Finding Common Ground

THE NEXT STEP IN DEVELOPING A CANADIAN ENERGY STRATEGY

MARCH 2011

William Kimber, Vice President Research
Dr. Roger Gibbins, President & CEO
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This paper was prepared by William Kimber, Vice President Research and Dr. Roger Gibbins, President and CEO with the assistance of Ryan Pike, Intern.

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Executive Summary

**Is now the time for a Canadian energy strategy?** Between 2009 and 2011, a wide range of stakeholder groups including leaders of Canada’s top enterprises, environmental organizations, the energy industry, policy think tanks and academia have called for reform of Canada’s energy policy framework, to address a broad set of energy and environmental challenges.

At the heart of their contribution is the conviction that we can leverage Canada’s energy opportunities and strengths in a manner that positions the country for a secure and prosperous future—economically, environmentally and socially.

The overarching conclusion of the Canadian energy conversation to date is that we need a Canadian energy strategy, and we need it now. However, while this hard-won agreement is a critically important point of departure, it does not take us very far. Agreeing that we need “a strategy” without sketching in what that strategy might be is at best a modest start.

Fortunately, eight substantive and interconnected themes can be located within the impressive amount of work done over the past two years, these are:

→ embrace Canada’s energy diversity as a strength;
→ ensure robust environmental stewardship;
→ set a price for carbon;
→ transform the demand side of the energy system;
→ strengthen Canada’s position in the world;
→ promote energy security in the North American context;
→ drive innovation and technological development; and
→ understand that strategy is dialogue.

Although these themes stop short of being fundamental principles, they do provide the essential foundation for the work to come and a rough framework within which a diverse range of values, interests and objectives can be located.

The next step is to ensure that the impressive momentum of the last two years is not lost. *Finding Common Ground* concludes that complementary strategies for advancing the quest for a Canadian energy strategy are needed. This includes: both promoting a Canadian intergovernmental process, and continuing to foster public debate amongst broad stakeholder groups on policy reform.
Introduction

Public policy issues at the interface between energy, the environment and the economy are of critical importance to Canada’s economic, social and environmental prosperity. It’s appropriate therefore that Canada has embarked on a national dialogue involving a broad array of stakeholders from industry, government, the non-government sector and the community.

This movement, and we use movement advisedly, is driven by the recognition that energy is an essential underpinning for all human endeavors. In an increasingly interconnected world, Canada’s future is being shaped by the ability of our industries and communities to adapt and prosper when exposed to sweeping forces of global change:

→ rising but uneven global demand for energy and energy services;
→ climate change and emerging constraints on carbon intensive activities;
→ concerns about energy security and price volatility; and
→ changing geopolitical and market circumstances including flows of financial and human capital, and the development and adoption of disruptive technologies.

However, the drive for a Canadian energy strategy also reflects a compelling sense of opportunity. Canada’s vast endowments of renewable and non-renewable energy, and the associated human capital and expertise, represent a substantial comparative advantage for the country. In many ways Canada has what the world wants, peace and rule of law, democratic institutions and the raw ingredients to be an “energy superpower” as described by Prime Minister Stephen Harper.¹

We now confront a classic Canadian dilemma as opportunity meets diversity. The growing number of groups who have come to the energy conversation have brought diverse views with them on why we need such a strategy, what its objectives and priorities should be, what policy mechanisms should be employed, and how quickly we need to act. Diversity spans not only our energy mix but also huge provincial differences in energy assets and circumstances, jurisdictional complexity, and legitimate differences of opinion on the rate and direction of energy development.
Given this intractable diversity, but also given the opportunities, *Finding Common Ground* looks for points of convergence, points of rough consensus across the rich body of material released over the past two years that addresses, from one perspective or another, the need for and potential shape of a Canadian energy strategy. It is an appropriate time to catch our breath, to stop and ask if there is sufficient common ground within this truly impressive body of material to support further development of a Canadian energy strategy.

Before embarking on this exercise, it is important to stress that the Canada West Foundation:

→ is *not* trying to stake out a new energy position ourselves, or to impose a particular organization perspective. Instead this is our best effort to identify the common ground *across the work of others*; we are aggregators and synthesizers rather than proponents.

