

**MEETING NOTE TO THE DEPUTY MINISTER****MEETING WITH  
CANADIAN ASSOCIATION OF PETROLEUM PRODUCERS****MEETING DETAILS**

- **DATE/TIME:** Monday, October 26, 2020, 3:30-4:00 p.m. EST
- **LOCATION:** Conference call
- **PARTICIPANTS:** (biographies in Annex A)
  - Tim McMillan, President and Chief Executive Officer, Canadian Association of Petroleum Producers (CAPP)
  - Shannon Joseph, Vice-President, Government Relations and Indigenous Affairs, CAPP

**ISSUE**

- This will be an introductory meeting with CAPP and will provide an opportunity for you to hear the challenges and opportunities facing Canada's petroleum sector.
- CAPP may use this call to update you on the state of the petroleum sector recovery, access to liquidity, general issues with the Environment and Climate Change Canada-led Clean Fuel Standard (CFS), and ways to attract global investment and increase industry competitiveness.

**HIGHLIGHTS/KEY CONSIDERATIONS**

- CAPP's member companies produce ~80% of Canada's natural gas and oil and contribute ~\$109 billion in revenues annually. Its 140 members include companies that explore for, develop, and/or produce natural gas in Canada as well as upstream service companies and organizations.
- CAPP is a key oil and gas stakeholder, with ministerial meetings every few weeks in the pandemic's early months. The last bilateral took place on August 13, 2020, to discuss Canada's economic recovery.
- CAPP may also take the opportunity to discuss its concerns with the Department of Fisheries and Oceans' (DFO) ongoing Canadian Science Advisory Secretariat (CSAS) process, which is reviewing coral and sponge mitigation in relation to exploratory drilling programs in the Canada-Newfoundland and Labrador (NL) offshore.
  - The draft CSAS report proposes to prohibit exploratory drilling in sensitive benthic areas and vulnerable marine ecosystems, as well as an increased drilling setback of two kilometres from corals in sponges in other offshore areas, which industry has identified as unworkable. [REDACTED]

UNCLASSIFIED

188727

s. 21(1)(b)

○



### KEY BACKGROUND

- Both Mr. McMillan and Ms. Joseph have participated in the series of calls with federal petroleum associations that Natural Resources Canada (NRCan) hosted during the pandemic, including the most recent one you chaired on September 24, 2020 (Annex C is a summary of the call). During the call, Mr. McMillan highlighted the following points:
  - the crisis facing the petroleum sector did not start with COVID-19 and will continue past the recovery;
  - obtaining and maintaining investment has been and continues to be a major challenge for the sector, with upcoming regulations potentially presenting further obstacles (e.g. CFS); and
  - CAPP members are looking to the Government of Canada to define what economic success looks like in light of climate change targets.
- In previous calls, Mr. McMillan has raised the issue of liquidity and accessing federal support programs (e.g. Business Credit Availability Program via Export Development Canada/Business Development Bank of Canada and Large Employer Emergency Financing Facility), as well as the difficult regulatory environment.
- CAPP and NRCan co-chair an assistant deputy minister-level ad hoc interdepartmental working group, involving the Privy Council Office, Finance Canada, and Environment and Climate Change Canada, which most recently met on October 14, 2020. At the meeting, CAPP made a series of recommendations that the federal government could undertake, aimed at supporting companies and workers during a second wave of COVID-19 and through recovery (Annex B: CAPP presentation, "Create the Path," including a full suite of recommendations).
- The interdepartmental group agreed to continue calls to discuss issues facing the recovery of the sector recognizing its importance to the Canadian economy. The next call will focus on understanding the path to transition to net-zero in the context of the competitiveness of the sector.

