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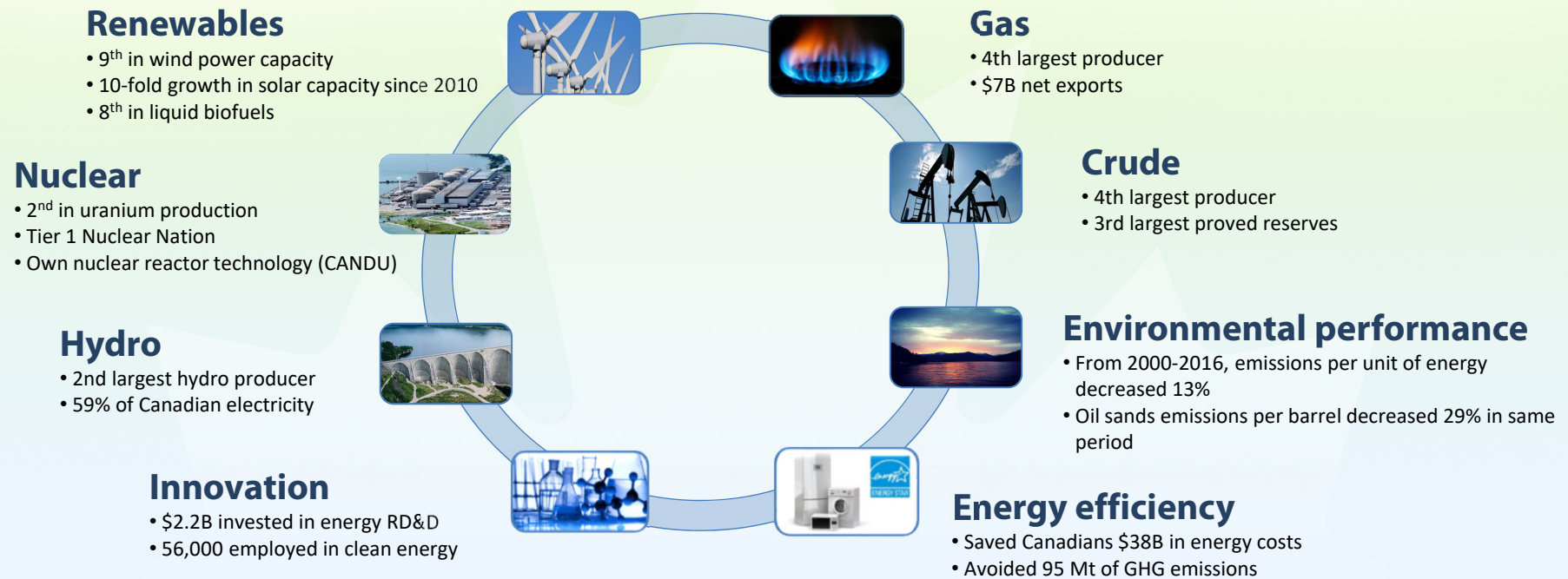
# Investing in Canada's Energy Advantage

