

WEBVTT

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<v SPEAKER_1>Hello, everyone, and welcome to Energy Security Cubed, one of the world's foremost energy security podcasts presented by the CGAI or Canadian Global Affairs Institute.

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<v SPEAKER_1>I'm Kelly Ogle, Managing Director here at CGAI.

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<v SPEAKER_2>And I'm Joe Calnan, Vice President of Energy and Calgary Operations at the Canadian Global Affairs Institute.

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<v SPEAKER_1>For today's podcast, we're featuring a rerun of our podcast with Trevor Tombe from May 2024, titled The Economics of the Trans Mountain Pipeline, where we had a great conversation about the basic economic necessity of that pipeline.

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<v SPEAKER_1>But before we dive into that, let's have a quick discussion with Joe about the new stories affecting global energy security this week.

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<v SPEAKER_1>How are things with you, Joe?

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<v SPEAKER_3>Oh, I'm doing well, Kelly.

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<v SPEAKER_2>Lots going on in the world right now.

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<v SPEAKER_2>And in the summer is normally the summer things slow down a little bit.

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<v SPEAKER_2>But this August, I thought I'd get some more time to write, but I've barely had any time.

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<v SPEAKER_1>Well, yeah, it's the as they say in baseball, we're in the dog days of summer, you know, like there's a long way to go before the World Series, but there's a lot of and there's a lot of water that will flow under the bridge, a lot of pitches thrown, a lot of strikes called.

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<v SPEAKER_1>But I know it's like, you know, rounding up potential speakers or guests, everybody's trying to get primed up for the fall.

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<v SPEAKER_1>So what's in the news, Joe?

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<v SPEAKER_2>Well, I'd like to start by unpacking the issue of India's supplies of Russian oil, trade sanctions being imposed by the United States, and the question of where China and Europe play into all of this.

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<v SPEAKER_2>So on Tuesday, August 19th, United States Secretary of the Treasury Scott Bassett said in an interview with CNBC that India was effectively, and I quote, profiteering, unquote, from the low price of Russian oil, benefiting from the sanctions placed on Russia by Western countries.

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<v SPEAKER_2>This statement from Bassett follows up on the announcement of a new 25 percent tariff on Indian goods, supposedly meant to punish India for buying Russian oil.

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<v SPEAKER_2>Bassett also justified singling out India because the country has rapidly grown as a buyer of Russian oil and is capturing the value by reselling refined products at high prices.

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<v SPEAKER_2>This is in contrast with China, which Bassett says is a long-standing buyer of Russian oil and consumes the refined products domestically.

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<v SPEAKER_2>So it is true that India is an important buyer of Russian crude oil and this role has grown massively over the last few years.

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<v SPEAKER_2>Prior to the war in Ukraine, India hardly bought any Russian oil.

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<v SPEAKER_2>According to S&P Global Commodity Insights data, on January 2022, India bought just 24,000 barrels of oil per day from Russia.

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<v SPEAKER_2>As of July 2025, India has bought 1.7 million barrels per day of crude oil from Russia.

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<v SPEAKER_2>So that's a huge increase.

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<v SPEAKER_2>Close to 100 times increase in terms of how much oil they're buying.

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<v SPEAKER_2>Importantly, India is buying Russian crude oil, which would normally be marketed to Europe, effectively swapping places with the continent in terms of what role it plays in global oil flows.

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<v SPEAKER_2>This is because European sanctions have effectively banned Russia from selling seaborne crude to European customers.

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<v SPEAKER_2>It's also true that India is exporting large volumes of refined products to the rest of the world, capturing much of the resulting value.

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<v SPEAKER_2>This is the arbitrage that Basant has been talking about.

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<v SPEAKER_2>However, getting angry at India for buying Russian oil is strange since the design of the price cap sanctions on Russian energy export explicitly allows this.

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<v SPEAKER_2>If you'll recall, the idea when putting in these price cap sanctions was to prevent the sanctions from turning into an effective embargo on Russian oil supply.

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<v SPEAKER_2>When these sanctions were introduced, the global economy was reeling from the oil price spike that just followed the invasion of Ukraine, and nobody wanted to cause a real supply disruption, which could keep prices higher for longer and have all sorts of big economic consequences.

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<v SPEAKER_2>The resulting sanctions were therefore designed to allow Russian oil to continue to be traded with the requirement that it could not be sold above a certain price.

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<v SPEAKER_2>As a result, Russian incomes from oil production would be limited, hopefully restricting the flow of funds that are required for

Russia to continue prosecuting its war in Ukraine.

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<v SPEAKER_2>However, these sanctions were only meant to apply to Russian supply of crude oil, not from the products made with these oil supplies by non-Russian refineries.

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<v SPEAKER_2>As a result, Indian refineries made a tidy profit when they stepped in to snap up this cheap oil and sell the refined products on the international market, including to Europe.

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<v SPEAKER_2>So India buying this Russian oil is simply the sanctions working as intended.

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<v SPEAKER_2>If the oil is cheap, then India is reaping more of the resource rents from the oil supply chain, thereby restricting Russian revenues.

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<v SPEAKER_2>While it's true that India is benefiting here, most of these benefits are really being extracted from Russia, if you think about it.

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<v SPEAKER_1>Right.

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<v SPEAKER_1>But however, this fact has drawn suspicion that the Trump administration was simply looking for an excuse to place so-called secondary tariffs on India with a more solid international emergency, Economic Powers Act justification.

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<v SPEAKER_1>We would keep in mind also the timeline for court challenges for the IEEPA tariffs.

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<v SPEAKER_1>In May, the US Court of International Trade ruled that the use of the IEEPA for tariffs was illegal.

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<v SPEAKER_1>It's now likely that there will be a Supreme Court judgment in October on whether tariffs under the IEEPA are under executive powers.

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<v SPEAKER_1>If this case goes against the Trump administration, then

only the most rock-solid tariffs may remain in place.

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<v SPEAKER_1>Secondary tariffs, effectively broad sanctions on India for buying Russian oil, may survive this judgment.

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<v SPEAKER_1>There is also another consideration.

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<v SPEAKER_1>With the departure of Russian oil from Europe, many European refineries which traditionally use Russian oil have been placed under extreme pressure amid competition for non-Russian supply and pricing pressure from lower-cost sources of refined products.

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<v SPEAKER_1>Combined with Europe's decarbonization push and new refineries taking away market share in Africa, this has brought many of Europe's refineries closer to closure.

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<v SPEAKER_1>The IEA estimates that as much as 1 million barrels per day of European refining capacity is under imminent threat of closure.

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<v SPEAKER_1>This implies many and some major energy security risks.

