

WEBVTT

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<v SPEAKER_2>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_2>I'm Kelly Ogle, Managing Director here at CGAI.

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<v SPEAKER_3>And I'm Joe Calnan, Vice President of Energy and Calgary Operations at the Canadian Global Affairs Institute.

00:00:34.196 --> 00:00:37.436

<v SPEAKER_1>Hi, I'm Dave Perry, President and CEO of the Canadian Global Affairs Institute.

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<v SPEAKER_1>Thanks for listening to the Energy Security Cubed Podcast.

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<v SPEAKER_1>If you enjoy the show, one of the ways you can support it is by making a donation to the Canadian Global Affairs Institute through the link to our Stripe account provided in the show notes.

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<v SPEAKER_1>All donations are eligible for a 100% CRA Charitable Donation Tax Receipt.

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<v SPEAKER_1>As 2024 draws to a close and we plan for a busy 2025, please consider us as part of your final charitable donations for the year.

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<v SPEAKER_1>Enjoy the show.

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<v SPEAKER_2>For today's podcast, we're featuring an interview with Shannon Joseph, CGAI Fellow and Chair of Energy for a Secure Future.

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<v SPEAKER_2>Another interesting conversation.

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<v SPEAKER_2>But before we dive into that, let's quickly discuss with Joe some of the news stories affecting global energy security this week.

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<v SPEAKER_2>How are things, Joe?

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<v SPEAKER_2>It's been busy, eh?

00:01:18.576 --> 00:01:19.556

<v SPEAKER_3>Yeah, it sure has.

00:01:19.556 --> 00:01:21.776

<v SPEAKER_3>And yeah, it's been a very busy year.

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<v SPEAKER_3>Very, very interesting events in the world of global energy.

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<v SPEAKER_3>And yeah, we've been running at full pace right up until our closing date, which is this Friday.

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<v SPEAKER_3>And I'd like to thank again all of our listeners for joining us for another year of Energy Security Cubed.

00:01:39.396 --> 00:01:47.736

<v SPEAKER_3>And this will this has been a great experience being on this every week and chatting about these issues.

00:01:47.736 --> 00:01:49.856

<v SPEAKER_3>And I look forward to 2026.

00:01:51.536 --> 00:01:52.836

<v SPEAKER_2>Great.

00:01:52.836 --> 00:01:55.516

<v SPEAKER_2>What do you want to talk about first?

00:01:55.516 --> 00:01:58.556

<v SPEAKER_3>Well, we've been some laggards on this segment, Kelly.

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<v SPEAKER_3>So I'd like to start with our guesses for global oil prices in December.

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<v SPEAKER_3>So I know that we're most the way through December, but we can just spitball a little bit here.

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<v SPEAKER_3>And then in January, we'll do our full year estimate for the year in review.

00:02:12.656 --> 00:02:26.796

<v SPEAKER_3>So we'll right now just December, but next episode that we have coming up first, or actually second week of January, I believe, that's when we'll have a real review of year ahead for 2026.

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<v SPEAKER_3>But last month, I guessed that Brent Crude would average \$66 per barrel in November, and you guessed \$65 per barrel.

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<v SPEAKER_3>Now, the actual prices for the balance of November was \$63.80 per barrel.

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<v SPEAKER_3>So a few dollars below our guesses, but not too, too bad.

00:02:44.776 --> 00:02:48.336

<v SPEAKER_3>But so we're halfway through December already, but let's take our shot.

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<v SPEAKER_3>Where do we think oil prices will be across the balance of the month?

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<v SPEAKER_2>What are they now?

00:02:53.756 --> 00:03:01.836

<v SPEAKER_3>Right now, Brent crude oil prices are sitting at \$50, \$58.84 per barrel.

00:03:01.836 --> 00:03:05.256

<v SPEAKER_3>So substantially below the average in November.

00:03:07.256 --> 00:03:08.936

<v SPEAKER_2>Yeah.

00:03:08.936 --> 00:03:13.716

<v SPEAKER_2>And I see continued softness in Brent crude here.

00:03:15.056 --> 00:03:17.296

<v SPEAKER_2>I'm gonna go with 58.

00:03:17.296 --> 00:03:19.896

<v SPEAKER_3>Okay, \$58 per barrel.

00:03:19.896 --> 00:03:20.176

<v SPEAKER_3>Yeah.

00:03:21.656 --> 00:03:25.756

<v SPEAKER_3>I think I'm gonna be a little bit more bearish than you.

00:03:25.756 --> 00:03:30.676

<v SPEAKER_3>I think I'm gonna be, I'm gonna guess \$57 per barrel.

00:03:30.676 --> 00:03:33.996

<v SPEAKER_3>Since we're already halfway through, we already kind of know how this story is gonna play out.

00:03:33.996 --> 00:03:42.176

<v SPEAKER_3>But yeah, I think that it's just a hard market that this supply is going into.

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<v SPEAKER_3>We'll see how this all pans out.

00:03:45.316 --> 00:03:52.576

<v SPEAKER_3>We have OPEC, we have global demand still being a little bit slow, although demand is growing.

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<v SPEAKER_3>And we were just not, the supply demand balance isn't working itself out quite as well as it could.

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<v SPEAKER_2>Okay, what else?

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<v SPEAKER_3>Okay, we'll start off with a few rapid fire stories before we go into a longer one on electric vehicles.

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<v SPEAKER_3>So first up, a story from Bloomberg.

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<v SPEAKER_3>And the headline of the story is, Green stocks are big winners as tech boom drives energy demand.

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<v SPEAKER_3>So this story is built off the rally in S&P Global's Clean Energy Transition Index.

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<v SPEAKER_3>And this index has grown in value by 44% so far this year, while the global oil index, on the other hand, has only grown by 11%.

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<v SPEAKER_3>But both have grown.

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<v SPEAKER_3>We should keep that in mind.

00:04:33.656 --> 00:04:39.396
<v SPEAKER_3>We should also keep in mind that this is bouncing up from very low levels at the beginning of 2025.

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<v SPEAKER_3>Clean energy stocks are still far, far from their peak.

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<v SPEAKER_3>So on January 8, 2021, this index hit a 10-year peak of 2,113.

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<v SPEAKER_3>And today, the index is less than half of that, just 1,051.

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<v SPEAKER_3>So we should remember that the early days of 2021, that was the peak of the craze where it comes to clean energy.

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<v SPEAKER_3>And we've never quite gotten to those expectations.

00:05:05.356 --> 00:05:06.636
<v SPEAKER_2>Well, they're half.

00:05:06.636 --> 00:05:09.776
<v SPEAKER_2>So half the value of the initial investment.

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<v SPEAKER_2>Whatever the IPOs were, they're worth half, right?

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<v SPEAKER_3>Well, I'd say this is an index.

00:05:15.176 --> 00:05:18.496
<v SPEAKER_3>So it's an agglomeration of a bunch of different companies.

00:05:18.496 --> 00:05:19.976
<v SPEAKER_2>So it averages all of them, right?

00:05:20.696 --> 00:05:21.216
<v SPEAKER_3>Yeah, yeah.

00:05:21.216 --> 00:05:22.736
<v SPEAKER_2>So think about that.

00:05:24.336 --> 00:05:28.776
<v SPEAKER_2>So not only is it half, it's up 44% this year.

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<v SPEAKER_2>So it had drifted to less than a third, right?

00:05:33.756 --> 00:05:36.396
<v SPEAKER_3>Yeah, well, I'd have to get the numbers in front of me.

00:05:36.396 --> 00:05:37.496
<v SPEAKER_3>Just do the math, Joe.

00:05:37.496 --> 00:05:43.836
<v SPEAKER_2>It's 66% of 1,051 is 650, right?

00:05:44.476 --> 00:05:48.816
<v SPEAKER_2>So, no, it isn't, you know, there's always two sides to that story.

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<v SPEAKER_2>Anyways, we should keep in mind that the Clean Technology Index is much more of a speculative investment than the Oil Index.

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<v SPEAKER_2>You can just look at the companies that make up these indices to confirm this.

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<v SPEAKER_2>The largest company by index weighed in the Clean Technology Index, Bloom Energy Corp, a solid oxide fuel company with the revenues of a little over a billion dollars.

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<v SPEAKER_2>The company's stock is blowing up in the tailwind of the data center craze.

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<v SPEAKER_2>It's trailing 12 month P, the price to earnings ratio is currently around a thousand.

00:06:17.256 --> 00:06:18.436
<v SPEAKER_2>Think about that.

00:06:18.436 --> 00:06:28.936
<v SPEAKER_2>Largest company in the Oil Index, Exxon Mobil, a company with 150 years of history, revenues of around 340 billion, and infrastructure distributed around the world.

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<v SPEAKER_2>It's trailing 12 months, price to earnings ratio is currently about 17.

00:06:33.856 --> 00:06:35.636

<v SPEAKER_2>17 is high.

00:06:36.596 --> 00:06:45.516

<v SPEAKER_2>In my lifetime, Joe, 12 to 14 EBIT earnings, price to earnings ratios are attractive.

00:06:46.056 --> 00:06:47.536

<v SPEAKER_3>Yeah, the oil and gas industry.

00:06:47.536 --> 00:06:48.456

<v SPEAKER_2>Yes.

00:06:48.576 --> 00:06:51.216

<v SPEAKER_2>Excuse me if I don't pile on to the bandwagon.

00:06:52.276 --> 00:06:52.756

<v SPEAKER_3>Yeah.

00:06:53.276 --> 00:06:59.176

<v SPEAKER_3>It's not to say that some of the companies that make up this clean technology index aren't good companies.

00:06:59.176 --> 00:07:04.656

<v SPEAKER_3>It's just to say that the market is frothy right now in all sorts of respects.

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<v SPEAKER_3>I think people are getting a little bit nervous about how much money they have piled into Nvidia and all the data center things, and they might be trying to diversify in the other ways.

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<v SPEAKER_3>But at the same time, the frothiness of the data centers means that any company that has any exposure to data centers, be it construction or Bloom Energy Corp, these solid oxide fuel cells or any other company, they get wrapped up into this.

00:07:30.896 --> 00:07:37.736

<v SPEAKER_3>As another quick fire story, let's talk quickly about India's coal-fired power push.

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<v SPEAKER_3>According to recent data, India has added 7.2 gigawatts of new coal-fired power this year, and this is the highest that

they've added since 2017.

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<v SPEAKER_3>India is focused primarily on domestic energy security, and coal is one energy source that the country has direct control over.

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<v SPEAKER_3>India, much like China and Europe, very energy poor, but they do produce their own coal, and so that's what they're building this electricity system off of.

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<v SPEAKER_3>Furthermore, according to Bloomberg, India may be looking at potentially reaching 420 gigawatts of coal-fired power by 2047 in search of further energy independence.

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<v SPEAKER_3>This kind of move would put any dream of net zero far out of reach, but could have positive economic implications for India.

