



Our 2016 program of seven events and activities got off to a great start with the *2016 Canadian Energy Industry: Updates and Insights*. Preparations are underway for the next event, the Toronto Regional Event on Energy Infrastructure.

Two upcoming items in this report are time sensitive and need your attention. Nominations will remain open until February 29 for the 2016 Canadian Energy Person of the Year. Details are provided below. Registration is now open for our second event – the Toronto Regional Event on Energy Infrastructure.

### 2016 Program – Seven Events Towards Achieving Our Vision

The Energy Council’s program of events and activities is designed to contribute to achieving our vision: *an affordable, stable and environmentally-sound energy system providing for the greatest benefit for all Canadians.*

The Program Committee has selected themes which address energy issues that are instrumental in moving us forward on the vision:

- informing policy-makers with the latest insights from industry and results from policy research;
- understanding infrastructure issues and the need for market access;
- exploring the implications and emerging issues arising from the downturn in oil and gas energy prices in energy markets;
- bringing Canadian perspectives to the attention of the global energy community;
- profiling transitions in energy systems; and,
- recognizing energy leadership.

In keeping with the Energy Council’s four strategic goals, the 2016 events and activities are designed to achieve a number of objectives: to contribute to informed and objective energy dialogue around important energy issues in Canada; to provide added value for our members as a result of their speaking roles and expanded contacts; and, to inform policy making by our government members across the country.

Event	Themes, Content
<b>2016 Canadian Energy Industry: Updates and Insights</b> (February 2, Westin Hotel, Ottawa) (180 attendees)	<ul style="list-style-type: none"> <li>• Quick update on energy supply developments and issues</li> <li>• Good discussion on supply issues</li> <li>• Built connections within the Ottawa energy community</li> <li>• Keynote addresses on Insights on emerging climate policy and on “Canadian Energy at a Crossroads”</li> </ul>
<b>Toronto Regional Event Energy Infrastructure: Developments, Issues and Opportunities</b> (March 7 and 8, Allstream Centre)	<ul style="list-style-type: none"> <li>• Better insights into the energy infrastructure and its role in Canadian energy</li> <li>• Focus on municipal, provincial and national infrastructure issues</li> <li>• Informing policy makers with perspectives on elements of decision on major energy projects</li> </ul>
<b>Calgary Regional Event Responding to Challenges from Energy Markets and Emerging Policies</b> (May 9 and 10, Hyatt Regency)	<ul style="list-style-type: none"> <li>• How oil and gas companies are responding to tough market conditions</li> <li>• How electricity companies are responding to off-coal and climate policies</li> <li>• Understanding of how governments and industry can achieve their goals</li> </ul>
<b>Release of the Research Report on Earning Public Acceptance</b> (Date TBD)	<ul style="list-style-type: none"> <li>• Research insights on earning public acceptance and the effectiveness of the regulatory process to that end</li> <li>• First report from Canadian Network on Energy Policy Research and Analysis</li> </ul>
<b>2016 World Energy Congress Embracing New Frontiers</b> (October 9 – 13, Istanbul Congress Centre)	<ul style="list-style-type: none"> <li>• “Dialogue among Energy Ministers and leaders from business, finance and academia around the world who will seek options for delivering sustainable energy systems on national, regional and global levels”</li> </ul>
<b>Halifax Regional Event Energy Transitions in Atlantic Canada</b> (November, venue TBD)	<ul style="list-style-type: none"> <li>• Changes to “green” the generation mix; the impact of the hydroelectricity via the Maritime Link, initiatives around regional cooperation in energy markets, new transmission capacity, and leading-edge projects in tidal energy and storage.</li> </ul>
<b>2016 Canadian Energy Person of the Year</b> (October or November, location chosen by recipient)	<ul style="list-style-type: none"> <li>• Engagement with two of Canada’s energy Ministers</li> <li>• Raise profile of energy leaders</li> <li>• Insights from recipient’s speech</li> <li>• Charitable donation selected by recipient</li> </ul>

## 2016 Canadian Energy Industry: Updates and Insights, February 2, Westin Hotel, Ottawa

The first Energy Council event in 2016 was a great success. The *Canadian Energy Industry: Updates and Insights* event on February 2 in Ottawa attracted 174, including 15 Ambassadors/High Commissioners and representatives of 51 countries.

The content of this year's program covered the supply components of the "energy value chain" plus two presentations: one highlighting the implications for Canada from the COP-21 conference and actions already underway; and, a closing presentation on critical issues for the year ahead and beyond.