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<v SPEAKER_1>Dependency on foreign refiners can pose a problem in times of short supply.

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<v SPEAKER_1>Europe's energy security for the longest time, backed by ample Russian supply, has been reinvented with unknown consequences.

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<v SPEAKER_1>If we are charitable, the American administration's move could be seen through the lens of preventing India from taking out European refining capacity.

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<v SPEAKER_1>If we looked uncharitably at it, this could be seen as competition for European market share.

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<v SPEAKER_1>The United States has quickly grown to become the single largest supplier of refined products to the European continent.

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<v SPEAKER_1>Cutting off Indian supply now to low-cost Russian oil

could give American refiners an edge in Europe.

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<v SPEAKER_1>No matter the reason, it's easy to see why India is being targeted more than China.

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<v SPEAKER_1>Tariffs and sanctions on China are easy to justify under IEEPA, and China is not a major competitor of the US in energy markets.

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<v SPEAKER_1>Maybe the bigger question should be, why isn't the US looking to directly hit Russia with new strong energy sanctions?

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<v SPEAKER_1>A question for another day.

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<v SPEAKER_1>Interesting, Joe.

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<v SPEAKER_1>Yeah.

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<v SPEAKER_1>It's complicated, isn't it?

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<v SPEAKER_2>Yeah, it sure is.

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<v SPEAKER_2>I can't claim to know everything here that's going on behind closed doors, like what the real justifications are.

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<v SPEAKER_2>I do know that there's been a lot of speculation as to why India is being hit more than China, and I think that China is still being hit with various other measures, like for example, Trump administration, even though they've loosened up a little bit the restrictions on selling advanced chips to China, that's come at the kind of horse trading of those chip companies having to pay the United States in order to actually export those chips.

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<v SPEAKER_2>There's all sorts of restrictions on trade with China between the United States and China.

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<v SPEAKER_2>It's only going in one direction there.

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<v SPEAKER_2>I think with India, this could be pressure being put on India temporarily before getting to a final agreement and arrangement.

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<v SPEAKER_2>I think everything that happens with China has to be seen in a longer-term perspective, maybe these things in a shorter-term perspective.

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<v SPEAKER_2>But at the same time, the question about US policy toward Russia, that's the big question here.

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<v SPEAKER_2>What is the end goal in this case?

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<v SPEAKER_2>And it seems so far that the Trump administration has been dealing with Russia with kid gloves, I suppose.

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<v SPEAKER_2>And we'll see how the current negotiations around ending the war in Ukraine go.

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<v SPEAKER_2>Maybe there's a chance we'll see more sticks being used.

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<v SPEAKER_2>But we've been seeing a lot of carrots.

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<v SPEAKER_2>So, yeah, I'm not sure.

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<v SPEAKER_1>I guess a couple of questions I have are, as India's economy expands over the next decade, I know there's a big markup in ability to sell refined products into other markets when your feedstock is cheap.

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<v SPEAKER_1>But as you mentioned in our discussion, China consumes all the refined products that it makes inside the country, whereas India is exporting.

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<v SPEAKER_1>But as their economy continues to get more modernized, they'll use more and more of those refined products themselves.

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<v SPEAKER_1>Number one, number two, maybe this is the quickest way

for Europe to find their way to the fallacy of decarbonization by having to shut down refineries.

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<v SPEAKER_1>We'll see how that works out.

00:10:42.016 --> 00:10:42.216
<v SPEAKER_1>Yeah.

00:10:42.216 --> 00:10:47.256
<v SPEAKER_2>Well, there's all sorts of factors going into the closure of European refineries, as we see.

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<v SPEAKER_2>Like the decarbonization push definitely doesn't help, but it's not the only thing.

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<v SPEAKER_2>Quite a few of these refineries, they're heavily dependent on demand in Africa, too.

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<v SPEAKER_2>So with the opening of Dengote and with a few other refineries that are under construction or planned, it becomes tough to justify having that bigger refineries base in Europe.

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<v SPEAKER_2>Even though that refinery base is crucial for Europe's energy security, it's just the pure economics don't quite work.

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<v SPEAKER_2>So we'll see.

00:11:16.916 --> 00:11:17.296
<v SPEAKER_1>Good.

00:11:17.296 --> 00:11:18.596
<v SPEAKER_1>What else, Joe?

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<v SPEAKER_2>Well, next up, I'd like to quickly cover a story from Bloomberg that digs into kind of the dismal demand for electric vehicles in the United States, especially where it comes to big electric vehicles, and how this excess battery manufacturing capacity could be used for better ends.

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<v SPEAKER_2>So on Tuesday, Bloomberg reported that Ford and SK On, so that's a South Korean battery manufacturer chemicals company, are looking to secure buyers for batteries made at their joint venture

battery factory in Kentucky.

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<v SPEAKER_2>The reason is that the Ford F-150 Lightning is a dismal failure for sales and for marketing.

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<v SPEAKER_2>So we're far from the days of former President Joe Biden taking a spin in the super heavy electric pickup truck.

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<v SPEAKER_2>While the gas-powered Ford F-150 had sales of around 80,000 units in May 2025, the electric version of the truck only sold 1900 units.

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<v SPEAKER_1>In fact, last October, the Ford Motor Company paused production of the EV, citing insufficient demand.

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<v SPEAKER_1>As a result, there are factories specifically tooled for the 1800-pound, 100-kilowatt batteries with a few customers.

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<v SPEAKER_1>This has happened even before the end of the \$7,500 tax credit for EVs, which will be fully phased out by September 30th of this year.

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<v SPEAKER_1>Fortunately for Ford, there may be opportunities for selling the batteries to utility customers, but this is far from guaranteed.

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<v SPEAKER_1>Either way, this is a sign of the times.

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<v SPEAKER_1>Canada as well, Joe.

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<v SPEAKER_1>I saw some stats yesterday where I think total vehicle sales in Canada for the year up to the end of the year up to now were like, well, whatever it was, the number of electrical vehicles was like 5% or 8% of that total.

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<v SPEAKER_1>This experiment is at least, as we would say, the power shut off for the transmissions in neutral for now or park.

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<v SPEAKER_2>This raises big, big questions in Canada about our electric vehicle mandate, which is going to be ramping up pretty soon here.

00:13:24.336 --> 00:13:25.176
<v SPEAKER_1>You know what, Joe?

00:13:25.236 --> 00:13:27.156
<v SPEAKER_1>I'm just going to jump in.

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<v SPEAKER_1>This particular issue might be the most tone-deaf of the current administration so far.

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<v SPEAKER_1>The tone-deafness about this electrical vehicle thing is just unbelievable.