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<v SPEAKER_2>Funny, Joe, that countries, they have to adapt to the path of lowest resistance, right?

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<v SPEAKER_2>And coal for centuries has been the power, it's been the power source for better ways of life, and Indians are stupid.

00:08:46.676 --> 00:08:56.336

<v SPEAKER_2>They're going to use the resource they have to try to get, at least in the short to medium term, so more power to them.

00:08:56.336 --> 00:09:03.596

<v SPEAKER_2>Again, it's the headwinds of decarbonization are outweighed by the implications of economics and ways of life.

00:09:03.596 --> 00:09:03.996

<v SPEAKER_3>Yeah.

00:09:03.996 --> 00:09:17.516

<v SPEAKER_3>And in a moment here, we're going to be talking about Europe, which is a continent that's very committed to fighting against the path of least resistance and really fighting gravity, in my opinion, and we'll talk about the consequences there.

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<v SPEAKER_3>But before we get into that, we should talk about the most recent monthly oil micro report from the International Energy Agency, which so we've seen the IEA reduce its estimates for the

global oil glut.

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<v SPEAKER_3>And so this glut was expected to happen this year and into 2026.

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<v SPEAKER_3>This follows on moves by OPEC to halt production increases scheduled for the first quarter of 2026, as well as the important fact that much of the glut is sanctioned oil sitting in tankers waiting to be unloaded.

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<v SPEAKER_3>So it's not having quite the sort of direct impact that you'd expect from such a big supply surplus.

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<v SPEAKER_2>It's in the market, right?

00:09:57.956 --> 00:10:01.416

<v SPEAKER_3>Prices are lower than they were not that long ago.

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<v SPEAKER_3>But we're talking, the IEA is talking about 3.8 million barrels per day of supply surplus.

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<v SPEAKER_2>Yeah.

00:10:11.036 --> 00:10:17.256

<v SPEAKER_2>I think more importantly, as a result, the glut has not so far resulted in any major impacts on storage levels.

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<v SPEAKER_2>In fact, China is reportedly using this time of low prices to Hoover up excess oil.

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<v SPEAKER_2>Citigroup forecasts that China could take in about 900,000 barrels per day of oil for its 2 billion barrel SPR as long as prices remain low.

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<v SPEAKER_2>Another important driver, upgrades to global oil demand estimates with 830,000 barrels per day of excess demand in 25 and 860,000 barrels per day of additional demand in 26.

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<v SPEAKER_2>Nevertheless, the IEA expects a supply surplus of more than 3.85 million barrels per day through next year.

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<v SPEAKER_2>And this is much more bearish than the US Energy Information Administration, which expects inventory builds in 26 of about 2 million barrels per day.

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<v SPEAKER_2>What do you think, Joe?

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<v SPEAKER_2>Like 2 million barrels per day of build, right?

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<v SPEAKER_2>Like an excess of demand.

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<v SPEAKER_3>Well, it's big.

00:11:15.196 --> 00:11:16.376

<v SPEAKER_2>It is, but it isn't.

00:11:16.436 --> 00:11:35.756

<v SPEAKER_2>Like it's all speculation on amount of data that people have in hand, given where all the data comes from, where all the oil is coming and going, and all of that ship-borne crude that is estimated, right?

00:11:36.216 --> 00:11:36.696

<v SPEAKER_3>Yeah.

00:11:36.696 --> 00:11:52.516

<v SPEAKER_3>The ship-borne crude, I think is one of the things that's really the curious part of all this, because there's so much crude sitting on the water that's in sanctioned tankers or carried by companies that are sanctioned by the United States.

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<v SPEAKER_3>This is why there's so much sitting on the water is that it's all been sanctioned.

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<v SPEAKER_3>I think that as long as these sanctions really have teeth and there's continued efforts to go after places like Russia, Iran, Venezuela, then eventually this oil needs to be backed up to the source.

00:12:13.976 --> 00:12:18.156

<v SPEAKER_3>I think that's something that will have to happen if the sanctions really have teeth.

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<v SPEAKER_3>If they don't, then they'll be absorbed somewhere or another.

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<v SPEAKER_3>There's a bunch of huge questions here.

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<v SPEAKER_3>How will this all shake out?

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<v SPEAKER_3>So yeah, I'm waiting and seeing basically, but I think-

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<v SPEAKER_2>What we know for sure is that it's going to be different than we think it is.

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<v SPEAKER_3>Yeah.

00:12:37.796 --> 00:12:43.696

<v SPEAKER_3>We'll say our estimations for the entire 2026 in January.

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<v SPEAKER_3>I'm sure we'll be wrong then.

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<v SPEAKER_3>Our last story relates to some troubles that are affecting EV adoption in Western countries.

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<v SPEAKER_3>So while framed as anti-EV policies in the United States are often cited as a major headwind for electric vehicles, people might be surprised to learn that the global transition to all electric vehicles has slowed down most dramatically in Europe.

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<v SPEAKER_3>In the US, EVs have been in the news following the announcement by the Ford Motor Company that it's restructuring its business away from EVs, reducing the estimated value of its Biden era all electric push by close to \$20 billion.

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<v SPEAKER_3>So this is a big statement that they did something wrong here.

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<v SPEAKER_3>So this news would seem to indicate the American EV market is shrinking, but that actually isn't quite the case.

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<v SPEAKER_3>US EV market share has actually reached a record high of 10.5% of the total market for vehicles, and Ford's direct competitor General Motors has quietly been eating up Ford's market share, and is now the second largest supplier of EVs after Tesla in the United States.

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<v SPEAKER_3>But the real market weakness is in Europe.

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<v SPEAKER_3>Sales of electric vehicles in Europe actually fell in 2024, below 2023 levels.

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<v SPEAKER_3>And while numbers are back up in 2025, we're not seeing a sort of resumption of the breakneck demand growth that we saw in 2020 to 2023.

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<v SPEAKER_3>As a result, the European Commission has backed down from their plans to force companies to only sell EVs by 2035, and there's increasingly, you know, acknowledged infeasibility of hitting these targets.

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<v SPEAKER_3>So this is a huge step back on climate policy in Europe.

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<v SPEAKER_3>One possible issue is Europe's sky-high electricity prices.

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<v SPEAKER_3>So unlike the cost of gasoline, which is related to low international oil prices, the cost of electricity in Europe is directly related to policies on the continent.

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<v SPEAKER_3>So euro super 95 gasoline prices, and this includes the cost of taxes.

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<v SPEAKER_3>So carbon taxes are included in these prices, are currently sitting around a euro 70 per litre in Germany.

00:14:55.096 --> 00:15:01.636

<v SPEAKER_3>Energy from gasoline is therefore around 28.6 euros per gigajoule.

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<v SPEAKER_3>Electricity in Germany meanwhile is extremely expensive.

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<v SPEAKER_3>German household electricity prices, including taxes and fees, is around 383 euros per megawatt hour.

00:15:15.096 --> 00:15:18.576

<v SPEAKER_3>This is equivalent to 106 euros per gigajoule.

00:15:19.756 --> 00:15:19.996

<v SPEAKER_3>Wow.

00:15:19.996 --> 00:15:21.036

<v SPEAKER_3>So listen to that.

00:15:21.036 --> 00:15:30.856

<v SPEAKER_3>So 28.6 euros per gigajoule of gasoline, 106 euros per gigajoule of electricity in Germany.

00:15:30.856 --> 00:15:39.396

<v SPEAKER_3>So on a pure energy basis, gasoline is therefore around one quarter of the cost of electricity in Germany.

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<v SPEAKER_3>We should keep in mind that electric motors are three to four times more efficient than internal combustion engines under ideal operating conditions.

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<v SPEAKER_3>And only assuming that you're just sending this vehicle forward, you're not doing anything else, then electricity, electric motors are more efficient, about four times more efficient.

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<v SPEAKER_3>But if electricity is four times the price of gasoline, then this efficiency benefit means absolutely nothing for customers.

00:16:05.756 --> 00:16:10.676

<v SPEAKER_3>And it effectively costs the same amount for a shorter range vehicle.

00:16:10.676 --> 00:16:26.336

<v SPEAKER_2>So Joe, this is the same, you know, and I'm not a pun, I'm not a guru about any of this, but it just seems to me that in any situation of economics, when you get to the margin, then the one that's more efficient work is the one that wins, right?

00:16:26.336 --> 00:16:39.316

<v SPEAKER_2>Like it's, and in this case, the efficiency of the hydrocarbon engine is going to continue to be a player, as long as it

can meet the test on an economic basis.

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<v SPEAKER_2>And it is, and it's not the fault of the electric car.

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<v SPEAKER_3>Yeah, and we should be clarified that you're talking about economic efficiency, not energy efficiency, and those are two very different things.

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<v SPEAKER_3>Right.

00:16:53.516 --> 00:17:04.296

<v SPEAKER_2>But my point is that in Europe, they've gone so far out on the limb on clean electricity that it's so expensive that it doesn't...

00:17:05.816 --> 00:17:08.436

<v SPEAKER_2>It's actually detrimental to good economics, right?

00:17:08.436 --> 00:17:09.356

<v SPEAKER_3>Yeah, yeah.

00:17:09.356 --> 00:17:16.196

<v SPEAKER_3>And these European gasoline prices are factoring in all the carbon taxes that they've put on top of it.

00:17:16.196 --> 00:17:18.156

<v SPEAKER_3>And so keep that in mind.

00:17:18.156 --> 00:17:23.496

<v SPEAKER_3>And also keep in mind that electric motors are not very good at heating cars.

00:17:23.496 --> 00:17:29.016

<v SPEAKER_3>You know, using batteries to heat space is not a good use of that technology.

00:17:29.536 --> 00:17:30.996

<v SPEAKER_3>But go ahead, Kelly, to get...

00:17:31.296 --> 00:17:34.956

<v SPEAKER_2>Well, it becomes even worse for the fast charging stations.

00:17:34.956 --> 00:17:45.836

<v SPEAKER_2>In Germany, an ultra-fast charging station can cost an eye-watering 890 euro per megawatt hour or 247 euro per gigajoule.

00:17:45.836 --> 00:17:49.876

<v SPEAKER_2>That's incredibly 8.6 times the energy price of gasoline.

00:17:49.876 --> 00:17:53.196

<v SPEAKER_2>There's no level of efficiency that can make that up.

00:17:53.196 --> 00:17:56.416

<v SPEAKER_2>In the United States, energy costs across the border are much, much cheaper.

00:17:56.416 --> 00:18:07.976

<v SPEAKER_2>Texas gasoline prices are about, you know, to equate it to Europe, are about 940 euro per gigajoule and electricity is 3740 per gigajoule euro.

00:18:07.976 --> 00:18:11.576

<v SPEAKER_2>Both about a third of the equivalent energy source in Germany.

00:18:13.156 --> 00:18:18.496

<v SPEAKER_2>This makes both gas-powered and electric vehicles much less expensive to operate.

