

Remarks for
The Honourable Bob Chiarelli, Minister of Energy
Energy East Pipeline Announcement
Wednesday, November 13, 2013

Time: 8:15 am

Location: City Hall, Ottawa

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Good Morning,

Thank you all for being here this morning and my thanks to Bruce [Lazenby, CEO of *Invest Ottawa*] for the kind introduction and my thanks to the staff at the City of Ottawa and Invest Ottawa for hosting this gathering.

This morning I want to speak about a topic that has been in the news quite a bit recently: the proposed *Energy East* pipeline project.

The proposed project is a large one.

It would see an existing Natural Gas Pipeline converted to carry crude oil from Western Canada to markets in Eastern Canada and abroad.

This pipeline infrastructure already spans 3,000 kilometres through Canada and the current proposal would see an additional 1,400 kilometres of pipeline constructed, mostly in Quebec and New Brunswick, but starting at Iroquois, Ontario, not far from the National Capital Region.

With a total project length of 4,460 kilometres, a full 47 per cent is located in Ontario – 2,122 kilometres worth. This line stretches from the Manitoba boarder, west of Kenora, and runs through dozens of communities, including North Bay and down through the Ottawa valley before crossing into Quebec.

Indeed, *Energy East* is the largest pipeline project in Canada in over 50 years.

Planned by TransCanada, *Energy East* would carry 1.1 million barrels of oil per day from Western Canada to refineries in Quebec City, Montreal and Saint John, New Brunswick.

Pending federal National Energy Board regulatory approval, the Energy East project would be in service sometime in 2018.

This project is certainly the most significant east-west energy transportation initiative in a generation.

To that end, it is the responsibility of the Government of Ontario that we ensure the concerns of Ontario communities are taken into consideration.

In Canada, interprovincial pipeline projects are federally regulated via the National Energy Board.

And while this particular project has not yet begun the National Energy Board process of regulatory approvals, TransCanada has signaled these filings will occur in early 2014.

As is common practice with such National Energy Board hearings, Ontario has the right to be an intervener and indeed will exercise its rights of intervention on behalf of Ontario residents and businesses.

But we need to ensure that our intervention is based on substantive and credible feedback from communities along the proposed route; industrial stakeholders concerned about natural gas rates; as well as ecological and environmental experts who are concerned about the impact on the natural environment and climate.

That's why the Government of Ontario is taking precedent-setting action.

In order to better inform our intervener status, the Ontario Energy Board has been directed to undertake public consultations and to complete a report for Ontario's

Ministry of Energy on the proposed *Energy East* Pipeline, to inform the Ontario Government's intervention at the National Energy Board.

On the doorstep of Parliament Hill, here at Ottawa City Hall, I want to state clearly, that it is not the intention of the Ontario Government to add additional regulatory oversight.

Rather, our intent is to ensure the voices and concerns of all Ontarians find expression during the coming federal regulatory process.

To that end, our Government has set the following principles to guide our approach to interprovincial pipeline projects, moving forward:

- They must meet the highest available technical standards for public safety and environmental protection;
- They must demonstrate they have world-leading contingency planning and emergency response programs;
- They must fulfill their duty to engage and consult with Aboriginal communities and local municipalities;
- They must demonstrate economic benefits and opportunities to the people of Ontario over both the short and long-term;
- And finally, any economic and environmental risks and responsibilities, including remediation, should be borne exclusively by the pipeline companies.

To be very clear, the Ontario government supports the pursuit of an expanded and diverse supply of energy across Canada. For the foreseeable future, Oil & Gas are strategic for our quality of life and our economy.

We appreciate that using existing infrastructure to bring western crude oil to eastern Canada has the potential to create jobs and build a better-interconnected energy network for Ontario and Canada.

There is the potential for shared prosperity, we know that, but we need to understand the impacts of this project and proceed in an evidence-based responsible manner.

It is imperative that we take into account all the impacts on the global and local environment; the reliability of Ontario's natural gas supply and ensuring the public safety of Ontarians is simply non-negotiable.

We can only truly say it is in the best interest of Ontario once all these factors are taken into consideration.

The National Energy Board is an arms-length, quasi-judicial body with responsibility for reviewing and approving energy projects which cross provincial boundaries.

In this federal process, Ontario has an important opportunity to contribute.

And Ontarians expect our submission to be as comprehensive as possible, to consider every viewpoint and include the concerns of Ontarians impacted by this project.

The Ontario Energy Board review will be an open discussion that gives voice to all aspects of the proposed project.

The public, municipalities, environmental scientists, Aboriginal communities and industry will all be a part of this broad engagement process.

We want the people of Ontario to tell us what they think about this pipeline proposal. The Ontario Energy Board will lead a series of discussions and consultations in the coming months.

We want the public to have the time and opportunity to participate before Ontario formally enters into the Federal process.

Just as Trans Canada has been already consulting, together with a broad public information program, Ontario must consult within the same time frame.

Beyond the technical, economic and environmental considerations, the interests of current Natural Gas consumers must be protected, especially in Northern and Eastern Ontario.

The Energy East proposal would convert an existing natural gas pipeline to oil service.

This natural gas is currently used throughout Ontario to heat homes, power businesses and generate electricity.

Any reduction in supply could have very real, very negative, impacts on Ontario residential and business consumers.

A report released just two days ago [Monday 11 November] by the Mowat Centre describes the situation succinctly:

“Converting portions of a gas pipeline over to crude oil ... could reduce the amount of gas available in Ontario during peak demand periods.”ⁱ

So, Ontario must ensure the impact on natural gas consumers, both residential and industrial-commercial, are taken into consideration.

The Government of Ontario is invested in the people of Ontario – their safety, their security and their interests.

And we are also invested in the broader economic and environmental well-being of all Canadians.

A strong, clean, reliable energy system that drives our economy, protects ratepayers and supports a healthy business climate is at the heart of that investment.

Our position on the matter of interprovincial pipelines is in the best interest of Ontario and Canada.

We underline and recognize the *Energy East* pipeline has the potential to support those interests.

All of us in Ontario and Canada have a shared responsibility to address these concerns and ensure economic growth is balanced with appropriate environmental protection.

Throughout the OEB process, we will continue to work together with our federal and provincial partners to ensure our principles – and the interests of all Canadians – are addressed.

Thank you.