00:13:37.816 --> 00:13:46.916
<v SPEAKER_1>I don't know why they don't just bite the bullet and back off this policy arm, this policy platform, because it's not going to work.

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<v SPEAKER_2>I think it's more likely to just dramatically increase the demand for used vehicles and also just make people use their gas-powered vehicles for longer, just radically reducing sales in general.

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<v SPEAKER_1>I can personally attest to that.

00:14:00.876 --> 00:14:03.216
<v SPEAKER_1>I've got a couple of older vehicles that need some repairs.

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<v SPEAKER_1>The repair shop that I've used for a decade said, bring them in on the 5th of September, because we're booked solid.

00:14:12.216 --> 00:14:14.436
<v SPEAKER_1>But people are making their vehicles last longer.

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<v SPEAKER_2>My truck is from 2010, it was manufactured in 2010.

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<v SPEAKER_2>My parents have an Audi that's from 2004, and a GMC Suburban from 1997.

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<v SPEAKER_2>So you can make cars run for a pretty long time if you take care of them.

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<v SPEAKER_2>And generally, the newer the car, the longer that it can last, too.

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<v SPEAKER_2>That's another thing that people aren't really wrapping their heads around, is that cars nowadays, they last for a long time.

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<v SPEAKER_2>So if you're making it so that people can only buy EVs when they don't want EVs, they're just not going to buy an EV.

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<v SPEAKER_2>They're not going to buy any car.

00:14:52.636 --> 00:14:53.116

<v SPEAKER_1>No.

00:14:53.116 --> 00:14:57.716

<v SPEAKER_2>And then that has economic implications down the road for our manufacturing base, too.

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<v SPEAKER_2>So we should be thinking very carefully about this.

00:15:01.576 --> 00:15:09.576

<v SPEAKER_1>Well, even with the Ford government's trying, I think that, wow, I think eventually the Carney government is going to fall on their sword on this policy.

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<v SPEAKER_1>They have to.

00:15:10.476 --> 00:15:13.396

<v SPEAKER_1>Anyways, very good, interesting stories, Joe.

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<v SPEAKER_2>Yeah, for sure, Kelly.

00:15:14.556 --> 00:15:20.396

<v SPEAKER_2>And for our listeners, I think I am going to be taking a break on the newsletter for now.

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<v SPEAKER_2>We'll be starting back up in September after I get back from vacation.

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<v SPEAKER_2>So that should be the second week of September.

00:15:27.436 --> 00:15:30.156

<v SPEAKER_2>So thanks so much for paying attention to the newsletter.

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<v SPEAKER_2>I might even switch it to more of a monthly newsletter to have longer and more detailed considerations of what happened in the month.

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<v SPEAKER_1>We'll see what happens.

00:15:40.276 --> 00:15:42.176

<v SPEAKER_1>Let's go talk to Trevor.

00:15:42.176 --> 00:15:45.856

<v SPEAKER_3>Hi, I'm Dave Perry, the President and CEO of the Canadian Global Affairs Institute.

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<v SPEAKER_3>I hope you're enjoying Energy Security Cubed, Canada's leading podcast on energy issues.

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<v SPEAKER_3>Reach out to us at contact at cgai.ca for options and pricing.

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<v SPEAKER_3>That's contact at cgai.ca.

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<v SPEAKER_1>For today's interview, which was recorded on May 8, 2024, we discussed the opening of the Trans Mountain Pipeline expansion and what it could mean for the Canadian economy.

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<v SPEAKER_2>With us to discuss this, of course, is Trevor Tombe.

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<v SPEAKER_2>Trevor is a Professor of Economics at the University of Calgary and a research fellow at the U of C School of Public Policy.

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<v SPEAKER_2>He is also a Co-Director of Finances of the Nation, a website dedicated to compiling and analyzing Canadian public finance data.

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<v SPEAKER_2>I'm also glad to say that Trevor is one of my professors, or was one of my professors back when I was at the School of Public Policy.

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<v SPEAKER_1>Joe, he'll always be one of your professors.

00:16:49.716 --> 00:16:54.876

<v SPEAKER_1>That's how those adjectives and verbs work.

00:16:57.136 --> 00:16:58.996

<v SPEAKER_1>Trevor, it's great to have you back on the podcast.

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<v SPEAKER_1>We've had Trevor on before, as some folks will know.

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<v SPEAKER_1>We really appreciate your insights, Trevor, and your candor about how the economy works in the energy sector.

00:17:10.076 --> 00:17:10.756

<v SPEAKER_1>Thanks a lot.

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<v SPEAKER_4>It's great to be here.

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<v SPEAKER_4>Thanks for having me on.

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<v SPEAKER_2>Now, before we dive into the Trans Mountain Pipeline and sticking with the question of you having been on the podcast before, I'd like to touch on an issue that we previously discussed back in late 2022.

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<v SPEAKER_2>And I'll link the podcast and the show notes here for people to give a listen to.

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<v SPEAKER_2>And this is the question of the effect of energy prices on inflation.

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<v SPEAKER_2>So at that time, which was in late 2022, around November, energy was of course a major, major driver of inflation in Canada.

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<v SPEAKER_2>So how has, in the time since, how has inflation and the situation for inflation, especially where it comes to energy prices changed?

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<v SPEAKER_4>That's a great question.

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<v SPEAKER_4>And issues around inflation and affordability in general are certainly top of mind for many.

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<v SPEAKER_4>So yeah, when we spoke last, energy was perhaps the most significant contributor to the rise of the pace of consumer price growth in Canada, not just because we directly purchase a lot of energy in the form of gasoline, natural gas and so on, but it then feeds into the cost of producing so many other goods and services.

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<v SPEAKER_4>An important reason why food prices rose, for example, was in part because energy prices rose.

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<v SPEAKER_4>But 2023, we did see that decline quite a bit.

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<v SPEAKER_4>In fact, even turning negative there for some time with energy prices not adding to inflation but actually subtracting from it.

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<v SPEAKER_4>And now it's kind of awash.

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<v SPEAKER_4>Energy is not really meaningfully leading inflation to be unusually high or low.

00:18:49.616 --> 00:18:55.356

<v SPEAKER_4>It's kind of right there with kind of a flat year over year contribution to overall consumer prices.

00:18:55.356 --> 00:18:57.416

<v SPEAKER_4>So inflation is still higher than we'd like.

00:18:57.416 --> 00:19:01.476

<v SPEAKER_4>It is still higher than that 2% level that we'd like to

see.

00:19:01.476 --> 00:19:04.676

<v SPEAKER_4>But it's not an energy story anymore.