00:18:18.496 --> 00:18:26.896

<v SPEAKER_2>Ultimately, if European governments want to electrify transportation, they have to first sort out how to make electricity less expensive.

00:18:26.896 --> 00:18:31.896

<v SPEAKER_2>There will be a temptation to blame natural gas, but I'm going to put out this plea to policy makers.

00:18:31.896 --> 00:18:34.496

<v SPEAKER_2>Natural gas is not the source of your problem.

00:18:35.856 --> 00:18:42.576

<v SPEAKER_2>Dutch Tidal Transfer Facility and Natural Gas is currently selling for 27 euro per megawatt hour.

00:18:42.576 --> 00:18:46.696

<v SPEAKER_2>To convert that to GJs, we get 750 per gigajoule.

00:18:48.116 --> 00:19:02.056

<v SPEAKER_2>You know, we got to ask Europeans, how is it possible that a commodity with a wholesale price of 750 per gigajoule can drive residential electric prices of 106 euro per gigajoule?

00:19:02.056 --> 00:19:13.296

<v SPEAKER_2>The longer Europeans take to sort out their energy system, the greater the risk that they put themselves on a permanently

lower trajectory for economic growth and tax revenues, just as they hit a demographic wall.

00:19:13.296 --> 00:19:16.376

<v SPEAKER_2>And the pressing need to spend on guns rather than butter.

00:19:17.776 --> 00:19:24.316

<v SPEAKER_2>You know, it's what I said at the beginning of my part of this diatribe, Joe, is the, you know, the overall economic cost.

00:19:24.576 --> 00:19:26.576

<v SPEAKER_2>It isn't, it isn't sustainable.

00:19:28.176 --> 00:19:30.376

<v SPEAKER_2>It isn't, it's not even close to sustainable.

00:19:30.656 --> 00:19:40.876

<v SPEAKER_2>This could be a, I hope you're wrong in the, in your metaphor of guns rather than butter, but this could come to that.

00:19:40.876 --> 00:19:44.176

<v SPEAKER_3>Yeah, well, I mean, it's a common thing, guns and butter.

00:19:44.176 --> 00:19:55.496

<v SPEAKER_3>We're talking about military spending for national security versus consumption spending for population, I guess, consumption.

00:19:55.496 --> 00:20:00.996

<v SPEAKER_3>And so in this case, butter can be reframed as health care and things.

00:20:01.016 --> 00:20:01.996

<v SPEAKER_2>No, I understand, Joe.

00:20:02.336 --> 00:20:04.416

<v SPEAKER_2>I don't think our listeners do too.

00:20:04.416 --> 00:20:07.776

<v SPEAKER_2>It's just, it's a hard choice.

00:20:08.236 --> 00:20:16.956

<v SPEAKER_3>Yeah, like, you know, we have to be frank here that energy is one of the main, just like basic inputs into everything.

00:20:17.036 --> 00:20:23.316

<v SPEAKER_3>So it's like, you know, when energy prices are, when energy costs are 1% of GDP, then that's fantastic.

00:20:23.316 --> 00:20:30.756

<v SPEAKER_3>That means, like, you know, that has enormous tailwinds for your economy.

00:20:30.756 --> 00:20:35.616

<v SPEAKER_3>And, you know, people often kind of dismiss it just like, oh, energy is just 1% of the economy.

00:20:35.616 --> 00:20:41.436

<v SPEAKER_3>But let me tell you, you're going to feel it once it becomes 5% because energy becomes that much more expensive.

00:20:41.436 --> 00:20:43.396

<v SPEAKER_3>And I think Europe is feeling that right now.

00:20:45.436 --> 00:20:51.056

<v SPEAKER_3>They did not design their energy systems for either self-sufficiency or economic growth.

00:20:51.056 --> 00:20:57.476

<v SPEAKER_3>And they seem to be hell bent on continuing to kind of kneecap themselves.

00:20:58.976 --> 00:21:04.016

<v SPEAKER_3>Yeah, the Draghi report talking about, you know, completely blaming all this on natural gas.

00:21:04.016 --> 00:21:05.756

<v SPEAKER_3>I think that's completely wrongheaded.

00:21:05.756 --> 00:21:08.036

<v SPEAKER_3>They failed to diversify their energy systems enough.

00:21:08.036 --> 00:21:14.176

<v SPEAKER_3>And now they're trying to further consolidate their energy systems just into renewables.

00:21:14.176 --> 00:21:21.816

<v SPEAKER_3>And they don't have a complete accounting of all the costs of integration of renewables in the scale that they're thinking about here.

00:21:21.816 --> 00:21:28.396

<v SPEAKER_3>So, I think that, you know, they don't have a full grasp of the problems that they're facing.

00:21:28.396 --> 00:21:44.796

<v SPEAKER_3>And, you know, it's a major threat to all Western countries, I think, which are tied to Europe in, you know, in economic and security ways that they continue making these mistakes.

00:21:44.796 --> 00:21:48.676

<v SPEAKER_3>So, that's my two cents, I think, on this.

00:21:48.676 --> 00:21:51.876

<v SPEAKER_3>And, you know, I'm concerned, very concerned.

00:21:51.876 --> 00:21:53.556

<v SPEAKER_2>Me too.

00:21:53.556 --> 00:21:54.636

<v SPEAKER_2>Great story, Joe.

00:21:54.636 --> 00:21:56.296

<v SPEAKER_2>Thanks for dragging these out.

00:21:56.296 --> 00:21:57.276

<v SPEAKER_3>Yeah, absolutely, Kelly.

00:21:57.276 --> 00:21:58.436

<v SPEAKER_1>Not a problem at all.

00:21:58.496 --> 00:22:04.916

<v SPEAKER_3>And yeah, again, thank you to our listeners for listening to us in this year.

00:22:04.916 --> 00:22:11.576

<v SPEAKER_3>And happy to get into this last segment, the last interview of the year.

00:22:11.576 --> 00:22:11.836

<v SPEAKER_2>Great.

00:22:11.836 --> 00:22:13.696

<v SPEAKER_2>Let's go over and talk to Shannon.

00:22:14.716 --> 00:22:25.576

<v SPEAKER_2>For today's interview recorded December 12th, 2025, we discussed the business case for Canadian LNG exports to Japan, Korea and Taiwan, and what Canada needs to do to capture this opportunity.

00:22:26.796 --> 00:22:30.676

<v SPEAKER_3>With us to discuss this is Shannon Joseph.

00:22:30.676 --> 00:22:39.656

<v SPEAKER_3>Shannon is Chair of Energy for a Secure Future, a board member at Tamarack Valley Energy, and a fellow with us at the Canadian Global Affairs Institute.

00:22:39.656 --> 00:22:46.096

<v SPEAKER_3>She is the author of a recent paper for the Canadian Global Affairs Institute, titled Waiting for Canada to Build Baby Build.

00:22:46.096 --> 00:22:50.756

<v SPEAKER_3>And I'll link this paper on the show notes, really would encourage everyone to give it a read.

00:22:50.756 --> 00:22:52.296

<v SPEAKER_2>Yeah, it's a great paper.

00:22:52.296 --> 00:22:52.556

<v SPEAKER_2>Great.

00:22:52.556 --> 00:22:54.976

<v SPEAKER_2>Really glad to have you on the podcast again, Shannon.

00:22:55.696 --> 00:22:56.116

<v SPEAKER_4>Thank you.

00:22:56.116 --> 00:22:57.796

<v SPEAKER_4>Thank you for having me.

00:22:59.716 --> 00:23:02.436

<v SPEAKER_2>Let's start off talking about the paper.

00:23:02.696 --> 00:23:05.136

<v SPEAKER_2>We're interested in the genesis of it.

00:23:05.136 --> 00:23:07.776

<v SPEAKER_2>What prompted you to consider writing this paper?

00:23:08.176 --> 00:23:10.576

<v SPEAKER_2>And thank you for writing it for us.

00:23:11.796 --> 00:23:24.456

<v SPEAKER_4>Well, part of the work that I do has been involved engaging with the international community about energy, their energy security, our liquefied natural gas, the role it can play.

00:23:25.436 --> 00:23:42.396

<v SPEAKER_4>And as it happens, as this work has evolved over the past two to three years, Japan, Korea and Taiwan have both kind of been, they were very engaged in what we were trying to do.

00:23:42.396 --> 00:23:48.656

<v SPEAKER_4>And we had the opportunity to go to Japan, meet a lot of energy customers, visit LNG intake facilities.

00:23:48.656 --> 00:23:57.756

<v SPEAKER_4>We were able to interview Taiwan's ambassador to Canada, Korea's ambassador to Canada, and really talk to them about why LNG is important.

00:23:57.756 --> 00:24:02.036

<v SPEAKER_4>And then of course this summer, we finally started shipping them LNG.

00:24:03.616 --> 00:24:14.116

<v SPEAKER_4>And despite all this, we still have a lot of, we still had and have a lot of people in Canada who take the view that, you know, this is going to be a stranded asset soon.

00:24:14.116 --> 00:24:15.316

<v SPEAKER_4>We don't need to do this.

00:24:15.316 --> 00:24:19.796

<v SPEAKER_4>These countries are leapfrogging to wind or something.

00:24:19.796 --> 00:24:21.016

<v SPEAKER_4>And that's just not true.

00:24:21.836 --> 00:24:30.236

<v SPEAKER_4>And I wanted to convey what I heard, which was these countries are waiting for Canada to build, baby build and to share why.

00:24:30.236 --> 00:24:32.156

<v SPEAKER_4>And so that was the idea.

00:24:32.156 --> 00:24:34.916

<v SPEAKER_4>And I was excited to write it for you guys.

00:24:34.916 --> 00:24:35.576

<v SPEAKER_2>Well, and you know what?

00:24:35.576 --> 00:24:52.656

<v SPEAKER_2>Before Joe cuts in, I was just going to say that this, your paper led to Joe organizing the conference that we had a month ago or six weeks ago in Ottawa and had the same international diplomacy, diplomats at the conference saying exactly the same thing.

00:24:52.656 --> 00:24:55.116

<v SPEAKER_2>So, you know, that's the reason we do these things.

00:24:55.116 --> 00:25:01.276

<v SPEAKER_2>And again, I thank you for the paper and the awareness that's, you know, it just isn't there.

00:25:01.476 --> 00:25:08.956

<v SPEAKER_2>And the more forms we can have to discuss things like this, to let people be more aware of what the real facts are, the better.

00:25:08.956 --> 00:25:11.176
<v SPEAKER_2>So thanks again.

00:25:11.176 --> 00:25:11.976
<v SPEAKER_4>My pleasure.

00:25:11.976 --> 00:25:26.596
<v SPEAKER_4>Actually, if I would make one point on that, Joe, I think you kind of relayed how emphatically the diplomats on the diplomatic panel were like, we really want your energy, please get it to us.

00:25:26.596 --> 00:25:30.596
<v SPEAKER_4>So, they also speak for themselves and they have a platform.