→ has been guided by a very loose understanding of *consensus*, taking it to mean little more than greater agreement than disagreement. We acknowledge that even the most robust consensus can fray at the edges when pushed, and any thematic consensus, such as that identified below, can hide a good deal of detailed disagreement.

→ recognizes that the literature review underpinning this paper is no more than a snapshot in time. As more individuals and organizations join the national energy conversation the tone, direction and content of that discussion will shift.

With these caveats in mind, the fact remains that a tremendous amount of work has been done over the past two years. The goal now is to bring that work into focus so that the Canadian energy conversation can move forward. An impressive orchestra has been brought together, and it is now time to identify a common score.
### SCOPE OF STAKEHOLDER ENGAGEMENT

In the period between 2009 and 2011 a range of Canadian organizations across government, industry, academia, think tanks and environmental groups have engaged in debate relevant to reform of Canada's energy policy framework, and what it should look like. Some of the key players have included:

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<td>Business Councils, Industry Groups, Chambers of Commerce and Economic Development Groups</td>
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<td>Canadian International Council</td>
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<td>National Roundtable on the Environment and the Economy</td>
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Common Themes

An overarching conclusion of the national energy conversation to date is that we need a Canadian energy strategy, and we need it now. While this hard-won agreement is a critically important point of departure, it does not take us very far. Agreeing that we need “a strategy” without sketching in what that strategy might be is at best a modest start. Fortunately, eight substantive themes can be pulled from the work done over the past two years. Although these may stop short of being fundamental principles, they do provide the essential foundation for the work to come. They provide a rough framework within which a diverse range of values, interests and objectives can be located.

As we should expect, the eight themes are thoroughly entangled, and for this reason they are not presented in any particular order. Only taken together do they provide sufficient common ground on which to build.

A range of leaders from across Canada have gone on record advocating for policy reform in regards to energy. The following quotations are selected examples of high level calls for a Canadian energy strategy.

Stephen Harper, Prime Minister of Canada:

“Are Canadians ready to mobilize in a national project of environmental protection for this generation and future generations? I believe we are…. Canada must not be merely an energy superpower, but a clean energy superpower.”

CBC.ca, 22 March 2007 “Canada must be a clean energy superpower: PM”

David Suzuki, Chair, David Suzuki Foundation:

“Canada is now one of the only developed nations without a coordinated energy plan. That doesn’t bode well for us in light of the numerous energy challenges we face.”

The Mark, 23 September 2010, “Bring back a national energy plan”
Senate of Canada, *Standing Committee on Energy, the Environment and Natural Resources:*

“The message is clear: there is urgent need for a national discussion on energy. Canada requires a comprehensive Canadian Sustainable Energy Strategy now.”

Senate of Canada, 2011, *Attention Canada! Preparing for our Energy Future*

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Canadian Academy of Engineering:

“Energy is one of the cornerstones of civilization and is central to Canada’s economic and social well-being, but we lack a compelling national energy vision.”

Senate of Canada, 2011, *Attention Canada! Preparing for our Energy Future*

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Patrick Daniel, *President and CEO, Enbridge:*

“I think we need an energy policy, not a national energy program but a policy and strategy in regard to energy in Canada,”


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Robert Hornung, *President, Canadian Wind Energy Association:*

“We need a strategy…. We need a vision of where we want to be in 10 years, and how we want to get there.”

CBC.ca, 28 October 2010, “Energy policy needs Ottawa’s lead: wind body”
Finding Common Ground

common themes
1. Embrace Canada’s energy diversity as a strength

It is essential to recognize from the get-go the different energy circumstances of each province and territory, as indeed it is essential to recognize Canada’s unique energy circumstances. Canada has vast and diverse natural energy endowments, albeit distributed unevenly across provincial and territorial boundaries.

Canada is second in the world for proven oil reserves, third in proven uranium reserves, second in hydroelectric production, fourth in economically exploitable hydroelectric capacity, and twelfth in proven coal reserves. Our geographic scale and diversity also create great potential for renewable energy including hydro, biomass, wind, geothermal, solar, and tidal, and Canada’s human and technological energy capital is abundant. Our energy industries are substantial providers of jobs and economic prosperity and Canada’s vast endowments of renewable and non-renewable energy represent a substantial comparative advantage.