UNCLASSIFIED

188727

## POINTS TO REGISTER

- What are the three top issues that Canadian oil and gas companies will have to deal with over the next 6–12 months?
  - How can the federal government help to address those issues?
- What are your members' responses to the support measures from the federal government to date?
  - Can you elaborate on why industry hasn't been receptive to some of these measures?
  - What opportunities exist for the Government of Canada to invest in Canada's energy transition while supporting the petroleum sector?
- What were members' reactions to the recent Speech from the Throne?
- What impact do you think the CFS will have on Canadians in terms of heating and transportation costs? What would a modified version of CFS look like for you?
- The second wave of the pandemic has some suggesting that the global economic recovery will now be delayed for **two years**.
  - What are the opportunities and risks for the petroleum sector in light of continued low oil prices and tens of thousands of jobs lost?

### *Economic downturn and impact on the mental health of oil and gas workers*

- What are you hearing and what can be implemented now to help prevent increased suicide and addiction risks? (Annex D: related article)
- I understand that CAPP has written to the Department of Fisheries and Oceans and has identified concerns with the science process underway to

**UNCLASSIFIED**

188727

review coral and sponge mitigation in the Newfoundland offshore.

- NRCan is not involved in that science process, but my staff are engaging with the Department of Fisheries and Oceans colleagues on these issues. It is our understanding that no marine conservation sites in the Newfoundland and Labrador offshore are planned at this time.
- From your perspective, what are the key risks with the CSAS recommendations as currently drafted?

Attachments: (4)

Annex A – Biographies

Annex B – CAPP "Create the Path" Table Presentation (October 14)

Annex C – Summary of Petroleum Associations Calls

Annex D – CTV Article on Mental Health Impacts of COVID-19

**UNCLASSIFIED**

188727

**ANNEX A – BIOGRAPHIES**

**Tim McMillan**

Chief Executive Officer and President, CAPP



Mr. Tim McMillan was appointed President and Chief Executive Officer of CAPP on October 1, 2014.

After earning an economics degree from the University of Victoria, he travelled and worked overseas as an information technology professional. He later returned to the family farm in Saskatchewan, and he founded and operated an oilfield services company.

In 2007, he was elected as a Saskatchewan Party Member of the Legislative Assembly in the riding of Lloydminster. From 2010 until his appointment as President of CAPP, Mr. McMillan held several strategic cabinet portfolios in the Government of Saskatchewan, including Minister of Energy and Resources and Minister of Rural Health.

**UNCLASSIFIED**

188727

**Shannon Joseph**

Vice-President, Government Relations and Indigenous Affairs, CAPP



Ms. Shannon Joseph is the Vice President, Government Relations, with CAPP. Ms. Joseph joined CAPP in May 2018 and her responsibilities include leading, directing, and coordinating all of CAPP's federal government engagement.

Ms. Joseph is an experienced policy and government relations professional with a passion for sustainable development and opportunity creation for Canadians and people around the world. A civil engineer by training, Ms. Joseph began her career in contaminated site remediation before pursuing graduate studies in the use of remote sensing technologies to enhance water quality protection in rural water distribution systems. Since then, she has built a reputation for effectiveness in organizational development, governance, and advocacy through leadership positions with an international non-governmental organization, as acting Executive Director of the Nunavut Association of Municipalities, and in senior leadership positions with the Federation of Canadian Municipalities, where she recently held the position of Program Director of its \$75-million Municipalities for Climate Innovation Program.

Ms. Joseph was a board member of the Canadian Environmental Grantmakers Network from 2016 to 2018. Its membership is composed of Canadian and United States philanthropic organizations and other non-governmental funders interested in supporting sustainable development in Canada.



# Create the Path Table

October 2020

# Sector Reopening: Status, Challenges, Lessons and Recommendations



## Sector Status

- **Oil and natural gas sector shares the Government of Canada's objective of a stronger and more resilient Canada**
- **Sector is providing an essential service**
  - A significant portion of our workforce continued to work in field operations throughout the pandemic
  - CAPP recognizes the sacrifices many of the sector's workers made in order to continue to provide energy to the Canadian population
  - Out-of-province workers on rotation in particular faced challenges with return home quarantines and the inability to see their families for months at a time
- **Companies are in various stages of reopening office spaces**
  - Some companies are approaching full return while others are just beginning the transition back
  - Overall, reopening is going smoothly, and planning and controls are proving effective