00:25:30.596 --> 00:25:33.516
<v SPEAKER_4>But I think the more we can share on that, the better.

00:25:33.556 --> 00:25:42.936
<v SPEAKER_3>Yeah, just gaining an understanding that there's enormous energy demands out there, especially in these countries in Asia and the Indo-Pacific.

00:25:42.936 --> 00:25:59.216
<v SPEAKER_3>And there's all of this idea that these sorts of energy sources are going to eminently face dramatic slowdowns and they're not just slowdowns, but shutoffs in terms of consuming them.

00:25:59.216 --> 00:26:04.056
<v SPEAKER_3>And I just don't see it happening, not in this sort of time scales that really matter here.

00:26:04.056 --> 00:26:08.356
<v SPEAKER_3>But Shannon, I'm really interested in kind of digging into these sort of customers.

00:26:08.476 --> 00:26:12.416
<v SPEAKER_3>And you focus mainly on Japan, the Republic of Korea and Taiwan.

00:26:12.416 --> 00:26:17.656
<v SPEAKER_3>So these are three democratic, Western-aligned countries.

00:26:17.656 --> 00:26:23.936
<v SPEAKER_3>And there are major economies in the region, of course, already have substantial ties to Canada.

00:26:23.936 --> 00:26:29.396

<v SPEAKER_3>And in the case of Japan and South Korea, Canada is already a major energy security partner.

00:26:29.976 --> 00:26:38.676

<v SPEAKER_3>So could you help unpack for our listeners, though, really the significance of these countries for Canadian energy?

00:26:40.136 --> 00:26:58.856

<v SPEAKER_4>So, you know, I think one part of the significance is that this is a region of the world that's going to have the fastest growing demand for energy, in part because they still have millions of people who don't have energy security, who can't have air conditioning despite it being, you know, 40 degrees Celsius.

00:26:59.316 --> 00:27:08.236

<v SPEAKER_4>And so, we just have people trying to raise their standard of living to one that, you know, we would all, all our listeners might recognize.

00:27:08.236 --> 00:27:35.596

<v SPEAKER_4>And that's going to be a massive undertaking in the region, Japan and Korea, but I would say Taiwan as well, to a similar extent, but Japan certainly is trying to support other countries in building out their infrastructure for energy, but, you know, both, you know, Japan, Korea and Taiwan are all energy insufficient.

00:27:35.616 --> 00:27:36.196

<v SPEAKER_3>Right.

00:27:36.196 --> 00:27:38.456

<v SPEAKER_2>They're all, they're net importers of everything.

00:27:38.456 --> 00:27:40.896

<v SPEAKER_4>They're net importers in a big way, you know.

00:27:40.896 --> 00:27:45.136

<v SPEAKER_4>I think Japan's self-sufficiency is 13 percent.

00:27:45.136 --> 00:27:48.356

<v SPEAKER_4>Canada's self-sufficiency is almost 200 percent.

00:27:48.356 --> 00:28:00.216

<v SPEAKER_4>And so, you know, these countries are in an area where, they're in a situation where they're rich countries, they need energy, they need partners to deliver that energy.

00:28:00.216 --> 00:28:07.256

<v SPEAKER_4>They're in a region of the world with demand that's

driven by people, but also driven by AI and other kinds of applications.

00:28:07.256 --> 00:28:16.536

<v SPEAKER_4>And they are mindful of, you know, the geopolitical forces that also pull on all of these countries as they try to meet these needs.

00:28:16.536 --> 00:28:27.936

<v SPEAKER_4>And I think Canada needs to be sensitive to the role we need to play in that, to support them, because if we don't do it, you know, who will?

00:28:29.376 --> 00:28:32.576

<v SPEAKER_2>Yeah, you kind of touch on the next point I'd like to add there.

00:28:32.576 --> 00:28:36.096

<v SPEAKER_2>And we'd like to go a little deeper.

00:28:36.096 --> 00:28:47.396

<v SPEAKER_2>There's a very interesting line in your paper that these countries' energies related goals, manufacturing growth, AI integration, coal phase out, are highly subject to external forces.

00:28:47.396 --> 00:28:50.656

<v SPEAKER_2>They're existential considerations.

00:28:50.756 --> 00:28:54.396

<v SPEAKER_2>Could you kind of let us know what that means?

00:28:54.396 --> 00:28:58.996

<v SPEAKER_2>And how it relates to energy security and from an energy geopolitics perspective?

00:28:58.996 --> 00:29:00.596

<v SPEAKER_4>Sure.

00:29:00.596 --> 00:29:04.696

<v SPEAKER_4>And I'm sorry, there's so much to say, so I might have gone on just now.

00:29:04.916 --> 00:29:08.676

<v SPEAKER_2>No, no, keep rolling, this is really good.

00:29:11.076 --> 00:29:25.076

<v SPEAKER_4>So, on the one hand, Taiwan, Japan, Korea want to meet growing energy demand, especially for new technologies, they want to stop using coal.

00:29:25.076 --> 00:29:29.356

<v SPEAKER_4>All of them have about 30 percent coal in their energy mix or more.

00:29:29.976 --> 00:29:34.956

<v SPEAKER_4>In Taiwan, it's more, but none of them have their own energy.

00:29:34.956 --> 00:29:40.856

<v SPEAKER_4>So, immediately, they become sensitive to the global powers that be when it comes to energy.

00:29:40.856 --> 00:30:13.076

<v SPEAKER_4>So, for example, when Russia invaded Ukraine and that drove up world prices for gas, and also drove the movement of goods away from the region to Europe, and so then they couldn't get cargoes they were counting on, that's the big geopolitical force on these countries, because they don't have their own energy, and because energy is central to keeping the lights on, running the factories, feeding everyone, when the countries that have the energy start fighting or doing things, it makes them vulnerable.

00:30:13.076 --> 00:30:15.796

<v SPEAKER_4>So, that's like level one of security.

00:30:15.796 --> 00:30:21.776

<v SPEAKER_4>But the next level of security is that some of these countries have true geopolitical rivals.

00:30:21.776 --> 00:30:29.016

<v SPEAKER_4>So, if you're in Taiwan, China has certain claims about you, and every now and then talks about invasion.

00:30:30.436 --> 00:30:34.836

<v SPEAKER_4>Taiwan can't defend itself if it doesn't have energy, and it needs energy partners.

00:30:34.836 --> 00:30:44.776

<v SPEAKER_4>And similarly, I learned that through all this process that South Korea has kind of the fourth largest military in the world.

00:30:44.776 --> 00:30:52.496

<v SPEAKER_4>And they have a demilitarized zone facing North Korea, which has nuclear weapons that they shoot off every now and then.

00:30:52.496 --> 00:30:59.216

<v SPEAKER_4>And so, if Korea doesn't have access to its own energy, its ability to defend itself is in danger.

00:30:59.216 --> 00:31:08.256

<v SPEAKER_4>And for all of these countries, the deterrence, like just don't bother invading, gets weakened when they're not sure about their access to energy.

00:31:08.256 --> 00:31:24.236

<v SPEAKER_4>And for Canada and the West, as they call us, we need to think about, are we drawing people towards us and towards our values in terms of democracy and caring about the environment and caring about human rights?

00:31:24.876 --> 00:31:30.356

<v SPEAKER_4>Or are we going to kind of leave the stage to others who have different values?

00:31:30.356 --> 00:31:48.716

<v SPEAKER_4>And I think we've not talked sufficiently about the soft power of our energy to do good in the world, including from the standpoint of solving these problems and drawing our allies into better options and drawing their neighbors into better options.

00:31:48.716 --> 00:31:50.256

<v SPEAKER_4>There is a real opportunity for us.

00:31:51.056 --> 00:31:57.236

<v SPEAKER_4>And if we don't, it's not like the geopolitical field stands still.

00:31:57.236 --> 00:32:02.396

<v SPEAKER_4>There's lots of forces pulling and pushing all over that region and other parts of the world.

00:32:03.876 --> 00:32:21.616

<v SPEAKER_3>Yeah, there's no question that these areas in the Indo-Pacific are major hinge points where it comes to global geopolitics, you know, North Korea, South Korea, China, Taiwan, South China Sea in general.

00:32:21.616 --> 00:32:27.756

<v SPEAKER_3>All of these could be major areas that lead to greater conflict.

00:32:27.756 --> 00:32:44.116

<v SPEAKER_3>And you know, I'm very concerned about that and making sure that the players who might be otherwise vulnerable are kept economically engaged and in a way that they're strong and able to deter their adversaries.

00:32:44.116 --> 00:32:54.776

<v SPEAKER_3>But, and just to talk about one component of this, one of the sections of your paper is titled Japan Regional Leader in Energy.

00:32:54.776 --> 00:32:59.996

<v SPEAKER_3>And we've talked for some time about the idea being a strong energy partner for Canada in Asia.

00:33:00.216 --> 00:33:12.296

<v SPEAKER_3>And one of the ways in which I'm thinking about Japan is not necessarily their own energy demand, but also building up a network within the region for supplying energy more broadly.

00:33:12.296 --> 00:33:19.056

<v SPEAKER_3>And, you know, bolstering their own energy security, but also the energy security of various other partners in the region.

00:33:19.056 --> 00:33:26.476

<v SPEAKER_3>But what do you see, Shannon, as some ways that Japan and Canada could partner to improve energy security in the region?

00:33:28.156 --> 00:33:38.516

<v SPEAKER_4>So, today, Japan helps other countries who, you know, haven't had the deal-making capacity or whatever it is, to get access to these flows of energy.

00:33:38.516 --> 00:33:52.356

<v SPEAKER_4>And Japan also plays a big role investing in infrastructure, to build power plants, to build port infrastructure for intake of energy, pipelines, et cetera.

00:33:52.356 --> 00:33:57.876

<v SPEAKER_4>I recently did an interview with the Ambassador of the Philippines to Canada, which is going to come out soon.

00:33:57.876 --> 00:34:02.896

<v SPEAKER_4>And, you know, they said, we want energy, but we also need support with infrastructure.

00:34:02.896 --> 00:34:15.836

<v SPEAKER_4>And so Japan's already in there, playing that role in the region as a wealthy economy, supporting its neighbors to get these things built so they can get energy and, again, do all the things they need to do with energy.

00:34:17.116 --> 00:34:30.456

<v SPEAKER_4>And I think this is also why Japan, at least in terms of my work, was the first to really kind of raise various flags of importance that I hoped to convey in the paper.

00:34:30.476 --> 00:34:45.396

<v SPEAKER_4>One of it, one of which was the bottleneck in the Panama Canal, which was forcing a lot of cargos to go under the African

continent and go up the South China Sea, which put it into conflictual waters.

00:34:46.216 --> 00:34:53.736

<v SPEAKER_4>In terms of some of those geopolitical issues we were talking about, it also delayed the cargos and all that shipping is more expensive.