## Building the Energy Systems of Tomorrow

LNG Producers and Consumers Conference  
Japan, October 2018

Canada

# Canada is a global energy leader with world-class assets and expertise

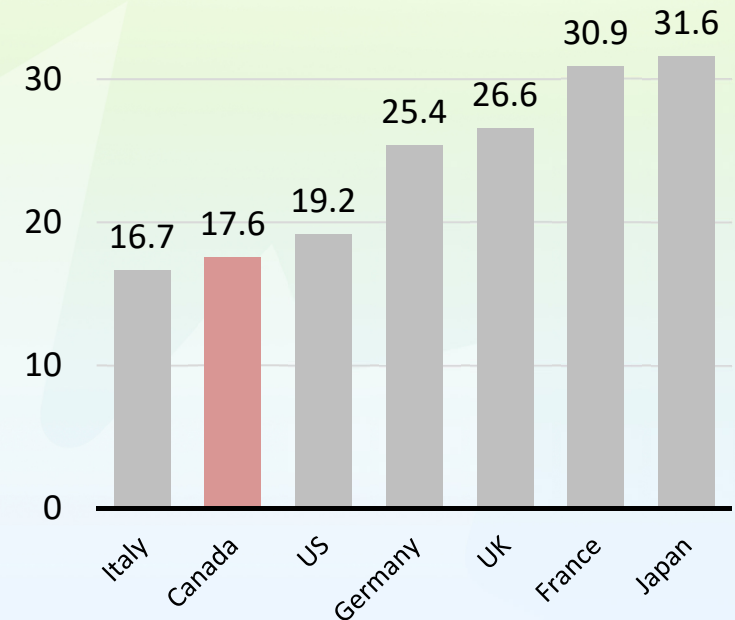


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# Canada's energy advantage: low 'above ground risk'

- ✓ World class regulators
- ✓ Stable and competitive royalty regime
- ✓ Strong intellectual property regime
- ✓ Open and transparent government
- ✓ Well-developed infrastructure
- ✓ Attractive tax treatments
- ✓ Skilled and diverse workforce
- ✓ Strong environmental and regulatory performance

MARGINAL EFFECTIVE TAX RATE ON  
NEW BUSINESS INVESTMENT, 2018

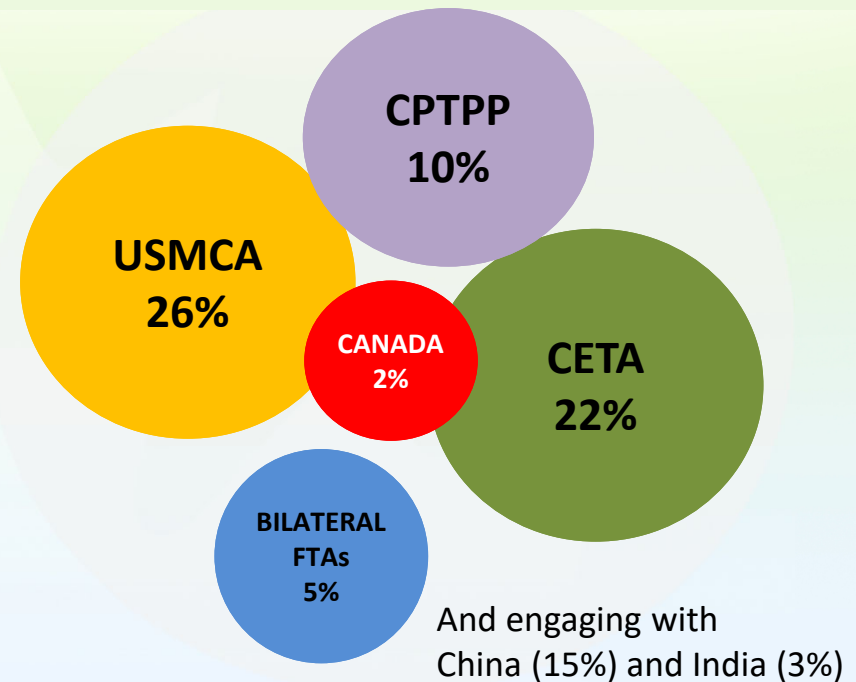


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# Canada is a free trading nation with growing access to global economy

- ✓ **Negotiated free trade with massive share of global economy:** combined GDP over US\$50T
- ✓ **Proximity to energy demand**
  - Asia from the West Coast
  - Europe from the East Coast
  - Connected to an integrated North American network
- ✓ **Strong international partnerships and engagement**

Over 2/3 global GDP to be covered by FTAs



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## Canada is an attractive place to invest:

- ✓ Investing in clean growth
- ✓ Creating certainty through carbon pricing
- ✓ Driving performance through innovation
- ✓ Modernizing environmental and regulatory processes
- ✓ Leading on safety and security
- ✓ Renewing relationships with Indigenous peoples



“LNG Canada represents the **largest private sector investment project in Canadian history**. It is a vote of confidence in a country... to develop our energy in way that **takes the environment into account**, [working in] **partnership with Indigenous communities.**”

