



Report from the President October 2016

This monthly report for October 2016 begins with a warm invitation to attend the Energy Council's special activities taking place on the afternoon and evening of November 10 in Toronto. We will be starting at noon with the meeting of the Board of Directors. Then, for all Members of the Energy Council of Canada, we have arranged the Annual General Meeting and two interesting Members' Roundtables. Highlighting the day is the Award Ceremony for the 2016 Canadian Energy Person of the Year. We look forward to having you present for this suite of Energy Council events.

Looking ahead to later in November, the program for the Halifax Regional Event on November 21-22 has been finalized, including the recent addition of a site visit on the afternoon of November 21.

The highlights from two outreach events conclude this report.

Back-to back Events on November 10

Four interesting and relevant events have been arranged for the afternoon and evening of November 10, all at the Fairmont Royal York in Toronto.

Meeting of the Board of Directors – 12:00 to 2:45

The Board will be considering approval of several new members, reviewing the progress made during 2016 in the implementation of the 2016 – 2018 Strategic Plan and Communication Plan, and learning about the plans for celebrating Canada's 150th Anniversary.

Annual General Meeting – 3:00 to 3:30

All members of the Energy Council of Canada are encouraged to attend the 2016 AGM. The roster of Board Members and officers and will be considered for approval.

Two Members' Roundtables – 3:30 to 4:15, 4:30 to 5:15

We regularly arrange Members' Roundtables to provide all our members with an opportunity for discussion of current issues amongst themselves. Discussions are opened by an expert guest and proceed under "Chatham House" rules.

Two interesting topics have been arranged for November 10.

Insights on Federal – Provincial Dialogue Towards a National Climate Change Plan, Early Outcomes from Conference of the Parties (COP-22)

To date, Canada's provinces have been the leaders in implementing policies and programs aiming to reduce GHGs in their jurisdictions. Examples of world-leading actions include: BC's carbon tax; Alberta's carbon regulation, and more recently, Climate Leadership Action Plan; Saskatchewan's technology investment in carbon capture and storage, and policy to green generation; Ontario's off-coal achievement, incentives for green generation and plans to implement a cap and trade regime; Quebec's EV program; and, Nova Scotia's actions to green the generation mix.

Following the Prime Minister's announcement of federal plans to implement nation-wide carbon price, federal-provincial dialogue to "square the circle" will continue and intensify during October and November, via meetings of environment Ministers and then a First Ministers' meeting in early December. We expect that discussions towards a "Made in Canada" plan will be underway through November.

Opening the discussion will be Shawn McCarthy, the global energy reporter for The Globe and Mail, working in the paper's Ottawa bureau for the Report on Business. In that role, Mr. McCarthy covers the energy sector, including oil and gas, nuclear, renewable energy and demand side issues. He deals with major economic trends at a national, continental and international level, with a particular focus on federal policy and environmental regulations. He also covers environmental issues such as climate change and nuclear waste disposal.

Prior to assuming the energy beat in 2006, Mr. McCarthy served as The Globe's New York correspondent for three years, with responsibility for business, politics and human interest stories, including the aftermath of 9/11.

Energy implications for Canada arising from the US election

Occurring just two days following the U.S. election, the second Roundtable topic focuses on the implications for energy in Canada arising from the Presidential and Congressional results. This will be a very interesting Roundtable topic, regardless of the election outcome. Aspects to discuss will be:

- the future directions of U.S.' climate policy;
- the fate of the Obama administration's Clean Power Plan;
- the outlook for U.S.' approval of pipeline projects; and,
- the impacts on the North American energy scene and the implications for Canada and Mexico in particular.

Our guest to open the discussion will be Colin Robertson. He is a former Canadian diplomat, having served in the Canadian foreign service from 1977-2010, including as Minister at the Canadian Embassy in Washington and Consul General in Los Angeles. He is currently a Senior Advisor to Dentons LLP and works with the Business Council of Canada. He is Vice President and Fellow at the Canadian Global Affairs Institute. He is an Executive Fellow at the University of Calgary's School of Public Policy and a Distinguished Senior Fellow at the Norman Paterson School of International Affairs at Carleton University. He writes a column every two weeks on foreign affairs for the Globe and Mail and is a regular contributor to other media.

2016 Canadian Energy Person of the Year – Award Ceremony from 5:30 to 9:00

There is just one week left to register for the Energy Council's highlight event of the year - the Award Ceremony for the **2016 Canadian Energy Person of the Year, Mrs. Elyse Allan, President and CEO, GE Canada.**

The 2016 Award Ceremony will be held on November 10 at the Fairmont Royal York, Toronto, Ontario. The evening will start with a reception at 5:30 pm, followed by guest speakers and presentation of the award starting at 7:00 pm, and dinner at 8:00 pm.

The program for the evening features prominent keynote speakers:



- **Mr. John Rice**, Vice Chair, GE;
- **The Honourable Perrin Beatty**, President and CEO, Canadian Chamber of Commerce; and,
- Keynote **Recipient's Address by Elyse Allan**
- Acceptance of the Energy Council's charitable donation on behalf of this year's recipient by **Jennifer Flanagan**, President and CEO of Actua, an organization that aims to develop innovation and leadership in youth.