The Canadian energy conversation to date calls for greater intergovernmental coordination on energy policy in general, and renewable energy in particular. Major infrastructure investments to transform Canada’s domestic and trade-related energy systems, such as “smart grids” for electricity, will also require the lever of pan-Canadian cooperation. The challenge is two-fold: (1) to respect the constitutional division of powers with regards to natural resource ownership and development while at the same time acknowledging a pan-Canadian interest in improving the performance of the energy system; and (2) to create appropriate intergovernmental mechanisms to harness diversity.

In the words of the Energy Council of Canada, our existing energy policy framework revolves around provincial ownership of natural resources and a commitment to multi-jurisdictional control within Canada’s diverse federation. This is also the template going forward if we are to ensure that diversity remains a strength, not a liability.

Bill Boyd, Saskatchewan Energy Minister:
“When it comes to natural resources, the provinces have the jurisdiction…. Positioning ourselves with the other provinces creates an energy powerhouse.”

Globe and Mail, 17 December 2010, “Western provinces unite to be an ‘energy powerhouse’”

Dave Collyer, President, Canadian Association of Petroleum Producers:
“This is about all the jurisdictions coming together to figure out what works for Canada. We are encouraging the federal government to work with the provinces and other stakeholders to develop a strategy we think would be helpful in clarifying Canada’s priorities, questions about exports, and collectively advance energy conservation and efficiency.”

The Hill Times, 6 December 2010, “Canada needs a national energy strategy to set framework for future, say stakeholders”

Senate of Canada Standing Committee on Energy, the Environment and Natural Resources:
“so that federal, provincial and territorial governments and other stakeholders can work together and coordinate energy policies to ensure prosperity for all regions.”

Senate of Canada Standing Committee on Energy, the Environment and Natural Resources, 7 June 2010, Attention Canada! Preparing for Our Energy Future
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2. Ensure Robust Environmental Stewardship

There is strong agreement that a Canadian energy strategy must be aligned with and facilitate robust environmental stewardship. This reflects not only a broad Canadian consensus on the intrinsic importance of environmental protection but also an awareness that improved environmental performance is increasingly essential for: (1) the social license to operate, required for access to both domestic and international markets, and (2) for future economic competitiveness. Robust environmental stewardship is important in its own right and as a necessary condition if other goals, including competitiveness of our industries, are to be achieved.

Of course, a strong consensus on the importance of environmental stewardship does not resolve disagreements on the ecological limits to resource development. Canada’s greenhouse gas abatement goals, the robustness of plans to meet these goals, and the speed at which governments and industry move will continue to be contentious. The energy industry and business community more generally argue that the regulatory approvals process needs to be streamlined17 and regulatory uncertainty reduced. Some political leaders are on record supporting this principle also.18 However some in the environmental community are concerned that the pace of resource development should be slowed, so that cumulative impacts on land, water, wildlife and human health can be assessed.19 The need for evidence-based policy development, underpinned by trusted and credible science, is also a key part of this debate.

In short, disagreements still abound, and resolution will be difficult. However, the important point to stress is that the energy conversation to date demonstrates that this debate need not be polarizing, that it can take place within the development of a Canadian energy strategy. The need for robust environmental stewardship is an intrinsic part of a Canadian energy strategy and not a counterpoint to any such strategy.

Rick George, President and CEO, Suncor:

“The challenge is not just about ‘greening the oilsands.’ The real challenge is about getting to a constructive dialogue on greening our economy and the energy that fuels it. It will take time—and technology will be key.”

The Province, 2 May 2010, “Suncor CEO calls for national energy strategy”

Canadian Chamber of Commerce:

“We can satisfy our energy requirements while protecting the environment”

Canadian Chamber of Commerce, 13 July 2010, Powering Up Canadian Prosperity: Growing the Energy-Sector Value Chain

David Suzuki, Chair, David Suzuki Foundation:

“Science isn’t perfect … but it’s the best tool we have for analyzing and understanding our world and the impact of our actions on the environment…. If our leaders reject science, we really are in trouble.”

