

# Canadian energy's Johnny Cash moment

Canada must 'Walk the Line' in finding the right balance of taking advantage of our oil-and-gas resources and transitioning to a lower-carbon future.



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Energy policy

OTTAWA—Canada is at a crossroads on energy. Its long-term energy future, economy-wide competitiveness, and capacity to capitalize on the market, environmental, and social opportunities of energy hinge on policy and regulatory reforms taken today.

Reforms need to balance and bridge imperatives that are pivotal to energy governance in the 21st century. In the words of the iconic Johnny Cash, governments need to "Walk the Line" on energy.

This is particularly the case for the federal government's regulatory reform process for the National Energy Board and environmental assessment, and its Generation Energy initiative on Canada's energy future. These processes offer a real opportunity to get it right, but a real risk of getting it wrong.

The University of Ottawa's Positive Energy project has undertaken close to three years of extensive research and engagement with business, government, Indigenous, environmental and academic leaders on how to strengthen public confidence in energy decision-making. Based on our work, two key "walk the line" areas stand out.

First, Canada's long-term energy vision needs to walk the line on how competing priorities will be balanced, bridged, and aligned. A greater consensus has emerged in society about the need to address climate change. This is a positive development, but polarized debates about energy and climate – notably the place of Canada's oil-and-gas sector in the country's energy future—have made it very difficult for governments to find the line, much less walk it.

Polarized debates have blinded some to the reality that it doesn't have to be an "either/or" choice when it comes to Canada acting on climate and producing oil and gas.

Some 80 per cent of Canada's end use energy is accounted for by oil and gas (a comparable figure for similar economies) and global demand for fossil fuels is projected to remain a substantial majority of the world's energy mix for decades to come. The trick is finding how to balance, bridge—even align—Canada's long-term climate imperatives with its oil-and-gas needs and opportunities.

But there are ways to walk the line: Canada could assume a leadership position internationally as a Western industrialized democracy with a large oil-and-gas resource base that takes climate seriously. The country's oil and gas exports can displace more GHG intensive energy sources internationally, and Canada can show the world that it can develop policy that addresses the need to reduce GHG emissions, ensures a competitive regime for business, and develops its resources in environmentally and socially responsible ways.

But there's work to be done for Canada to credibly claim this mantle.

This relates to the second area where governments need to walk the line: balancing and bridging local and Indigenous energy interests and concerns with those of the broader community, be it regional, provincial, or national. This is probably the toughest line governments have to walk on Canadian energy.

Local communities and Indigenous communities want a say in their energy futures, along with meaningful decision-making roles and active participation in energy projects. This includes jobs, long term-economic development, or ownership. It also means strong environmental protection, robust risk mitigation, and adequate resources and time to develop local capacity to participate.

Further, it means building and strengthening long-term planning mechanisms to address the cumulative environmental, economic and social effects of multiple energy projects. Long-term regional planning frameworks for energy can provide greater certainty and clarity for all involved



Former Liberal leader Stéphane Dion introduces his Green Shift, carbon-tax plan on Parliament Hill in Ottawa Canada June 19 2008. The election results that year indicate this plan might not have had the right balance that Monica Gattinger writes is needed to be taken with Canada's energy policy. *The Hill Times* photograph by Jake Wright

(including investors), but must be developed in ways that seriously consider the impacts—both positive and negative—on the country's investment climate and the

competitiveness of its energy industry as an input to the broader economy.

In sum, when it comes to Canada's long-term energy future and local and Indigenous communities, governments will need to develop policy, planning, and regulatory frameworks that walk the line in innovative ways, balancing, bridging—even aligning—core imperatives. Only this will ensure that Canada's collective market, environmental, and social interests are served.

None of this is going to be easy. But it's essential if Canada is to maximize the energy opportunities before it transitions to a lower-carbon energy system, and realize the social, economic, and environmental benefits of a more inclusive energy system.

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*The Hill Times*