Alberta Oil Sands and the Wacky B.C. Pipeline Problems Driving Producers Bonkers
International Energy Agency Forecasts 2015 to 2040

- $48 Trillion investment in energy industry needed by 2035
- Oil production rises from 90M bbls/day to 104M bbls/day by 2040
- American shale production declines after 2025
- Only OPEC producers can meet rising demand after 2025
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<th>2020</th>
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Canadian Pipeline Projects - Capacity

- Keystone XL = $7 billion
  - 830,000 bbls/day to Steele City, Nebraska
- Northern Gateway (Enbridge) = $7.9 billion
  - 525,000 bbls/day of crude oil to West Coast
- Trans Mountain Expansion (Kinder Morgan) = $5.4 billion
  - 525,000 bbls/day of crude oil to West Coast
- Energy East (TransCanada) = $12 billion
  - 1.1M bbls/day of crude oil to East Coast
- Eagle Spirit Energy = N/A
  - 1.1M bbls/day to 2.3M bbls/day of crude oil to West Coast
Constitutional Jurisdiction Over Pipelines

- Sect. 92 grants Canadian govt absolute authority over projects spanning provincial borders - like pipelines
- “Paramountcy” - provinces, municipalities can’t pass laws infringing in any way on federal jurisdiction
- Case law back to 1954 affirming federal jurisdiction over inter-provincial pipelines
- National Energy Board
- B.C. govt’s “5 conditions” for approval have no legal or constitutional basis
B.C. Opposition to Pipelines

- B.C. government
  - 5 conditions pressure Federal Govt to upgrade spill response, address First Nations concerns, more $$$ benefits to BC
- Big Green
  - Financed by American environmental charities
- Vancouver and Burnaby, smaller northern municipalities
  - All about mobilizing political opposition
- First Nations
  - Constitutional “duty to consult” on resource projects
  - B.C. treaty situation
  - Chilcotin decision
Municipal Opposition to Pipelines

- Burnbaby opposition led by Mayor Derek Corrigan
  - Corrigan elected with 68.5% of vote running anti-Kinder Morgan campaign
- City of Burnaby takes Kinder Morgan to court
- Board of Trade raises 4 objections to Trans Mountain expansion, including building pipeline through dense urban environment
  - Allied with Tsleil-Waututh Nation
- Vancouver not officially opposed - yet
  - City of Vancouver strongly criticized Kinder Morgan for not releasing full details of emergency spill response plans
First Nations Opposition to Pipelines

- Environmental = 2010 Kalamzoo River spill haunted Enbridge
- Oil tankers off West Coast
- Process = First Nations have said repeatedly they MUST be involved at the very earliest stages of a project
- Failure by pipeline companies to understand First Nation culture and political protocols
  - Enbridge has poisoned relations with BC First Nations
  - Kinder Morgan is making same mistakes
How did pipeline companies screw up?

- Completely botched negotiations with First Nations
- Minimal push back against Big Green
- Ineffective communications model
  - regulatory model
  - selling model (advertising)
- Failure to build their own supportive constituency, especially among business community
- Failure of industry advocacy groups (esp. CAPP, CEPA) to educate BC voters
Conclusion

- Enbridge (Northern Gateway) = Dead pipeline walking
- Kinder Morgan (Trans Mountain expansion) = early stages but already in big trouble
- Eagle Spirit Energy
  - led by Calvin Helin (member of Lax Kw'alaams First Nation, lawyer, well known author)
  - backed by wealthy Aquilini family
  - 2.5 years consulting, negotiating, and signing up northern BC First Nations along proposed route
  - less than 30 days from signed protocol agreements will necessary First Nations

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