00:34:53.736 --> 00:35:07.756

<v SPEAKER_4>They also flagged for me that a lot of they and Korea have long-term contracts with Russia that are going to be expiring and that we could replace.

00:35:07.756 --> 00:35:12.776

<v SPEAKER_4>That could also make a difference in another conflict and another part of the world.

00:35:12.776 --> 00:35:19.316

<v SPEAKER_4>But if we want to play that role, we needed to act quickly because those contracts expire in 2029.

00:35:20.456 --> 00:35:28.196

<v SPEAKER_4>Japan plays a big role in the region to support energy security and development regionally.

00:35:28.196 --> 00:35:40.036

<v SPEAKER_4>But I think they've also played an important role in Canada in helping people understand the region and understand some of those dynamics and the opportunities that are on their horizon.

00:35:40.276 --> 00:35:44.816

<v SPEAKER_4>If we, you know, determine to really go for them as a country.

00:35:46.376 --> 00:35:48.176

<v SPEAKER_2>That's really good.

00:35:49.476 --> 00:35:53.276

<v SPEAKER_2>Let's stay in the region and talk about Korea.

00:35:53.276 --> 00:35:59.736

<v SPEAKER_2>You included a fascinating quote from former ambassador of the Republic of Korea to Canada, Wang Sun Lim.

00:35:59.736 --> 00:36:07.216

<v SPEAKER_2>Ambassador Lim told you that, and I quote, history tells us that when Korea is strong, the region tends to be more stable and more prosperous.

00:36:07.776 --> 00:36:12.316

<v SPEAKER_2>When Korea is weak, there is a history of war breaking out.

00:36:12.316 --> 00:36:19.296

<v SPEAKER_2>Energy security is critical, not just for the Korean economy, but for its security in general.

00:36:21.836 --> 00:36:26.456

<v SPEAKER_2>That's a fascinating, as I said, quote.

00:36:28.256 --> 00:36:39.036

<v SPEAKER_2>How do you think this perspective should be integrated into any revisions or pushes forward for Canada's Indo-Pacific strategy writ large?

00:36:39.036 --> 00:36:44.916

<v SPEAKER_2>And sorry, that's a big question, Shannon, but it's more than just energy security, right?

00:36:44.976 --> 00:36:45.856

<v SPEAKER_4>Yeah.

00:36:45.856 --> 00:36:54.016

<v SPEAKER_4>I mean, you know, the Prime Minister has talked about Canada stepping up our spending to meet our NATO commitments.

00:36:54.016 --> 00:36:59.676

<v SPEAKER_4>A lot of that, you know, might be about buying icebreakers or jets.

00:36:59.676 --> 00:37:12.756

<v SPEAKER_4>You know, the details aren't clear yet, but I haven't heard the Government of Canada articulate its vision for the security role of Canada in the world.

00:37:13.456 --> 00:37:14.976

<v SPEAKER_4>And what are we going to do?

00:37:14.976 --> 00:37:25.556

<v SPEAKER_4>We're not going to have a fleet of warships or whatever tomorrow, but we could maybe have, you know, greater energy production and export in the next five years.

00:37:26.316 --> 00:37:39.476

<v SPEAKER_4>That's quite feasible, and to have it at a certain scale, and we can think about the security ramifications of that and the role, therefore, that Canada can start to play in these regional issues.

00:37:40.176 --> 00:38:00.236

<v SPEAKER_4>So, I thought it was a very important comment from the ambassador, because it was a reminder, the other, you know, it was a reminder that climate change isn't the only multilateral issue that Canada should be thinking about, and we have started to bring in other considerations, sometimes kicking and screaming, maybe.

00:38:00.236 --> 00:38:17.896

<v SPEAKER_4>Russia's invasion of Ukraine in that conflict was the first thing that started getting people in Canada really talking about energy security, and with the new US administration, we've also now started really seriously talking about diversifying our trade, which we were not that serious about before.

00:38:17.896 --> 00:38:44.856

<v SPEAKER_4>So I think we're at this really interesting moment in Canada where conversations that were maybe had in certain regions or in certain boardrooms are finally being had in the open, and more of the Canadian public is kind of sensitized to the need for Canada to build a vision for itself economically, security wise, and for that to translate into the things that we build, the resources we export.

00:38:46.496 --> 00:38:50.716

<v SPEAKER_4>And I don't think we've gotten all the way to the end of that sentence in our thinking.

00:38:50.716 --> 00:38:53.196

<v SPEAKER_4>But that's kind of where we need to go.

00:38:53.196 --> 00:38:57.396

<v SPEAKER_4>And for the first time, I actually see some of the pieces of that coming into place.

00:38:57.396 --> 00:39:11.716

<v SPEAKER_4>And I hope that with this paper and future papers I might do on a similar topic, and others in the Canadian space, that we continue to feed this conversation.

00:39:11.716 --> 00:39:16.156

<v SPEAKER_4>Because we need to turn it from words into action fairly quickly.

00:39:17.136 --> 00:39:17.296

<v SPEAKER_4>Yeah.

00:39:17.516 --> 00:39:27.656

<v SPEAKER_3>And I'm thinking that this sort of work really does show where there's some win-win situations, I guess, mutual benefits.

00:39:28.156 --> 00:39:37.136

<v SPEAKER_3>Where it comes to growing the economic role of Canadian

foreign policy, like thinking about Canadian foreign policy from benefiting Canada economically.

00:39:37.136 --> 00:39:46.576

<v SPEAKER_3>But then also on the other side of things, on the other side of the Pacific, talking about the real security role for Canada, like that economic security that we can bring to the table.

00:39:46.636 --> 00:39:55.656

<v SPEAKER_3>And I think that, you know, like I was in Ottawa last week and, you know, in some conversations about some aspects of the Indo-Pacific strategy.

00:39:55.656 --> 00:40:01.636

<v SPEAKER_3>And because I think that there's some push to renew it in some ways.

00:40:01.636 --> 00:40:05.416

<v SPEAKER_3>So I'm just trying to like frame out some thoughts about this.

00:40:05.416 --> 00:40:20.556

<v SPEAKER_3>But, you know, I had to be frank with some of the people I was talking about that it was real slap in the face out here when the Indo-Pacific strategy had no mention of energy in it at all, considering that we had, you know, major LPG facilities already up and running.

00:40:20.556 --> 00:40:27.536

<v SPEAKER_3>But we also were looking forward to opening the Trans Mountain Pipeline, looking forward to the opening of LNG Canada.

00:40:27.536 --> 00:40:33.056

<v SPEAKER_3>Energy has become one of Canada's dominant exports to the Indo-Pacific region.

00:40:33.056 --> 00:40:40.236

<v SPEAKER_3>I think more recent data will probably show that it's, you know, pushing 30-35% of Canadian exports to the region.

00:40:40.236 --> 00:40:46.356

<v SPEAKER_3>I'll have to look at the actual numbers, but it's a huge percentage of Canada's exports to the region, region or energy products.

00:40:46.356 --> 00:40:53.236

<v SPEAKER_3>And yet, it never got to mention when this Indo-Pacific strategy was put out.

00:40:53.236 --> 00:40:59.116

<v SPEAKER_3>So, like, that was fundamentally not in line with reality, basically.

00:40:59.116 --> 00:41:04.776

<v SPEAKER_2>Well, I get to give my editorial now, which Joe always permits me to do.

00:41:05.376 --> 00:41:06.196

<v SPEAKER_2>A couple of minutes, Rab.

00:41:07.696 --> 00:41:14.536

<v SPEAKER_2>Ten years of foreign policy based on climate change that just totally...

00:41:14.536 --> 00:41:17.176

<v SPEAKER_2>It's the lost decade of Canadian foreign policy.

00:41:17.176 --> 00:41:18.936

<v SPEAKER_2>No question about it.

00:41:18.936 --> 00:41:26.076

<v SPEAKER_2>And, you know, how Melanie Jolie continues to be there to make the same kind of comments, I'll just leave it at that.

00:41:26.076 --> 00:41:41.436

<v SPEAKER_2>Ten years of lost foreign policy with any effect, with any usage of what we have to actually portray a foreign policy, middle power, soft power, lower echelon power.

00:41:41.436 --> 00:41:42.896

<v SPEAKER_2>We were zero power.

00:41:42.896 --> 00:41:44.956

<v SPEAKER_2>And it's over.

00:41:45.236 --> 00:41:51.336

<v SPEAKER_2>I'm cautiously optimistic about the current administration of Canada moving toward...

00:41:51.376 --> 00:41:52.596

<v SPEAKER_2>Joe, you're right.

00:41:52.596 --> 00:42:00.596

<v SPEAKER_2>It'll really be interesting to see it as the 2025 data comes to a conclusion of just how much energy is exported.

00:42:00.596 --> 00:42:01.116

<v SPEAKER_2>Shannon, you were in Japan...

00:42:01.116 --> 00:42:03.736

<v SPEAKER_3>You were opening at ONG Canada, phase one.

00:42:03.736 --> 00:42:04.296

<v SPEAKER_3>Definitely.

00:42:04.836 --> 00:42:07.736

<v SPEAKER_2>As you pointed out, Joe, we've been shipping propane.

00:42:07.736 --> 00:42:11.136

<v SPEAKER_2>By how many tons of propane a year, Shannon, that we ship to Japan?

00:42:11.136 --> 00:42:21.336

<v SPEAKER_2>Like, that alone as the first brick in the wall of Canadian exports to the Indo-Pacific, I think it's...anyways, there's my rant.

00:42:21.336 --> 00:42:22.636

<v SPEAKER_2>I get to do it.

00:42:22.636 --> 00:42:24.756

<v SPEAKER_2>Thanks, Joe.

00:42:24.756 --> 00:42:27.696

<v SPEAKER_4>That is the first brick in the wall.

00:42:27.776 --> 00:42:29.836

<v SPEAKER_4>LPC is the first brick in the wall.

00:42:29.836 --> 00:42:31.136

<v SPEAKER_4>And it's not just in Japan.

00:42:31.136 --> 00:42:33.476

<v SPEAKER_4>Korea also imports.

00:42:33.476 --> 00:42:42.316

<v SPEAKER_4>And, you know, that should be an example to us because that ramped up within five years and went from zero to very important.

00:42:44.296 --> 00:42:47.236

<v SPEAKER_4>And we can start to do the same thing with our LNG.

00:42:47.836 --> 00:42:57.436

<v SPEAKER_4>I think if we can do some of the expansions to the capacity of the Trans Mountain Pipeline, we could do that on oil.

00:42:57.436 --> 00:43:11.776

<v SPEAKER_4>Somebody told me the other day, and I'm not sure which one it was, but that some of our increased exports to China or to the region on energy offset the decline we've had in canola exports.

00:43:11.776 --> 00:43:20.836

<v SPEAKER_4>I mean, these are big, big leavers because the appetite for energy is just going up, it's not going down.