00:19:04.676 --> 00:19:07.716

<v SPEAKER_4>Luckily, it's also not a grocery price story anymore either.

00:19:07.716 --> 00:19:17.176

<v SPEAKER_4>It really does just come down almost exclusively now to shelter costs, both home ownership and the pace of rent price increases.

00:19:17.176 --> 00:19:22.236

<v SPEAKER_4>So that's the remaining piece to the inflation puzzle here in Canada.

00:19:22.236 --> 00:19:27.996

<v SPEAKER_1>Well, and I don't know that we're going to see much relief from that in the medium term.

00:19:27.996 --> 00:19:31.756

<v SPEAKER_1>It doesn't, you know, there's still a lot of pressure on that sector.

00:19:31.756 --> 00:19:32.496

<v SPEAKER_4>Yeah, indeed.

00:19:32.616 --> 00:19:51.816

<v SPEAKER_4>I think in the short term, though, depending on how quickly and when we start to see interest rates fall, that will have a pretty quick effect on mortgage interest costs, especially for those with variable rate mortgages or anyone who's looking to renew later this year or next year.

00:19:51.816 --> 00:19:58.076

<v SPEAKER_4>So we will see some immediate declines in the pace of that item's contribution.

00:19:58.076 --> 00:19:59.616

<v SPEAKER_4>But I agree with you about rent.

00:19:59.616 --> 00:20:09.556

<v SPEAKER_4>And this is the challenging one, especially in places like Toronto, Vancouver, that have seen pretty significant increases in those costs.

00:20:09.936 --> 00:20:15.356

<v SPEAKER_4>And governments are certainly focused on it, but it's

really hard to do anything rapidly there.

00:20:15.356 --> 00:20:20.196

<v SPEAKER_4>It does take time and ultimately it'll come down to increasing the supply of housing.

00:20:20.196 --> 00:20:23.096

<v SPEAKER_4>But that of course takes some time.

00:20:23.096 --> 00:20:29.496

<v SPEAKER_2>Yeah, I'm holding my tongue a little bit here because Kelly and I have had long discussions about this issue in particular.

00:20:29.496 --> 00:20:32.916

<v SPEAKER_2>But this is an energy podcast, not necessarily a housing podcast.

00:20:33.716 --> 00:20:38.376

<v SPEAKER_1>No, but it speaks to the nature and the makeup of the Canadian polity.

00:20:39.076 --> 00:20:44.236

<v SPEAKER_1>I've owned a home for 55 years, for sorry, 50 years.

00:20:44.236 --> 00:20:50.916

<v SPEAKER_1>Joe's been renting since he got out of university and wasn't at his parents' home.

00:20:50.916 --> 00:20:55.716

<v SPEAKER_1>We do have spirited but not untoward discussions.

00:20:56.716 --> 00:20:59.436

<v SPEAKER_1>It's an issue for Canadians and we need to recognize that.

00:20:59.436 --> 00:21:01.276

<v SPEAKER_1>But let's talk about the pipeline, Trevor.

00:21:05.176 --> 00:21:20.176

<v SPEAKER_1>Last week or maybe the week before, you published an article for The Hub which breaks down the value of the pipeline expansion where you found that under reasonable assumptions, the pipeline is likely to make financial sense even after the large cost overruns.

00:21:20.176 --> 00:21:26.916

<v SPEAKER_1>I think that I always knew that, but I don't know that listeners quite understood.

00:21:26.916 --> 00:21:30.036

<v SPEAKER_1>But Trevor, your explanations were so succinct and clear.

00:21:30.656 --> 00:21:33.816

<v SPEAKER_1>Could you break down for our listeners why this is?

00:21:33.816 --> 00:21:34.456

<v SPEAKER_4>Sure.

00:21:34.456 --> 00:21:43.416

<v SPEAKER_4>And I think this is important to talk about because as you noted, the cost increases to actually building the pipeline were substantial.

00:21:43.416 --> 00:21:57.096

<v SPEAKER_4>The initial estimate for the Trans Mountain expansion about 10 years ago was for roughly \$35 billion and that looks like it's coming in now at about \$34 billion.

00:21:57.096 --> 00:22:02.756

<v SPEAKER_4>So just an enormous staggering increase in costs for that pipeline.

00:22:02.756 --> 00:22:19.396

<v SPEAKER_4>But despite that, the benefits of it are still so large that it makes sense both as an individual asset just in terms of the revenue and expenditures of the pipeline itself, but much more importantly and more broadly for the Canadian economy as a whole.

00:22:20.736 --> 00:22:29.936

<v SPEAKER_4>So yeah, I can break it down, but I just want to be clear up front that it shouldn't be misinterpreted here as an apology for the cost increases.

00:22:29.936 --> 00:22:30.836

<v SPEAKER_1>Absolutely not.

00:22:30.836 --> 00:22:45.176

<v SPEAKER_4>Yeah, it would have been better had it not experienced that cost over and then hopefully we do have some really detailed looks at why that was the case so that we can learn lessons to make sure it doesn't happen for other major projects again.

00:22:45.176 --> 00:22:47.776

<v SPEAKER_4>But let's think about it in two parts.

00:22:48.496 --> 00:22:52.836

<v SPEAKER_4>So first, taxpayers, right, it's a government-owned project.

00:22:52.836 --> 00:23:01.676

<v SPEAKER_4>We shouldn't look at the 34 billion as what we would need to sell the pipeline for in order for taxpayers to be made whole.

00:23:01.676 --> 00:23:08.276

<v SPEAKER_4>Most of the construction cost increases were covered by debt.

00:23:08.276 --> 00:23:24.356

<v SPEAKER_4>And that's relevant because a future buyer would potentially take on that debt and may be willing to do so because the interest costs and debt repayment are more than covered by the revenues that the pipeline generates.

00:23:24.356 --> 00:23:32.656

<v SPEAKER_4>So just some perspective there, in the first full year of operation of this pipeline, we think it will earn about \$3 billion in revenue.

00:23:32.656 --> 00:23:36.916

<v SPEAKER_4>And it only costs about a half a billion to operate.

00:23:36.916 --> 00:23:47.276

<v SPEAKER_4>And so that leaves considerable surplus there to cover both the high debt interest payments, but also gradually repay debt over time.

00:23:47.276 --> 00:23:56.416

<v SPEAKER_4>And that means that very soon, potentially the second year, it will be itself profitable and that net income is just going to grow.

00:23:56.416 --> 00:24:06.816

<v SPEAKER_4>So the gap between the revenues that the pipeline has and the expenses and interest and debt repayment just gets wider as you look further and further out.