*- The Rt. Hon. Justin Trudeau, Prime Minister of Canada*

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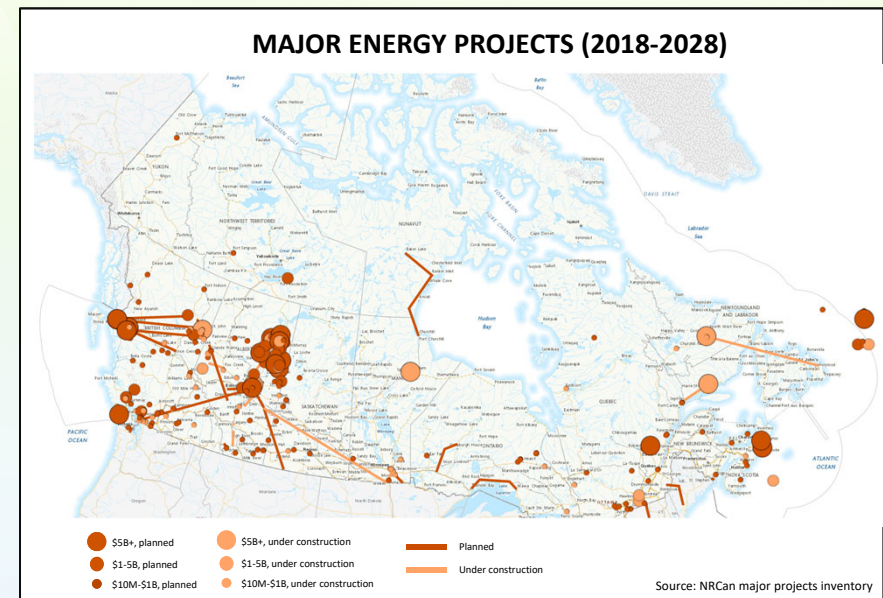
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# \$500B+ in projects over the next 10 years

- ✓ **20 LNG projects** – positive \$40B FID on LNG Canada
- ✓ **5 Major Pipelines** – Line 3, TMX, KXL, Coastal GasLink, NGTL Expansions
- ✓ **Major upstream investment** – 51 oil sands projects (\$137B), offshore (e.g., \$10B Bay du Nord)
- ✓ **Refining and petrochemicals** – Inter Pipeline petrochemicals facility (\$3.5B), SinoCan Global refinery proposal (\$8.5B), 2 carbon capture and storage facilities (\$10B)
- ✓ **Growing modern non-emitting electricity system**
  - **Electricity transmission** – Bipole III (\$5B), Maritime Link (\$1.5B), Watay (\$1.3B)
  - **Nuclear power** – \$26B refurbishment, \$1.2B for innovation, SMR plans
  - **Hydro** – Muskrat Falls (\$12B), Site C (\$9B), Keeyask (\$8.7B), La Romaine (\$6.5B)
  - **Renewables** – wind (\$8.8B), solar (\$1B), biomass (\$6B) planned from 2018-2028



**Investments being supported by 12-year, \$180B+ federal infrastructure plan**



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## Canadians agree with approach...

- ✓ **Generation Energy** dialogue engaged over **380,000 people** – provides a **vote of confidence** on energy and climate action

## ...and we are leading internationally.

- ✓ **Canada discussions on the future of energy**
  - Host of G7, including Energy Ministerial in 2018
  - Host of Clean Energy Ministerial/Mission Innovation in 2019
- ✓ **G20 highlights importance of effective transition, to promote sustainability, resilience, and energy security**

