



My President's report for September starts by highlighting the World Energy Council's recently-issued report on how the energy sector could improve infrastructure resilience in the face of increasing extreme weather risks.

Three upcoming events are profiled, particularly the award ceremony for the 2015 Canadian Energy Person of the Year on November 25.

This report also provides the highlights of the Board Workshop to develop a Strategic Plan and Communication Plan for the Energy Council, and feedback on the CNEPRA workshop held on September 15 to discuss their white paper on energy projects, public acceptance and the regulatory system in Canada.

### **Recent World Energy Council Report – *The Road to Resilience***

The World Energy Council undertakes a program of studies of current and emerging energy issues based on the input from study teams drawn from its member organizations.

The latest WEC report will be of direct interest to those designing, operating, managing, regulating and financing any type of energy assets. *The Road to Resilience – managing and financing extreme weather risks*<sup>1</sup> was released on October 1. Representatives of five Canadian organizations participated in the work.

The central theme behind this report is that *“new approaches are required for the management and financing of energy infrastructures as companies and governments seek to meet the challenges of increased extreme weather risks”*.

The report strongly recommends actions beyond simply protecting individual energy assets to a systematic overview of the energy value chain and a comprehensive and strategic approach to identifying vulnerabilities and managing the inherent risks. Risks to all energy sources and infrastructure are included: oil and gas production assets, oil and gas pipelines, transmission and distribution infrastructure, renewable energy sources, and thermal, hydropower and nuclear electricity generation. Chapters cover the emerging trends in the occurrence of extreme weather events and their impact on energy infrastructure, ways to increase resilience of energy systems, and financing and insurance arrangements.

The report's conclusions focus on three areas:

- Evolving infrastructure design with the goal of adapting energy infrastructure to improve resilience to the impact of extreme weather events;
- Financing resilience, as a means to enhance the bankability of a project and reduce costs over the long-term, referring to use of new financial instruments to hedge weather risks, smooth income volatility, and stabilize earnings, and also the use of new types of insurance; and,
- Regulating resilience by developing a better understanding of the impacts and then opening the regulatory systems to considerations of technological innovation and standards, use of appropriate financial and risk transfer instruments, and a regulatory framework to provide the necessary guidance to incorporate resilience into market regulation.

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<sup>1</sup> <http://wec-italia.org/the-road-to-resilience-managing-and-financing-extreme-weather-risks/#1443530240426-b0221fb5-4e3b>

Roles to implement the report's recommendations are assigned to five groups of stakeholders:

- Energy companies and project developers must consider extreme weather in their planning, operation and maintenance, and implement adequate soft/hard resilience measures;
- Regulators must provide regulatory guidance for resilience and market regulation;
- The financial services industry must develop models that fully reflect extreme weather risks and include soft/hard resilience in cost-benefit analysis;
- Insurance companies and banks must create additional risk transfer options for residual risks; and,
- Long-term and institutional investors must collaborate with other stakeholders to overcome investment barriers.

This is the first of a series of reports by the World Energy Council on the topic of building resilience into today's and tomorrow's energy systems.

### **Award Ceremony - Canadian Energy Person of the Year – November 25, Calgary**

It's time to register and consider sponsorship for this year's award ceremony for the 2015 Canadian Energy Person of the Year, to be held on November 25 at the Hyatt Regency Hotel in Calgary.

The evening will honour the 2015 recipient, Mr. Mike Cleland. This event is always a highlight of the Energy Council's annual program of events and activities.

Speakers confirmed to date include Marie-José Nadeau, Chair, World Energy Council, and Al Monaco, President and CEO, Enbridge Inc. Mike Cleland will deliver the annual recipient's address to close out the evening.

Sponsorship opportunities are available which provide an excellent opportunity to profile your company or organization.

Please mark this event on your calendars and join energy colleagues from across Canada to celebrate with Mike Cleland and friends. Details on registration and sponsorship opportunities are available on the Energy Council's website.

Updates follow on recent and upcoming Energy Council events and activities.

### **Conference on *Public Acceptance of Energy Projects*, Tuesday, September 15, Ottawa**

The Canadian Network for Energy Policy Research and Analysis (CNEPRA) held a conference on September 15 in Ottawa to present and discuss the results from their initial research topic. The research topic examines what "social licence" means for Canada's regulatory processes. This half-day conference<sup>2</sup> heard presentations from 13 academics on CNEPRA's initial white paper, followed by a discussion on how to

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<sup>2</sup> The detailed program is available at:

<http://policyschool.ucalgary.ca/sites/default/files/Event%20Overview%20-%20CNEPRA.pdf>.



create a prescriptive policy position that can help regulators and the energy sector understand and manage the social licence phenomena.

