

WHAT WE HEARD

From Opportunity to *Action*

Tapping British Columbia's Natural Gas Advantages

Fueling Growth: B.C.'s Natural Gas Advantage Roundtable Proceedings | December 2025



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Background

The Canada West Foundation concluded 2025 by bringing together leaders from across government, business, Indigenous communities, labour organizations and financial institutions for a candid discussion on how British Columbia can leverage its natural gas advantage to strengthen energy reliability, affordability and economic growth.

This report summarizes what we heard about the role of natural gas in B.C.'s electricity grid, infrastructure challenges, and the policy and regulatory considerations that support a competitive future. (Readers will find the full set of discussion questions in the Appendix.)

The roundtable surfaced a range of perspectives on the role of natural gas within B.C.'s energy system, from near-term reliability and infrastructure constraints to Indigenous partnerships and permitting timelines. Those perspectives point to an overarching theme: B.C.'s natural gas resources offer a substantial opportunity for the province, both now and in the future.

Context

B.C. is rich in natural gas at a time when global demand is growing. It accounts for the largest share of B.C.'s exports to the United States, even as tariff measures continue to affect Canada–U.S. trade, while domestic energy needs also rise. Other industries, including traditional forestry, are also impacted.

Despite these ongoing challenges, most British Columbians support energy growth, stability and natural gas exports, while ensuring ecological priorities remain at the forefront¹. The balance is evident in B.C.'s experience with liquefied natural gas (LNG). LNG Canada's Kitimat terminal became Canada's first large-scale LNG export facility in 2025, while Cedar LNG is the world's first Indigenous majority-owned LNG project. Canada's proposed LNG projects will be among the world's lowest emitting: Ksi Lisims is expected to have emissions 94 per cent below the global average².

Acknowledgements

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¹ <https://resourceworks.com/bc-lng-ipsos/>

² <https://www.pm.gc.ca/en/news/news-releases/2025/11/13/prime-minister-carney-announces-second-tranche-nation-building-projects>

Actions to Take

Key Themes

Grasp the Opportunity from B.C.'s Massive Natural Gas Advantage

Participants underscored B.C.'s natural gas advantage across resource availability, cost and geography.

The province has an enormous endowment of natural gas. The Montney Formation in the northeast part of the province drives much of B.C.'s production. Moreover, through ingenuity and hard work, producing companies have driven extraction costs to very low levels.

B.C.'s location provides yet another competitive advantage: a direct path across the Pacific to export. With no need to transit a canal, as is the case in the Gulf of Mexico, ships can easily reach high-price markets in Asia, including South Korea, Japan, China, Taiwan and the Philippines. The gap between low-cost, abundant production and a direct route to high-priced sales markets reveals a considerable opportunity, one that B.C. should continue to amplify and expand. With greater production, other benefits tend to follow, including job creation, labour productivity, increased business activity and government revenue gains.

It is important to recognize the ability of the upstream sector to attract investment to support LNG facilities on the B.C. Coast. Currently, B.C. produces approximately 7 to 7.5 Bcf/d; however, given the number of LNG facilities in various stages of planning, this volume could rise substantially, which would require an increase in drilling activities. Given the current policy framework in B.C., including climate policy, permitting timelines and land use planning, participants raised significant reservations, viewing these factors as barriers to the province achieving its full potential. They underscored the need for systematic improvements and focused attention to help establish a clear pathway for increased upstream production.

With ongoing concerns about the U.S. as a major trading partner, increasing the volume of product sold to Asia spreads risk over multiple geographies and political systems. Such diversification improves negotiating power and provides more options for producers, all of which benefits B.C.

According to event participants, B.C. could boost production in several ways:

- Drop requirements to electrify all LNG facilities. B.C.'s abundant natural gas resource is available to provide power at a low-cost. As electricity demand continues to rise, a portfolio of energy sources will be needed. Avoiding expensive, single-purpose transmission lines increases affordability for B.C. residents and could incentivize investors to green-light more projects.
- Continue to hasten permitting speed. Build on the precedents set by Cedar LNG and Canada's federal government by finding non-duplicative ways to approve projects, such as substitution agreements where provincial assessments are accepted by federal assessors. Find ways to reduce or eliminate overlapping activity, or those with little benefit compared to the cost.
- Learn from and continue to deepen economic relationships with people immediately impacted by LNG projects. Often these are Indigenous communities, whose businesses and citizens can actively participate in these projects, including opportunities for equity ownership.
- Some participants echoed calls from B.C.'s business community to exempt capital investment from the Provincial Sales Tax (PST). Capital investment contributes directly to worker productivity and standards of living.
- Create an avenue that would support increased activity in the upstream sector which could have a corresponding positive effect in attracting further investment in LNG.
- Closely examine methane regulations to ensure their requirements allow for economically achievable production growth.
- Continue to remove interprovincial trade barriers. Don't wait for other provinces to act; B.C. should take the initiative to unilaterally and quickly drop direct and indirect barriers to trade.

Deepen Ties to Indigenous Communities

Many upstream natural gas and LNG projects take place within or near Indigenous communities. Many of these remote communities are unable to access gas to heat their homes and have to rely on more expensive sources like wood or electricity, which can also be unreliable.

