

WEBVTT

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<v SPEAKER_2>Hello, and welcome to Energy Security Cubed, Canada's foremost energy geostrategy podcast, where we explore the factors shaping energy and economic security in Canada and around the world.

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

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<v SPEAKER_2>For today's podcast, we're featuring our recent webinar, The Role of Canadian Energy in the 2026 Oil Crisis.

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<v SPEAKER_2>This webinar was recorded on April 10th, 2026.

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<v SPEAKER_2>This webinar features CGAI fellows, Kevin Birn from S&P Global, Monica Gattinger from the University of Ottawa, and of course, Kelly Ogle.

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<v SPEAKER_2>But before we dive into that, I'm going to quickly go over my musings over the idea of an energy superpower.

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<v SPEAKER_2>Well, quote unquote, energy superpower.

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<v SPEAKER_2>We've been throwing this term around without really considering what it implies about Canadian foreign policy.

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<v SPEAKER_2>I'm just going to try to unpack a little bit of this, or at least my thoughts on it.

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<v SPEAKER_2>We should start by acknowledging that the idea of superpower in international relations is contested.

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<v SPEAKER_2>This term became popular in the post-World War II era, when the United States and the Soviet Union were on a completely different level from all the other states in the international system.

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<v SPEAKER_2>The new term superpower became necessary to understand how much more powerful these countries were than anyone else.

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<v SPEAKER_2>Kim Nossel defines superpower as a combination of continental territorial control, a large population, a much higher economic capacity than most powers, and this includes ample supplies of food and resources, also relatively low economic dependence and second strike nuclear capacity.

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<v SPEAKER_2>So all of these are components of what makes a country a superpower.

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<v SPEAKER_2>Alice Miller, meanwhile, defines superpower as, and I quote, a country that has the capacity to project dominating power and influence anywhere in the world, sometimes in more than one region of the globe at a time, and so may plausibly attain the status of global hegemon.

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<v SPEAKER_2>It does so through four axes, economic, military, political, and cultural power.

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<v SPEAKER_2>Stephen G.

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<v SPEAKER_2>Brooks and William C.

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<v SPEAKER_2>Wolforth define a superpower as a country capable of quote broad spectrum capabilities exercised across the whole of the international system, unquote.

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<v SPEAKER_2>Now, while these definitions have nuanced differences, they are in agreement that the very definition of superpower requires abilities along the widest possible spectrum of national strengths.

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<v SPEAKER_2>Under this framework, the idea of a superpower by domain, i.e.

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<v SPEAKER_2>an energy superpower or let's say, I don't know, like a chip superpower or whatever other kind of superpower in a very specific thing, it really doesn't make much sense.

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<v SPEAKER_2>You can't really have a superpower which is strength only

in one subset of economic, military, or cultural power.

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<v SPEAKER_2>That just means that you have a country that's a middle power, maybe even a great power that's specializing in something that gives it some extra leverage.

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<v SPEAKER_2>Now, under Nossel's definition, Canada really is hardly a superpower.

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<v SPEAKER_2>We do have continental territorial control.

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<v SPEAKER_2>It's true.

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<v SPEAKER_2>We're the second largest country in the world.

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<v SPEAKER_2>We have abundant food supply and energy, water, and other resources that are far more than we could possibly ever use.

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<v SPEAKER_2>However, Canada only has 0.5 percent of the world's population.

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<v SPEAKER_2>1.2 to 2 percent of global GDP, and I should note that that share of global GDP is shrinking over time.

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<v SPEAKER_2>We're probably going to be getting down to 1 percent within the next 30 years.

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<v SPEAKER_2>We also have high levels of trade dependence and no nuclear deterrent.

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<v SPEAKER_2>Our energy endowment is not going to change these facts.

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<v SPEAKER_2>Nevertheless, perhaps we could consider energy superpower as a standalone concept to convey a certain level of leverage in the international system.

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<v SPEAKER_2>This results from control over energy supplies, and

therefore we have the ability to try to shape the world in our favor because of this control.

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<v SPEAKER_2>To this end, I believe that being classified as an energy superpower likely requires the following.

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<v SPEAKER_2>One, production of a large share of the world's internationally traded energy.

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<v SPEAKER_2>In my view, domestically produced and consumed energy is better understood as an element of economic power, not energy-specific power.

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<v SPEAKER_2>Basically, if a country has a very effective domestic electricity system, such as China, I think that's more talking about China's economic strengths.

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<v SPEAKER_2>It's not talking about its specific energy strengths.

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<v SPEAKER_2>Number two, an energy superpower should have free access to international markets.

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<v SPEAKER_2>The ability to change customers and avoid blockages is an absolutely critical source of leverage for energy producers.

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<v SPEAKER_2>To make this happen, countries which aspire to be an energy superpower need extensive infrastructure, ideally connecting energy production to deep water ports within the country, which can handle all kinds of ships.

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<v SPEAKER_2>And three, national influence or control over the production and export of energy.

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<v SPEAKER_2>And this part of the definition will likely get me in trouble, but in my view, in order for energy to be used as leverage in international relations, it would have to be under the thumb of a national government, and we'll get into the big drawbacks of that pretty soon here.

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<v SPEAKER_2>So under my definition here, several countries come to the fore as quote unquote energy superpowers.

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<v SPEAKER_2>Saudi Arabia is of course the classic energy power.

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<v SPEAKER_2>It has a long standing role as a central oil exporter.

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<v SPEAKER_2>Its extensive infrastructure and control over production and export allow it to have quite a bit of, I suppose, leverage, although it generally avoids using this leverage on its customers.

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<v SPEAKER_2>And we'll talk in a second why that's important.

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<v SPEAKER_2>However, the crisis with Iran creates serious concerns over Saudi Arabia's access to international markets.

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<v SPEAKER_2>Even its East-West pipeline and port of Yanbu is under threat from Iranian-backed groups in Iraq and Yemen.

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<v SPEAKER_2>Russia is another contender for energy superpower status with extensive oil and gas exports and the demonstrated ability to leverage these energy exports for economic warfare against Europe, but it provides another cautionary example here.

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<v SPEAKER_2>This is really getting myself into the weeds of the history of great power competition.

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<v SPEAKER_2>People who listen to this podcast are probably aware that Russia historically was always looking for a warm water port, and that's something that goes back hundreds of years with the great game between Russia and Britain.

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<v SPEAKER_2>Russia still is constrained by the Black Sea and the Danish Straits, which are both controlled by NATO allies.

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<v SPEAKER_2>It's a big consideration for Russia being constrained on its infrastructure.

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<v SPEAKER_2>China and the United States could also be seen as energy superpowers, but I think we should discount them in this way.

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<v SPEAKER_2>Both of their energy sectors are overwhelmingly oriented toward their domestic economic power.

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<v SPEAKER_2>The base of their overall superpower status.

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<v SPEAKER_2>China and the United States can use their resources for leverage, but energy is just one tool in a much bigger toolkit for both players.

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<v SPEAKER_2>The question is, could Canada be considered an energy superpower?

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<v SPEAKER_2>In my view, the answer is no.

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<v SPEAKER_2>There are some big questions about the trade-offs for trying to become one.

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<v SPEAKER_2>At the base level, Canada is a major energy exporter for both oil and natural gas.

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<v SPEAKER_2>We do have the table stakes to be a major energy power.

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<v SPEAKER_2>I believe in terms of internationally traded energy, Canada makes up about 13 percent of global international flows of oil, and about eight percent of global international flows of natural gas.

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<v SPEAKER_2>If we think about for the oil that's internationally traded, it's only about a third to a half of global oil that's actually crosses borders.

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<v SPEAKER_2>Most oil is produced and consumed within the same country.

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<v SPEAKER_2>But Canada is a huge energy exporter just because you have such a large resource, and not enough domestic demand to soak it

up unlike the United States.

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<v SPEAKER_2>The barrier though to us being an energy superpower, under my definition here, comes from lacking access to international markets, and lacking national control over energy.

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<v SPEAKER_2>We've talked about our limited access to international markets extensively, so I won't labor that point too much.

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<v SPEAKER_2>But it's also worth talking about national control over energy and why this is probably not a good idea.

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<v SPEAKER_2>Many countries have national energy companies.

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<v SPEAKER_2>Oftentimes, these companies are the largest firms in the country.

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<v SPEAKER_2>For example, Saudi Aramco, Petronas, Equinor, Pemex and Petrobras.

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<v SPEAKER_2>Canada, however, has a strong private energy industry, which helps foster innovation, attract investment and grow our economy.

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<v SPEAKER_2>It also preserves competition.

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<v SPEAKER_2>Where you have a national energy company, it can become a big problem.

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<v SPEAKER_2>NOCs do not have a good track record for the political economy of democracies.

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<v SPEAKER_2>Pemex in Mexico has been treated as a piggy bank to cut taxes.

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<v SPEAKER_2>Petevesa in Venezuela provides a severe cautionary tale of a formerly functional NOC being abused by a populace to buy votes, rather than reinvest an output, contributing to the country's downward

spiral.

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<v SPEAKER_2>Overall, NOCs are just a very, very tempting target to effectively buy out the population.

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<v SPEAKER_2>In an authoritarian state, you might be able to get away with that.

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<v SPEAKER_2>I think that many of the authoritarian states that have NOCs right now, show that they're able to manage it.

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<v SPEAKER_2>But I think in a democracy where buying votes is an option, it can get very toxic, very fast.

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<v SPEAKER_2>Furthermore, I'm very skeptical of the value gained by using energy for geopolitical gain.

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<v SPEAKER_2>Of all countries, Russia was best set up to use energy as leverage over Europe to try to force a quick capitulation of Ukraine.

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<v SPEAKER_2>Europe was completely dependent on Russia for natural gas.

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<v SPEAKER_2>Well, not completely, but it was an unreal level of single source dependence on Russia.

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<v SPEAKER_2>Very poorly thought out on Europe side.

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<v SPEAKER_2>Europe has suffered huge losses from Russia's economic warfare before and after the invasion of Ukraine.

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<v SPEAKER_2>However, we can see that this did not force the political outcome that Russia wanted.

