

Energy CEOs call for national policy

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LONDON -- In Alberta's oil patch, the words "national energy program" are usually uttered as a curse, a reference to the ill-fated 1980s program of oil nationalization and price controls.

But in a possible sign of changing times, several senior Canadian energy executives have used a gathering in London this week to make an unprecedented call for an increased federal role in their industry - some even daring to call for Ottawa to develop a comprehensive national energy policy.

"I firmly believe that developing and implementing a national energy strategy would help resolve many of the issues" facing the oil and gas industries, said Patrick Daniel, chief executive officer of the petroleum pipeline and distribution firm Enbridge Inc. "A national strategy would help in mapping our energy development agenda and serve to prioritize our initiatives, including R&D and training."

Leaders in the oil, gas, pipeline, energy retail and electricity industries - and especially those involved in the high-stakes oil sands sector - came together at an annual meeting of Canadian and European CEOs to call on Ottawa to deliver regulations, infrastructure investments and immigration and education policies.

While such federal roles have been actively opposed in the recent past, the CEOs now believe that only a strong federal role will ease the cost burdens faced by the companies and the uncertainties faced by their shareholders, and also overcome the patchwork of provincial and federal laws with a unified national program.

"Neither Canada nor the USA seems to have any national policy on energy," said Deryk King, the CEO of the energy retailer Direct Energy (a division of Britain-based Centrica PLC). "We have a need for a national energy policy with federal-provincial co-operation."

Exploration firms have complained that some of their oil sands initiatives are stalled because Ottawa has failed to put a price on future carbon emissions. Without either a carbon-trading system, as the European Union has attempted to develop, or a carbon-tax regime, they have no way of knowing the full cost of proposed projects.

Since oil sands extraction produces enormous amounts of CO₂, this is a major hindrance.

"The first thing we can do is find out what that number is, and therefore what volume of carbon we can effectively sequester and put away," said William Roach, CEO of the emerging oil sands firm UTS Energy Corp. "Only then can we look at the commercial proposition."

While the CEOs were divided on the precise response to global warming policy, they were united in their call for a federal push for vastly increased immigration of both skilled and unskilled workers.

"It's very difficult to get the people we need to get the jobs done. The McDonald's franchise in Fort McMurray has been offering \$3,000 signing bonuses to get kids to come sling hamburgers - that tells you how competitive it is to get people ... we need new immigrants in this country in order to address the shortfall that we've got in the work force. Canada's a very attractive place for people to come, but we don't do a very good job attracting people, in my view."

More federal money for education for oil workers is another key demand.

Several of the oil firms are spending large sums funding trade schools in their operating areas, but still are short of skilled workers.

Mainly, though, they said Canada needs a larger population.

"For 50 years, we've had the whole government apparatus designed to create employment. Well, now we don't lack for employment, we lack for people to do the jobs," said Steve Snyder, CEO of the electrical generation firm TransAlta Corp. "We actually need a department now to create people. We don't lack jobs in Canada, we lack people. We've got 30-year civil servants who've spent their whole lives saying 'how do I create a job?' And now they should be asking 'how do I create a skilled worker?' - and, quite frankly, an unskilled worker."

The executives also called for more federal involvement in infrastructure, especially in the development of supplies of water, which is a vital resource in oil sands extraction.