

REGIONAL PERSPECTIVES ON OIL AND NATURAL GAS

QUEBEC



Oil and natural gas opportunities and benefits are present across Canada, including Quebec. A study completed in 2019 by the firm AppEco presents the positive impact of environmental innovation of Canada's oil sands producers, reducing the costs of operations, generating economic benefits and transferring new technologies in various industrial sectors, including those present in Quebec.

CAPP calls for support for the energy resources industry through leadership and fair, balanced policies that will attract investment and deliver economic prosperity in Quebec and across Canada. CAPP also asks for recognition that constitutional authority to develop natural resources rests with the provinces, in an effort to minimize duplication between federal and provincial jurisdictions.

LNG for the world: Énergie Saguenay Project

The Énergie Saguenay Project is a proposed natural gas liquefaction complex at Port Saguenay, to export 11 million tonnes of liquefied natural gas (LNG) per year, planned to start operation in 2025. The project includes liquefaction equipment, storage facilities, and marine shipping infrastructures worth an estimated US \$7.2 billion. GNL Quebec has been developing the project since 2014, while Gazoduq Inc. is developing the new pipelines and infrastructure required to link Énergie Saguenay to sources of natural gas from western Canada. It will be one of the cleanest gas projects in the world – a leading example of Quebec Energy integration and innovation.

About Énergie Saguenay

- Énergie Saguenay will be the world's first LNG facility of such size to be powered by hydroelectricity from an existing local grid. This will **significantly lower emissions and operating costs**.
- An independent life-cycle analysis of emissions from the project – from extraction through to export – confirms that **emissions from the Énergie Saguenay project will be 84 per cent lower than similar-size producers** in the U.S. and Asia. This will be the lowest-emitting LNG project in the world and the only one striving to be carbon-neutral.
- During the four-year construction period, the project is expected to create about **6,000 direct and indirect jobs**, as well as 1,100 direct and indirect jobs once in operation.

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- By substituting responsibly produced LNG for higher-emissions energy sources such as coal in markets including Europe and Asia, Énergie Saguenay could **help to reduce global emissions by some 28 million tonnes annually.**



Quebec's economy can benefit from the environmental innovation of Canada's oil sands

Quebecers are concerned about environmental protection; so are Canada's upstream oil and gas producers. The responsible development of Canada's energy resources is a top priority evidenced through the development of new technologies that help reduce greenhouse gas emissions, reduce water use as well as land and species impacts, especially in Alberta's oil sands. These innovations can also be transferred and applied to other industries already contributing to Quebec's economy, including mining, forestry, transportation, and manufacturing.

Quebec's economy benefits from Canada's oil sands

Research shows the oil sands industry generates significant economic benefits for Quebecers, but those benefits are decreasing due to challenges faced by the industry. For example:

- In 2014-2015, the oil sands industry contributed **\$1.2 billion** to Quebec's GDP but in 2016-2017 that amount fell to **\$320 million.**
- For Quebec businesses supplying environmental services to the oil sands, **revenues fell by 98 per cent** in 2016-2017.
- In 2014-2015, 371 Quebec businesses supplied goods and services to the oil sands. **By 2016-2017, that number decreased to 199.**
- About 18,100 Quebecers were directly or indirectly employed by the industry in 2014-2015; in 2016-2017, just 8,100 people were employed by the industry – **a decrease of 55 per cent.**

Challenges that hurt Canada's oil and natural gas industry also impact Quebec

The impacts of reduced investment in the oil and natural gas sector are having a demonstrable negative effect across the country, including the withdrawal of investment capital and job losses. Investment drives environmental innovation, and implementation of leading technology – including environmental technologies from Quebec. Based on a new strategic vision, Canada's energy industry can be a model of national collaboration in innovation and a driver of improved quality of life for people around the world who need energy.

SOURCES OF ENERGY

QUEBEC IMPORTS ALL ITS CRUDE OIL. SUPPLIERS INCLUDE: CANADA (ATLANTIC AND WEST); THE UNITED STATES; AND SMALL VOLUMES FROM ALGERIA, KAZAKSTAN AND THE UK NORTH SEA.

THESE ENVIRONMENTAL INNOVATIONS CAN ALSO BE TRANSFERRED AND APPLIED TO OTHER INDUSTRIES ALREADY CONTRIBUTING TO QUEBEC'S ECONOMY.