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<v SPEAKER_2>Despite the supposed leverage that Russia had here, it did not cause Ukraine to capitulate.

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<v SPEAKER_2>There's big, big limitations on how you can use these economic tools.

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<v SPEAKER_2>Ultimately, if you just have the one weapon, you have to be very careful with how to use it.

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<v SPEAKER_2>Russia's experiences also show that the energy weapon is really a double-edged sword.

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<v SPEAKER_2>Europe has made every effort to cut itself off from Russian energy.

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<v SPEAKER_2>The long-term economic losses from this outcome likely outweigh any possible gain from annexing a thoroughly bombed out Donbass.

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<v SPEAKER_2>Overall, this move by Russia was incredibly stupid, very, very foolish.

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<v SPEAKER_2>Ultimately, it will result in much worse outcomes long-term for Russia's population and probably its political leadership as well.

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<v SPEAKER_2>It was a very poorly thought out thing and anybody who thinks that Putin is some economic mastermind or some geopolitical mastermind is completely kidding themselves.

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<v SPEAKER_2>But for all of these reasons, I'm skeptical that Canada wants or needs to use energy directly as a tool for national power or leverage.

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<v SPEAKER_2>In my view, these resources should instead be thought of in terms of how they improve Canada's economic prospects and grow positive relationships with our trade partners.

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<v SPEAKER_2>I think we shouldn't frame ourselves as a superpower.

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<v SPEAKER_2>We will never be able to compete with China and the United States on a full spectrum of national power and all of those

tools that come with it.

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<v SPEAKER_2>We should instead think of ourselves as a great power.

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<v SPEAKER_2>One step below the superpowers, but an independent country that really needs to be considered in the global balance of power and can't just be pushed around.

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<v SPEAKER_2>Energy could play a major role in reviving Canadian economic growth and therefore our potential as a great power.

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<v SPEAKER_2>But to get this status tomorrow, we need to be building the infrastructure for it today.

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<v SPEAKER_2>I'm happy to see that we do have a government that is interested in doing that, but we really need to see some results.

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<v SPEAKER_2>It's this isn't going to be something that we can just expect to happen automatically.

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<v SPEAKER_2>It really isn't.

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<v SPEAKER_2>It'll take some effort to get over the line.

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<v SPEAKER_2>That's the end of my spiel here.

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<v SPEAKER_2>I'll let our listeners get to our panel with Kevin, Monica, and Kelly.

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<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>If you're listening and you'd like to help us keep bringing informed discussion of Canadian energy issues to key

government decision makers, thought leaders, and the business community, then consider sponsoring the podcast.

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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_2>Hello, everyone, and thank you for joining us for this webinar focused on the current energy crisis and Canada's role in this new world for energy.

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

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<v SPEAKER_2>For those joining us for the first time, the Canadian Global Affairs Institute is an independent, non-partisan, not-for-profit think tank, specializing in matters of defense, diplomacy, and international trade.

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<v SPEAKER_2>Our mission is to identify Canadian global interests and promote more active and effective international involvement through rigorous strategic and policy analysis.

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<v SPEAKER_2>Through our Energy Security Forum, we're here to engage with the toughest questions regarding the economics, politics, and policy of energy here in Canada, and how it impacts our position in the world.

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<v SPEAKER_2>We rely on the support of individual donors and corporate sponsors who make our work possible.

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<v SPEAKER_2>I would like to thank CGAI's strategic partners, Sinovus Energy, Tourmaline Oil, Enbridge, the Canadian Association of Petroleum Producers, Lockheed Martin Canada, General Dynamics, Hanwha Defence and Ocean, BAE Systems, Amazon Web Services, Cove Ocean, Davie Shipyards, and Microsoft.

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<v SPEAKER_2>If you or your company are interested in partnering with CGAI or sponsoring our activities, please come find me or my

colleagues after this.

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<v SPEAKER_2>You can send e-mails to us.

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<v SPEAKER_2>We have our contact e-mail, but our personal e-mails should also be available.

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<v SPEAKER_2>You can also find information on becoming a supporter on our website.

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<v SPEAKER_2>Now, I'd like to start the discussion.

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<v SPEAKER_2>I'm pleased to introduce three fantastic panelists from CGAI's Brain Trust.

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<v SPEAKER_2>Kevin Birn is a Vice President, and he leads the Emissions Excellence Sector, and also serves as Chief Analyst for Canadian Oil Markets at S&P Global Commodity Insights.

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<v SPEAKER_2>Monica Gattinger is founding chair of Positive Energy, Director of the Institute for Science, Society, and Policy, and full professor at the School of Political Studies at the University of Ottawa.

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<v SPEAKER_2>Kelly Ogle is a former CGAI CEO, and a member of our Board of Directors.

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<v SPEAKER_2>He is Chairman of the Board of Emissions Reduction in Alberta, and Vice Chair of the Calgary Police Commission.

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<v SPEAKER_2>I'm happy to say that all three of them are fellows with us here at the Canadian Global Affairs Institute.

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<v SPEAKER_2>Now, as a quick note on housekeeping before we begin, we will have a Chatham House Rule Q&A period at the end of the session.

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<v SPEAKER_2>You can open up the Q&A tab at the bottom of your screen, and please do think of any questions you may have for the panelists.

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<v SPEAKER_2>You can enter them throughout the session here, and I will get to those at the end.

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<v SPEAKER_2>Now, we'll get to the actual question.

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<v SPEAKER_2>So guys, first of all, thank you to the three of you for joining in this session.

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<v SPEAKER_1>Great, Joe.

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<v SPEAKER_4>Great to be here.

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<v SPEAKER_2>Okay, fantastic.

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<v SPEAKER_2>So a few weeks ago, we had Cira Week, and this was an important event for Canadian participation and for talking about Canada's role on the world stage for energy.

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<v SPEAKER_2>So before we get into the current crisis, I want to get your views on this.

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<v SPEAKER_2>All three of you were involved at this major conference, and I'm very interested in your takeaways from the week.

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<v SPEAKER_2>So what kind of message was coming from Canada's energy industry and policymakers at Cira Week?

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<v SPEAKER_2>So Kevin, since you're involved deeply with this conference, I'd like you to start us off, and then we'll turn to Monica and Kelly.

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<v SPEAKER_5>Well, first of all, a pleasure to be here, and it's always a pleasure to be with Monica and Kelly as well.

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<v SPEAKER_5>Joe, thanks for organizing this.

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<v SPEAKER_5>I think for those people who haven't been to Cira Week, I think the scale is the first piece I want to convey.

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<v SPEAKER_5>This is a preeminent energy event in the world.

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<v SPEAKER_5>This year, we had over 11,000 attendees, 1,400 speakers, 1,100 sessions and attendees from 90-plus nations.

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<v SPEAKER_5>The theme of this year, which the team puts a lot of work into, was convergence and competition, energy technology and geopolitics.

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<v SPEAKER_5>And I honestly think Cira Week has its life of its own, and themes in the past year have kind of evolved and morphed.

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<v SPEAKER_5>I think this year's theme was very much on point.

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<v SPEAKER_5>The discussions in geopolitics certainly dominating the conversation that we saw over the course of the week with the events in the Middle East and really sobering discussions, including live addresses from Q8City and dialogues from General Mattis, for example.

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<v SPEAKER_5>My takeaway for the week, and it's a good question because Cira Week is so large, it is a little bit of a choose your own adventure.

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<v SPEAKER_5>Everybody has a unique journey through the week, depending on what you pick and what you listen to.

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<v SPEAKER_5>I'll just talk to the Canada question.

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<v SPEAKER_5>I was in a lot of different events, obviously carbon related, but also Canadian energy related.

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<v SPEAKER_5>I think for me, Canada was definitely on show.

00:19:15.537 --> 00:19:20.417

<v SPEAKER_5>It was amongst one of the largest presence I've seen in

13 years since I've been attending Sierra Week.

00:19:21.117 --> 00:19:28.757

<v SPEAKER_5>We had large footprints from the government of Alberta through the Alberta House, which was located in the bottom of the Hilton, which is the heart of the executive conference.

00:19:29.057 --> 00:19:36.457

<v SPEAKER_5>Then the Canada House, which was a big footprint, a physical footprint inside the Agora, which is the Technical Innovation Symposium of Sierra Week.

00:19:36.757 --> 00:19:41.817

<v SPEAKER_5>We had Minister Hodgkins on site from the federal government, Premier Smith, Premier Houston, Premier Wakeman.

00:19:42.397 --> 00:19:56.617

<v SPEAKER_5>We had CEOs, executives from the power sector, utility sector, the oil sense sector, financial leaders from Canada in the room throughout the week, including Monica and Kelly, who I saw briefly through the sides of my peripherals were flying past each other.

00:19:57.577 --> 00:20:05.597

<v SPEAKER_5>Canada's message that I saw on its pens and stickers and echoed by the leaders is frankly that Canada has what the world needs.

00:20:05.737 --> 00:20:07.757

<v SPEAKER_5>I did see heightened interest in Canada.

00:20:07.757 --> 00:20:11.117

<v SPEAKER_5>At least in the last two years, the Canadian sessions were more well attended.

00:20:11.497 --> 00:20:16.777

<v SPEAKER_5>I moderated a session on the growth of the Canadian upstreams specifically, and it was over capacity.

00:20:17.897 --> 00:20:20.637

<v SPEAKER_5>The roundtables I saw on Canada were over capacity.

00:20:20.637 --> 00:20:24.317

<v SPEAKER_5>I mean, the official ones, Canada House had a number of events throughout the week.

00:20:24.577 --> 00:20:41.857

<v SPEAKER_5>The challenge and it played out in my session, and the session I moderated had Nick McKenna from ConocoPhillips, Collin Grunding from Enbridge, Pipeline's President of Enbridge, Liquid Pipeline's Minister Jean, and Charlene Gayle from the First Nature

Major Projects Coalition, was what will come of the MOU, what will come of the policies that have been announced.

00:20:41.977 --> 00:20:54.857

<v SPEAKER_5>There's a lot of promise and a lot of interest in what Canada is saying and the alignment between governments, what will actually happen to accelerate the development, and frankly that the current crisis is laying out, that people do need things from Canada as a trusted ally.

