

Ensuring the Future of Canadian Energy

Issue

Canada has an abundance of natural resources that generate direct wealth for Canadians through production and export. Increasingly, these commodities represent a large contribution to Canada's economic growth; however, Canada still spends billions energy imports annually. Access to markets for commodities, specifically electricity, oil and gas, represents a significant obstacle in Canada's ability to secure a competitive position in the global economy. Further, failure to develop these projects leads to negative impacts on Canadian businesses and ultimately their families.

Background

In 2023, Canada imported \$57.9 billion worth of energy products¹, while producing nearly twice as much energy as it used².

Canadian energy resulted in approximately 697,000 jobs across the country in 2023³. That same year, approximately 150,744 workers in Alberta, were directly or indirectly employed in the energy sector⁴. This generated \$167 billion in 2023⁵, which in turn funded many public services. This highlights the importance of the energy industry for the wellbeing of Canadians.

Traditionally, the United States has been Canada's largest buyer, but their supply surplus has positioned them to energy independence and exportation. This means that Canada is finding itself in an increasingly competitive relationship with its biggest trade partner. In fact, US energy imports represent 78% of Canada's energy imports by value, and 8% of Canada's total US goods imports.

Regardless of its current price of oil, Canada still has to sell its oil and gas at a discount due to the lack of market access. Loss of this revenue puts severe pressure on all Canadians, as evidenced by job losses and strain on social services currently being experienced across the nation.

Despite economic uncertainty, Canada has been unable to complete and major pipeline projects. In particular, Trans Canada's Energy East and Mainline projects were cancelled due to significant regulatory hurdles. Moreover, the Trans Mountain Expansion Project which was completed in 2024 faced significant delays related to market uncertainty, environmental regulatory concerns, and political opposition.

The completion of TMX has created market access for 590,000 barrels per day for Alberta exports, but does little to put Canada on the road to energy independence. With threats of massive US tariffs

¹ Canadian Centre for Energy Information. Energy Fact Book, 2024-2025: Key energy, economic, and environmental indicators (<https://energy-information.canada.ca/sites/default/files/2024-10/energy-factbook-2024-2025-section1.pdf>)

² Canada Energy Regulator. Market Snapshot: Crude oil imports rose slightly in 2023, for the first time since 2019. (<https://www.cer-rec.gc.ca/en/data-analysis/energy-markets/market-snapshots/2024/market-snapshot-crude-oil-imports-rose-slightly-2023-first-time-since-2019.html>)

³ Canadian Centre for Energy Information. Energy Fact Book, 2024-2025: Key energy, economic, and environmental indicators (<https://energy-information.canada.ca/sites/default/files/2024-10/energy-factbook-2024-2025-section1.pdf>)

⁴ ibid

⁵ Alberta Energy Regulator. Highlights Alberta Energy Outlook 2023 (https://static.aer.ca/prd/documents/sts/ST98/2023/ST98_Highlights_infographic.pdf?utm_source=chatgpt.com)

looming, and a growing push for economic protectionism from our biggest trading partner, the time is now to revisit increasing market access within our own country to provide energy independence for Canada, and reduce our reliance both on imported US energy, but also exporting these valuable energy resources.

Ultimately, in an increasingly competitive global energy market, Canada needs to take action. The United States has moved from becoming a reliable customer, to threatening tariffs which would greatly damage the industry in our country. This is why Canada needs to develop its own reliable infrastructure to make sure all Canadians have access to a stable supply of oil.

Recommendations

The Alberta Chambers of Commerce recommends the Government of Canada:

1. Prioritize supplying all Canadians with a secure and stable source of Canada's natural resources;
2. Support projects which ensure market access, whether national or international, for Canada's natural resources; and,
3. Work with the Government of Canada to remove any barriers to the trade of electricity and fossil fuel trade between provinces to improve energy security, increase affordability, and realize the full value of energy resources.