00:43:20.836 --> 00:43:23.616

<v SPEAKER_4>AI being the biggest driver of that.

00:43:23.616 --> 00:43:29.316

<v SPEAKER_4>And anyway, yes, Kelly, there's a big role for us.

00:43:29.316 --> 00:43:29.676

<v SPEAKER_3>Yeah.

00:43:29.676 --> 00:43:45.536

<v SPEAKER_3>And I think that, you know, honestly, on the LPG side, I think LPG exports, they're very important, but it's just not, it's not quite the same scales as LNG and oil, just in terms of how much is produced in Canada.

00:43:46.456 --> 00:43:49.036

<v SPEAKER_3>It's a very important market, but it's not the...

00:43:49.036 --> 00:43:52.176

<v SPEAKER_2>Yeah, but Joe, I want to interrupt you though, a bit.

00:43:52.176 --> 00:43:53.156

<v SPEAKER_2>I understand that.

00:43:53.156 --> 00:44:07.256

<v SPEAKER_2>But when you look at it from a bigger perspective of dragging people out of poverty, like those little propane canisters are exactly how a lot of people in that part of the world could cook their food without using...

00:44:08.976 --> 00:44:10.316

<v SPEAKER_1>Cold wood.

00:44:10.316 --> 00:44:13.296

<v SPEAKER_3>Yeah, without using traditional biomass, as they like to call it.

00:44:13.296 --> 00:44:14.696

<v SPEAKER_3>Yeah, yeah.

00:44:14.696 --> 00:44:16.876

<v SPEAKER_3>But...

00:44:16.876 --> 00:44:20.456

<v SPEAKER_2>It's a short rant, but Shannon opened the conversation

with that, Joe.

00:44:20.456 --> 00:44:31.796

<v SPEAKER_2>It isn't just about the GDP of Canada increasing, and it's helping other people get to an energy security level that's at least 50% of what we have and take for granted.

00:44:32.196 --> 00:44:32.996

<v SPEAKER_3>No, no.

00:44:33.156 --> 00:44:43.176

<v SPEAKER_3>But what I was getting at here, Kelly, is that we went really from zero to one with those LPG exports, and we established new markets, basically.

00:44:43.276 --> 00:44:56.536

<v SPEAKER_3>And it's like, I should really give credit to the companies that established those markets, like AltaGas and Pembina and various other players in the space, who really allowed us to start playing a role in the energy security of these countries.

00:44:56.896 --> 00:45:16.796

<v SPEAKER_3>Because I think they're the ones who really will have some lessons about how we can further expand these energy exports elsewhere, because they're going to know who needs to be talked to, who are the main people who allow these sorts of things to happen and talk about the integration of Canada into new energy systems.

00:45:16.796 --> 00:45:18.956

<v SPEAKER_3>Like that's very important.

00:45:18.956 --> 00:45:20.556

<v SPEAKER_4>I mean, they know who to talk to.

00:45:20.556 --> 00:45:25.136

<v SPEAKER_4>But I mean, lucky for us, the people who need to be talked to are talking to us.

00:45:25.996 --> 00:45:29.176

<v SPEAKER_4>The Prime Minister of Japan came here.

00:45:29.176 --> 00:45:32.436

<v SPEAKER_4>Their diplomats are all saying, we want to work with you.

00:45:32.676 --> 00:45:41.136

<v SPEAKER_4>The real issue for Canada, and we just did an interview with Dominic Barton that we put out last week, is can Canada deliver?

00:45:42.236 --> 00:45:47.816

<v SPEAKER_4>Do countries still believe that when we say we will get

you energy, that we will get it to them?

00:45:47.816 --> 00:45:50.756

<v SPEAKER_4>Because it did take a long time to build LNG Canada Phase 1.

00:45:51.776 --> 00:45:59.136

<v SPEAKER_4>And the approvals have come faster on Cedar, wood fibers progressing.

00:45:59.136 --> 00:46:03.496

<v SPEAKER_4>It would be very nice to see that LNG Canada Phase 2 FID come.

00:46:03.496 --> 00:46:13.276

<v SPEAKER_4>All of this, I think we had a jar of people's confidence in us, and every time we delivered, something else went in the jar.

00:46:13.276 --> 00:46:19.636

<v SPEAKER_4>But there was a long period of the pennies just being thrown out of that jar, with every project that got cancelled.

00:46:20.276 --> 00:46:32.816

<v SPEAKER_4>And so now we're back to putting stuff in the jar, and we need to really keep putting it in at a pace, so that people continue to believe that they should invest here, and believe that we can support them.

00:46:32.816 --> 00:46:45.376

<v SPEAKER_3>Yeah, we can't expect them to invest in their domestic infrastructure, assuming that Canadian energy products will come online, if we're not going to be able to deliver on our side of the ocean.

00:46:45.776 --> 00:46:48.116

<v SPEAKER_3>That's not something we can expect them to do.

00:46:48.116 --> 00:46:49.336

<v SPEAKER_4>And that is a good point.

00:46:49.536 --> 00:47:02.036

<v SPEAKER_4>So, if you're Japan and Korea, and you're a rich country, you can invest in your infrastructure anyway, because you have the money to do it, and the credit rating to do it, and you'll just buy your gas from Australia, if you can't get it from Canada.

00:47:02.036 --> 00:47:10.416

<v SPEAKER_4>But if you're the Vietnam, or if you're the Philippines, you need international lenders to help you build those things.

00:47:10.416 --> 00:47:17.936

<v SPEAKER_4>Your project proponents need agreements for import to get the FIDs for their project.

00:47:18.516 --> 00:47:21.896

<v SPEAKER_4>In the same way, we need off-take agreements to get our agreements here.

00:47:21.896 --> 00:47:33.496

<v SPEAKER_4>And so being actually able to deliver really matters to some of those up-and-coming economies that are trying to build up their energy supply.

00:47:33.496 --> 00:47:36.636

<v SPEAKER_4>And this is another reason for us to act quickly.

00:47:36.636 --> 00:47:49.276

<v SPEAKER_4>Japan, Korea and Taiwan can have the leverage to get other solutions, but we could actually make a difference to other countries in the region that they really need somebody to sell for them to build.

00:47:49.276 --> 00:47:49.736

<v SPEAKER_3>Yeah.

00:47:49.736 --> 00:47:53.696

<v SPEAKER_3>I mean, one additional completely off-script comment here as well.

00:47:53.696 --> 00:47:58.656

<v SPEAKER_3>And this is especially where it comes to development finance agencies and stuff like that.

00:47:58.656 --> 00:48:11.936

<v SPEAKER_3>We've had a few conversations recently that they're unwilling to really provide this financing for domestic traditional energy infrastructure.

00:48:11.936 --> 00:48:21.236

<v SPEAKER_3>It seems though increasingly they're only willing to provide investment for, let's say, renewable or quote unquote green energy infrastructure.

00:48:21.236 --> 00:48:23.156

<v SPEAKER_3>But that's a whole other issue that...

00:48:23.156 --> 00:48:23.396

<v SPEAKER_2>Yeah.

00:48:23.416 --> 00:48:25.236

<v SPEAKER_2>That's an important point, Joe.

00:48:25.556 --> 00:48:27.336

<v SPEAKER_4>Oh, Kelly wants to jump in.

00:48:27.336 --> 00:48:41.576

<v SPEAKER_2>Well, some of those agencies are still, they're like the UN, the IEA, they're failing at their purpose, and they're a lot behind.

00:48:41.576 --> 00:48:45.096

<v SPEAKER_2>Like, they'll start placing the money in infrastructure.

00:48:46.676 --> 00:48:50.776

<v SPEAKER_4>So I wrote an article about this too, which I invite your listeners to check out.

00:48:51.356 --> 00:48:54.376

<v SPEAKER_3>I'd be more than happy to link in the show notes too, Shannon.

00:48:54.376 --> 00:48:54.776

<v SPEAKER_4>Okay.

00:48:54.776 --> 00:48:56.956

<v SPEAKER_4>Well, we'll link that in the show notes.

00:48:56.956 --> 00:49:12.716

<v SPEAKER_4>But another thing I heard a lot about when I was in Asia was the World Bank, the Asia Development Bank, all of these groups where Canada is actually a voting member, because these banks are kind of bankrolled by donor countries.

00:49:16.836 --> 00:49:25.056

<v SPEAKER_4>They won't lend to a Vietnam or somebody or a country like that to build a gas plant because it's fossil fuels.

00:49:25.136 --> 00:49:34.796

<v SPEAKER_4>Now, interestingly, and so they're just trapping these countries in energy poverty, and it's worse in Africa, which is further behind economically.

00:49:34.796 --> 00:49:35.776

<v SPEAKER_4>They have the same problem.

00:49:35.776 --> 00:49:38.116

<v SPEAKER_4>They also can't build the power plants they need.

00:49:38.116 --> 00:49:45.936

<v SPEAKER_4>There's a real human rights issue and a real who has the

power to tell you, no, you can't have this issue.

00:49:45.936 --> 00:49:50.236

<v SPEAKER_4>But they also didn't want to fund nuclear plants.

00:49:50.236 --> 00:49:52.636

<v SPEAKER_4>But a year ago, they changed their policies.

00:49:52.816 --> 00:50:04.296

<v SPEAKER_4>And they've now, and I found this out at the Energy and Environment Ministerial at the G7, moderating a panel with some folks in the nuclear industry.

00:50:04.296 --> 00:50:09.756

<v SPEAKER_4>And they said, we too were banned by those international lenders.

00:50:09.796 --> 00:50:19.256

<v SPEAKER_4>But now, they are funding new nuclear plants, because nuclear is kind of back in favour, as that giant electricity demand for AI keeps growing.

00:50:19.276 --> 00:50:22.676

<v SPEAKER_4>So I think things are going to change.

00:50:22.716 --> 00:50:23.696

<v SPEAKER_2>I agree.

00:50:23.696 --> 00:50:35.436

<v SPEAKER_2>You know, you look back here a month ago or six weeks, two months ago, GFANS, you know, Carney's brainchild for the next, the global order of financing has failed.

00:50:35.436 --> 00:50:47.856

<v SPEAKER_2>The banks are pushing back against DEI and decarbonisation in their business plans and in their terms of reference.

00:50:47.856 --> 00:50:49.216

<v SPEAKER_2>So you're right.

00:50:49.556 --> 00:50:56.796

<v SPEAKER_2>It will come to fruition, and the world will get back on a realistic pathway to helping these countries get out of poverty.

00:50:58.696 --> 00:51:01.116

<v SPEAKER_2>The short term is not 2035 anymore.

00:51:01.116 --> 00:51:14.236

<v SPEAKER_2>It's even a country like Canada with the way we've looked

at energy policy, they realistically started looking at dates like 2050, like the Indians and the Japanese and the Chinese do 2075.

00:51:16.356 --> 00:51:20.736

<v SPEAKER_2>It's all going to give, but it isn't going to give over in the next two years.