00:20:54.897 --> 00:20:57.977

<v SPEAKER_5>So I'll just stop there and let my fellow panelists weigh in.

00:20:58.277 --> 00:20:58.957

<v SPEAKER_4>Yeah, no, sure.

00:20:58.957 --> 00:20:59.257

<v SPEAKER_4>Thanks.

00:20:59.497 --> 00:21:02.777

<v SPEAKER_4>And Kevin, I think you did a fantastic job of laying things out.

00:21:02.777 --> 00:21:05.777

<v SPEAKER_4>So I'll just add a few additional points.

00:21:06.097 --> 00:21:32.477

<v SPEAKER_4>It was tremendous to see the additional Canadian energy, pardon the pun, at CERU week this year, particularly from the federal government, much more of an engagement at the federal level this year than we've seen, certainly in the last number of years and a whole host of programming at Canada House and lots of great messaging along the lines of what Kevin has mentioned.

00:21:33.217 --> 00:21:40.517

<v SPEAKER_4>I think the only other thing I would add in terms of presence, the Ontario government was also quite present as well.

00:21:40.517 --> 00:21:58.637

<v SPEAKER_4>I had the honour of moderating a panel on nuclear at Canada House, which had just a ton of people in attendance and featured the CEO of OPG, of Cameco, so of course Saskatchewan also present, and the global head of nuclear for Atkins Realis.

00:21:58.637 --> 00:22:05.477

<v SPEAKER_4>So, I think a lot of engagement on the Canadian side.

00:22:05.477 --> 00:22:12.937

<v SPEAKER_4>There's one thing I could say, it was so terrific to see

that additional engagement, particularly at the federal level.

00:22:12.997 --> 00:22:16.617

<v SPEAKER_4>But, Kevin, you likened it to a Choose Your Own Adventure.

00:22:16.677 --> 00:22:19.197

<v SPEAKER_4>I think about it like a music festival, right?

00:22:19.197 --> 00:22:22.377

<v SPEAKER_4>So, you got the main stage where all the big acts are.

00:22:22.457 --> 00:22:29.117

<v SPEAKER_4>You've got secondary stages where you have, maybe not the superstars, but the bands people want to see.

00:22:29.377 --> 00:22:33.317

<v SPEAKER_4>And then you have kind of like the vendors market area, right?

00:22:33.877 --> 00:22:37.737

<v SPEAKER_4>And so, I think about the agoras, kind of the vendors market area.

00:22:38.317 --> 00:22:45.317

<v SPEAKER_4>And so, Canada was really well represented in that vendors market area with Canada House.

00:22:46.057 --> 00:22:49.637

<v SPEAKER_4>It had some great presence on the sort of secondary stages.

00:22:49.697 --> 00:22:54.197

<v SPEAKER_4>What I would love to see as an ambition for Canada going forward is to get on the main stage.

00:22:55.057 --> 00:23:10.297

<v SPEAKER_4>And I think, you know, it would be fantastic, let's say, if we had Prime Minister Carney on one of the first couple of days of Sierra Week next year, really bringing forward that Canadian message and underscoring that we are a big act as a country.

00:23:10.297 --> 00:23:16.977

<v SPEAKER_4>And again, for those who haven't been before that plenary stage, most of those sessions are moderated by Daniel Yergin.

00:23:17.237 --> 00:23:18.717

<v SPEAKER_4>You know, it's a very large room.

00:23:18.717 --> 00:23:22.917

<v SPEAKER_4>You've got a lot of leaders and influential folks in the room.

00:23:23.517 --> 00:23:33.777

<v SPEAKER_4>You know, I think if there's one sort of challenge for Canada is that in a number of the sessions that I participated in, they were fantastic, but it's sort of like Canadians talking to Canadians.

00:23:34.617 --> 00:23:50.957

<v SPEAKER_4>And that, you know, I think the more we can do as a country to expand beyond, and I agree with you, Kevin, there was a lot more interest in Canada this year and I think a lot more involvement of folks outside of the country, but the more that we can do to get the message beyond our borders, the better.

00:23:51.217 --> 00:23:51.797

<v SPEAKER_2>Fantastic.

00:23:51.797 --> 00:23:52.617

<v SPEAKER_2>Kelly, your thoughts?

00:23:52.817 --> 00:24:03.237

<v SPEAKER_1>Well, you know, full disclosure, I was there with the, as the representative of Emissions Reduction Alberta, along with Justin Reimer, the CEO, as I'm the chair of the board.

00:24:03.237 --> 00:24:26.697

<v SPEAKER_1>And, you know, Emissions Reduction Alberta, and those on the call that aren't aware is the, is a delegated authority organization of the government where the funding comes from the Technology Innovation and Emissions Reduction or TIER funds, a large emitters fund that funds clean technology and job creation in Alberta.

00:24:27.217 --> 00:24:46.137

<v SPEAKER_1>And I think that my major takeaway from the, from being there was the a lot better sense of alignment between federal and provincial leaders, a clear consistent messaging on competitiveness and emissions reduction inside the MOU and as being the most talked about proof point.

00:24:46.697 --> 00:25:02.157

<v SPEAKER_1>And I think that that leads to, you know, hopefully the future major takeaway or effect is a more investor confidence in Canada as a place to invest in energy and confidence in that regard.

00:25:02.617 --> 00:25:06.197

<v SPEAKER_1>And that's where ERA comes in, like on the clean tech side.

00:25:06.257 --> 00:25:08.137

<v SPEAKER_1>The decarbonization isn't going away.

00:25:08.137 --> 00:25:12.337

<v SPEAKER_1>I think that was I harkened to what Monica just said about the agora.

00:25:12.497 --> 00:25:16.337

<v SPEAKER_1>I saw lots of stories that are, you know, it may be next year.

00:25:16.337 --> 00:25:17.477

<v SPEAKER_1>It might be the year after that.

00:25:17.477 --> 00:25:18.777

<v SPEAKER_1>It might be the year after that.

00:25:18.777 --> 00:25:27.937

<v SPEAKER_1>But innovation in emissions reduction and carbon reduction is coming, whether we like it, whether some like it or not.

00:25:27.977 --> 00:25:30.837

<v SPEAKER_1>It's part of the go forward story.

00:25:31.237 --> 00:25:37.577

<v SPEAKER_1>That said, the future is about being able to execute on those takeaways.

00:25:37.737 --> 00:25:45.157

<v SPEAKER_1>And I see, I saw lots of things that made me positive, or confident that that's going to happen.

00:25:47.677 --> 00:26:00.177

<v SPEAKER_1>Again, as both parties, both Monica and Kevin have iterated, you know, the conflict in the Middle East and what's going on globally overarched everything.

00:26:00.237 --> 00:26:05.057

<v SPEAKER_1>And I'm going to refer later in some of your questions, Joe, about some of the things I heard about that.

00:26:05.737 --> 00:26:15.177

<v SPEAKER_1>And I think that, you know, I was kind of afraid to say anything this morning because what's happened in the last 10 minutes that may have changed the dynamic of what's going on out there.

00:26:15.377 --> 00:26:16.577

<v SPEAKER_1>So I'll just leave it there, Joe.

00:26:17.057 --> 00:26:21.657

<v SPEAKER_2>Yeah, on that note, I think we should now turn to the current crisis.

00:26:21.797 --> 00:26:35.437

<v SPEAKER_2>So like you said, Kelly, this is a fast moving file and the current fragile ceasefire between the United States, Israel and Iran is bringing energy prices down, or at least the energy prices down in the paper market.

00:26:35.437 --> 00:26:43.397

<v SPEAKER_2>I'm sure that, you know, a few of our panelists could go more into, you know, what energy prices really mean, what we're talking about, we're talking about energy prices.

00:26:43.617 --> 00:26:52.077

<v SPEAKER_2>Nevertheless, we have much higher prices now than we had recently, and Canadians are feeling this at the pump and, you know, various other parts of our lives.

00:26:52.297 --> 00:27:02.637

<v SPEAKER_2>And the calculations on this could be changing the internal company models on global energy balances and internal models at places like the IEA.

00:27:03.057 --> 00:27:11.937

<v SPEAKER_2>So what is the impact of the current crisis on the energy industry, specifically focusing here in Canada?

00:27:12.717 --> 00:27:15.277

<v SPEAKER_2>Kevin, I'm interested in your thoughts on this.

00:27:15.277 --> 00:27:17.757

<v SPEAKER_2>And then we'll turn things over to Kelly and Monica.

00:27:17.757 --> 00:27:19.017

<v SPEAKER_2>So, Kevin, please go ahead.

00:27:19.397 --> 00:27:21.757

<v SPEAKER_5>Yeah, I think it's a good point to what Kelly said.

00:27:21.757 --> 00:27:25.737

<v SPEAKER_5>You got to watch the screen about what you're going to say on every moment right now.

00:27:26.297 --> 00:27:33.577

<v SPEAKER_5>Like, you know, a couple of days ago, the announcement of the ceasefire sent Brent tumbling down \$20 from highs of \$140.

00:27:33.577 --> 00:27:36.077

<v SPEAKER_5>And now it's moving north again as you watch it right

now.

00:27:36.877 --> 00:27:40.377

<v SPEAKER_5>Agents spot LNG prices also tumbled 9% or almost 10%.

00:27:43.217 --> 00:27:47.597

<v SPEAKER_5>Down from key international benchmarks really reaching \$17 in MMVTU.

00:27:48.317 --> 00:27:55.377

<v SPEAKER_5>The reality is the volatility we see in the market is likely going to stay for a while and the story is incredibly fluid.

00:27:55.577 --> 00:27:58.897

<v SPEAKER_5>But the numbers are really very stark in terms of the impact that we're seeing, right?

00:27:58.897 --> 00:28:02.517

<v SPEAKER_5>The Strait of Hormuz traffic is under 10% normal volumes.

00:28:03.197 --> 00:28:12.917

<v SPEAKER_5>Crude production, even though there's been amazing efforts to reroute stuff around that region, is still down nearly 8 million barrels from pre-war levels.