David Suzuki Foundation, 3 March 2011, “Politicians who reject science are not fit to lead”
Tracy Snoddon and Randall Wigle, Institute for Research on Public Policy:

“Many provinces, frustrated by the perception that Ottawa has not been proactive enough in setting national targets for greenhouse gas emissions reductions, have independently embarked on their own policies to reduce emissions. The resulting patchwork of measures illustrates the complexity of achieving coherent policy when both levels of government intervene in the same policy arena.”

Stephen Snyder, CEO, TransAlta Corp.:

“A carbon tax, from an electrical-industry perspective, is probably a better way to go.... But a cap-and-trade mechanism would work, too. I’m a bit less worried about what the price mechanism is, than whether there is one.”


David Suzuki Foundation:

“The federal government has the option of introducing a carbon price that either takes the form of an emission tax, a cap and trade system, or a combination of both. The overriding imperative is that government take action.”

Rivers, Nic and Dave Sawyer, October 2008, Pricing Carbon: Saving Green—A Carbon Price to Lower Emissions, Taxes and Barriers to Green Technology, David Suzuki Foundation

**Common Themes**

3. Set a Price for Carbon

Broad agreement exists across governments, industry, environmental groups, and academia that development of the Canadian energy system must be aligned with greenhouse gas abatement goals. Carbon pricing is therefore seen as an essential part of, or at the very least an indispensable complement to, a Canadian energy strategy. It plays at the interface of Canadian production and global markets, shapes long-term investments, provides important price signals to producers and consumers alike, and is an unavoidable part of Canada’s reputational management. Industry, environmental groups, and academics acknowledge that price incentives are needed in order to shift behaviors in the longer term.

The debate has moved from whether to price carbon to how, when and how much. Some have expressed concern that we must harmonize with American carbon-pricing strategies in order to protect trade exposed industries, while others including the Canadian Chamber of Commerce and the National Roundtable on the Environment and the Economy argue that Canada need not wait for the United States to act on carbon pricing before taking action domestically.

Agreement on these issues will not be easy. Figuring out how to build in full environmental costs, and how to address emissions-intensive, trade-exposed industries in the design of energy policies and carbon pricing regimes, will keep policy makers (and policy wonks!) engaged for years. However, the fact that carbon pricing is seen as an integral part of a Canadian energy strategy is a hugely important step. Discussions about how to price carbon will be difficult, but they are not intrinsically polarizing.
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4. Transform the Demand Side of the Energy System

Energy conversations in Canada too often focus exclusively on the supply side, on the upstream production of energy resources and how that production might be changed going forward. However, the demand side of the energy equation is equally important, if not more so. Demand, after all, drives supply.29

Many stakeholders have identified energy efficiency as a key part of the solution to a more productive energy system.30 There is a deep and broad consensus in the reports produced to date that substantial demand-side opportunities exist to capture economic and environmental benefits through greater efficiency and productivity in the use of energy across the economy.31 Common ground includes the need for full-cost accounting for the entire energy mix, and the need to promote behavioral change through price signals and improved energy literacy.32, 33

Canada’s population is increasingly urban.34 Particular emphasis is therefore placed on energy efficient infrastructure, and on enhanced social and environmental outcomes through the improved design and operation of urban environments.35

At the same time, business and environmental groups see the drive towards energy efficiency as an opportunity to grow new companies and improve the international competitiveness of Canadian businesses,36 providing the right incentives are put in place.37

Gary Doer, Canadian Ambassador to the United States:

“On the issue of the clean energy strategy, everybody knows where you start is energy efficiency – reducing the utilization of energy.”


Peter Boag, President, Canadian Petroleum Products Institute:

“We shouldn’t overlook the contribution that smarter, more efficient use of existing conventional fuels can make to a sustainable energy future for Canadians.”

National Post, 9 December 2010, “Fossil fuels still in our future”

Senate of Canada, Standing Committee on Energy, the Environment and Natural Resources:

“The most cost effective way to reduce GHGs and pollution is to reduce the consumption of energy. This is why it is considered low hanging fruit; in fact, these fruits may actually be lying on the ground in Canada.”

Senate of Canada, 7 June 2010, Attention Canada! Preparing for Our Energy Future
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Lorraine Mitchelmore, President, Shell Canada:

“We are acting like 10 different countries. We need to act as one country and position ourselves for the future… Alberta should not be against Ottawa. We (Albertans) should not be against Quebec. We’ve got to start coming together … to compete globally. Because that’s the future.