00:51:20.736 --> 00:51:22.736

<v SPEAKER_2>So let's wrap up here, Joe.

00:51:24.776 --> 00:51:28.436

<v SPEAKER_4>You want to wrap it up, but you said something Kelly that I would like to respond to.

00:51:28.436 --> 00:51:29.236

<v SPEAKER_4>Is that okay, Joe?

00:51:29.236 --> 00:51:30.296

<v SPEAKER_2>Yeah, go ahead.

00:51:30.296 --> 00:51:31.076

<v SPEAKER_2>Absolutely.

00:51:31.076 --> 00:51:31.456

<v SPEAKER_2>Yeah.

00:51:31.456 --> 00:51:32.136

<v SPEAKER_2>That's what it's all about.

00:51:33.476 --> 00:51:54.036

<v SPEAKER_4>So you just said they need this energy, and part of the rationale for blocking access to fossil fuel related power infrastructure in these countries, is that they can just do wind and solar, and why don't they just do wind and solar?

00:51:55.836 --> 00:52:03.696

<v SPEAKER_4>And the fact is, a lot of the countries near the equator don't have great wind resources.

00:52:03.696 --> 00:52:08.256

<v SPEAKER_4>They are not well set up because of weather that they have.

00:52:08.256 --> 00:52:20.076

<v SPEAKER_4>So things like monsoon season, where there's like rain for three months, doesn't lend itself well to solar, and there's no battery that's going to bridge the three months for your grid.

00:52:20.836 --> 00:52:34.356

<v SPEAKER_4>And so all of this means that having gas as a

dispatchable energy source is really important to these countries, including to them even contemplating integrating wind and solar into their grids.

00:52:34.356 --> 00:52:38.376

<v SPEAKER_4>Because how do you manage the intermittency problem?

00:52:38.376 --> 00:52:40.176

<v SPEAKER_4>You need something dispatchable.

00:52:40.176 --> 00:52:53.296

<v SPEAKER_4>And so I think it's really important for everyone to understand that just because a technology exists like wind power, doesn't mean it works the same way everywhere and can deliver everywhere.

00:52:53.296 --> 00:53:02.836

<v SPEAKER_4>And doesn't mean that, you know, the the intermittency of some of these renewable sources, you have to pay to manage that.

00:53:02.836 --> 00:53:04.696

<v SPEAKER_4>You pay to manage it with a battery.

00:53:04.696 --> 00:53:07.376

<v SPEAKER_4>You pay to manage it with backup gas plants.

00:53:07.376 --> 00:53:08.736

<v SPEAKER_4>But you pay to manage it.

00:53:08.736 --> 00:53:21.776

<v SPEAKER_4>And in a developing country where they don't have a lot of money to pay to manage anything, they have to make choices where they get the best energy output, get the best environmental output for the money that they have.

00:53:21.776 --> 00:53:25.856

<v SPEAKER_4>And for some of them, natural gas is the best option.

00:53:25.856 --> 00:53:29.976

<v SPEAKER_4>And therefore, LNG partnerships are really critical to them.

00:53:29.976 --> 00:53:38.256

<v SPEAKER_4>And we have to stop judging other people's attempts to solve their very complex problems.

00:53:39.596 --> 00:53:46.176

<v SPEAKER_4>And so I just want to put that out there because I think it's been a missing part of the discussion that finally we're also able to start to have.

00:53:47.276 --> 00:53:49.176
<v SPEAKER_3>Yeah, there's a certain paternalism.

00:53:49.176 --> 00:53:55.076
<v SPEAKER_2>It's unfortunate, Joe, you couldn't have taken the words out of my mouth any better.

00:53:55.076 --> 00:53:56.076
<v SPEAKER_2>That's exactly what it is.

00:53:56.076 --> 00:54:03.776
<v SPEAKER_2>An ivory tower viewpoint written on a spreadsheet about how somebody should act when they don't have the ability to have dispatchable power.

00:54:03.776 --> 00:54:25.296
<v SPEAKER_2>Joe, what was the fellow's name we had on that taught us about how levelizing the grid with natural gas, the ability to ramp up power almost immediately because of the power of natural gas generator.

00:54:25.296 --> 00:54:30.496
<v SPEAKER_2>Jason Doering explained to us how natural gas...

00:54:30.496 --> 00:54:33.856
<v SPEAKER_2>Okay, so you got a bunch of wind and solar lined up against the grid.

00:54:33.896 --> 00:54:38.716
<v SPEAKER_2>That's great, and when it's on and fully available, it works great.

00:54:38.716 --> 00:55:00.296
<v SPEAKER_2>But when it's not, and you need the intermittent power has to ramp up immediately, Jason explained to us how that's accomplished with fossil, mostly with, you know, burning with gas, and most jurisdictions with gas or coal, but you just can't go from renewables to non-renewables in a minute.

00:55:00.296 --> 00:55:09.016
<v SPEAKER_2>Like you need dispatch, as Shannon pointed out, you need dispatchable power, and it only comes from sources of power that are dense in energy.

00:55:10.596 --> 00:55:12.376
<v SPEAKER_3>Yeah, yeah.

00:55:12.376 --> 00:55:16.096
<v SPEAKER_3>No, it's, you know, managing the grid, it's a very, very

difficult thing to do.

00:55:16.096 --> 00:55:22.376

<v SPEAKER_3>But I mean, electricity is only one part of a very complex overall energy system as well.

00:55:22.376 --> 00:55:24.336

<v SPEAKER_3>So lots of lots of different parts.

00:55:24.336 --> 00:55:25.536

<v SPEAKER_2>Isn't that the point, Ojo?

00:55:25.536 --> 00:55:34.156

<v SPEAKER_2>Like a lot of this discussion over this past decade, say 15 years, since Obama has been, the world was going to run itself on electricity and we're going to have all of this.

00:55:34.156 --> 00:55:36.596

<v SPEAKER_2>It's just going to be easy because we're going to have all this electricity.

00:55:36.596 --> 00:55:48.136

<v SPEAKER_2>Well, as we've stated many times on this podcast, and Shannon will agree with, you know, in 1990, 80 percent of the world's power, all the terajoules came from fossil fuels.

00:55:48.136 --> 00:55:56.356

<v SPEAKER_2>2025, 82 percent of the terajoules in the world come from fossil fuels and nuclear power.

00:55:56.356 --> 00:56:01.816

<v SPEAKER_2>But you know, it's just isn't, this equation isn't simple to figure out.

00:56:01.816 --> 00:56:02.096

<v SPEAKER_3>Yeah.

00:56:02.096 --> 00:56:16.836

<v SPEAKER_3>I think that between 2000 and today, the total percentage of global energy was provided by electricity as gone from, I believe, 19 percent to 23 percent, something around there.

00:56:16.836 --> 00:56:20.596

<v SPEAKER_3>So electricity isn't quite taking over at a speedy rate.

00:56:20.596 --> 00:56:22.876

<v SPEAKER_3>But anyways, sorry, Shannon, if you have a comment on that.

00:56:22.876 --> 00:56:23.276

<v SPEAKER_4>Yeah.

00:56:23.276 --> 00:56:27.576

<v SPEAKER_4>Well, I wanted to jump in on that because I think it's an important point.

00:56:28.756 --> 00:56:35.296

<v SPEAKER_4>You can say, globally, electricity is 20 percent of energy end use.

00:56:36.576 --> 00:56:39.496

<v SPEAKER_4>But nobody lives globally.

00:56:39.516 --> 00:56:51.556

<v SPEAKER_4>So if you're Taiwan, your economy is about manufacturing semiconductors, and that's a high heat, high temperature process.

00:56:51.556 --> 00:56:59.136

<v SPEAKER_4>And you don't create that high temperature by, you know, through electric resistors, you know.

00:56:59.136 --> 00:57:07.016

<v SPEAKER_4>In Alberta, 89 percent of end use energy is industrial, in various industries of various kinds.

00:57:07.016 --> 00:57:14.916

<v SPEAKER_4>And most of that energy is met by natural gas because of the heat requirements and other types of requirements that energy can't fulfill.

00:57:14.916 --> 00:57:17.836

<v SPEAKER_4>And so that electricity can't fulfill, excuse me.

00:57:18.416 --> 00:57:21.616

<v SPEAKER_4>So, I think that that's the other side of this.

00:57:21.616 --> 00:57:28.936

<v SPEAKER_4>There are some economies that are service economies, and maybe they don't need high heat and high temperature processes.

00:57:28.936 --> 00:57:34.156

<v SPEAKER_4>But even in looking at a country like Canada, we have very different economies in each province.

00:57:34.156 --> 00:57:38.776

<v SPEAKER_4>And we have different energy resources available in those provinces.

00:57:38.776 --> 00:57:47.956

<v SPEAKER_4>And so the role of different types of energy to meet

those different demand requirements, you know, have to be adapted to those end uses.

00:57:47.956 --> 00:57:51.396

<v SPEAKER_4>And electricity can't do everything, unfortunately.

00:57:51.396 --> 00:57:53.856

<v SPEAKER_4>Or at least it can't do everything cost effectively.

00:57:53.856 --> 00:57:55.776

<v SPEAKER_4>So sometimes they just can't do.

00:57:55.776 --> 00:57:57.976

<v SPEAKER_4>And some things they can't do cost effectively.

00:57:57.976 --> 00:58:18.116

<v SPEAKER_4>And if we don't kind of be, if we aren't guided by some of those realities, we'll be outcompeted by other countries that are being guided by those realities and doing the things they need to do to kind of occupy world markets for the things we, the other things we want to make to have an economy that's diversified.

00:58:18.116 --> 00:58:18.576

<v SPEAKER_3>Yeah.

00:58:18.576 --> 00:58:19.336

<v SPEAKER_3>Yeah.

00:58:19.336 --> 00:58:20.216

<v SPEAKER_3>Fantastic.

00:58:20.216 --> 00:58:31.096

<v SPEAKER_3>And I think we should, we should really wrap things up here and finish up with some discussions about how Canada can, what Canada can do to actually meet these kind of goals.

00:58:31.096 --> 00:58:52.016

<v SPEAKER_3>And specifically, I want to talk about the Building Canada Act and how this major piece of legislation which includes a major projects office, but also a few other things and specifically, very important part is that schedule one, the Building Canada Act and how we can align this act with growing Canada's role in the Indo-Pacific.

00:58:52.016 --> 00:59:01.616

<v SPEAKER_3>So there's been a great deal of ink spilled about the Building Canada Act, the major projects office and all the projects that are under consideration currently.

00:59:01.616 --> 00:59:11.936

<v SPEAKER_3>But we haven't really seen the material changes come through quite yet, which really align Canada with kind of the goals outlined in the Building Canada Act.

00:59:11.936 --> 00:59:21.636

<v SPEAKER_3>So Shannon, do you feel that the measures that have been announced so far are enough to get projects moving, or do you think there's more work to be done?