Session	Panel of Industry Associations, Speakers
Energy Supply: Oil, Gas	CAPP, CEPA, CGA, CAODC, NOIA
Energy Supply: Electricity	CanCORE, CEA, CEPA, EHRC, ESO
Outcomes from COP-21, Implications for Canada, Industry Actions Underway	Fiona Jones, General Manager Sustainability, Suncor Energy Inc.
Closing Address: <i>Canadian Energy at a Crossroads</i>	Michael Cleland, 2015 Canadian Energy Person of the Year

The Energy Council will issue a report on the highlights of the presentations and discussions. A brief summary prepared by our communication consultant follows:

*Kim Rudd, Parliamentary Secretary to the Minister of Natural Resources, opened with comments on the government's interim review principles for major resource projects, which she characterized as key to securing public confidence and to laying the groundwork for a stronger and more resilient energy sector.*

### **Panel 1: Oil and Gas, Chaired by Mark Sherman, Vice President and Chief Operating Officer, Irving Oil**

*Panelists outlined the recent impacts of oil price declines, regulatory uncertainty, and continued market access limitations. With the lowest active rig count since the 1980s, impacts on employment and capital expenditure have been severe. The drop in oil and gas-related investment in turn has significant and not-fully appreciated implications for the national economy. Despite such turmoil – and the unlikelihood of short-term price relief – panelists expressed confidence in the sustained importance of oil and gas resources, and in the sector's ability to find its place in a low-carbon economy. The importance of transparency and greater public trust were acknowledged. Specific opportunities, such as expanded access to and use of natural gas, were outlined. An attendee from the diplomatic community noted that foreign support for projects such as LNG export facilities hinges on timely major-project review. Panelists endorsed the need for a demonstration that Canada can still get major resource projects built.*

### **Panel 2: Electricity, Chaired by Colin Clark, Chief Technical Officer, Brookfield Renewable Energy Group**

*Panelists noted Canada's enviable position by virtue of its 80 per cent emissions-free electricity system. Specific clean-energy advancements were noted, including the large-scale investment in refurbishment of nuclear baseload capacity in Ontario. That said, panelists agreed that the outcomes of COP21 will drive further significant change, with deep de-carbonization being dependent on deep electrification in areas such as transportation. Increased use of renewables and energy storage will be key to this transition. Leveraging Canadian expertise in areas such as grid integration of multiple generation sources represents further opportunity. Improved east-west grid interconnectivity is likely to be required to support ongoing emissions reductions and increased electricity supply. Finally, the importance of securing sufficient human resources was underscored, in light of both the needs driven by infrastructure renewal and other projects, and the demographic challenge of a pending retirement bubble.*

*Two presentations by leaders from the Canadian energy community closed out the program.*

### **COP21: Implications for Canadian Industry, Fiona Jones, General Manager Sustainability, Suncor Energy, Inc.**

*Fiona Jones noted a promising change in tone and approach in both the lead-up to and during COP21. A de-escalation of the rhetoric has led to a more inclusive and open dialogue in Alberta between government, industry and environmental activists. Pre-COP21, these discussions resulted in a more practical and politically acceptable package of policies to achieve nationally determined targets. COP21, she said, has clarified a path forward for the industry*

and governments. Ms. Jones further suggested that there may now be renewed potential for broad engagement towards the development of a national energy strategy.

**Closing Keynote from Michael Cleland, 2015 Canadian Energy Person of the Year**

Michael Cleland closed the proceedings with a review of potentially transformative forces impacting the energy sector, beginning with the possibility of declining energy demand. He spoke of the disconnect between current energy and climate aspirations; to the growing challenge of earning public confidence in energy projects; the concurrent likelihood of slower and costlier regulatory reviews; and to a potentially significant cumulative impact on energy demand arising from many incremental technological changes underway. With all this in the backdrop, Cleland urged an open and honest discussion in Canada that properly accounts for both energy and climate realities.

The two following items are time sensitive.

**2016 Canadian Energy Person of the Year, October or November, 2016, Location TBD**

The Call for Nominations for the 2016 Canadian Energy Person of the Year will close on February 29.

The Energy Council of Canada's *Canadian Energy Person of the Year Award* proudly recognizes and pays tribute to a Canadian energy leader who has made a significant impact at the national and international levels with the energy sector. The award recognizes the recipient's remarkable accomplishments in the business and government sectors and contributions to the community at large. Their forward thinking and innovative spirit enable these leaders to advance the Canadian energy sector and Canada's role in global energy markets. Sixteen notable Canadian energy leaders have received this award since 2001.

The CEPY Nominating Committee has streamlined the nomination process this year. You can nominate a candidate during the Open Call for Nominations period by providing the candidate's name and affiliation along with a brief description (125 words) of the candidate's achievements and contributions to the energy sector. The nomination form is available at [www.energy.ca](http://www.energy.ca). Please consider nominating a candidate for this year's award prior to the deadline of February 29.