00:28:13.337 --> 00:28:19.477

<v SPEAKER_5>Over 1 million barrels of refining capacity is offline and 17% of global LNG is still bottled up.

00:28:19.797 --> 00:28:24.717

<v SPEAKER_5>These impacts are stark, they're large, and we also have the damage.

00:28:24.957 --> 00:28:33.917

<v SPEAKER_5>Key facilities in Kuwait, Bahrain, Qatar, even Iran, and in Saudi Arabia have been damaged reducing production capacity result.

00:28:34.297 --> 00:28:37.697

<v SPEAKER_5>Some could take months to be repaired, some could be years to come back.

00:28:38.657 --> 00:28:43.237

<v SPEAKER_5>Then there's the delay in the expansions that were already underway in development to grow production.

00:28:43.297 --> 00:28:48.817

<v SPEAKER_5>Those are all being delayed as a result or will be delayed or expect to be delayed.

00:28:48.817 --> 00:28:58.657

<v SPEAKER_5>Even if there is a cease-sustained ceasefire, you're going to have risk premiums put into the freight rates for a prolonged period of time because of the tension that will remain in the region.

00:28:58.657 --> 00:29:04.877

<v SPEAKER_5>Then Iran's proposed \$2 million per ship crossing fee that's going to further complicate transit through the Hormuz as well.

00:29:05.497 --> 00:29:14.797

<v SPEAKER_5>I think the last point I'd make on this is even if we're the straight were to suddenly open up tomorrow and it's magical, Shangri-La and the ship starts moving, the backlog is going to take weeks to clear.

00:29:15.457 --> 00:29:23.677

<v SPEAKER_5>So the best way to think about shipping industry, and I want to cover this context, is it's a long train and that train has now been severed.

00:29:23.837 --> 00:29:30.257

<v SPEAKER_5>The ships that had left the Hormuz a couple weeks ago, and before this started, have now discharged.

00:29:30.257 --> 00:29:35.257

<v SPEAKER_5>Those ships that are coming behind them, there's fewer of them and many of them are trapped too.

00:29:35.257 --> 00:29:38.517

<v SPEAKER_5>The thing to understand here is this is a supply-driven crisis.

00:29:38.597 --> 00:29:43.057

<v SPEAKER_5>Unlike COVID, which was a demand-driven crisis, and the other side.

00:29:43.657 --> 00:29:49.877

<v SPEAKER_5>The degree of the supply outage and the duration that it persists means there could be physical shortage in the market.

00:29:50.737 --> 00:29:57.577

<v SPEAKER_5>The result is what you see is prices having to get into a range to effectively ration that supply.

00:29:58.377 --> 00:30:02.877

<v SPEAKER_5>This is what we saw with waterborne crews into \$140 marks for a while.

00:30:03.297 --> 00:30:07.737

<v SPEAKER_5>This is really not good for anyone, for oil producers or for the consumers.

00:30:07.737 --> 00:30:15.477

<v SPEAKER_5>For oil producers, what this means is you get into a place where you actually have demand destruction and some of that demands they simply not come back.

00:30:16.957 --> 00:30:21.837

<v SPEAKER_5>For those that may celebrate that demand destruction, the cost is very acute to get there.

00:30:22.737 --> 00:30:32.677

<v SPEAKER_5>That means you and me, Joe may pay more at the pump and we may grumble about it, and we have a right to grumble about it, but we're very well off and I think we forget how well off we are.

00:30:32.897 --> 00:30:38.277

<v SPEAKER_5>In other parts of the world, they'll simply go without and we have to think about what they will go without.

00:30:38.357 --> 00:30:47.477

<v SPEAKER_5>We tend to quickly go to cars, but we're also talking about LPG is used for cooking, home heating and cooling, and then there's the supply chain impacts.

00:30:47.477 --> 00:30:52.717

<v SPEAKER_5>Those fuels go to supply chains, so that has a potential drive the cost of everything up, inflation.

00:30:52.717 --> 00:30:58.077

<v SPEAKER_5>Then you have interest rates follow slowly after, and then has the effect of slowing economic growth.

00:30:59.257 --> 00:31:00.957

<v SPEAKER_5>Then we have our consuming regions.

00:31:01.357 --> 00:31:11.177

<v SPEAKER_5>I say Canada has a very fireproof house on this one, because we're well positioned with our resources, but we have consuming regions and we have producing regions, so the impacts are going to be different.

00:31:11.557 --> 00:31:28.577

<v SPEAKER_5>In the west and in the east coast offshore, where most of the hydrocarbons are produced, oil from Alberta and Saskatchewan, natural gas in British Columbia and an offshore oil, and I should say natural gas prices have remained relatively soft inland North America, because they're bottled up and we have an abundance issue.

00:31:29.017 --> 00:31:35.737

<v SPEAKER_5>But for oil, we've seen WCS, Western Canadian Slack, the

benchmark for the heavy producer in Western Canada, north of \$80 a barrel.

00:31:36.137 --> 00:31:47.017

<v SPEAKER_5>Offshore, Hibernia, we've seen prices north of \$100 a barrel, represents a significant upside to corporate balance sheets, to regional and national taxes, and to the royalties as well.

00:31:47.517 --> 00:31:50.937

<v SPEAKER_5>For consumers, Canada is not immune.

00:31:51.037 --> 00:31:52.657

<v SPEAKER_5>Energy underpins everything.

00:31:52.917 --> 00:31:56.717

<v SPEAKER_5>Higher energy prices, most obviously, and we talked about it, are pump prices.

00:31:56.977 --> 00:32:03.057

<v SPEAKER_5>But they're also underpins that freight, our agriculture sectors, our industrial input costs, and all across our economy.

00:32:03.457 --> 00:32:05.477

<v SPEAKER_5>And so consumers will feel the pinch.

00:32:05.737 --> 00:32:08.417

<v SPEAKER_5>And then the risk is inflation follows thereafter.

00:32:08.717 --> 00:32:11.897

<v SPEAKER_5>And prolonged higher prices can slow economic activity.

00:32:11.897 --> 00:32:19.677

<v SPEAKER_5>And I think Canada has got those risks, particularly in those consuming regions, but also even in the West where you produce the energy, there's still consumers that consume that energy as whole.

00:32:19.757 --> 00:32:34.237

<v SPEAKER_5>I think the one thing that's been positive for Canada, despite the negative implications for the gas market, not being able to capture those higher prices internationally, is the consumers that use that natural gas for home heating and air conditioning have been somewhat insulated from that impact versus oil, for example.

00:32:35.517 --> 00:32:36.137

<v SPEAKER_2>Fantastic.

00:32:36.337 --> 00:32:41.297

<v SPEAKER_2>That was a great overview of both the global situation, how it's starting to impact us here in Canada.

00:32:42.057 --> 00:32:45.797

<v SPEAKER_2>Kelly, would you like to expand upon what Kevin just outlined?

00:32:46.117 --> 00:32:50.177

<v SPEAKER_1>That will be hard to do, Joe, because that pretty much covered it.

00:32:50.317 --> 00:32:52.177

<v SPEAKER_1>I'll just make a few quick points.

00:32:53.937 --> 00:33:03.277

<v SPEAKER_1>As we move in the next 30 days into genuine demand destruction, because, for instance, Europe is going to run out of jet fuel pretty soon.

00:33:04.417 --> 00:33:09.717

<v SPEAKER_1>The world's supply of fertilizers is off 30% just because of the strait.

00:33:10.217 --> 00:33:13.337

<v SPEAKER_1>We are LNG, as Kevin mentioned.

00:33:14.077 --> 00:33:22.097

<v SPEAKER_1>One thing that I've noticed a number of times now in the last couple of days is 30% of the world's helium comes through the strait.

00:33:23.137 --> 00:33:25.837

<v SPEAKER_1>Chip making, medical supplies.

00:33:25.837 --> 00:33:28.437

<v SPEAKER_1>You can't have an MRI without helium.

00:33:28.657 --> 00:33:32.457

<v SPEAKER_1>These things are all the conditions that build up to friction.

00:33:32.637 --> 00:33:35.897

<v SPEAKER_1>Friction leads up to stagnation and leads up to stopping of things.

00:33:35.937 --> 00:33:41.077

<v SPEAKER_1>I think we are going to see genuine large demand destruction here in the next while.

00:33:41.497 --> 00:33:56.957

<v SPEAKER_1>And Kevin makes some really wonderful points about what they are wonderful about the 6 billion people in the world who are much more affected by acute shortages of things that make their lives

at least go around.

00:33:57.517 --> 00:34:10.417

<v SPEAKER_1>You know, Fortress North America here, due to as Kevin said, bottled up natural gas gives us a genuine safety net over those things that drive our world.

00:34:10.577 --> 00:34:13.777

<v SPEAKER_1>Having said that, what does it mean for Canada?

00:34:15.037 --> 00:34:21.257

<v SPEAKER_1>There's an opportunity, you know, never let a crisis, never take, never don't take advantage of a crisis.

00:34:21.257 --> 00:34:43.617

<v SPEAKER_1>And I think there's an opportunity here to, you know, if we act quickly to take advantage of this in the, in those, that production of oil and gas that we could, you know, much sooner get to market if we were to, again, I think we'll get into this in a minute, but, you know, regulatory and environmental concerns and or push back on the energy sector.

00:34:44.357 --> 00:34:45.417

<v SPEAKER_1>Let's speed that up.

00:34:45.417 --> 00:34:53.957

<v SPEAKER_1>And, you know, Kevin, what's the price of gas and what do you sell at MMBTU in East Asia for \$14, \$15?

00:34:55.657 --> 00:34:59.917

<v SPEAKER_1>It trades in the \$2 range here in Canada, maybe \$4 at Henry.

00:34:59.917 --> 00:35:00.757

<v SPEAKER_1>Again, these are numbers.

00:35:00.757 --> 00:35:01.697

<v SPEAKER_1>I think they'd be lucky.

00:35:01.697 --> 00:35:02.637

<v SPEAKER_5>They'd be happy to get \$2.