00:24:06.816 --> 00:24:18.996

<v SPEAKER_4>So the pipeline itself is profitable and is likely to remain profitable for quite some time, more than covering the interest associated with the debt itself.

00:24:18.996 --> 00:24:32.916

<v SPEAKER_4>So for taxpayers, if we can sell it for more than the 4.5 billion that we actually put in, then we would come out whole, depending on the price or maybe even ahead.

00:24:32.916 --> 00:24:36.396

<v SPEAKER_4>We shouldn't have in mind that 34 billion as the number we want to sell it for.

00:24:37.296 --> 00:24:47.396

<v SPEAKER_1>But even if you did, like, you know, so let's say that's, let's say, let's use 30, yeah, 35 billion, 36, let's use 36 billion for it.

00:24:47.396 --> 00:24:55.876

<v SPEAKER_1>So that's a 12.5 times division of 2.5 billion of revenue on total capital employed, say, so to speak.

00:24:55.876 --> 00:25:00.296

<v SPEAKER_1>In a utility, that's not uncommon, like for that amount of return.

00:25:00.296 --> 00:25:05.896

<v SPEAKER_1>Like, and now you're going to have, there's a whole bunch of other things you want to add, like how much capital you required each year to maintain and all those things.

00:25:05.896 --> 00:25:09.476

<v SPEAKER_1>But like you said, it's not that full amount.

00:25:10.136 --> 00:25:11.816

<v SPEAKER_1>And there's other reasons why this works.

00:25:11.816 --> 00:25:12.956

<v SPEAKER_1>And I think we're going to get into those.

00:25:12.956 --> 00:25:14.796

<v SPEAKER_1>Joe, did you have another question for Trevor?

00:25:14.796 --> 00:25:19.816

<v SPEAKER_2>Yeah, I guess there's a question about the projections for revenues.

00:25:19.816 --> 00:25:29.736

<v SPEAKER_2>And so I think your numbers, and I really like the way your article really puts all of this, but I just have like a question about these projections of revenue.

00:25:29.936 --> 00:25:42.096

<v SPEAKER_2>Because so one of the reasons why this pipeline kind of makes financial sense is because of these preliminary interim tolls for moving oil from Edmonton to Vancouver.

00:25:42.096 --> 00:25:49.676

<v SPEAKER_2>And these tolls are currently set at, and these aren't final tolls, and there's a lot of disputes now around this.

00:25:49.676 --> 00:25:50.676

<v SPEAKER_2>These tolls are currently...

00:25:50.676 --> 00:25:51.796

<v SPEAKER_1>It's negotiation, Joe.

00:25:53.156 --> 00:25:56.276

<v SPEAKER_1>It's way more negotiation than it is...

00:25:56.276 --> 00:25:58.076

<v SPEAKER_1>Sorry, just to make sure...

00:25:58.076 --> 00:26:02.856

<v SPEAKER_1>Sorry, I didn't interrupt you, Joe, but the toll payers are in negotiations.

00:26:02.856 --> 00:26:03.456

<v SPEAKER_1>That's what they're doing.

00:26:03.456 --> 00:26:06.156

<v SPEAKER_2>Yes, toll payers are in negotiations.

00:26:06.156 --> 00:26:16.956

<v SPEAKER_2>But I think the original tolling agreement or the original idea about what the tolls would look like under the original cost of the pipeline were around \$5.60 per barrel.

00:26:16.956 --> 00:26:29.116

<v SPEAKER_2>But right now, with the preliminary interim tolls are being set around \$10.88 per barrel between \$10.88 per barrel and \$11.46 per barrel.

00:26:29.116 --> 00:26:38.096

<v SPEAKER_2>So several oil companies, of course, are looking to ask the Canada Energy Regulator for a final per barrel toll that's lower than this number.

00:26:38.096 --> 00:26:44.556

<v SPEAKER_2>So I guess the question is, could a lower toll impact the financial viability of the pipeline?

00:26:44.596 --> 00:26:46.896

<v SPEAKER_4>Yeah, so it certainly could.

00:26:46.896 --> 00:26:57.656

<v SPEAKER_4>Now it's in the interests of the shippers to, yeah, have as low a toll as possible, but even at \$11 per barrel, this is much better for them than the alternative of shipping by rail.

00:26:57.656 --> 00:27:01.356

<v SPEAKER_4>So it's in everyone's interests to ensure that the pipeline is viable.

00:27:01.356 --> 00:27:05.736

<v SPEAKER_4>And that's exactly what the regulator is going to be looking at primarily.

00:27:06.816 --> 00:27:13.616

<v SPEAKER_4>This is how it approaches setting the toll for assets like this.

00:27:13.616 --> 00:27:23.676

<v SPEAKER_4>It wants to ensure that the revenues that it can bring in can sustain the operation of the pipeline itself with a modest return.

00:27:23.676 --> 00:27:25.776

<v SPEAKER_4>I mean, that's the goal of the regulator.

00:27:25.776 --> 00:27:35.736

<v SPEAKER_4>And yeah, there'll be, as Kelly put it there, a good back and forth between the shippers, but it is in everyone's interest to ensure that this pipeline proceeds.

00:27:35.736 --> 00:27:42.756

<v SPEAKER_4>And so the bigger source of uncertainty around future revenue is the capacity utilization of the pipeline itself.

00:27:42.936 --> 00:27:52.216

<v SPEAKER_4>But that's less of a concern that I think many people appreciate because about 80% of the pipeline capacity is already committed to contractually.

00:27:52.216 --> 00:28:00.456

<v SPEAKER_4>And so the open question is around, well, what happens with the utilization of the uncommitted capacity of the pipeline?

00:28:00.456 --> 00:28:03.796

<v SPEAKER_4>And this is where the scenarios can differ.

00:28:03.796 --> 00:28:27.636

<v SPEAKER_4>But even if you assume that we have none of the uncommitted capacity used at all for the first decade of the pipeline's operation, which is like a really, really pessimistic scenario, there you can still generate a present value of the excess cash that the pipeline generates over the next two decades of a little over \$4 billion.

00:28:27.636 --> 00:28:38.496

<v SPEAKER_4>So even under that very pessimistic assumption, the pipeline can still make financial sense just as an individual asset.

00:28:39.336 --> 00:28:43.496

<v SPEAKER_4>Certainly much better, the more barrels that we can ship on it.

00:28:43.496 --> 00:28:47.196

<v SPEAKER_4>But that gives you maybe a sense of what the worst case scenario might look like.

00:28:47.196 --> 00:28:52.516

<v SPEAKER_2>Yeah, and I think we're still seeing oil and gas or oil projects coming online.

