

**REGIONAL PERSPECTIVES ON OIL AND NATURAL GAS**

# BRITISH COLUMBIA



In conjunction with its federal energy platform, the Canadian Association of Petroleum Producers (CAPP) presents this supplement, which contains views on regional issues of concern to the oil and natural gas industry. CAPP urges the federal government to support the energy resources industry through leadership and fair, balanced policies that will attract investment and deliver economic prosperity for all British Columbians.

**British Columbia has what it takes to be a global energy leader:**

- Abundant natural gas
- A highly skilled workforce
- A stringent regulatory system
- A commitment to environmental performance

**In B.C., the industry faces two major challenges:**

- Develop B.C.'s natural gas resources for domestic use and for export as liquefied natural gas (LNG).
- Facilitate the transportation of Canadian crude oil and natural gas to offshore markets

**LNG for the World**

Canada's natural gas in the form of LNG can help reduce net global greenhouse gas (GHG) emissions by displacing coal-fired electricity generation in China, India and Southeast Asia with responsibly produced Canadian LNG.

With upstream electrification, GHG emissions from Canadian LNG facilities can be among the lowest in the world.

By 2040, an estimated 1,500 megatonnes of carbon dioxide equivalent (MtCO<sub>2</sub>e) emissions could be eliminated every year if new power plants in China, India and Southeast Asia are fuelled by natural gas instead of coal. For every LNG facility built in Canada, annual global emissions could be reduced by 100 MtCO<sub>2</sub>e. For comparison, B.C.'s GHG emission in 2016 totaled 62 megatonnes.

B.C. PRODUCES  
30 PER CENT  
OF CANADA'S  
NATURAL GAS, THE  
SECOND LARGEST  
PRODUCER IN THE  
COUNTRY.

*Source: CAPP, 2016*

## Getting Products To Market: The Urgent Need For Pipeline Access

### Three essential pipeline projects are proposed for B.C.:

- The **Trans Mountain Expansion Pipeline (TMEP)** proposes to expand existing pipeline capacity to 890,000 b/d from 300,000 b/d. A decision from the Government of Canada is expected in June 2019. TMEP is critical infrastructure needed to move Canadian energy to domestic and world markets. Constructing and operating TMEP is in the national interest.
- **Coastal Gaslink** is proposed to transport natural gas from Northeastern B.C. to the LNG Canada facility at Kitimat. The project received support from 100 per cent of Indigenous communities with elected leadership along the pipeline route.
- The **Eagle Spirit pipeline** would carry oil from Northeastern Alberta to an export facility on the West Coast. This project has received support from 35 First Nations along the route, but proposed Bill C-48 the *Oil Tanker Moratorium Act*, would prevent large vessel from loading oil within a designated exclusion zone north of Vancouver Island.



### Direct Benefits from the Oil and Natural Gas Industry

In 2017, B.C.'s upstream oil and natural gas industry invested **\$4 billion in exploration** and development in B.C and paid \$234 million in royalties.

Source: Statistics Canada/CAPP

In 2017/2018, the B.C. government received **\$500 million in revenue** from oil and natural gas activity, which helps fund social services such as health care and education.

Source: B.C.'s Budget and Fiscal Plan

B.C.'s upstream oil and natural gas industry **directly employs about 10,000 people** in the province.

Source: PetroLMI

In 2016-2017, 528 companies in B.C. directly supplied the oil sands with services including construction, electrical equipment, engineering, parts and supplies. These suppliers generated **\$592 million in revenue.**

Source: CAPP

The impacts of reduced investment in the oil and natural gas sector, caused in part by constrained market access, are having a demonstrable negative effect across the country's Indigenous communities, including the withdrawal of investment capital and job losses. CAPP notes that many Indigenous communities support projects including the TMEP, the Coastal GasLink pipeline, and the Eagle Spirit project.

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