00:35:03.157 --> 00:35:04.257

<v SPEAKER_1>Yeah.

00:35:05.697 --> 00:35:13.677

<v SPEAKER_1>So, you know, again, train to LNG Canada, the other LNG export facilities faster.

00:35:14.877 --> 00:35:18.457

<v SPEAKER_1>You know, again, I'm going to get on my soapbox, folks.

00:35:18.717 --> 00:35:28.197

<v SPEAKER_1>A little political will here could go a long way to move in those things along, which would make a genuine dent and be hugely economically effective in Canada.

00:35:28.577 --> 00:35:29.437

<v SPEAKER_2>Yeah, absolutely.

00:35:29.437 --> 00:35:35.537

<v SPEAKER_2>And we'll be getting a little bit into the regulatory issues and how Canada can respond with infrastructure later on.

00:35:35.837 --> 00:35:46.357

<v SPEAKER_2>But Monica, do you have any further thoughts maybe upon both how companies are absorbing this news and then also how consumers here in Canada are taking this?

00:35:46.977 --> 00:35:53.157

<v SPEAKER_4>Yeah, I mean, as Kelly said, Kevin did a fantastic job of laying things out.

00:35:53.217 --> 00:35:59.917

<v SPEAKER_4>Maybe a couple of things I would add that really go more to the kind of medium term to long term.

00:36:00.197 --> 00:36:20.557

<v SPEAKER_4>One of the themes that I heard coming out of Cereweek and it definitely has been even more pronounced in the intervening days is that the response and reaction to the crisis in the Middle East is really going to be lived differently if you're an oil and gas exporter versus if you're an oil and gas importer.

00:36:21.497 --> 00:36:24.677

<v SPEAKER_4>That's probably putting it tremendously simply.

00:36:25.917 --> 00:36:41.717

<v SPEAKER_4>But for those, and I'm thinking about Asia in particular here, Kelly gave some examples in Europe, but for those in Asia that are heavily, heavily reliant on oil and gas coming through the Strait of Hormuz, this is existential.

00:36:44.177 --> 00:36:49.697

<v SPEAKER_4>For them, short-term, we've already laid out what some of the massive challenges will be.

00:36:49.697 --> 00:36:56.157

<v SPEAKER_4>But medium to long-term, even if things quote unquote go back to normal, it's going to be a new normal.

00:36:56.417 --> 00:37:01.237

<v SPEAKER_4>It's going to be a normal where people are thinking much more about diversity of supply.

00:37:01.717 --> 00:37:17.117

<v SPEAKER_4>They're likely also going to be thinking if you're an oil and gas importer and heavily dependent on various choke points, you're also likely going to be thinking about how do you accelerate your reduction in use of oil and gas.

00:37:17.257 --> 00:37:20.557

<v SPEAKER_4>I think for Canada, that represents a dual opportunity.

00:37:20.677 --> 00:37:28.817

<v SPEAKER_4>On the one hand, it's helping some of these countries with our production and exports, to diversify their supply.

00:37:29.997 --> 00:37:48.137

<v SPEAKER_4>I don't think we're ever going to be necessarily, I don't think any country is going to want to be putting themselves in a position of being beholden to a single region or a single country, but we can definitely be a reliable partner in terms of diversifying energy supply.

00:37:48.277 --> 00:38:03.777

<v SPEAKER_4>But I think the other piece as well is for countries that are looking to reduce their dependence on oil and gas, whether that's as an end-use fuel or in terms of electricity generation, there's a dual opportunity there for Canada, particularly in the nuclear sector, right?

00:38:03.777 --> 00:38:15.737

<v SPEAKER_4>So it's not an accident that you've got the government of Ontario and others from the nuclear sector being very present at places like Cira Week and very active internationally as well to work with.

00:38:15.737 --> 00:38:32.357

<v SPEAKER_4>Again, these are long-term relationships that get developed with countries that are either looking to expand their nuclear fleet or even move on to a nuclear path and become a nuclear power generator in the years ahead.

00:38:32.357 --> 00:38:37.797

<v SPEAKER_4>So I think globally, we're likely to see a bit of a bifurcation, right?

00:38:37.797 --> 00:38:45.897

<v SPEAKER_4>Those who are oil and gas producers and exporters, those

who are importers, and maybe a differential path forward in terms of transition.

00:38:45.897 --> 00:38:56.337

<v SPEAKER_4>Because I agree with Kelly, transition isn't going away, but I think the way it's that the path forward for that is likely going to be influenced and shaped by what we're seeing right now in the Middle East.

00:38:56.757 --> 00:38:57.837

<v SPEAKER_2>Yeah, absolutely.

00:38:57.957 --> 00:39:10.377

<v SPEAKER_2>And to your point, Monica, where it comes to the role for Canada, the potential role for Canada in the long term in Asia, where it comes to traditional energy, but also things like nuclear power and various other components of this.

00:39:10.917 --> 00:39:19.777

<v SPEAKER_2>I just take this chance to plug my paper that was released last November based on a conference that we hosted, titled Canada's Energy Future in the Indo-Pacific.

00:39:20.757 --> 00:39:27.177

<v SPEAKER_2>I encourage, I suppose, the attendees on this webinar to go and give that paper a look.

00:39:27.417 --> 00:39:29.697

<v SPEAKER_3>But could I just jump in here?

00:39:30.037 --> 00:39:54.857

<v SPEAKER_1>I want to, one of the things that I'm sure Kevin and Monica, when you talked about nuclear, Secretary Wright, in the opening of the conference with Daniel Juergen, talked about the United States having three SMRs stood up by the end of this, like by the summer of 2026, like small modular reactors.

00:39:55.097 --> 00:39:57.957

<v SPEAKER_1>Maybe Monica, you could expand on that a little bit.

00:39:57.957 --> 00:40:22.177

<v SPEAKER_1>Like I don't see that as, I don't know if that's, if what he meant was they'd be like commissioned or, but what I wanted to say was though, was whatever the time is, whatever that time is, it's a hell of a lot faster than 2020, 2032, which is when our first SMR would possibly be in operation.

00:40:22.237 --> 00:40:32.937

<v SPEAKER_1>So Monica, could you, because it was a, I found it an exploded talking point that he sat right up there and said, we're

doing this and by July 4th, we're going to be, have these going.

00:40:33.057 --> 00:40:39.717

<v SPEAKER_1>Like that, that wasn't really in the news, given everything else that was happening that day, but maybe you could expand on that just quickly.

00:40:39.957 --> 00:40:40.657

<v SPEAKER_4>Yeah, sure.

00:40:40.657 --> 00:40:51.937

<v SPEAKER_4>I mean, my understanding from speaking with folks who have knowledge of the nuclear space in the United States is that, that is, how shall I say?

00:40:53.957 --> 00:40:56.457

<v SPEAKER_4>We're not talking about commissioning an SMR.

00:40:56.457 --> 00:40:57.517

<v SPEAKER_4>Absolutely not.

00:40:58.537 --> 00:41:09.757

<v SPEAKER_4>I think the, again, my understanding from folks is that the best we would be looking at is maybe some sort of a demonstration at a national lab somewhere.

00:41:10.637 --> 00:41:30.897

<v SPEAKER_4>So the beading, quote unquote, where OPG is at right now with commissioning the first SMR in the G7 grid scale SMR, I mean, I would not take what Secretary Wright said as saying that OPG is not going to still be in the lead on that one.

00:41:30.957 --> 00:41:33.477

<v SPEAKER_4>So, you know, TBD.

00:41:33.757 --> 00:41:50.277

<v SPEAKER_4>But what I would note though, it was interesting, the head of the Nuclear Regulatory Commission was also on the main stage and, you know, said some very interesting things about what they're doing from a regulatory perspective to try to facilitate and move forward more rapidly on nuclear.

00:41:50.277 --> 00:42:02.737

<v SPEAKER_4>And I think, you know, again, this is somebody who spent the better part of his career in the Nuclear Regulatory Commission, somebody who, you know, seems very committed to the administration's goals of expanding on nuclear.

00:42:02.737 --> 00:42:14.617

<v SPEAKER_4>And one of the things that he mentioned, again, I didn't

see this getting picked up in the news, was the idea of, and I can't remember exactly how he put it, but the idea of, you know, joint permitting in effect between Canada and the United States.

00:42:14.737 --> 00:42:27.497

<v SPEAKER_4>And that, I think, is something that is very well worth looking at between our Canadian Nuclear Safety Commission and the federal regulator in the United States, because you've got all these new models.

00:42:27.597 --> 00:42:40.717

<v SPEAKER_4>You know, if one country signs off and says this, you know, this meets, passes the test meets muster in terms of safety and in terms of technical design, you know, surely we can expedite things by working together.

00:42:40.717 --> 00:42:52.317

<v SPEAKER_4>So I thought that was very interesting, Kelly, in terms of flagging on that main stage at CERU week, the ambition to collaborate with Canada on nuclear licensing.

00:42:52.597 --> 00:42:53.317

<v SPEAKER_2>Fantastic.

00:42:53.317 --> 00:42:54.917

<v SPEAKER_2>And that's a great side note on nuclear.

00:42:54.917 --> 00:43:00.357

<v SPEAKER_2>We should be doing more on focusing on the nuclear supply chains and how that will be built out.

00:43:01.217 --> 00:43:06.317

<v SPEAKER_2>I just like to note to all of the attendees here, please do submit your Q&A questions.

00:43:06.397 --> 00:43:10.757

<v SPEAKER_2>These are some fantastic panelists who can really dig deep into some of the issues here.

00:43:10.877 --> 00:43:15.937

<v SPEAKER_2>It's also going to be Chatham House rule that section at least, so they'll be able to speak pretty freely.

00:43:16.717 --> 00:43:28.937

<v SPEAKER_2>So turning back to the current crisis, one of the things that I think this, the block to the Strait of Hormuz and everything downstream of that shows is the importance of geopolitical stability for energy security.

00:43:29.577 --> 00:43:38.977

<v SPEAKER_2>I have my own views on the way the world is going, where it comes to the United States as the global hegemon, and what it could mean for global geopolitics.

