letstalkenergy

ARTICLE NO.

Read the Series



SERIES ARTICLES

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Strategy is mainly about dialogue, not a document or an end point

Despite the many voices in Canada calling for development of a Canadian energy strategy, it is not at all clear that there is agreement on just what form a strategy should take. Is it a detailed technology and fuel specific plan to meet energy needs? Probably not, for any number of good reasons. Is it a high level statement of principles? Possibly, but a statement of principles is soon forgotten unless there is some means of making it operational and keeping it current.

It is not really about a document at all

Energy is a matter of interest and authority for the federal government, the provinces and the territories. The great weight of jurisdictional authority and resource ownership belongs to the provinces but the federal government led the way on energy price deregulation in the 1980s; negotiated free trade; has assumed primary responsibility for climate change policy; and regulates environmental matters such as fish habitat that are potentially determinative of many energy projects. The territories have province-like responsibility devolved from the federal government for numerous aspects of energy. Energy markets, the flow of related environmental consequences and energy infrastructure all extend beyond jurisdictional boundaries. In other words, energy strategy is unavoidably a multi-jurisdictional matter if it is to successfully encompass the major factors driving energy outcomes.

The idea of a single document encompassing fourteen jurisdictions seems to make little sense. At best, it would be so general as to be of little practical weight. At worst, it would become the focus of a word-smithing exercise stumbling to the lowest common denominator and dissipating energy and goodwill to no particularly good end. And it would quickly become stale dated anyway.

A high level statement of agreed principles might be a good idea if: 1) its development were preceded by the evolution of some fundamental underlying agreement on the concepts long before the word-smithing began; and 2) it were followed by some sort of process to make it operational and keep it current. But the statement itself would be at best a benchmark; it should not be the purpose of the exercise.

If not a document, then what?

The term dialogue is shop-worn and weighted with images of endless talk-fests leading nowhere. But dialogue is how policy on complex multi-dimensional issues evolves. The greatest economic policy change in Canada in the past several decades, free trade, emerged initially through the process of a Royal Commission followed by expert debate. This lead to the initiation of negotiations with the US and then further spirited public and political debate around the proposed agreement itself. That was a dialogue.

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Getting to a Canadian energy strategy—why do we need one:

ARTICLE 2

A Canadian energy strategy should be robust and sustainable under many possible futures

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If we get energy right the carbon will follow

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Getting energy right mean focusing on productivity

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Strategy should rest principally on competitive markets, private investment and prices

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Innovation is primarily about people and organizations, not widgets

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Strategy should reflect Canada's greatest genius: openness to the world

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Strategy is mainly about dialogue, not a document or an end point

If there is no dialogue then the *status quo* will tend to dominate or actions will tend to be *ad hoc*, driven only by political imperatives, whims and short lived fashions or by the influence of the weightiest lobbyists. Whether or not dialogue can actually overcome those tendencies is an arguable proposition, but that aside, if there is dialogue then the question is how can it actually move things forward.

How does a dialogue assume a sense of direction and not simply turn in circles?

Returning to the first note in this series, the dialogue should start with discussion on "why" we need to do something. Again on free trade, the *MacDonald Commission* crystallized the need for Canada to expand its access to the US market if we wished to sustain our economic prosperity. We had a problem, we had a goal and we had a mechanism.

If we can generally agree on the problem—which can be the wish to seize an opportunity as much as to fix something—the rest should start to flow.

The next logical step is to define our goal or goals. What do we want to achieve, broadly speaking and over what time frame? This could go as far as numerical targets, but rushed too fast numerical targets are a sure-fire way to corrode consensus. Even broadly stated direction can be useful as a guide for defining priorities and for measuring progress.

Principles matter. Again the free trade example is instructive. Underlying the whole idea were certain fundamental beliefs: in the concepts of gains to trade and the virtues of competitive markets; in a belief that rules-based approaches to trade relations were in Canada's interests; in the confidence that Canadians could win in a big market provided only that the rules were fair; and in the idea that we could mitigate the adjustment impacts in a way that would be socially and politically acceptable. An energy strategy needs to be guided by foundational principles or it will quickly founder on competing interests and divergent views as to fuels, technologies and detailed mechanisms with no bedrock ideas to stand upon.

Finally, it needs to move on to action and action is only possible if the problem is broken in to manageable chunks. So, what are the priorities and who will move it forward?

A strategy could evolve through a set of conversations working through these questions to see if general consensus is possible. Exactly what written form it takes will only be seen in the event.

It doesn't actually ever end

A long departed deputy minister in Ottawa used to characterize the public service as the "permanent custodians of permanent problems." Energy strategy is a permanent problem and the only difference is that the custodians in this case can include a larger community as befits both a federation and a more modern era where business and civil society have a more active role in governance.

Looking to the future a strategy should emphasize engagement, information, transparency and ongoing dialogue combined with an expectation that business and civil society will be active contributors—more than spectators, supplicants and critics.