**PAST CEPY RECIPIENTS**

2015 – Michael Cleland  
2014 – Anthony Haines  
2013 – Chris Huskison  
2013 – Ed Martin  
2012 – Thierry Vandal  
2011 – Rick George  
2010 – Stephen G. Snyder  
2009 – Charlie Fischer  
2008 – Jacques Lamarre  
2007 – Patrick D. Daniel  
2006 – Roland Priddle  
2005 – Duncan Hawthorne  
2004 – Nellie Cournoyea  
2003 – Eric Newell  
2002 – Richard Drouin  
2001 – James K. Gray

**Toronto Regional Event - Energy Infrastructure: Issues, Opportunities and Implications  
March 7 and 8, Allstream Centre, Toronto**

The theme of energy infrastructure is top of mind at the moment. Energy infrastructure provides the essential connection between sources of supply and the end consumer. Canada's energy infrastructure is aging, and in some cases, the configuration is not suited to new ways of supplying and delivering energy. New pipeline infrastructure is essential in order to access new export markets. Anticipated extreme weather events threaten linear and stationary energy infrastructure. Post COP-21, environmental policy directions will result in new constraints and implications for the energy sector overall. Perhaps the most worrisome and complex concern affecting energy infrastructure is finding ways to be able to move ahead with major energy projects through ensuring public understanding, open engagement, and ultimately, public acceptance.

This event will provide a multi-faceted examination of the challenges, issues, and potential future directions affecting energy infrastructure in Canada. The event will open with a keynote address on the evening of March 7 on infrastructure issues. The program on March 8 will open with a "big picture" overview of the many dimensions of energy infrastructure by Navigant Consulting. Three sessions on March 8 will examine infrastructure issues from three jurisdictional perspectives – municipal and community, provincial and national. The sessions will address:

- Energy infrastructure issues, recent developments, and upcoming infrastructure decisions. The essential, but often overlooked, role of energy infrastructure in ensuring competitiveness, and access to markets.



- Municipal Perspectives - Role of energy infrastructure in ensuring safe and reliable energy at reasonable energy costs, meeting the energy needs of remote communities
- Provincial Perspectives - Form and function of new energy infrastructure due to new energy technologies, energy storage, and real-time energy management, competitiveness, access to markets
- National Perspectives - Climate impacts on existing and new energy infrastructure, building in resiliency, insurance, competitiveness, access to markets. Ingredients needed to finance energy projects.

Registration is now open for this upcoming event at [www.energy.ca](http://www.energy.ca).

Sponsorship opportunities are available which will enable your organization to support the event and also to raise the profile of your organization. We will be contacting you with a request to consider sponsorship of this event.

We look forward to seeing you in Toronto in March.

### **New World Energy Council Report**

#### ***E-storage: Shifting from cost to value 2016 – wind and solar applications<sup>1</sup>***

Energy storage is often described as the “missing link” in energy systems. The World Energy Council has issued a report to provide a more accurate approach to assessing the true costs of storage.

*“Storage is often perceived as too expensive because of the way the calculations are done which do not fully take into account the value it brings to certain situations.*

*The report also estimates that with the many new technologies in the pipeline, storage costs of energy will fall by as much as 70% over the next 15 years. Solar storage will become more competitive as new battery technology drives prices down, and wind storage more attractive as technical advances in areas such as composite materials enables the power generated by wind turbines to increase.*

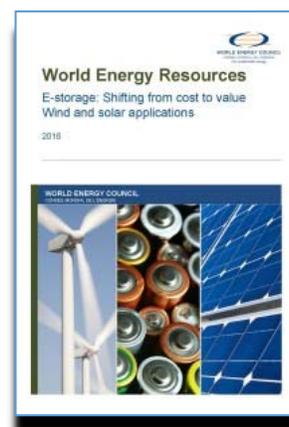
*In order to create the right policy environment that will unlock the potential of energy storage and capitalize on its true cost and value benefits, the report makes five recommendations to policymakers”.*

This report will be a useful guide to anyone contemplating greater use of storage based on a more accurate assessment of the costs.

In closing, please respond to the two time sensitive items noted above – nomination of a candidate for the 2016 Canadian Energy Person of the Year, and registration for the Toronto Regional Event on March 7 and 8 on the important theme of energy infrastructure.

With best regards,

Graham Campbell  
President



<sup>1</sup> <https://www.worldenergy.org/publications/2016/e-storage-shifting-from-cost-to-value-2016/>