00:59:22.816 --> 00:59:49.236

<v SPEAKER_4>I think that the Building Canada Act and more recently, the MOU that was signed between Ottawa and Alberta have interesting elements of policies that were part of letters that CEOs in Canada, starting with energy companies but expanding beyond that to about 96 different types of CEOs, talked about as needed to actually attract investment.

00:59:49.236 --> 00:59:52.656

<v SPEAKER_4>Some of that included having shorter regulatory timelines.

00:59:52.656 --> 00:59:56.196

<v SPEAKER_4>Some of that was about the oil and gas emissions cap.

00:59:56.196 --> 00:59:58.936

<v SPEAKER_4>Some of it was about the carbon price and its escalation.

01:00:02.116 --> 01:00:13.556

<v SPEAKER_4>The Building Canada Act allows the government to kind of exempt whatever it wants to exempt from rules that might be perceived as slowing it down and that created angst.

01:00:13.556 --> 01:00:16.876

<v SPEAKER_4>But it could create hope for certain projects.

01:00:17.836 --> 01:00:21.276

<v SPEAKER_4>I think there's about 10 to 15 projects on the list right now.

01:00:21.276 --> 01:00:24.736

<v SPEAKER_4>I haven't counted recently and started with five.

01:00:26.456 --> 01:00:30.256

<v SPEAKER_4>So I think that could be interesting for those projects.

01:00:30.256 --> 01:00:39.776

<v SPEAKER_4>I think every major project requires lots of small projects that aren't on the major projects list and that rely on the rules that we have.

01:00:39.776 --> 01:00:52.756

<v SPEAKER_4>And so we're still waiting for the rules that we have overall to provide investor confidence, to provide a fast process for approvals.

01:00:54.156 --> 01:00:57.736

<v SPEAKER_4>And we don't necessarily have that.

01:00:57.736 --> 01:01:06.336

<v SPEAKER_4>The federal government is negotiating, outside of the major projects office, the Impact Assessment Agency is working with provinces on equivalency deals.

01:01:06.336 --> 01:01:17.516

<v SPEAKER_4>Within the federal machinery, there has definitely been, and I've heard this in Ottawa, a kind of a push to get more efficient, attract investment, grow the Canadian economy.

01:01:17.516 --> 01:01:28.336

<v SPEAKER_4>But there has been an unwillingness, I think, to really take the red pen and start making some serious changes to our policy space.

01:01:28.336 --> 01:01:47.416

<v SPEAKER_4>I think that's going to be the critical thing because if you're an investor, wherever, you don't want to rely on the goodwill of a politician who put you on a list to believe that you're going to make a return on your investment because governments change, people change, various things change.

01:01:48.076 --> 01:01:56.216

<v SPEAKER_4>A rule of law framework has to be about, I know the rules in advance, I can look at them myself and I can assess how to be successful.

01:01:56.216 --> 01:01:59.596

<v SPEAKER_4>I can know what rules to follow to be successful.

01:01:59.596 --> 01:02:07.316

<v SPEAKER_4>Canada doesn't really have that and maybe that's why we needed this Building Canada Act to allow us to make exceptions.

01:02:07.316 --> 01:02:25.736

<v SPEAKER_4>But while we advance the projects in that box, we have to know that we still have to deal with this broader issue of Canada having a rule of law framework that can be relied on for investment and for building businesses and projects and all the rest.

01:02:25.736 --> 01:02:28.756

<v SPEAKER_2>It brings a great conclusion to the discussion, Shannon.

01:02:30.196 --> 01:02:43.796

<v SPEAKER_2>I just wanted to say we did get a bit off topic or off the script, but you have such a broad breadth of energy knowledge and your global perspective is very, very welcoming.

01:02:43.796 --> 01:02:45.556

<v SPEAKER_2>We really thank you for the conversation.

01:02:46.616 --> 01:02:48.776

<v SPEAKER_4>Well, thanks for the opportunity.

01:02:48.776 --> 01:02:49.936

<v SPEAKER_3>Absolutely.

01:02:49.936 --> 01:02:50.196

<v SPEAKER_3>Yeah.

01:02:50.196 --> 01:03:01.476

<v SPEAKER_3>But we always have one last final question for all of our valued podcast guests here and that is, what are you reading?

01:03:01.476 --> 01:03:06.676

<v SPEAKER_3>Ideally for pleasure, but we'll take a Thicknet Technical Tome as well, if that's all you have time for.

01:03:06.676 --> 01:03:09.556

<v SPEAKER_3>But ideally, a book that you read for pleasure.

01:03:09.596 --> 01:03:11.796

<v SPEAKER_3>So Shannon, please.

01:03:11.796 --> 01:03:19.656

<v SPEAKER_4>So interestingly, and I'm really glad you guys asked this question because I think we must encourage people to read as much as we can.

01:03:19.656 --> 01:03:21.036

<v SPEAKER_4>This is critical.

01:03:22.216 --> 01:03:28.236

<v SPEAKER_4>So I recently completed A Tale Of Two Cities by Charles Dickens.

01:03:28.236 --> 01:03:29.356

<v SPEAKER_2>Oh, wow.

01:03:29.356 --> 01:03:30.636

<v SPEAKER_2>Nice.

01:03:30.636 --> 01:03:32.556

<v SPEAKER_4>It was the first time that I read it.

01:03:32.556 --> 01:03:36.516

<v SPEAKER_4>Everyone I told that I read this book to, they were like, I read that book in high school.

01:03:36.696 --> 01:03:39.956

<v SPEAKER_4>And actually, I was reading it on an airplane to Kitimat.

01:03:39.956 --> 01:03:44.016

<v SPEAKER_4>And a woman came up to me afterwards and said, my husband's an English teacher.

01:03:44.016 --> 01:03:47.056

<v SPEAKER_4>And I'm so excited to reading Charles Dickens.

01:03:48.296 --> 01:03:56.296

<v SPEAKER_4>And, you know, what I will say to everyone listening is that, I didn't know what to expect when I read that book.

01:03:56.296 --> 01:04:01.416

<v SPEAKER_4>And apparently, it's not a typical Dickens book, but it's set during the French Revolution.

01:04:02.156 --> 01:04:14.356

<v SPEAKER_4>So you get into that world from somebody who was not necessarily a contemporary of that time, but, you know, was within living memory of that time.

01:04:16.336 --> 01:04:23.036

<v SPEAKER_4>And, you know, you see in some of the characters a real vengefulness against the regime that they want to overthrow.

01:04:23.036 --> 01:04:28.076

<v SPEAKER_4>But then how this is played out in the lives of ordinary people who weren't the regime.

01:04:28.076 --> 01:04:29.736

<v SPEAKER_4>Anyway, I just thought it was a beautiful book.

01:04:29.856 --> 01:04:31.936

<v SPEAKER_4>And the end of the book is so beautiful.

01:04:31.936 --> 01:04:37.616

<v SPEAKER_4>I actually was brought to tears, which doesn't usually happen when I read a book.

01:04:37.616 --> 01:04:41.036

<v SPEAKER_4>So everyone, please read Charles Dickens.

01:04:41.036 --> 01:04:42.576

<v SPEAKER_3>Thank you.

01:04:43.056 --> 01:04:44.956

<v SPEAKER_3>I can't say I've ever read Charles Dickens.

01:04:44.956 --> 01:04:48.016

<v SPEAKER_3>So I think I might pick that up sometime over the winter.

01:04:48.016 --> 01:04:49.756

<v SPEAKER_3>No, no, I never have.

01:04:49.816 --> 01:04:51.896

<v SPEAKER_3>Yeah, that's.

01:04:51.936 --> 01:04:57.156

<v SPEAKER_2>I was such a voracious reader.

01:04:57.156 --> 01:04:58.936

<v SPEAKER_4>Voracious reader.

01:05:01.076 --> 01:05:01.916

<v SPEAKER_2>You're right.

01:05:01.916 --> 01:05:05.756

<v SPEAKER_2>Voracious reader in my teens and 20s.

01:05:05.756 --> 01:05:10.596

<v SPEAKER_2>Yeah, I read all of Charles Dickens' books and all of that genre.

01:05:10.596 --> 01:05:11.636

<v SPEAKER_2>It was so good.

01:05:11.936 --> 01:05:12.656

<v SPEAKER_2>And I would read them.

01:05:12.656 --> 01:05:14.636

<v SPEAKER_2>They're probably over on the shelf there actually.

01:05:17.816 --> 01:05:18.636

<v SPEAKER_3>Okay, wonderful.

01:05:18.636 --> 01:05:20.516

<v SPEAKER_2>Thank you, Shannon.

01:05:20.516 --> 01:05:21.436

<v SPEAKER_4>Thank you.

01:05:21.436 --> 01:05:22.276
<v SPEAKER_2>So good to see you.

01:05:22.276 --> 01:05:25.356
<v SPEAKER_2>Merry Christmas and the best of the holiday seasons to you.

01:05:25.356 --> 01:05:27.156
<v SPEAKER_4>And the same to both of you.

01:05:27.156 --> 01:05:27.416
<v SPEAKER_3>Yeah.

01:05:27.416 --> 01:05:29.176
<v SPEAKER_3>Well, thank you, Shannon.

01:05:29.176 --> 01:05:29.496
<v SPEAKER_3>Yeah.

01:05:29.496 --> 01:05:30.996
<v SPEAKER_3>Yeah, we'll do our best.

01:05:30.996 --> 01:05:40.096
<v SPEAKER_3>We're, CGAI is actually closing down for two weeks from December 20th until January 5th.

01:05:40.096 --> 01:05:42.336
<v SPEAKER_3>So we'll be shut down for that time.

01:05:42.336 --> 01:05:43.516
<v SPEAKER_3>No podcasts expected.

01:05:44.036 --> 01:05:47.416
<v SPEAKER_3>So this is going to be our last podcast of the year.

01:05:47.416 --> 01:05:55.056
<v SPEAKER_3>Thank you all to all of our listeners and we will see you next year with our first episode of the year, which will be the year in review.

01:05:55.056 --> 01:05:56.856
<v SPEAKER_3>So looking forward to that.

01:05:59.216 --> 01:06:05.376
<v SPEAKER_2>Thanks everyone for listening to this episode of Energy Security Cubed on the Canadian Global Affairs Podcast Network.

01:06:05.376 --> 01:06:09.896
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01:06:09.896 --> 01:06:11.316

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01:06:12.096 --> 01:06:17.316

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01:06:17.316 --> 01:06:24.976

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01:06:24.976 --> 01:06:28.576

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01:06:28.576 --> 01:06:33.656

<v SPEAKER_2>Thanks go out to our producer, Joe Calnan and Drew Phillips for providing our music.

01:06:33.656 --> 01:06:34.576

<v SPEAKER_2>I'm Kelly Ogle.

01:06:34.576 --> 01:06:36.656

<v SPEAKER_2>Thanks for joining us on Energy Security Cubed.