Yvo de Boer, former Executive Secretary, United Nations Framework Convention on Climate Change:

“Part of the policy agenda is for Canada to create a national framework that ensures that you have a coherent energy agenda, including energy security on the one hand, but at the same time, are in a position to meet national and international goals on climate change.”

Globe and Mail, 15 September 2010, “Suncor’s George hits back at oil sands detractors”

Energy Policy Institute of Canada:

“Diversifying Canada’s markets for energy, energy products and technology is a key policy goal. Our recommendations involve the development of infrastructure to export oil and gas to Pacific Rim countries, new energy foreign trade relationships and encouraging foreign direct investment in Canada’s energy sector.”


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5. Strengthen Canada’s Position in the World

There is consensus that a Canadian energy strategy that only looks inward will be at best incomplete, and at worst a failure. Canada is a major exporter of energy products and expertise, and is therefore deeply entangled in continental and global energy markets; open markets are essential to our economic sustainability. Diversifying Canada’s markets for energy exports beyond the United States and into the rapidly developing Asia Pacific markets is also a key policy driver. As a small domestic economy, we rely heavily on foreign investment in the energy sector, and are increasingly shaped by international agreements on trade, carbon and environmental standards.

As a consequence, the energy conversation to date urges that Canadian energy strategy should be responsive to changing global conditions, and should strengthen Canada’s position in the world. This includes ensuring Canada’s attractiveness as a foreign investment and immigration destination, ensuring Canada plays its part in meeting international obligations on environmental protection, and careful consideration of how to optimize Canada’s critically important trade relationship with the United States.

A Canadian energy strategy could be an important part of Canada’s international brand, just as the absence of strategy could damage that brand.” What Canada does domestically in regards to energy and environment policy positions the country’s participation in international negotiations on climate change, trade and other strategic issues. A comprehensive Canadian energy strategy and its underpinning of greater inter-governmental cooperation on energy and related environment issues could also give Canadians a more united and effective voice on the international stage.”

In summary, there is a robust consensus that Canada needs to do more to position its energy industries and environmental performance in a way that promotes our brand in the world, and that a Canadian energy strategy would be a significant step in this direction.
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Although concerns about energy security are seldom part of the public discussion in Canada, they figure prominently in the reports reviewed for *Finding Common Ground*. However, given that Canada is a net energy exporter with a vast and varied energy asset base, security issues play out somewhat differently here than they do elsewhere.

The literature focus is more on secure access to continental and global markets, on consumer access to reliable, safe and affordable energy services within Canada, on infrastructure security, and on global positioning in the light of a turbulent international environment. Although in the short term Canada is set to benefit from investment as a stable and secure supplier, this may be a temporary advantage as “trends toward clean energy development mean that our markets are threatened.”

There is a common agreement that major infrastructure investments are needed to ensure energy security through a modernized energy system. This includes the development of cleaner power generation along with “smart grids” for more efficient electricity transmission, and enabling more varied and renewable energy sources in Canada’s electricity supply mix. Growth in energy consumption and population across Canada needs to be matched with infrastructure upgrades and maintenance to ensure stable and secure energy networks.

Considerations of north-south linkages with the United States, as well as east-west linkages within Canada, also figure prominently in the literature review, along with the need to closely monitor developments in the United States in regards to energy security and climate policy.

Security considerations, it is argued, force us to consider Canada’s energy endowments in the context of a North American energy system.

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David Jacobson, *United States Ambassador to Canada*:

“It is critically important, in my view, that the United States and Canada harmonize our environmental policies to the extent we can…. We work very closely together on these issues—I think that’s in the best interest of the United States, that’s in the best interest of Canada, because our economies are so thoroughly integrated.”

*The Leader-Post*, 15 September 2010, “More harmony needed: Jacobson”

Bob Page, *Chair, National Round Table on the Environment and the Economy*:

“Canada’s most important trading partner has become Canada’s most important climate partner. We need to understand how we can meet our environmental responsibilities as a sovereign state and a global actor fully comprehending the unique economic ties we enjoy on this continent.”