00:43:39.057 --> 00:43:50.517

<v SPEAKER_2>But nevertheless, in an era of more unstable geopolitics, I think the provision of a secure source of energy is one area that Canada has a key strength in.

00:43:50.957 --> 00:43:53.537

<v SPEAKER_2>So Kelly, I'd like to turn to you with this question.

00:43:53.537 --> 00:43:59.857

<v SPEAKER_2>How do you think Canada can make the point about the geopolitical benefits of our energy sector?

00:44:02.177 --> 00:44:03.257

<v SPEAKER_1>Where do I start?

00:44:05.077 --> 00:44:09.797

<v SPEAKER_1>You and I have had been having these discussions, Joe, for how long have you worked?

00:44:09.797 --> 00:44:13.857

<v SPEAKER_1>We worked together five years, and I've been having this discussion with Monica and Kevin for a decade.

00:44:14.437 --> 00:44:15.617

<v SPEAKER_1>Let's get out of our own way.

00:44:17.797 --> 00:44:24.737

<v SPEAKER_1>We have what everybody else wants, and what they need, especially now more than want, and what they need.

00:44:26.257 --> 00:44:32.717

<v SPEAKER_1>Regulatory and environmental concerns in Canada have stymied our ability to export natural resources.

00:44:32.837 --> 00:44:34.057

<v SPEAKER_1>We need to get out of the way.

00:44:35.337 --> 00:44:45.037

<v SPEAKER_1>That doesn't mean throwing the gate open and not making sure everything is done the best it can be done as far as implementation of infrastructure.

00:44:45.377 --> 00:44:47.697

<v SPEAKER_1>But we've proved that we can do that.

00:44:48.737 --> 00:44:52.837

<v SPEAKER_1>TMX is a perfect example, albeit it costs weight more than it should have.

00:44:52.977 --> 00:45:03.137

<v SPEAKER_1>But I think I read where a couple of days ago, where there had been several hundred cargos, Kevin had left Vancouver now.

00:45:03.137 --> 00:45:15.577

<v SPEAKER_1>It's a big number and if we were to double that, again, it's the products that Canada can supply, if we can get the infrastructure built.

00:45:15.737 --> 00:45:17.297

<v SPEAKER_1>Joe, it was very interesting.

00:45:17.377 --> 00:45:36.817

<v SPEAKER_1>I'll reference back the conference you had back in late October or November in Ottawa when several diplomats from Asian countries, I felt like I was being reprimanded by them in front of an audience when they were telling, why are you not getting us the resources we need?

00:45:38.137 --> 00:45:40.817

<v SPEAKER_1>At the same time, I'll go back to my opening comment.

00:45:40.977 --> 00:45:48.557

<v SPEAKER_1>There was a definite level of continuity and purpose among Canadian leaders, federal and provincial at zero-week.

00:45:48.697 --> 00:45:54.077

<v SPEAKER_1>So less talking, more walking about getting infrastructure built.

00:45:54.077 --> 00:45:56.677

<v SPEAKER_1>That would be my takeaway from that question, Joe.

00:45:56.937 --> 00:45:57.297

<v SPEAKER_2>All right.

00:45:57.297 --> 00:45:58.097

<v SPEAKER_2>Fantastic.

00:45:59.097 --> 00:46:05.877

<v SPEAKER_2>So Monica and Kevin, if you have nothing left to add, I think we can turn to some questions around emissions and climate competitiveness.

00:46:06.617 --> 00:46:07.137

<v SPEAKER_2>Okay.

00:46:07.277 --> 00:46:19.377

<v SPEAKER_2>So of course, last year's budget and the memorandum of understanding between the Government of Canada and the Government of Alberta provide concept for how emissions will be treated for energy development.

00:46:20.177 --> 00:46:29.877

<v SPEAKER_2>The idea that I took from this is that climate and competitiveness are actually aligned under the current vision of the Canadian federal government.

00:46:30.037 --> 00:46:41.037

<v SPEAKER_2>However, there is some skepticism on whether this focus on emissions actually makes Canada's energy industry more competitive.

00:46:41.137 --> 00:46:44.397

<v SPEAKER_2>There's a little bit of debate around this and what role it has.

00:46:45.077 --> 00:46:54.457

<v SPEAKER_2>This current crisis adds yet another layer of complexity to this debate just in time for the April 1st deadline, which we're now past.

00:46:55.877 --> 00:47:03.957

<v SPEAKER_2>Does the current crisis underline or undermine the climate competitiveness angle taken on by the current government?

00:47:04.637 --> 00:47:07.217

<v SPEAKER_2>Monica, would you like to start us off with your thoughts?

00:47:07.717 --> 00:47:08.017

<v SPEAKER_4>Yeah.

00:47:08.097 --> 00:47:11.637

<v SPEAKER_4>I think the answer to that probably depends on who you ask the question to.

00:47:11.697 --> 00:47:22.897

<v SPEAKER_4>You know, the federal government's position is that products with lower emissions intensity will be more competitive in the global marketplace.

00:47:23.257 --> 00:47:27.337

<v SPEAKER_4>And again, that's not just for oil and gas, that's across the board for other products as well.

00:47:27.737 --> 00:47:32.257

<v SPEAKER_4>And I think in the short term, to me, it seems clear that

that's not the case.

00:47:32.997 --> 00:47:38.757

<v SPEAKER_4>There isn't currently a market premium being paid for lower emissions, oil and gas.

00:47:38.757 --> 00:47:45.097

<v SPEAKER_4>And you know, sure, customers might prefer it, but they're not at this stage willing to pay a premium for it.

00:47:45.617 --> 00:47:54.557

<v SPEAKER_4>Now, in fairness to Ottawa, you know, they are acknowledging that and they're referring to a premium emerging over time.

00:47:54.917 --> 00:48:04.777

<v SPEAKER_4>And you know, I'd be inclined to think they're right that a premium will emerge over time, but over what time is the question, right?

00:48:04.777 --> 00:48:08.717

<v SPEAKER_4>So for Canada, I think there are a couple of key questions here.

00:48:09.317 --> 00:48:14.097

<v SPEAKER_4>You know, first is, will a premium emerge rapidly enough?

00:48:14.257 --> 00:48:24.517

<v SPEAKER_4>And will it be high enough to actually merit the kinds of investments being contemplated to reduce emissions intensity, especially when it comes to oil?

00:48:24.737 --> 00:48:30.917

<v SPEAKER_4>You know, because of course, those investments need to be made now, quote unquote.

00:48:31.197 --> 00:48:34.037

<v SPEAKER_4>And you know, so how quickly can those be recouped?

00:48:34.257 --> 00:48:36.397

<v SPEAKER_4>And will they be able to be recouped?

00:48:36.477 --> 00:48:39.037

<v SPEAKER_4>To me, that's a really, really open question.

00:48:39.157 --> 00:49:06.377

<v SPEAKER_4>And then I think the other key question for Canada, and I'm really curious to hear Kevin's thoughts on this topic writ large, but if Canada is really serious about this commitment to lower emissions energy, what can, and the idea of a premium emerging and

increasing competitiveness of our products as a result of that, what can Canada do to speed along the process of getting to a premium?

00:49:07.217 --> 00:49:14.837

<v SPEAKER_4>I'm not sure how much that's on the agenda currently, but I think if we're serious as a country about this, I think it should be.

00:49:14.917 --> 00:49:21.737

<v SPEAKER_4>But again, back to your question, Joe, it depends who you ask.

00:49:21.737 --> 00:49:30.897

<v SPEAKER_4>There are a lot of assumptions being made and time will tell, but I think we really need to be looking very carefully as a country.

00:49:30.897 --> 00:49:41.237

<v SPEAKER_4>What are the potential scenarios going forward, particularly in light of what we're seeing in the Middle East, and how might that reshape or influence our level of ambition?

00:49:41.657 --> 00:49:42.357

<v SPEAKER_2>Absolutely.

00:49:42.577 --> 00:49:44.697

<v SPEAKER_2>Kevin, do you have anything to add to that?

00:49:46.417 --> 00:49:47.717

<v SPEAKER_2>Yeah, I'll say something here.

00:49:49.657 --> 00:49:54.357

<v SPEAKER_5>I think Kelly and Monica both heard my shtick on this in the past, but maybe not everybody.

00:49:54.357 --> 00:49:59.437

<v SPEAKER_5>I think for Canada, we have to think about what Canada is and what does Canada do.

00:50:00.437 --> 00:50:03.097

<v SPEAKER_5>At its core, Canada is quite diverse nations.

00:50:03.577 --> 00:50:05.077

<v SPEAKER_5>Our regions are very different.

00:50:05.457 --> 00:50:08.477

<v SPEAKER_5>But fundamentally, we're talking about energy right now.

00:50:09.657 --> 00:50:12.337

<v SPEAKER_5>Canada is one of the world's leading energy exporters.

00:50:13.097 --> 00:50:18.537

<v SPEAKER_5>The act of producing that energy, this is an energy-intensive exporting nation fundamentally.

00:50:19.737 --> 00:50:23.277

<v SPEAKER_5>Right now, the reality is demand is really good for some key commodities.

00:50:23.717 --> 00:50:31.457

<v SPEAKER_5>Frankly, our allies are asking Canada what can Canada do for it, as it relates to meeting their oil and gas demands and providing them security of supply.

00:50:34.557 --> 00:50:41.177

<v SPEAKER_5>Another way to think about it is, if oil prices are \$100 or \$80 WCS, what is that telling you if you're a producer?

00:50:41.457 --> 00:50:42.817

<v SPEAKER_5>It's telling you go get more.

00:50:43.997 --> 00:50:44.937

<v SPEAKER_5>Get me more of that.

00:50:44.937 --> 00:50:46.517

<v SPEAKER_5>That's how prices work.

00:50:47.177 --> 00:50:59.897

<v SPEAKER_5>If Canada can grow faster, which is a complicated question related to infrastructure, related to return on investment for shareholders, and what are the priorities of the investment community from oil and gas investments.

00:51:00.517 --> 00:51:05.797

<v SPEAKER_5>But if it grows faster, this will have negative implications for Canada's absolute emission ambition.