This evening will be an excellent gala opportunity to congratulate this year's recipient and meet with energy colleagues. Sponsorship of this high-profile event is a way to profile your organization.

We look forward to your participation. Further details on registration and sponsorship opportunities are available at www.energy.ca.

Halifax Regional Event – *Regional Solutions to Atlantic Canada's Carbon Challenge, Site Visit* - November 21-22

The program for the Halifax Regional event features well-known keynote speakers including **Annette Verschuren** who will open the program on November 22, and the **Honourable Frank McKenna** providing the luncheon speech. **Bruce Anderson**, a well-known political commentator, will share his insights on emerging policy trends. Halifax Mayor **Mike Savage** will open the event at the Opening Reception on November 21.

On November 22, the program features the three keynote presentations and four sessions, each followed by an open dialogue with all participants. Sessions will include:

- a panel of Deputy Ministers from the four Atlantic provinces discussing energy policy,
- a panel of First Nations leaders sharing experiences from energy projects in their communities,
- executives leading new projects including **Matthew A. Beaton**, Secretary of Energy and Environmental Affairs, Commonwealth of Massachusetts, and
- leading utility executives from across the region will provide their updates on strategic investments, remaining challenges and opportunities.

Plan to join your colleagues from across the region representing industry, government, First Nations, ENGOs, and academia. We invite you to attend and also invite your organization to provide a sponsorship for this event. Details on the sponsorship package and registration will be available shortly at www.energy.ca.

Site Visit - Battery Energy Storage Research at Dalhousie University – November 21

As an additional value for our Members and attendees, we have arranged an interesting site visit prior to the Opening Reception. We will be visiting Dr. Jeff Dahn's Battery Research Laboratory to meet one of Canada's leading battery researchers and to learn more about his latest leading-edge research.

The key technology involved in electric vehicles is efficient, cost-effective, and reliable electricity storage. Li-Ion batteries are the leading candidate for EVs, provided that solutions are found for technical and cost issues. To this end, the lab's goals are "*...to improve the energy density, increase the*

safety, decrease the cost and improve the cycle and calendar lifetime of the batteries. There are projects on new positive electrode materials, new negative electrode materials, and Li-ion battery safety ...”¹.

This lab visit is being arranged prior to the Opening Reception for the Energy Council’s event *Regional Solutions to Atlantic Canada’s Carbon Challenge*. Attendance will be limited to 15 guests, so please confirm your plans to attend before November 9.

Outreach Events in September and October

EU-Canada Energy Conference 2016: "Finding answers to the energy challenges of tomorrow" - 22 September 2016 Ottawa

It was a pleasure to serve as the moderator for the 2016 EU-Canada Conference. The goal of this year’s conference was to share experiences and identify opportunities to enhance the many ways that the European Union and Canada are working together on the energy challenges of tomorrow. Sessions covered: energy policy; economic growth, energy security and climate policy; three break-out sessions on innovation, translating the COP21 agreement into energy policy in Canada and the EU, and the role and potential of natural gas. Opening remarks by EU Ambassador to Canada and a noon-hour armchair panel with two leading communicators completed the program.

The Energy Council of Canada was well represented on the program by Members Rocco Delvecchio, Siemens Canada, Jay Khosla, Natural Resources Canada, Tim McMillan, Canadian Association of Petroleum Producers, and Gaëtan Thomas, New Brunswick Power.

I closed the conference with a few personal observations.

- noted the ‘difference of pace’ between Canada and the EU: the latter has done much more by now to address the problem of climate change,
- in Canada, unlike the EU, it is actually the provinces which have forged ahead individually, whereas the federal government ‘is trying to pull the strings together in order to meet our long-term commitments’.
- both share a commitment to tackling climate change;
- over the past year Canada has done much to make progress in implementing four types of policy approaches: carbon pricing (British Columbia), regulation (Alberta), investing in technology (Saskatchewan)
- implementation of the Canadian ‘cap on trade’ model could learn much from the lessons of the ETS trading system in Europe—particularly in terms of expectations of revenues, in that the latter began with high prices and great ambitions before falling dramatically as a result of recession.
- both Canada and Europe shared a similarity in the structure of their municipal authorities: as ‘the closest [level of government] to people’, they have greater opportunities to interact frequently with individuals, and they have been very active, in both Canada and Europe, in adopting environmental legislation and diversifying energy mixes;
- The individual initiatives “when added up in terms of the [greenhouse gas] reduction, still fall short of the desired target we have to meet’;

¹ <https://www.dal.ca/diff/dahn/research.html>

- there are clearly more common interests than differences between the EU and Canada despite ‘fundamental structural contrasts’, and hence urged both to collaborate and learn from each other.

A detailed report has been issued by the European Commission and is available at http://www.energy.ca/sites/energy.ca/files/eu-canada_energy_conference_2016_ottawa_22_september_-_web.pdf

Energy/Power Sector Opportunities in Mexico – October 4, Toronto

This seminar was attended by a delegation of officials from Mexico and trade officials from Ontario. Colin Andersen was invited to give the luncheon presentation, focusing on the outcomes from the trilateral energy dialogue during the recent North American Region Energy Fora we organized in 2014 and 2015, and also presented his insights on energy trends in North America.