00:28:52.516 --> 00:29:05.876

<v SPEAKER_2>And with, like you said, if their options are either put these barrels onto the Trans Mountain Pipeline system or use oil by rail, Trans Mountain Pipeline, of course, makes a lot more sense.

00:29:07.056 --> 00:29:17.936

<v SPEAKER_1>Well, and there's other factors too, and it leads to my next question because it's this very thing of the cost-benefit analysis for major projects such as this pipeline.

00:29:17.936 --> 00:29:26.196

<v SPEAKER_1>And in more than just the fixed costs and the cost so far, it's important to think about opportunity costs as well.

00:29:26.196 --> 00:29:27.876

<v SPEAKER_1>And I think you're kind of touching on that, Trevor.

00:29:27.876 --> 00:29:36.896

<v SPEAKER_1>Could you give us a quick Econ 101 overview of how opportunity costs could enter discussions of projects such as this pipeline expansion?

00:29:36.896 --> 00:29:37.236

<v SPEAKER_4>Yeah.

00:29:37.416 --> 00:29:51.376

<v SPEAKER_2>For this question, when I was kind of writing this question, I was thinking in terms of where it comes to the opportunity cost for, say, the federal government putting the money into this project as opposed to another project.

00:29:51.376 --> 00:29:52.656

<v SPEAKER_4>That's a good question.

00:29:52.896 --> 00:29:53.316

<v SPEAKER_1>It really is.

00:29:53.316 --> 00:29:59.016

<v SPEAKER_4>We really shouldn't think about the use of public funds

federally in that particular way.

00:30:00.516 --> 00:30:14.816

<v SPEAKER_4>Here, what these dollars represent is the \$4.5 billion that we put into this project is not coming at the expense of \$4.5 billion not put into some other initiative elsewhere in the Canadian economy.

00:30:14.816 --> 00:30:17.416

<v SPEAKER_4>There's certainly costs of public funds.

00:30:17.416 --> 00:30:26.816

<v SPEAKER_4>We're running a deficit federally, and so using funds for this, we should think about the cost there at the federal borrowing rate of 3.5 percent.

00:30:27.336 --> 00:30:30.516

<v SPEAKER_4>And that's the relevant cost here.

00:30:30.516 --> 00:30:37.276

<v SPEAKER_4>So using public funds in this way comes at the cost of us having to service higher debt than would otherwise be the case.

00:30:37.276 --> 00:30:43.896

<v SPEAKER_4>But it's not the case that we have some fixed pool of federal dollars that are needing to be allocated.

00:30:43.896 --> 00:30:49.556

<v SPEAKER_4>The federal government borrowed money, and then the question is, are the benefits larger than the 3.5 percent cost of capital?

00:30:49.556 --> 00:30:52.656

<v SPEAKER_4>And at least in the case of this pipeline, no question.

00:30:52.716 --> 00:30:53.116

<v SPEAKER_4>Right.

00:30:53.116 --> 00:30:58.796

<v SPEAKER_4>At least in my mind that the benefits are much larger and absolutely justify the 3.5 percent.

00:30:58.796 --> 00:31:01.816

<v SPEAKER_4>And ideally, we don't carry it for that long.

00:31:01.816 --> 00:31:10.136

<v SPEAKER_4>Hopefully, we do have some buyers interested in taking this pipe off the federal government's hands.

00:31:10.136 --> 00:31:10.276

<v SPEAKER_2>Yeah.

00:31:10.476 --> 00:31:14.676

<v SPEAKER_2>And I think there's a pretty solid outlook for that actually happening.

00:31:14.676 --> 00:31:17.956

<v SPEAKER_2>So I'm looking forward to that.

00:31:17.956 --> 00:31:28.016

<v SPEAKER_2>But getting on to those benefits and like you said, the benefits of this pipeline are not like it's not just in whoever owns the pipeline, whoever ends up owning the pipeline.

00:31:28.016 --> 00:31:31.956

<v SPEAKER_2>But I think the biggest part is the effect for the Canadian economy.

00:31:31.956 --> 00:31:32.656

<v SPEAKER_4>Right.

00:31:32.656 --> 00:31:49.916

<v SPEAKER_2>So one of the most eye-catching statistics surrounding the pipeline expansion is a Bank of Canada prediction that you quoted in your article that the pipeline will cause a 0.25 percentage point increase in second quarter Canadian economic growth.

00:31:50.336 --> 00:31:56.976

<v SPEAKER_2>So like this is a very, very large impact from a single project.

00:31:56.976 --> 00:32:00.916

<v SPEAKER_2>So I guess, could you put this prediction in context?

00:32:00.916 --> 00:32:03.136

<v SPEAKER_2>Like what does this really mean for the Canadian economy?

00:32:03.136 --> 00:32:03.696

<v SPEAKER_4>Sure.

00:32:03.696 --> 00:32:13.096

<v SPEAKER_4>So the other way to think about the benefits of the pipeline is that it is not just a project with revenue and spending, that's certainly relevant, but it's also an important piece of infrastructure.

00:32:13.096 --> 00:32:19.496

<v SPEAKER_4>And like any piece of infrastructure has broader implications for economic activity in Canada.

00:32:19.536 --> 00:32:29.956

<v SPEAKER_4>In this case, it's infrastructure to much more safely and efficiently and reliably transport oil, which is an important export product for Canada.

00:32:29.956 --> 00:32:39.856

<v SPEAKER_4>So that Bank of Canada estimate of what the effect would be in terms of the short-term bump in growth of 0.25 percent, that is enormous.

00:32:40.136 --> 00:32:45.276

<v SPEAKER_4>That's a 0.25 percent change in the national growth rate.

00:32:45.376 --> 00:32:49.476

<v SPEAKER_4>So it's a 0.25 percent of a \$3 trillion pie.

00:32:49.476 --> 00:33:01.676

<v SPEAKER_4>So this is on an annualized basis, about a \$7 billion per year boost to economic activity in Canada from this one pipeline alone.

00:33:01.676 --> 00:33:13.156

<v SPEAKER_4>And depending on what the next few years holds, that may even be a lower bound estimate of the potential gains to Canada's overall economy.

00:33:13.656 --> 00:33:18.816

<v SPEAKER_4>Maybe I'll take a step back and describe where this economic boost comes from.

00:33:18.816 --> 00:33:27.716

<v SPEAKER_4>And it really comes from the gap between Canadian oil prices that our producers receive and prices set on world markets.

00:33:27.716 --> 00:33:30.696

<v SPEAKER_4>There's this differential between them.

00:33:30.696 --> 00:33:35.496

<v SPEAKER_4>And that differential can sometimes grow incredibly large.

