

Canada must invest in its energy sector to ensure a prosperous future

The Trans Mountain expansion is nation-building, pure and simple

Canada's energy sector is our country's "family business."

Even if we don't work in it, we benefit from it economically and socially – and have for generations. The industry supports more than 800,000 direct and indirect jobs across the country, as well as vital social services such as health care and education. In 2018 alone, the sector contributed \$167 billion to Canada's GDP; that's more than the financial services and insurance industries combined.

Today, we have a chance to build on this legacy and compete globally to support our country's future prosperity.

Yet, it can feel as though we're competing with ourselves. The family business has fallen on tough times, and it's hurting all Canadians. As with any family, we must come together to find a solution.

Let's begin with two important truths.

Canada must do its part to address climate change. Demand for energy continues to grow and is expected to increase for years to come. While renewables are the fastest growing source of energy in the world, the reality is that fossil fuels will remain an important part of the global energy mix for decades.

What the world needs is greater access to responsible energy production. Access to energy is helping to lift people out of poverty. Living standards are improving. The middle class around the world is growing, and as a result, consumer demand is rising. As a world leader in responsible energy production, we help neither ourselves – nor the planet – if we undermine our own ability to compete on the world stage.

We can't afford to miss any more opportunities. Together, we must resolve to make smart decisions that make the most of our strengths. Building for the future means thinking ambitiously. It means diversifying our export relationships. It means committing to economic reconciliation with Indigenous peoples – so they participate in this new future.

As a country, we need not only to maintain our position as a leader in responsible energy development – we need to strengthen it.

That's our opportunity. How do we ensure we don't miss it?

First, we need to attract crucial international investment and maximize the potential of homegrown energy companies, supported by a regulatory environment that is balanced, efficient and effective; one that is evidence-based and apolitical in nature.

We must demonstrate to the world that we can get big projects done while balancing our economic and environmental priorities.

Second, we can continue to pursue innovation in responsible energy generation. Leading Canadian energy companies, as well as organizations such as the Clean Resource Innovation Network and

Canada's Oil Sands Innovation Alliance, are active in this area, implementing new ways of harnessing energy that can reduce emissions and support a more sustainable future.

Government can build on these types of forward-looking investments by making carbon capture more common and more feasible. The 45Q tax credit in the U.S. is helping make carbon capture profitable across a wide range of large-scale industrial applications, including enhanced oil recovery, cement, steel, plastic, fertilizers and hydrogen. In this way, public policy can encourage responsible behaviour in an economically viable way.

Third, we must get our oil safely and responsibly to markets where it is needed – and where it will attract the highest price. Canada suffers when our producers are forced to sell their crude at a differential of as much as US\$40 a barrel. This hurts families, investors and government revenues alike – meaning it hurts all of us.

Put plainly: Building the Trans Mountain Expansion is critical to ensuring prosperity, not just for the industry, but also Alberta and Canada. Trans Mountain will carry almost a million barrels a day of oil to tidewater – and to markets in which demand is high. If Canada doesn't serve those countries, they may rely on oil producers whose environmental standards, regulations and human rights practises are less stringent than ours.

It is country-building, pure and simple – and government should do everything in its power to get it done quickly.

Finally, we must find ways to advance our environmental and economic interests, together. As far back as the 1970s, Alberta premier Ernest Manning called for an “intelligent balance between demonstrable public need and legitimate environmental concerns.”

More than ever, we need to achieve that intelligent balance.

With that in mind, we should all be encouraged by the progress in Kitimat, B.C. – the construction of an LNG terminal that will ultimately allow the export of Canadian natural gas. This will displace coal as an energy source in overseas markets such as China, which burns four times more coal than any other country on Earth. Thanks to Canada, global emissions will be reduced. At the same time, the West – and Canada as a whole – will benefit economically.

Our country cannot shy away from its strengths. Instead, we can and should lead the world in responsible resource production and the innovative development of technology that will lower emissions from current production and drive next-generation renewables.

That is the path to a thriving family business and a strong Canada for the future.

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Contributed to The Globe and Mail
November 2019*