Keynote Luncheon Speech at CORE Conference – Halifax, October 3-4

The annual CORE Conference organized by the Maritimes Energy Association has a 30-year history of providing an overview of the latest developments, projects and emerging opportunities across Atlantic Canada’s energy landscape. Although traditionally focused on the oil and gas sector, the last five years have seen coverage of the full energy spectrum – onshore and offshore oil and gas, renewables and non-renewables, and domestic, regional and international markets for energy commodities.

I gave one of two luncheon keynotes on October 3, along with Finn Poschmann, President and CEO, Atlantic Provinces Economic Council.

During the conference, the speakers and attendees referred frequently to the opportunities around energy in Atlantic Canada based on the diversity of energy resources in the region, the development of emerging new technologies, the implications of emerging climate policy, and the outlook for increasing energy trade with the New England States.

This annual event is an excellent occasion to connect with our Members and others in the energy community in Atlantic Canada. The event complements the broader policy dialogue in our upcoming Energy Council of Canada event in late November.

Highlights of North America Region Energy Forum – Paper Submitted to Tri-national Meeting

Senior executives and officials from Mexico, the United States and Canada met in Mexico from October 13 – 15 to discuss a broad range of issues of interest to the three countries. The topics cover a wide range of North American issues – trade patterns and trade deals, continental defence and security, movement of people, and environment and energy. The session on energy and the environment was chaired by the Honourable Bill Ritter, former governor of Colorado, and featured panelists Steve Williams, President and CEO, Suncor Energy, Mario Malina, Chairman, Centro Mario Malina from Mexico and the Honourable Carlos Pascual, Senior Vice President, IHS Global Energy from the United States.

This summary of the highlights is written in two parts: general observations during the two days and the main points from the session on Energy Environment

General Observations

- With just over one month at the time before the U. S. election, great uncertainty prevailed as to the outcomes, both for the President and also for Congress. Comments made during the event favoured Hillary Clinton, and a close call for the Senate with the expectation that it would remain Republican.
- One reason cited for the popularity of Donald Trump is that his campaign resonates with voters' disappointment with government in general and with job losses which are seen as being associated with trade deals. To address this, one suggestion was for politicians and policy-makers to pay close attention to the "mood of the people".
- The importance of education was emphasized frequently. Objectives were to update program content to match the needs of a rapidly-transforming society, to encourage students to study during several terms in another country to broaden their exposure to international issues, and to focus primarily on the post-secondary phase.
- Several speakers refuted the notion that job loss and economic downturns in former manufacturing regions were due to NAFTA. Rather, the main reason is technological change in manufacturing, for example due to robotics.
- North America's "opportunity agenda" is very positive, due to abundant natural resources, well-educated and trained professionals and technicians, and amicable trilateral relations.
- North America has the opportunity to become the world's economic leader, but if North America does not act to achieve this global status, China will, and is.
- An emerging global issue that is a direct consequence of global warming is proliferation of new diseases, with the Zika crisis cited as an example. More attention is justified to better understand and prepare for this.
- As a means to develop a North American strategy, a suggestion was made to establish a trilateral organization along the lines of the European Commission. As alternatives to creating a new trilateral bureaucracy, two suggestions were made: a coalition made up of an existing leading think tank from each country, or an "trilateral caucus" which would focus on maximizing North America's advantages and would meet frequently to advance the agenda.

Mexico's Secretary of Energy, Pedro Joaquin Coldwell, presented an excellent keynote address on the progress to date on the major reforms to Mexico's energy sector. This presentation is available on request.

Session on North American Energy and the Environment: Continental Framework for Cooperation

Energy came up frequently as an area offering many opportunities for economic development, trade, business opportunities based on existing and new technologies, and for exchange of professional and technical personnel.

The session on energy and the environment centred on how best to meet the challenges and opportunities associated with the rapid transformation underway in the sector and also how to achieve climate policy objectives at the same time.

I submitted a paper summarizing the highlights of two of our North America Region Energy Fora held in Calgary in 2014 and Washington, DC in October 2015 under four headings:

1. Observations on the transformations underway in the energy sector;
2. More detailed observations on the latest developments in the electricity sector;
3. Discussion of ways to earn public support for major energy projects; and,
4. Thoughts on climate change mitigation.

The insights in this paper were provided by 27 energy leaders from Mexico, the United States and Canada.

The paper has been posted on the Energy Council website at:

http://www.energy.ca/sites/energy.ca/files/files/paper_with_highlights_of_recent_north_america_region_energy_fora_-_sept._27.pdf.

In closing, we look forward to your attendance at the back-to-back events on November 10. If you have not already done so, please register now for the award ceremony for the **2016 Canadian Energy Person of the Year** and for the event in Halifax on **Regional Solutions to Atlantic Canada's Carbon Challenge**.

We invite your organization to sponsor these events as a means to support energy leadership and energy dialogue and to profile your organization as well.

With best regards,

Graham Campbell
President, Energy Council of Canada