

Kim Rudd, Parliamentary Secretary to the Minister of Natural Resources, on behalf of Minister Carr, will address the Energy Council of Canada's annual conference in Ottawa on February 2, 2016.

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Thank you * * * and good afternoon everyone.

It's wonderful to be here with you today, and to bring greetings on behalf of the Honourable Jim Carr, Canada's Minister of Natural Resources.

As some of you may know, the first speech Minister Carr delivered as Minister was to the Energy Council of Canada. That was in November, when Minister Carr travelled to Calgary to celebrate Michael Cleland's selection as your 2015 Canadian Energy Person of the Year, and I had the pleasure of meeting Michael here today.

Minister Carr's message that night, and my message this afternoon, is one of cautious optimism.

The caution comes from the very challenging times we're witnessing for some of Canada's leading energy producers.

Indeed, for tens of thousands of Canadians, the precipitous drop in the price of oil has made these difficult and painful times: Businesses are struggling, jobs are being lost and families are hurting. Not just in the oil patch, but right across the country.

And while we have seen this boom-and-bust cycle before, that doesn't make it any easier for those who are feeling its raw force.

What's more, the ripples from the oil patch are washing across our economy, affecting everything from the value of our dollar to the capital expenditures of our businesses.

By any measure, trying times.

But our Government believes there is also reason for hope:

- That we can re-make our energy sector to be stronger and more resilient than ever before;
- That we can make decisions and take actions that will re-set the course of our economy and create opportunities for generations to come; and
- That, together, we can create a vision for the future that enables Canada to lead in the fight against climate change and truly positions us as a global leader in low-carbon energy.

I certainly believe we have the ingenuity and the initiative to do that.

Our Government is committed to leading the way, in collaboration with the provinces and territories, and in collaboration with industry and other stakeholders.

There is much we can do, both in the short-term and long, to weather the current storm, take advantage of the emerging opportunities and realize a brighter future:

- A future where infrastructure is developed more sustainably to get our energy to markets — at home and abroad;
- A future that makes greater use of renewable sources of energy, and where energy efficiency plays a more prominent role; and
- A future built on innovation and adapting to changing times, by investing in cleaner technologies to extract and develop our fossil fuels, and greener infrastructure.

In short, a future where we engage Canadians on how to generate the energy we need while preserving the planet we cherish.

That is Minister Carr's mandate and our Government's vision: to ensure our energy sector remains a source of jobs, prosperity and opportunity. And that this prosperity is achieved within the context of a world that increasingly values sustainable practices and low-carbon processes.

After all, if we're going to attract the investment we need to develop our abundant energy resources, or build the infrastructure to move our energy to market, we are going to have to make sure our environmental house is in order, and that Canadians are behind us.

That's why our Government is making it a priority to restore credibility to our environmental assessment and regulatory processes.

Ladies and Gentlemen, Canadians understand the importance of the energy sector to the economy and in their daily lives. They know that the energy sector creates jobs and spurs investment. They recognize that energy is essential to fuel our vehicles, heat our homes and power our businesses and factories.

But too many of them have lost faith in the way we assess major energy projects; they fear the scales have been tipped too far in one direction.

Our Government has begun to make new and important changes to Canada's environmental assessment system by introducing new processes that ensure all decisions regarding major resource projects are based on scientific evidence and truly serve the public's interest.

Central to those efforts is a need to modernize the National Energy Board to ensure its composition reflects regional views and has sufficient expertise in fields such as environmental science, community development, and Indigenous traditional knowledge.

That last point is important — embracing Indigenous knowledge. Canadians want us to honour our obligations to Aboriginal communities and undertake meaningful consultations. And that's just what we are doing.

To review and overhaul our environmental assessment process is going to take some time. It's going to involve a lot of work, extensive consultations and considerable debate. But we need to get it right.

And that's why we've just announced five principles that will guide decision making on major resource projects. Our goal, to ensure that decisions better balance economic and environment imperatives while we work on a more permanent and comprehensive approach.

Ministers Carr and McKenna announced five principles on January 27:

- **First.** No project proponents will be asked to go back to the starting line. Project reviews will continue within the current legislative framework and in accordance with treaty provisions;
- **Second.** Decisions will be based on science, traditional knowledge of Indigenous peoples and other relevant evidence.
- **Third.** The views of the public and affected communities will be sought and considered;
- **Fourth.** Indigenous peoples will be meaningfully consulted, and where appropriate, impacts on their rights and interests will be accommodated; and,
- **Fifth.** Direct and upstream greenhouse gas emissions linked to the projects under review will be assessed.

What does this mean in practical terms? Let me walk you through two high-profile examples.

The first is the proposed Trans Mountain Expansion project from Edmonton to Burnaby, B.C.

This project is already deep into the regulatory review process. In fact, closing arguments are being heard in Burnaby this week, and they will conclude next week in Calgary. It is expected that the National Energy Board will deliver its recommendation report to the Government in May.

Based on the five principles, the Government of Canada intends to carry out additional consultations with Indigenous peoples and appoint a Ministerial Representative to meet with communities along the pipeline route so that their views can be fully considered. Additional participant funding will be made available to Indigenous peoples to support these consultations.

As Minister McKenna outlined, we will have an assessment of the project's upstream greenhouse gas emissions, which will also help inform our national climate change plan with provinces and territories.

To do all of this, we intend to seek an additional four months for the Government of Canada's legislated time limit to render a final decision. That will give us until December 2016 to decide whether the project is in the national interest.

We think this represents a fair and balanced solution. One that is rooted in these principles and shows that Canada can deliver resource projects in a way that is consistent with the expectations of Canadians.

For the proposed Energy East Pipeline project, which would transport Alberta and Saskatchewan oil across the country as far as Saint John, New Brunswick, we will also be making changes based on the five principles.

The Government of Canada intends to work more closely with Indigenous groups to build the relationships that can serve as the basis for proper consultations.

We also intend to appoint up to three new temporary board members to the National Energy Board to engage communities and Indigenous groups potentially impacted by the proposed project.

In addition, the Government of Canada will assess the upstream greenhouse gas emissions associated with the Energy East Pipeline project.

To do all of this, we intend to seek an extension of six months to the legislated time limit for the National Energy Board to review the project, and three months for the Government of Canada to make a final determination.

Our goal with these interim measures is simple. We want to rebuild the public's trust – to ensure that review processes are fair, transparent and responsible.

If we do this right, we can achieve broad support for whatever decisions are ultimately rendered. And our Government is committed to making that happen by collaborating closely with Indigenous peoples, provinces and territories, as well as stakeholders and industry representatives such as you. Together, we will build a stronger, more sustainable energy sector.

Thank you.