00:51:06.837 --> 00:51:13.737

<v SPEAKER_5>Even if those molecules come from more efficient processes, we've learned a lot over the last 10 to 15 years.

00:51:14.977 --> 00:51:24.217

<v SPEAKER_5>One of the things we are seeing around this conversation is we are seeing more interest in discussion globally around product level intensity, which I think was the underpinnings of some of the language in the MOU.

00:51:24.877 --> 00:51:27.897

<v SPEAKER_5>The reason for this is this is how companies really compete.

00:51:27.897 --> 00:51:32.877

<v SPEAKER_5>They compete on the products they sell, and this is how consumers and buyers and sellers make choices.

00:51:32.877 --> 00:51:38.497

<v SPEAKER_5>Just like you and I do, Joe, when we go into a store, we want to look at the attributes and understand the attributes.

00:51:40.017 --> 00:51:44.077

<v SPEAKER_5>One of the big challenges in the world today is we don't have an equivalent basis of comparison.

00:51:44.397 --> 00:51:49.497

<v SPEAKER_5>We can't actually get an equivalent product level comparison, so it's hard to make choices.

00:51:49.497 --> 00:51:55.097

<v SPEAKER_5>I think there is a market gap there, and to Monica's point, is there a role for the government of Canada in filling that market gap?

00:51:55.337 --> 00:51:59.277

<v SPEAKER_5>Consistent, clear reporting requirements on commodities.

00:52:00.057 --> 00:52:01.657

<v SPEAKER_5>That's an interesting thing to think about.

00:52:01.897 --> 00:52:11.357

<v SPEAKER_5>Internationally, we do see policies emerging that are focused on intensity, carbon border adjustment mechanism, EU methane rules, those are cargo-based intensity assessments.

00:52:11.657 --> 00:52:17.117

<v SPEAKER_5>There are different funny things about how they're actually done, but we're seeing this drive to this direction.

00:52:17.337 --> 00:52:22.917

<v SPEAKER_5>These rules will impact market access and competitiveness and that path travels very clear.

00:52:23.337 --> 00:52:28.977

<v SPEAKER_5>But I think climate change decarbonization will remain an imperative, and I think this was talked about earlier.

00:52:29.177 --> 00:52:32.797

<v SPEAKER_5>For some countries, it is perfectly aligned with energy security.

00:52:33.057 --> 00:52:36.697

<v SPEAKER_5>Those energy importing nations, renewables, is a path to energy security.

00:52:36.697 --> 00:52:38.357

<v SPEAKER_5>Localization is security.

00:52:38.857 --> 00:52:42.577

<v SPEAKER_5>This movement will likely accelerate those efforts, not go the other way.

00:52:42.577 --> 00:52:47.317

<v SPEAKER_5>For those that are long in energy, you might make different choices because you have that optionality.

00:52:47.317 --> 00:52:49.477

<v SPEAKER_5>Energy security means something different for you.

00:52:50.077 --> 00:52:54.577

<v SPEAKER_5>I do like the idea of something like a carbon bounty office that Monica suggested.

00:52:54.777 --> 00:53:09.117

<v SPEAKER_5>You know, if Canada expects things of the industry to perform a certain way, then creating or looking for that premia internationally or even something as simple as preferential market access can have financial value that can justify those investment decisions.

00:53:09.397 --> 00:53:17.957

<v SPEAKER_5>I think there's also a need to understand how does Canada stack up internationally against what it's asking its industry to do versus its peer group.

00:53:18.017 --> 00:53:27.337

<v SPEAKER_5>I'm not taking everybody's part of Canada's peer group, but for those nations that we want to be particularly close to and trade to, and what are the expectations going on in there as well.

00:53:27.437 --> 00:53:28.457

<v SPEAKER_5>So I'll just stop there.

00:53:28.817 --> 00:53:29.717

<v SPEAKER_2>Okay, wonderful.

00:53:29.957 --> 00:53:32.297

<v SPEAKER_2>Now, one last question before we go.

00:53:32.317 --> 00:53:34.177

<v SPEAKER_1>I'll just, I just like to ask nothing.

00:53:34.177 --> 00:53:35.597
<v SPEAKER_3>okay, go ahead, Kelly.

00:53:36.197 --> 00:53:37.237
<v SPEAKER_1>What else is new, right, Joe?

00:53:37.237 --> 00:53:38.457
<v SPEAKER_1>I've always got something to say.

00:53:40.037 --> 00:53:43.917
<v SPEAKER_1>I want to focus on Canadian Oil as an export.

00:53:44.417 --> 00:53:51.917
<v SPEAKER_1>And for years, you know, we get this pushback about, you know, the carbon intensity of our barrel versus others, whatever.

00:53:52.217 --> 00:54:05.137
<v SPEAKER_1>I think one of my learnings from some of the discussions I had at at Ciro Week with marketers and sellers of Canadian crude oil is think of a long bond, like a 20-

00:54:05.137 --> 00:54:06.217
<v SPEAKER_1>or 30-year bond.

00:54:06.637 --> 00:54:11.817
<v SPEAKER_1>You know, it's fixed, and you're going to get your capital at the end, and you've got this genuine rate of return.

00:54:12.117 --> 00:54:14.917
<v SPEAKER_1>You can look at the Canadian oil sands like that.

00:54:15.377 --> 00:54:41.077
<v SPEAKER_1>The security of supply that you can offer a buyer across a 30-year span based on, basically, Kevin, correct me if I'm wrong, but moderate brownfield to some greenfield, new ads will keep that security of supply is almost infinite in the time frame we're talking about in the future of oil.

00:54:41.237 --> 00:54:43.797
<v SPEAKER_1>And I think that is where the premium is.

00:54:44.237 --> 00:54:53.457
<v SPEAKER_1>It might not be a lot of dollar-wise, but it is in the market at the margin forever, basically, of crude production in the world.

00:54:53.457 --> 00:55:01.677
<v SPEAKER_1>Canada's 4 million barrels of dake is pretty much stable as opposed to other basins, the deep basins, the offshore.

00:55:03.017 --> 00:55:05.597

<v SPEAKER_1>I think that needs to be accentuated.

00:55:06.337 --> 00:55:09.157

<v SPEAKER_1>That is a definite value to Canadian crude oil.

00:55:10.177 --> 00:55:19.517

<v SPEAKER_5>Yeah, what Kelly is really getting at is that oil is a wasting asset, in the sense as soon as you go into production, the production you have on the second day isn't as good as the first day.

00:55:20.737 --> 00:55:24.897

<v SPEAKER_5>You always have to be on a treadmill of looking for the next target to go and hit.

00:55:25.497 --> 00:55:28.097

<v SPEAKER_5>Those treadmills run at different speeds around the world.

00:55:28.417 --> 00:55:32.977

<v SPEAKER_5>Tide oil is amongst the fastest treadmill because the decline rates are almost 30 percent per year.

00:55:33.477 --> 00:55:37.277

<v SPEAKER_5>As those resources mature and deplete, those decline rates get more pronounced.

00:55:37.517 --> 00:55:41.097

<v SPEAKER_5>The oil sands decline rates is negligible.

00:55:41.097 --> 00:55:45.037

<v SPEAKER_5>It's not noticeable because of the nature of its manufacturing style.

00:55:45.177 --> 00:55:48.857

<v SPEAKER_5>It'll produce the same oil every day for 25, 30 years.

00:55:48.917 --> 00:55:51.937

<v SPEAKER_5>There's facilities in the oil sands day, Kelly, that you remember.

00:55:52.597 --> 00:56:04.637

<v SPEAKER_5>Theoretically, we're at the end of life and they're still chugging along at the same number, if not creeping higher and the oil sands are still growing because they've been focused on optimization and reducing downtime.

00:56:04.657 --> 00:56:07.577

<v SPEAKER_5>They're creeping production almost constantly.

00:56:07.577 --> 00:56:11.657

<v SPEAKER_5>I think this year we have over 150,000 barrels of production growth expected from them.

00:56:12.397 --> 00:56:14.817

<v SPEAKER_5>That's huge from a security supply point of view.

00:56:15.757 --> 00:56:18.077

<v SPEAKER_5>Canada has other attributes and we can talk about them too.

00:56:19.757 --> 00:56:25.077

<v SPEAKER_5>I went out for a couple of years with some folks down in Syria and they called Canadian Oil boring barrels.

00:56:25.557 --> 00:56:27.317

<v SPEAKER_5>Boring barrels are good for deals.

00:56:29.017 --> 00:56:29.437

<v SPEAKER_5>Yeah.

00:56:30.677 --> 00:56:31.537

<v SPEAKER_2>Well, fantastic.

00:56:31.537 --> 00:56:41.437

<v SPEAKER_2>Well, in order to get these deals done though, we need to get to the point where we're talking about potential new development of infrastructure and the upstream assets.

00:56:42.577 --> 00:56:48.657

<v SPEAKER_2>This is the final question before we go to the audience Q&A, and please everybody submit your questions for these panelists.

00:56:49.017 --> 00:56:52.297

<v SPEAKER_2>So there's a saying, never let a good crisis go to waste.

00:56:52.297 --> 00:56:53.877

<v SPEAKER_2>Kelly was referring to this earlier.

00:56:54.077 --> 00:57:08.897

<v SPEAKER_2>And as much as the current crisis is deeply impacting many people around the world, I think that there's a solid role for Canada to emerge from this, both as a solid partner, as well as getting some economic benefits out of it at the same time.

00:57:09.477 --> 00:57:18.877

<v SPEAKER_2>However, we're still sorting out a few of the regulatory challenges for new development of energy and especially things like oil and gas and nuclear.

00:57:19.637 --> 00:57:27.877

<v SPEAKER_2>So I guess the question that I have to leave you folks with is, can we move fast enough to capitalize on the current moment?

00:57:28.097 --> 00:57:34.117

<v SPEAKER_2>Now Monica, I'm aware that you have a recent report out about this from Positive Energy.

00:57:34.117 --> 00:57:36.977

<v SPEAKER_2>So could you start us off followed by Kelly and Kevin?