Canada committed to working with Japan as it assumes 2019 G20 Presidency



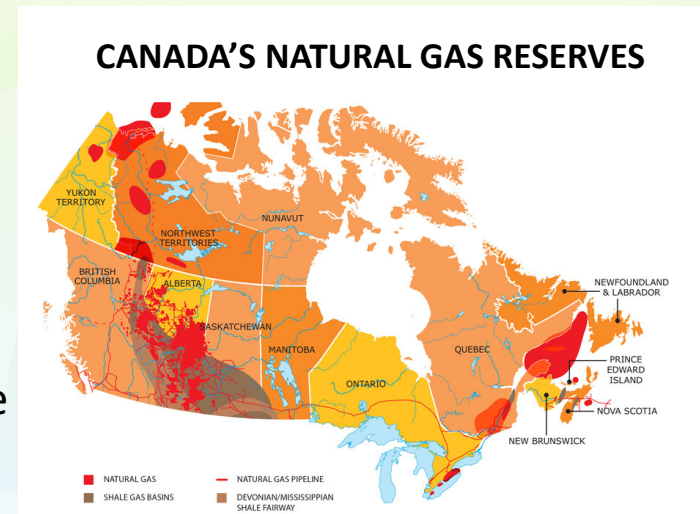
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# Canada's LNG advantage: abundant, low-cost natural gas supply

- ✓ **World class gas reserves:** over 70 trillion cubic feet of natural gas reserves - 16 bcf produced daily
- ✓ **Cost-competitive supply:** low cost gas enabling value-add opportunities such as petrochemicals
- ✓ **Strong supporting infrastructure:** access to west coast by rail, road, well developed transmission infrastructure
- ✓ **Access to clean, cheap power:** upstream production increasingly using renewable hydro electricity



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## Canada's LNG advantage: taxes, proximity, and partnerships

- ✓ Low provincial and federal taxes
- ✓ Accelerated capital cost allowance on LNG facilities at 30%
- ✓ Long-term, 40-year export licenses
- ✓ East and West coast export opportunities
- ✓ Fewer shipping days to Asia (10 days, half of time from US Gulf)
- ✓ Plans for cleanest LNG facilities in the world – 50% lower emissions than global average
- ✓ Majority of Indigenous groups support LNG across value-chains



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## Annex 1: Canadian Energy Projects - Video

<https://youtu.be/f6tCa9zj3IU>



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## Annex 2: Proposed LNG projects in Canada

- **LNG Canada (Kitimat, BC): \$25-40B in investment; 13 MTPA; 3.47 bcf per day – under construction**
- Woodfibre LNG (Squamish, BC): \$1.6B in investment ; 2.1 MTPA; 0.3 bcf per day
- Goldboro LNG (Guysborough County, NS): Up to \$8B in investment ; 10 MTPA; 1.4 bcf per day
- Bearhead LNG (Point Tupper, NS): \$8B in investment; 8-12 MTPA; up to 1.6 bcf per day
- Kitimat LNG (Kitimat, BC): \$15-20B in investment, 10 MTPA and 1.3 bcf per day
- Energie Saguenay (La Baie, QC): \$7B in investment; 11 MTPA; 1.6 bcf per day
- Kwispaa LNG (Sarita Bay, BC): \$30B in investment; 24 MTPA; 3.1 bcf per day
- WCC LNG (Prince Rupert, BC): \$15-25B in investment ; 30 MTPA; 3.8 bcf per day
- Cedar LNG (Barge-Kitimat area, BC): 6.4 MTPA; 0.8 bcf per day
- Orca LNG (Prince Rupert area, BC): 24 MTPA; 3.2 bcf per day
- New Times Energy (Prince Rupert area, BC): 12 MTPA; up to 1.6 bcf per day
- Watson Island LNG (Prince Rupert area, BC): 1 MTPA; 0.14 bcf per day
- Stewart LNG (Stewart, BC): up to 30 MTPA; 3.8 bcf per day
- Kitsault Energy (Kitsault, BC): 20 MTPA; 2.7 bcf per day
- WesPac LNG (Tilbury Island, BC): 3 MTPA; 0.5 bcf per day
- Discovery LNG (Campbell River, BC): 20 MTPA; up to 2.6 bcf per day
- A C LNG (Middle Melford, NS): 15.5 MTPA; 2.1 bcf per day
- Stolt LNGaz (Becancour, QC): 2 MTPA; 0.28 bcf per day
- Nisga'a LNG (Portland Inlet, BC): capacity undetermined



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