focused on discussions about Canadian infrastructure, the future of Canadian liquefied natural gas (LNG), developing successful partnerships for resource development, renewables, and changing consumer patterns. Panelists from the University of Alberta, Stanford University, Schlumberger Canada, Canada West Foundation, First Nations Major Projects Coalition, Environmental Defense Fund, and Clean Energy spoke on these topics.

Roundtable discussions between panels gave participants a chance to voice their thoughts on the topics. Guiding questions were provided to participants during the roundtable discussions and are attached to this report. Over 50 participants from government, academia, and private and public companies participated in the conversation.

KEY THEMES:

This report summarizes the key themes and recommendations from the day. Emerging themes included the need and opportunity for Canadian leadership; the polarization of issues both regionally and globally; and, thoughts on the consumer of the future.

CANADA'S LEADERSHIP POTENTIAL

The opening panel discussion focused on Canada's infrastructure, regulatory approach, Indigenous involvement, and sector investment. Specific topics included the prospective LNG market, Canada's resource economy, Bill C-69, market access challenges, renewable energy growth, and U.S. – Canada relations.

Round table participants highlighted the need for strong leadership to make important, and sometimes difficult, decisions and to adhere to them. The perception that large-scale projects were taking too long to complete was prevalent. The political landscape in Canada was viewed as unstable, leading to divestment from the oil and gas industry. There was consensus surrounding the need for strong federal leadership in the

development of large-scale infrastructure projects. Participants noted the ambiguity around the current consultation process and highlighted the increase in time and capital associated with an in-depth consultation period. However, several examples of successful local consultation were presented by participants showcasing the benefits available to firms from a strong commitment to consultation.

The need for longer-term thinking was a consistent theme throughout the day. Governments and industry need strategic planning and long-term solutions for the transition to a low-carbon economy that goes beyond the next ten years. Participants consistently highlighted the need for forward-looking infrastructure that can adapt to changing energy demands such as LNG pipelines that can be used in the future to support transportation of hydrogen (i.e. LNG as a steppingstone). Connected to a long-term perspective was the consistent theme that Canada has multiple opportunities to capitalize on the transition to a low carbon economy. Participants focused on the ability to produce and export hydrogen on a global scale due to low-cost natural gas.

Discussions also supported the idea that Canadian governments need a global outlook. Canada's standards for production and human rights were highlighted as benefits of Canadian oil versus international options. Participants strongly contended that Canadian resources have the potential and arguably the responsibility to help reduce emissions globally.

Participants supported the need for Canada to expand its energy exports to markets such as Asia. A common theme across groups was the need for governments to acknowledge through action that climate change does not stop at borders. Multiple participants felt that global reductions in GHG emissions would have more impact on climate change than an attempt to meet Canada's Paris Targets.

Canada's ability to help mitigate many of the social issues highlighted in the United Nations Sustainable Development Goals (SDGs) was also discussed. Energy poverty and increasing global demand were presented as concrete issues to which Canadian energy can provide tangible solutions. Further, the ability to improve clean energy access, human rights, and poverty through resource exports were also tabled.

This discussion led to an examination of the polarization of energy and the environment in Canada. Polarization between perspectives in Alberta and British Columbia as well as Alberta and Eastern Canada were also considered.

POLARIZATION

A frequent topic in Canada is the level of polarization on energy and environment issues. This polarization leads to “us vs them” perspectives and either/or conversations framed as renewables versus fossil fuels, East versus West, and climate change versus the economy.

Participants agreed on the need for education and constructive conversations, but that targeted recommendations fall short. Despite this perception of polarization, participants consistently found common ground such as the need to reduce global emissions, the transition to a low-carbon economy, and the potential for Canada to become a global energy leader.

Regionalism is an issue in Canada due to the nature of confederation and many participants questioned: why can't Canada have both renewables and fossil fuel production? The current political landscape supports polarization rather than discussing solutions, with conversations typically leading to debate.

The energy industry has an obligation to educate the public and policymakers. Participants identified the need for the oil and gas industry to take a more proactive role in communications. Several participants highlighted the potential for industry certification to leverage interest in lower-emission fossil fuels.

NEW CONSUMER OUTLOOK

The afternoon sessions focused on the changing nature of consumers, including their behaviours and primary influences, and how technology and digitalization will shape future energy markets. Participants considered different types of future consumers. Discussions led to a separation of consumers in developed and developing countries.

In the developed world, participants suggested that future consumers will look similar to today's consumers. Predictions were of increased social media and youth influencing more conscious consumer decision making. A shift toward sustainability certifications and transparent supply chains is expected. Consumers will shape the energy industry. Social media and companies' ability to target data to appeal to consumers were identified as growing trends in Western societies.

The other future energy consumer – the new energy consumer – is in the developing world with some populations accessing energy for the first time. Participants suggested that these consumers will demand more energy as the need for electricity grows. This discussion of new energy consumers further highlighted issues of energy poverty in the

developed world. Participants noted the GHG emissions associated with oncoming coal plants throughout the developing world.

Another outlook for future energy consumers focused on technology as one of the greatest drivers of energy consumption in the future. Currently, technology and communications use large data centres that consume great amounts of energy, this industry is only growing and the need for technological advancements and worldwide communication leads to predictions that technology and communication will be the largest consumer of energy in the future.

CONCLUSION

Participant discussion reflected the complexity of the current energy dialogue. While polarization and infrastructure delays were consistent themes, the participants largely agreed that Canada has a major role to play in global GHG reduction. LNG was highlighted for both its short term environmental and economic benefits, and for its long-term potential to build a hydrogen export economy for Canada. Participants consistently referenced long term outlooks and the need for federal leadership in major infrastructure projects. While participants agreed on the need for a transition to a low-carbon economy, practical solutions focused on a need for consumer education and an increase in regional cooperation.