00:57:37.797 --> 00:57:38.317

<v SPEAKER_4>Sure.

00:57:38.697 --> 00:57:39.437

<v SPEAKER_4>Thanks, Joe.

00:57:40.177 --> 00:57:48.637

<v SPEAKER_4>You know, I think that the short answer to your question is, if we can't do it under these circumstances, I think I might just pull all my hair out and jump out of a window somewhere.

00:57:48.797 --> 00:58:12.877

<v SPEAKER_4>So the more serious answer though is that at Positive Energy, we've been doing research into this space for upwards of a decade now, and looking at not only what does it take to secure public confidence in energy project decision making processes, but also, and more importantly, after the current moment, investor confidence, and what are some of the policy and regulatory framework changes that are going to be needed to get us there.

00:58:12.957 --> 00:58:24.617

<v SPEAKER_4>So we've recently published, and I'll throw a link to it into the chat here, and Joe, if there are show notes somewhere, maybe you can share that around, what we've called an interim report card.

00:58:24.817 --> 00:58:41.437

<v SPEAKER_4>So we've looked at, over the course of our research, we've identified what are some of the key elements and things that need to be done to get us to policy and regulatory frameworks that foster investor confidence, and then how are now, it's like, okay, we know what needs to be done.

00:58:41.437 --> 00:58:43.717

<v SPEAKER_4>How are we doing on actually making that happen?

00:58:43.717 --> 00:58:48.977

<v SPEAKER_4>So we've called it an interim report card to governments around getting projects built.

00:58:48.997 --> 00:58:57.377

<v SPEAKER_4>And the short answer is that progress is being made, but there is still a ton that we need to do.

00:58:57.617 --> 00:59:00.697

<v SPEAKER_4>And it's not that we don't know what needs to be done necessarily.

00:59:00.857 --> 00:59:06.837

<v SPEAKER_4>In many instances, it's like got to get that shoulder to the wheel and keep it there and push even harder to make it happen.

00:59:06.957 --> 00:59:08.777

<v SPEAKER_4>So maybe a couple of things I'd point to.

00:59:09.037 --> 00:59:20.837

<v SPEAKER_4>One is that the change in tone at the top from political leaders, federally, provincially, from regulatory agency leaders is fantastic, right?

00:59:20.837 --> 00:59:23.377

<v SPEAKER_4>I mean, we've got, Kelly, you talked earlier about alignment.

00:59:23.377 --> 00:59:35.657

<v SPEAKER_4>We've got such great alignment between federal and provincial governments on the nature of the opportunities for Canada, the need to get infrastructure built to take advantage of this moment, to diversify our trade.

00:59:35.837 --> 00:59:42.677

<v SPEAKER_4>Don't forget, again, part of this is about trade diversification for Canada, given the challenges that we've been having with Canada-U.S.

00:59:42.677 --> 00:59:43.377

<v SPEAKER_4>relations.

00:59:43.437 --> 00:59:54.897

<v SPEAKER_4>But now, even more so as we've been laying out the opportunities when it comes to energy, particularly in the Indo-Pacific, but for other markets as well.

00:59:54.937 --> 00:59:57.417

<v SPEAKER_4>So that change in tone is fantastic.

00:59:58.297 --> 01:00:00.057

<v SPEAKER_4>But it's more than just talk.

01:00:00.057 --> 01:00:02.357

<v SPEAKER_4>It has to be walk, as Kelly is saying.

01:00:02.817 --> 01:00:06.557

<v SPEAKER_4>And we are starting to walk, but I would argue we really need to run.

01:00:07.497 --> 01:00:09.757

<v SPEAKER_4>And we know what needs to be done.

01:00:09.757 --> 01:00:14.917

<v SPEAKER_4>So there's a couple of areas I want to point to, where we really still need to make progress.

01:00:15.077 --> 01:00:18.917

<v SPEAKER_4>One of which, and it's not in the regulatory space, it's more in the policy space.

01:00:19.437 --> 01:00:31.077

<v SPEAKER_4>If the overarching aim is getting Canada's resources to international markets and getting projects built, policies all need to line up and point in the same direction with that.

01:00:31.257 --> 01:00:46.917

<v SPEAKER_4>And I think there's some open questions right now around, is our level of ambition on climate and some of the environmental measures that we're seeing coming out over the course of the last number of months, are those pointing in the right direction?

01:00:47.077 --> 01:00:58.157

<v SPEAKER_4>Or are they potentially having a level of ambition, a scale and a pace that might not be in line with the current moment?

01:00:58.157 --> 01:01:02.937

<v SPEAKER_4>So that policy alignment piece I think still needs some work.

01:01:03.117 --> 01:01:08.737

<v SPEAKER_4>In the regulatory space, there's lots of things I could point to here, and there has been a lot of progress made, right?

01:01:08.737 --> 01:01:13.157

<v SPEAKER_4>At the federal level, we've got the federal government saying they're going to defer to provinces where they can.

01:01:13.157 --> 01:01:34.717

<v SPEAKER_4>They're saying that they're going to scope assessments in a way that is more narrow, that is really just focusing on the key risks, but then you talk to proponents with projects either about to head into or currently in assessment processes, and this isn't just a federal issue.

01:01:34.717 --> 01:01:50.977

<v SPEAKER_4>I've heard stories at the provincial level as well, that even though we've got political leaders and heads of regulatory agencies saying, like, we have to move faster, we need to do, this isn't about whether a project should get built, it's about how a project should get built, we need to scope things appropriately, blah, blah, blah, blah.

01:01:51.497 --> 01:02:00.657

<v SPEAKER_4>At the working level, you still, in some instances, got a regulatory mindset that does not seem to be changing, right?

01:02:00.657 --> 01:02:22.357

<v SPEAKER_4>So this really is about change management, and so it's great to have that change of tone at the top, but there's a tremendous amount of work that I think is still going to need to happen at that working level to get, you know, some folks that frankly have not, you know, kind of been working in a system that has been built for or is interested in speed and making things happen quickly.

01:02:22.497 --> 01:02:37.677

<v SPEAKER_4>Changing those mindsets, that, you know, amazingly to me, it's almost sort of tail wagging the dog territory when you've got political and regulatory leaders saying we're going to do things differently, and then you talk with proponents and they say, we don't see change.

01:02:37.677 --> 01:02:39.457

<v SPEAKER_4>We don't see change happening at the working level.

01:02:39.457 --> 01:02:45.937

<v SPEAKER_4>There are a lot of, you know, things that we're hearing from folks in regulatory agencies that aren't necessarily moving in that direction.

01:02:46.077 --> 01:02:47.497

<v SPEAKER_4>Now, this isn't across the board.

01:02:47.497 --> 01:03:01.157

<v SPEAKER_4>This is not across the board, and I want to be really fair on this, but it certainly is something that came out in our research that those regulatory mindsets, particularly at the working level, there's still a lot of change management that's going to have to happen there.

01:03:01.177 --> 01:03:06.637

<v SPEAKER_4>So all of this to say, Joe, I think, you know, we really need to keep our shoulder to the wheel on this one.

01:03:06.637 --> 01:03:14.397

<v SPEAKER_4>Positive energy, we're putting in place, you know, some tools and some processes to try to help the country to do that.

01:03:15.077 --> 01:03:18.837

<v SPEAKER_4>And I think, in fairness to Canada, this is not just a Canada problem.

01:03:18.837 --> 01:03:40.697

<v SPEAKER_4>I found it interesting at Sierra Week to hear just how much permitting continues to be an issue in the US as well, even with, again, massive change in tone at the top, particularly at the federal level in the United States, but still a lot of concern about the time and scope and all of what's involved in terms of permitting.

01:03:41.217 --> 01:03:44.897

<v SPEAKER_2>Now, I think we will have to bring this webinar to a close.

01:03:44.897 --> 01:03:48.037

<v SPEAKER_2>Kevin, Kelly, Monica, thank you so much for your expertise.

01:03:48.037 --> 01:03:50.437

<v SPEAKER_2>This was an extremely interesting conversation.

01:03:50.657 --> 01:04:00.617

<v SPEAKER_2>Generally, the takeaways from this is the current crisis is unprecedented and Canada has an opportunity to emerge as a serious partner to many of these countries that are heavily impacted.

01:04:00.797 --> 01:04:10.317

<v SPEAKER_2>But more needs to be done to capitalize on the current moment here in Canada, and we need to keep in mind this balance between our economic interests and our environmental objectives as well.

01:04:10.877 --> 01:04:15.917

<v SPEAKER_2>So just for all of our listeners, CGAI is a small independent nonpartisan think tank.

01:04:16.037 --> 01:04:19.937

<v SPEAKER_2>We're always open to the possibility of partnership on events, initiatives, and research.

01:04:20.297 --> 01:04:27.617

<v SPEAKER_2>If you or your organization would be interested in partnering with CGAI in the future, please do let me know and we can start considering areas of shared interest.

01:04:27.837 --> 01:04:30.197

<v SPEAKER_2>And with that, we will close out this webinar.

01:04:30.657 --> 01:04:33.517

<v SPEAKER_2>Thank you all and we look forward to doing this again.

01:04:33.797 --> 01:04:34.337

<v SPEAKER_5>Thanks, Joe.

01:04:34.337 --> 01:04:34.557

<v SPEAKER_5>Great.

01:04:34.557 --> 01:04:35.177

<v SPEAKER_4>Thanks, Joe.

01:04:35.517 --> 01:04:36.217

<v SPEAKER_1>Thanks, Joe.

01:04:37.557 --> 01:04:44.517

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01:04:45.097 --> 01:04:47.817

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01:04:48.197 --> 01:04:50.137

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01:04:50.317 --> 01:04:54.077

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01:04:55.157 --> 01:05:06.117

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01:05:10.497 --> 01:05:14.197

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01:05:14.717 --> 01:05:17.237

<v SPEAKER_2>Thanks go out to Drew Phillips for our music.

01:05:17.737 --> 01:05:18.837

<v SPEAKER_2>I'm Joe Calnan.

01:05:19.037 --> 01:05:21.497

<v SPEAKER_2>Thanks for listening to Energy Security Cubed.