Canadian International Council:

“A fierce competition for resources (including) energy, minerals and food is altering geopolitical and economic patterns and poses the gravest threat to world peace.”

Canadian International Council, 8 June 2010, *Open Canada, a Global Positioning Strategy for a Networked Age*
7. Drive Innovation and Technological Development

There is broad stakeholder agreement across business, academia and environmental groups that innovation and technological development are needed to transition Canada’s energy system to a lower carbon, more efficient and more productive future.

The energy world at home and abroad is incredibly fluid as new forms of supply (e.g., shale gas and potentially clean coal), new production techniques (e.g., carbon capture and storage), new transportation technologies (e.g., electric cars), new environmental challenges and expectations, and dazzling technological advances with respect to renewable energy transform the world around us.

It is not surprising, therefore, that the reports reviewed for *Finding Common Ground* returned time and time again to the need for policy tools to foster and incentivize innovation through greater investment in infrastructure, human capital, science, research and development, and commercialization. A price on carbon and public policies to support innovation are frequently mentioned as important parts of the solution to this challenge.

It is widely assumed that our energy asset base alone will not guarantee success in a global economy that is more skill-driven than ever before, and thus an energy strategy that fails to unleash innovation and technological development will fail Canadians. Industry is also looking for incentives to drive this forward in a more deliberate way.

Conversely, there is an opportunity to position Canada as a world leader in energy and environmental innovation by improving our innovative performance in areas where we enjoy or could create a competitive advantage. However there are concerns that Canada is not moving fast enough on innovative performance and investment levels when compared internationally.
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8. Understand that Strategy is Dialogue

The notion of a Canadian energy strategy can conjure up the image of a single document, stapled and bound, or a “click here” button on a government website. However, those who are engaged in the pursuit of a Canadian energy strategy have a much different image.

Given the scope and complexity of energy policy, and given the number of governmental and non-governmental players involved, a Canadian energy strategy will never be encompassed by a single document. Moreover, the policy environment is much too fluid to be frozen at any one point of time. What is envisioned instead is a robust and ongoing national conversation that fully engages governments, industry leaders, environmental groups, academia and the broader community. The vision is one of policy as dialogue rather than policy as documents, although over time a Canadian energy strategy will start to take on some written and legislative garments. It is also expected that, over time, the energy dialogue will become better informed, more nuanced, more sensitive to the international context, and better connected to the lives and decisions of individual consumers.

As the national policy dialogue takes hold, more players with more interests will come to the table, and the complexity of the policy debate will only increase. This, however, is not a bad outcome as the energy world is complex, as is the relationship among energy, environmental and economic objectives. In the famous last words of the Australian outlaw Ned Kelly, “such is life.”

Pierre Guimond, President and CEO, Canadian Electricity Association:

“There is urgent need for a national discussion on energy. If Canada is to be a clean energy superpower and have energy production as a large component of its economy, we should have the public debate necessary to build and maintain a broad social consensus.”

Edmonton Journal, 27 November 2010, “Energy talks a necessity”

Duncan Hawthorne, President and CEO, Bruce Power:

“We’re not going to regulate our way out of this. We actually have to engage, we have to tell a compelling story. People have to see it as something they play a role in.”

National Roundtable on the Economy and the Environment, 30 October 2008, Climate Forward Forum

Perrin Beatty, President and CEO, Canadian Chamber of Commerce, former Federal Cabinet Minister:

“What we have in mind is not simply a federal government policy to be imposed on the regions but a truly national strategy in which all regions are full partners.”

Senate of Canada, 4 May 2010, Testimony to Standing Committee on Energy, the Environment and National Resources

Trottier Energy Futures Project:

“we recognize the crucial importance of encouraging an open dialogue with Canadians on energy issues.”

Marlo Raynolds, 13 September 2010, Setting the Stage for a Sustainable Energy Strategy: Canada’s Necessary Opportunity, Trottier Energy Futures Project
Conclusion

Discussions of Canadian energy policy have come a long way over the past two years, becoming both broader and deeper as more players wade in. A truly impressive body of research, commentary and advocacy has been assembled, leading to the question we asked at the outset: is there sufficient common ground within this body of policy material to support further development of a Canadian energy strategy? Our conclusion is a resounding yes.