The existing partnerships between many projects and communities can be deepened and extended. According to event participants, some examples of this include:

- Addressing energy poverty by extending natural gas networks into Indigenous communities, providing the option to heat homes affordably and reliably with gas. All communities benefit from having an energy choice.
- Engaging Indigenous communities from the beginning of project planning, not just at approval stages. Maintaining ongoing dialogue and trust.
- Offering equity ownership opportunities, including capital and loan guarantees.
- Investing in capacity building skills and training programs within communities, making them more accessible by eliminating travel requirements.
- Respecting cultural heritage and involving communities in archaeology and environmental reviews.

Expand Choice for Affordable and Reliable Energy

Some B.C. municipalities have taken steps to limit the ability for consumers to heat their homes with natural gas. Reducing fuel competition eliminates the ability for consumers to choose a specific energy source, raising prices and lowering resilience to unexpected infrastructure, weather or policy events. Moreover, provincial policies limiting the use of gas in generating electricity may, in the face of higher demand and uncertain hydroelectric supply, force demand curtailments or higher prices for consumers.

Event participants suggested:

- B.C. should move away from the goal of “electrifying everything.” While B.C. has plentiful hydroelectricity resources, a diverse and competitive energy portfolio enables businesses and consumers to have the right energy sources in the right places.
- Canada’s Clean Electricity Regulations may be too restrictive in the face of a weaker B.C. economy and growing domestic and international energy demand.
- Examine options for B.C. to import and export greater volumes of electricity from Alberta or Washington state to optimize reliability and cost.
- Consider augmenting natural gas-fired assets as a component in B.C.’s electricity-generation portfolio.

Strengthen Jobs, Trades and Community Engagement

Natural gas investments underpin positive effects on communities and employment opportunities. Large projects can be life-changing to local workers, unions and suppliers across the province. However, large projects can bring their own challenges, such as attracting and training skilled labour.

Participants had several suggestions to deal with this challenge:

- Engaging early with communities, unions and training institutions in large project development; investing in capacity-building skills and training programs within communities; and making those programs more accessible to community members.
- Refreshing education initiatives, including trades training and possibly dual-ticket or dual-credit programs.
- Eliminating “prevailing wage” provisions in tax credits or tendering processes. Such provisions tie or lock compensation to collective bargaining agreements, eliminating contract flexibility. A competitive, non-restrictive approach to accessing skilled labour results in lower cost and greater opportunity for workers.

Conclusion

Roundtable participants emphasized that natural gas is a cornerstone of B.C.'s exports, supporting living standards in many communities and contributing to economic benefits across the province. They also noted that gas is a strategic energy complement to the province's hydroelectricity resources. B.C. is abundant in energy from both hydroelectricity and natural gas, and to achieve affordability and reliability, prioritizing flexible options to interweave them makes sense. Natural gas development in B.C. results in increased employment and development opportunities. Maximizing these benefits requires focused and creative training efforts, flexible approaches to contracting, and early and sincere engagement with local communities.

About the Roundtable

Format	In-person, moderated discussion held in Vancouver in December 2025.
Participants	Leaders from government, business, Indigenous communities, labour organizations and financial institutions.
Focus	B.C.'s natural gas advantage, its role in exports and system reliability, Indigenous partnerships, energy affordability and workforce needs.
Purpose	To inform public policy discussion by capturing themes and perspectives, not to produce formal recommendations.
Approach	Comments are summarized thematically, are not attributed to individuals or organizations, and do not represent a consensus position or recommendations.

Canada West Foundation's Role as a Convener

Canada West Foundation regularly brings together leaders from government, business, Indigenous communities, labour organizations and civil society to examine policy issues that matter to Western Canada. Our roundtables are designed as neutral forums: participants receive shared background material, engage in structured, off-the-record discussion and explore trade-offs and practical implications rather than negotiating positions. Proceedings like this one capture themes and perspectives from those conversations without attribution, with the goal of informing public dialogue, supporting future research and ensuring that Western Canadian experience is reflected in national policy debates.

Appendix

Roundtable Questions

Defining B.C.'s natural gas advantage and near-term opportunities

- How should B.C. define its “natural gas advantage” in 2025? What are the most immediate opportunities this advantage creates for the province’s economy and energy system?

Reliability, affordability and system balance

- What is the realistic mix of resources needed to maintain affordability for B.C. households and industry? Is current planning balanced for long-term competitiveness?

Infrastructure and grid resilience

- What are the most pressing barriers to moving natural gas to where it is most needed, both within B.C. and across provincial borders?
- Is there a case for rethinking interties or natural gas transmission infrastructure to support Western Canadian grid resilience?

Indigenous partnerships and project models

- How can natural gas and electricity infrastructure development be approached in ways that create enduring economic partnerships with Indigenous communities?
- What lessons from Indigenous-led or co-led projects can guide future development in B.C.’s energy sector?

Regulatory environment and project delivery

- How can federal and provincial governments better coordinate on permitting, timelines and infrastructure approvals to support energy reliability?
- What regulatory changes or clarifications would have the greatest positive impact on enabling pragmatic natural gas use in the near term?
- How can regulators, policymakers and industry better align on timelines and expectations for major energy projects?

National and regional coherence

- How can B.C., Ottawa and Western provinces work more coherently on natural gas, electricity reliability and decarbonization in a way that supports national and regional priorities?

Long-term vision and next decisions

- Looking ahead 10 years, what does a successful, reliable and balanced B.C. energy system look like — and what decisions need to be made now to get there?

About the Canada West Foundation

The Canada West Foundation is an independent, non-partisan, evidence-based public policy think tank focused on Western Canada. Its team of public policy experts advance the interests of Western Canadians by working with governments, industry and partners to build a stronger, more united and prosperous Western region.

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