00:33:35.496 --> 00:33:43.136

<v SPEAKER_4>And it is something that reflects the transportation cost, mainly, of moving oil from here to Canada.

00:33:43.336 --> 00:33:44.456

<v SPEAKER_4>Elsewhere.

00:33:44.456 --> 00:33:52.136

<v SPEAKER_4>And with export capacity now coming online with the

expansion, that differential should fall.

00:33:52.136 --> 00:33:58.456

<v SPEAKER_4>There's uncertainty, of course, around how much it will fall due to this particular project.

00:33:58.456 --> 00:34:09.316

<v SPEAKER_4>There was an estimate from the Canada Energy Regulator a few years ago that suggests a not bad estimate would be about \$9 per barrel in terms of shrinking sustainably that differential.

00:34:10.196 --> 00:34:24.736

<v SPEAKER_4>And that would have the effect of increasing aggregate GDP over the next 20 years, the CER estimates, by between 0.3 to 0.4% per year.

00:34:24.736 --> 00:34:26.416

<v SPEAKER_1>Annualized, yes, every year.

00:34:26.416 --> 00:34:26.916

<v SPEAKER_4>Per year.

00:34:27.096 --> 00:34:29.456

<v SPEAKER_4>And then you think about bringing that to the present.

00:34:29.456 --> 00:34:34.356

<v SPEAKER_4>Like, what would that represent in today's dollars?

00:34:35.396 --> 00:34:41.936

<v SPEAKER_4>And I, using the CER estimates, reckon that's about \$240 billion in present value terms.

00:34:41.936 --> 00:34:46.956

<v SPEAKER_4>Just in terms of the economic benefits for Canada between now and 2040.

00:34:46.956 --> 00:34:52.216

<v SPEAKER_4>And this is vastly larger than the cost of the pipeline itself.

00:34:52.216 --> 00:34:56.136

<v SPEAKER_4>So in broader macroeconomic terms, it's really a no-brainer.

00:34:56.136 --> 00:34:58.276

<v SPEAKER_4>And it's not just about Alberta either.

00:34:58.276 --> 00:35:05.916

<v SPEAKER_4>This I want to emphasize that there are gains to economic activity and in almost every province, right?

00:35:05.916 --> 00:35:14.196

<v SPEAKER_4>Higher oil prices is something that lifts GDP in not all, most provinces.

00:35:14.196 --> 00:35:19.196

<v SPEAKER_4>New Brunswick stands out as one where higher oil prices are dragged just because it has a lot of refining activity.

00:35:19.196 --> 00:35:22.216

<v SPEAKER_4>And so it raises the input cost of something.

00:35:22.216 --> 00:35:29.716

<v SPEAKER_4>But for the most part, like Ontario, Quebec, BC, they benefit from this kind of boost to Canada's economy.

00:35:29.816 --> 00:35:33.856

<v SPEAKER_4>So it's a big increase and important for the national economy.

00:35:35.436 --> 00:35:36.536

<v SPEAKER_2>Yeah, truly remarkable.

00:35:36.536 --> 00:35:37.776

<v SPEAKER_2>\$240 billion.

00:35:37.776 --> 00:35:43.056

<v SPEAKER_2>I mean, it just can't be understated how important and how badly needed this infrastructure was.

00:35:43.196 --> 00:35:49.276

<v SPEAKER_2>It's kind of like, you know, the first road that's been built in, you know, a decade in a city.

00:35:49.276 --> 00:35:52.536

<v SPEAKER_4>Well, the first pipeline to the West Coast here in 70 years.

00:35:53.316 --> 00:35:55.376

<v SPEAKER_2>Yeah, yeah, exactly.

00:35:55.376 --> 00:36:05.976

<v SPEAKER_1>Trevor, something that just kind of popped into my mind before we finish up, that I, you know, when you think about these large, large infrastructure projects and the cost overrun, et cetera.

00:36:05.976 --> 00:36:13.256

<v SPEAKER_1>You know, an interesting comparative would be to dig in the data of, and I know that they're not nearly as big a nation-building project as the railroad was.

00:36:13.316 --> 00:36:15.056

<v SPEAKER_1>Like, it's a total, it's different.

00:36:15.056 --> 00:36:23.516

<v SPEAKER_1>But there were, there was a lot of, of, of, and let's set aside corruption and how things worked in 1870.

00:36:23.516 --> 00:36:25.196

<v SPEAKER_1>Like it's, let's set that aside.

00:36:25.196 --> 00:36:51.116

<v SPEAKER_1>But when you look at the cost versus the last 150 years of benefit of being from a country from Victoria, well, from West Island to Newfoundland, like it's sort of the kind of, when you talk about the economic effects of something like this, that would be an interesting study to do, I think, because it's, when you look at, when you look out, I think there's contracted barrels to 2045 to fill that pipeline or almost fill it for the next 21 years.

00:36:51.116 --> 00:36:59.976

<v SPEAKER_1>But that's, that alone, and you know, I think that the world is coming to realize that we'll still be using oil in 2045, fair amount of it.

00:36:59.976 --> 00:37:03.776

<v SPEAKER_1>And there's gonna be run on business effect after that too.

00:37:03.776 --> 00:37:09.616

<v SPEAKER_1>So it really is a large, large, it's large yes for the country.

00:37:10.216 --> 00:37:14.376

<v SPEAKER_4>Yeah, and I think that's an important point.

00:37:14.376 --> 00:37:31.956

<v SPEAKER_4>I mean, the way I think about this is that even in a world of increasingly strong action to lower emissions, that doesn't necessarily mean that Canadian oil and gas production will fall to zero over this kind of two decade time frame.

00:37:31.956 --> 00:37:43.956

<v SPEAKER_4>Even the Canada Energy Regulator simulations that it released last year on what a net zero by 2050 would look like, we're still producing a considerable amount of oil and gas in Canada.

00:37:43.956 --> 00:37:52.376

<v SPEAKER_4>And depending on the nature of climate policy elsewhere around the world, that even might be a pessimistic scenario on the

part of the CER.

00:37:52.376 --> 00:38:02.336

<v SPEAKER_4>So if we think about other countries having more supply side approaches to lowering emissions, that would be a world of falling emissions but high oil prices.

00:38:03.316 --> 00:38:09.796

<v SPEAKER_4>And that matters a lot for what the production volumes will be here in Canada.

00:38:09.796 --> 00:38:19.916

<v SPEAKER_4>And I guess as a separate point, even without high prices, oil sands production is really quite cheap after the facilities are built.