This is not to say, of course, that all the t’s have been crossed and the i’s dotted, for we have barely begun to identify what the t’s and i’s might be. Nonetheless, impressive progress has been made across a number of fronts:

→ The overall level of consensus on the need for a Canadian energy strategy is broad and strong, as is the consensus on the need to act quickly.

→ The evolving Canadian energy conversation is knit together by eight common themes set out in this paper; themes that provide the framework for an ongoing policy dialogue.

→ There is ample evidence that a wide variety of groups and interests can come together at the same table, that diversity in energy assets and perspectives can be a strength rather than a barrier to a constructive national conversation.

→ There is enough agreement on the basics to support further work on the right policy mechanisms to employ, and the appropriate speed of policy implementation.

→ A Canadian energy strategy can be more than a catalogue of challenges and problems to overcome; it can also be, should also be aspirational with respect to Canada’s energy position on the world stage.

In conclusion, we have come a long way in a short period of time, and there is sufficient common ground upon which to build as we go forward. Given this progress, where do we go from here?
Next Steps

Underlying the commentary on the potential shape of a Canadian energy strategy was a concern that the momentum built up over the past two years might be lost. To prevent this happening, movement along three fronts is recommended.

Intergovernmental relations

Following a meeting at the World Energy Congress in Montreal in September 2010, Canada’s ministers of energy and mines announced that they had “mandated their officials to identify areas of common interest as well as goals and objectives related to energy that will lead to greater pan-Canadian collaboration.” The next ministerial meeting is scheduled for Kananaskis, Alberta, in July 2011, and there is every reason to expect that the outcomes of the Winnipeg Energy Dialogue on March 31 and April 1 will help the ministerial process advance.

We recognize, of course, that the common themes identified in this paper cross ministerial boundaries, and that while energy ministers have some of the necessary policy levers, an effective Canadian energy strategy will reach well beyond the portfolio of energy ministers alone. In the United Kingdom and Australia, the executive arm of government, led by the prime minister, has implemented a whole-of-government approach that will eventually be needed in Canada. Nonetheless, initiating intergovernmental discussions on a Canadian energy strategy with energy ministers is an appropriate and necessary first step.

All hands to the pump

To this point the Canadian energy conversation has been driven by a very loosely knit assortment of individuals, organizations and associations, and it is important that this work continue. Some have the capacity for heavy lifting on the policy development front, some can carry the existing energy conversation into the public realm, and some can carry the inevitable consultative load. The more hands to the pump, the better—think tanks, industry associations, academia, environmental groups and the media. The risks of confusion and duplication are far less than the risk of losing momentum if the debate in civil society is simply handed off to an intergovernmental process.
Opportunities for convergence

A cacophony of voices can play a critically important role in animating the Canadian energy conversation, and in providing evidence to governments that there is policy space that they can occupy. However, there is a need to create opportunities for convergence, such as that provided by the Winnipeg conference, opportunities for players to check in and see if they are roughly on the same score, and opportunities to identify and expand common ground.

Convening plays a critically important role here, but so too would the creation of a forum with the capacity to engage with industry, governments, environmental groups and the broader community on an ongoing basis. If this forum is not created and adequately resourced, then orchestration of the Canadian energy conversation will be very difficult.

These three “next steps” are not alternatives; they are complementary and reinforcing strategies that are all needed if Canadians are to address a host of complex energy challenges and opportunities. It is essential that we do not place all our strategy eggs in one intergovernmental or organizational basket.

The reality for those who have worked to date on the development of a Canadian energy strategy is that our work is not done. There is now a torch, and we must strive to keep it burning.
Endnotes

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Powering Up for the Future
Accelerating Energy Solutions for Canada

*Powering Up for the Future* focuses on public policy challenges at the interface of the economy, the environment and energy. Powering Up will drive informed discussion on policy choices shaping our energy future, for the benefit of western Canada and all Canadians.

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Opportunities exist to help fund the research and communication of the *Powering Up for the Future* project findings.

For more information please contact Director of Fund Development (rosgen@cwf.ca).

For more information on the research underway, please contact Will Kimber, Vice President, Research (kimber@cwf.ca).