Andrew Stephens, Chair of the Energy Council's Energy Policy Research Committee, opened the conference by describing the Energy Council's strong interest in strengthening the understanding of current important energy policy issues through targeted academic research, and our ongoing funding support for CNEPRA and other university-based research in Canada.

The CNEPRA report *Energy Projects, Public Acceptance and Regulatory Systems in Canada: A White Paper* is available through the Ottawa office.

### **Board Workshop – Developing a Strategic Plan and Communication Plan – September 29**

The final step in the work to prepare a draft 2016–2018 strategic plan for the Energy Council and the first-ever communication plan was the workshop on September 29 in Toronto. Fifteen Board members participated representing member organizations from Halifax to Calgary. The agenda for the day started with a review and critique of the draft 2016–2018 strategic plan and the draft communication plan, followed by discussion of what will be needed to implement both plans in terms of staff effort and resources.

The draft Strategic Plan contains a new vision statement and mission statement for the Energy Council, four goals aimed at fulfilling the mission, and objectives and specific actions matched to each goal.

The draft Communication Plan starts with key messages, followed by four strategic communication objectives to guide the Energy Council's communication and outreach in the future.

The final draft of both plans and recommendations for their implementation will be presented to the Board of Directors for consideration during the Board meeting on November 25 in Calgary.

Many thanks to our members who travelled to Toronto for this event.

### **USEA 8<sup>th</sup> Annual Energy Supply Forum (October 7), North America Region Energy Forum (October 8), Washington, DC**

The theme for both events is: *how countries which have development of fossil fuel resources as a key component of their economies can contribute to achieving reductions in carbon emissions*. Both events will be held at the National Press Club, hosted by the United States Energy Association in conjunction with the Mexican Energy Secretariat and the Energy Council of Canada.

These events are of interest to our Members as a means to hear the latest developments from leaders in the energy sector and the policy community from the United States, Mexico and Canada, and to make connections with their counterparts from across North America.

The USEA's 8<sup>th</sup> Annual Energy Supply Forum on October 7 will hear presentations by industry executives from the three countries on the latest developments and issues in energy supply. The focus will be on how they are positioning their companies to tackle issues and implications of climate change. Speakers are from energy corporations in the US, Mexico and Canada. Canadian speakers in the Energy Supply Forum represent Energy Council members: Gianna Manes, President and CEO, ENMAX; Steve Demers, Vice President, Wholesale Markets, Hydro Québec; and, Colin Andersen, Chair, Energy Council of Canada.



This year's annual *North America Region Energy Forum* on October 8 features sessions on: recent policy initiatives to address climate change mitigation and adaptation, the views of industry associations on climate policy directions, and recent developments in carbon capture, use and storage. Closing remarks will look ahead to the possible outcomes of the upcoming UNFCCC conference in Paris. Speakers from Canada in the North American Region Forum are members Mike Marsh, President and CEO, SaskPower and Francis Bradley, Chief Operating Officer, Canadian Electricity Association; and also Lisa DeMarco, Senior Partner, Rizzo, Allan and DeMarco LLP.

#### **Electricity Future Forum, Halifax, Nova Scotia, Date to be Finalized**

As mentioned in last month's report, the province of Nova Scotia is developing an Electricity Plan which will lay out the provincial government's plans for reform of the electricity sector. The Nova Scotia Department of Energy and the Energy Council of Canada will be holding a seminar shortly after the Electricity Plan is released. The seminar will include the findings from the round of consultations and the Plan's recommendations, followed by feedback and discussion.

This event will be of interest to those following developments in electricity policy in Nova Scotia, to members of the Energy Council of Canada and our energy colleagues, and to interested academics.

Details on the date and venue will be provided as soon as the plans are finalized by the Ministry of Energy.

#### **Highlights - 11th Annual North American Forum in Toronto – Synopsis Available**

As reported last month, the 11<sup>th</sup> Annual North America Forum on August 20–22 in Toronto brought together prominent executives from the United States, Mexico and Canada to discuss a broad cross-section of trilateral issues and opportunities. Security, energy, trade, defence and channels of trilateral dialogue were the focal points on this year's agenda.

We have just received a brief summary of the discussions written by Dr. Laura Dawson, Director, Canada Institute, Woodrow Wilson International Centre for Scholars. The summary reports on four broad themes:

- Energy and Environmental Integration;
- Regulatory Cooperation;
- Human Capital and Labour Mobility; and,
- Security.

The Forum summary is available from the Ottawa Office

#### **Ottawa Office**

We are pleased to welcome Krystal Underhill, Coordinator, Events and Stakeholders Relations, back to the office as of September 21. We greatly appreciated having Jessie Pierre with us since August 2014, assisting with the Energy Council's events and activities.

With best regards,

Graham Campbell  
President