00:38:19.916 --> 00:38:31.656

<v SPEAKER_4>You know, it's a lot of upfront fixed capital investments that go in there, no question, but once they're built, the break even operating costs are really quite low.

00:38:31.656 --> 00:38:37.736

<v SPEAKER_1>Well, and especially when you start talking about the fact that you're, you've now got some of your production, the Seaborn.

00:38:37.736 --> 00:38:40.256

<v SPEAKER_1>It's now in the international market.

00:38:40.256 --> 00:38:45.996

<v SPEAKER_1>Like there, I think the arbitrage to currently on the, on the diff is about 12 bucks, isn't it?

00:38:46.056 --> 00:38:50.056

<v SPEAKER_1>It's got, it's, it's, it's settled in around 12, 11, 30 to 13 dollars.

00:38:50.056 --> 00:39:01.836

<v SPEAKER_1>When I look at stuff I see every morning, when I was in this business 15 years ago, 12, 14 years ago, running an all-sands company, we talked about diffs of 22 to 24 dollars.

00:39:01.836 --> 00:39:08.736

<v SPEAKER_1>Like we, our economics factored in a diff that if it was under \$20 and you weren't railing, you were making really good money.

00:39:08.736 --> 00:39:26.676

<v SPEAKER_1>Like it was, you know, so as we, you know, not to reiterate or to reconstruct what we talked about, but that differential is a, and having an oil barrel that's global is a huge step as far as benefits to Canadians, but I digress.

00:39:26.676 --> 00:39:29.556

<v SPEAKER_1>Joe, did you have anything to finish up before we let Trevor go?

00:39:29.556 --> 00:39:37.176

<v SPEAKER_2>Yeah, we have one last question, which we always ask our guests, and I heard that you had some time to prepare for this, Trevor.

00:39:37.176 --> 00:39:38.896

<v SPEAKER_2>What are you reading these days?

00:39:39.056 --> 00:39:48.496

<v SPEAKER_2>Ideally, for pleasure, but we would also take something very technical and dense as well, if that's what you'd like to talk about.

00:39:48.696 --> 00:39:53.056

<v SPEAKER_4>So I did want to pick something that is related to this conversation.

00:39:53.056 --> 00:39:58.876

<v SPEAKER_4>It actually builds on exactly what we were just talking about, about the long-run future of the oil sands.

00:39:58.876 --> 00:40:05.376

<v SPEAKER_4>So I'm going to plug a recent piece by my colleague here at the University of Calgary, Kent Fellows.

00:40:05.496 --> 00:40:07.456

<v SPEAKER_4>You might be familiar with some of his work.

00:40:07.596 --> 00:40:09.756

<v SPEAKER_4>He wrote a piece for CD.

00:40:09.756 --> 00:40:12.776

<v SPEAKER_4>Howe entitled Last Barrel Standing.

00:40:12.776 --> 00:40:15.116

<v SPEAKER_4>It was really a really excellent piece.

00:40:15.196 --> 00:40:25.956

<v SPEAKER_4>Just think about confronting this myth of Canadian oil sands production being high-cost and really thinking about what the future might hold for that sector.

00:40:25.956 --> 00:40:31.136

<v SPEAKER_4>And so I think it was really well done and timely analysis and relevant for this conversation.

00:40:31.136 --> 00:40:33.036

<v SPEAKER_4>Hopefully interesting for listeners as well.

00:40:33.036 --> 00:40:33.856

<v SPEAKER_2>Oh no, don't worry.

00:40:33.856 --> 00:40:37.236

<v SPEAKER_2>We've been doing quite a bit to try to talk about that piece.

00:40:37.396 --> 00:40:39.376

<v SPEAKER_2>We've had them on the podcast.

00:40:39.376 --> 00:40:41.436

<v SPEAKER_4>Okay, so I'm not offering anything original then.

00:40:41.436 --> 00:40:44.536

<v SPEAKER_1>No, that's all right though, Trevor, because it's sort of a segue.

00:40:44.536 --> 00:40:47.476

<v SPEAKER_1>And we didn't plan this, folks, that are listening.

00:40:47.476 --> 00:40:55.636

<v SPEAKER_1>We're taking Kent to Toronto and Ottawa in June to talk about that very paper with people in Ottawa and Toronto.

00:40:55.836 --> 00:41:10.776

<v SPEAKER_1>And anyone who might think they'd like to come and attend those events, I know we have a lot of listeners in the NCR and in the GTA, get in touch with Joe and we'll see if we have room for you at the at these discussions we're having with Kent in in June.

00:41:10.776 --> 00:41:14.576

<v SPEAKER_1>And I'll just put a plug in for Sonovus Energy sponsors those events for us.

00:41:14.576 --> 00:41:15.816

<v SPEAKER_1>And we're really glad they do.

00:41:15.816 --> 00:41:26.056

<v SPEAKER_1>And I think we're we're doing a pretty good job of helping people understand the value of the Canadian energy sector in the whole global energy security put together.

00:41:26.056 --> 00:41:27.496

<v SPEAKER_1>So, Trevor, thanks so much.

00:41:27.496 --> 00:41:28.716

<v SPEAKER_1>It's nice to have you on again.

00:41:28.716 --> 00:41:37.396

<v SPEAKER_1>And we'll we'll we'll circle back a year from now and see what that how true we were with how what we talked about as far as the changes to the economy.

00:41:37.396 --> 00:41:39.136

<v SPEAKER_1>So much fun to have you on, Trevor.

00:41:39.136 --> 00:41:39.656

<v SPEAKER_4>Sounds good.

00:41:39.656 --> 00:41:40.356

<v SPEAKER_4>Look forward to it.

00:41:40.356 --> 00:41:41.356

<v SPEAKER_4>Thank you.

00:41:41.356 --> 00:41:42.556

<v SPEAKER_2>Thanks, Trevor.

00:41:44.176 --> 00:41:50.336

<v SPEAKER_1>Thanks, everyone, for listening to this episode of Energy Security Cubed on the Canadian Global Affairs Podcast Network.

00:41:50.336 --> 00:41:54.856

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00:41:54.856 --> 00:41:57.036

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00:41:57.036 --> 00:42:00.956

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00:42:02.336 --> 00:42:09.936

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00:42:09.936 --> 00:42:13.536

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00:42:13.536 --> 00:42:18.616

<v SPEAKER_1>Thanks go out to our producer, Joe Calnan and to Drew Phillips for providing our music.

00:42:18.616 --> 00:42:19.536
<v SPEAKER_1>I'm Kelly Ogle.

00:42:19.536 --> 00:42:21.536
<v SPEAKER_1>Thanks for joining us on Energy Security Cubed.