



RESPONSE TO PETITION

Prepare in English and French marking 'Original Text' or 'Translation'

PETITION No.: **421-00617**

BY: **MR. ZIMMER (PRINCE GEORGE-PEACE RIVER-NORTHERN ROCKIES)**

DATE: **SEPTEMBER 26, 2016**

PRINT NAME OF SIGNATORY: **THE HONOURABLE JIM CARR, P.C., M.P.**

Response by the Minister of Natural Resources

SIGNATURE

Minister or Parliamentary Secretary

SUBJECT

Natural gas

ORIGINAL TEXT

REPLY

The Government of Canada would like to thank the petitioners for their submission, and it recognizes and understands the importance of natural resources to the economy and to the livelihoods of Canadians. Natural Resources Canada (NRCan) is committed to ensuring that the resource sector continues to be a source of jobs, prosperity and opportunity; while doing so in a sustainable manner that protects the natural environment and respects the rights of all Canadians.

NRCan is working closely with the provinces on activities to encourage development of a liquefied natural gas (LNG) industry in Canada and steps are being taken to secure Canada a place in emerging and expanding international LNG markets. To this end, new measures to attract foreign investment in Canada's natural gas industry and, similarly, to encourage collaborative project proposals from domestic and foreign investors have been introduced. These measures include implementing accelerated capital cost allowances on certain LNG properties, issuing long-term 40-year export licences for LNG projects and maintaining low corporate income taxes.

With Canada's wealth of resources, the Government of Canada recognizes that Pacific Northwest (PNW) LNG and other such projects have the potential to become major LNG sources for international markets in countries such as India, Japan and China. On September 27, 2016, the PNW LNG project received Cabinet approval to proceed with 190 legally binding conditions to protect the environment. The project represents one of the largest potential resource development investments in Canada, totalling up to \$36 billion when upstream natural gas development investments are included. It is estimated that, for Canadians and particularly for residents of northern British Columbia, the project will create 4,500 jobs during construction and an additional 630 direct and indirect jobs during the operation of the facility. PNW LNG will also benefit First Nations communities through agreements reached with the proponent. The conditional approval of this project demonstrates Canada's commitment to the development of its rich resource wealth and to the prosperity and health of Canadians and the environment.

Interest in Canadian LNG projects remains strong. On November 4, 2016, the parent company of Woodfibre LNG, Pacific Oil & Gas Limited, announced a final investment decision (FID) on the Woodfibre LNG project, to be located near Squamish, BC. The \$1.6 billion project is expected to commence construction in 2017 and add up to 2.1 million tons per annum (mtpa) of LNG export capacity, starting in 2020. The project will be one of the largest private-sector investments in the history of British Columbia's Lower Mainland and is expected to create 650 jobs during construction and 100 operational jobs during its 25-year lifespan. This LNG facility will use electricity (as opposed to natural gas) to both generate its power and liquefy the gas, making it one of the lowest greenhouse gas emitting LNG projects in the world.

As Canada's LNG industry develops and projects such as PNW LNG and Woodfibre LNG seek approval, subsequent projects must receive proper oversight. The Government of Canada recognizes the importance of timely decisions for resource development, but equally recognizes that projects will proceed only if they can be developed in an environmentally sustainable manner. To this end, on June 20, 2016, the Government launched a review of environmental and regulatory processes. The review will focus on modernizing the National Energy Board, restoring lost protections and introducing modern safeguards to the Fisheries Act and the Navigation Protection Act. Consultation will be at the core of this review, and the government looks forward to hearing the views of all Canadians on these important issues.