# Sector Challenges

- **Keeping a healthy workforce for essential field staff**
  - Managing fitness to return to work with lengthy wait times for COVID-19 testing and results
- **Full workforce capacity is dependent on schools remaining open**
- **Air transportation**
  - Reliability of scheduled flights for critical workforce to work locations
  - Some workers are driving 12-14 hours before/after shift (safety)
  - Worker concerns of close contact during flights
- **Potential exposure on public transit is a top concern of workforce**
  - Most major cities are addressing this with municipal bylaws to mandate mask use in indoor public spaces, including public transit
- **Initially, securing adequate supply of disinfectant wipes, masks and hand sanitizer**
  - Could reoccur; e.g., if medical masks are recommended in future

## Sector Challenges cont'd

- **Safety protocols to prevent spread are not consistent outside of workplace**
  - Different expectations whether at work or on personal time
- **Managing populations in different jurisdictions, and field vs office**
  - Consistent corporate protocols and varying jurisdictional requirements including camp-specific guidance
  - Outbreak protocols
- **Logistics of pre-screening in all locations**
  - Health screening forms, temperature checks
- **Retention of medical information and privacy considerations**
  - Positive cases, high risk health conditions

## Lessons Learned

- **Transparency and frequent communication with workforce**
  - Critical in uncertain times
- **Reliance on leaders to reinforce policies and maintain focus**
  - As months pass and fatigue sets in, holding one another accountable
- **Evergreen policies**
  - Adapting to rapidly evolving public health and government guidance
- **Support a focus on mental health**
  - Help educate workers on what to look for
- **Wide spectrum of risk tolerance regarding COVID-19**
  - Need to be understanding and respectful of those with a lower tolerance
- **Pandemic response team**
  - Comprised of members from across the organization

## Lessons Learned cont'd

- **In-house medical expert advice and guidance is valuable**
  - Particularly for large organizations
- **Some workers report improved mental wellness after returning to the office**
- **Many are content working from home and wish to continue**
  - Some companies are enabling long-term flexible work schedules
  - Investment in collaborative tools like group chat software and home office ergonomic education
- **100% return to office is likely not realistic**
  - Flexibility afforded for high risk individuals/family members to continue to work from home
- **Productivity remained high while working from home**

# Sector Preparedness for Second Wave

- **Actively monitoring**
  - Provincial guidance and regional case numbers
  - Hospitalization numbers
- **Flexibility**
  - Re-entry plans have built-in ability to pause and/or take steps back if needed
- **Technology**
  - Infrastructure in place to reactivate work from home if needed
- **Sick leave policies**
  - Updating policies to increase flexibility for sick time and accommodation to care for ill family members

## Recommended Federal Actions

- **Help provinces and territories increase their testing capacity**
  - Remote areas in particular have long wait times for results, which impacts workforce
- **Continue to pursue rapid testing and vaccines**
  - Early access for vulnerable populations and frontline health care personnel, followed by consideration for other essential workers
- **Support for targeted initiatives in localized areas, rather than rules that sweep the whole economy**
  - Enhanced control measures sensitive to local populations; e.g., short-term closures in specific communities with outbreak pockets
- **Support the airline industry to remain viable and accessible**
  - Rapid testing pre-flight

## Recommended Federal Actions cont'd

- **Supports for companies to provide access to mental health resources, and substance abuse counselling and treatment**
  - Issues exacerbated by COVID-19 in all walks of life
  - Challenges connecting the workforce to longer term resources within the communities
- **Similar federal efforts as in first wave:**
  - Increase supplies of PPE
  - Contact tracing and guidance for public health authorities to support case management and contacts of COVID-19 within their jurisdictions
  - Bolster community-led public health supports and training
- **Federal approach to regulatory enforcement was reasonable and enabled measures for worker safety.**
  - Ongoing engagement on regulatory environment remains important.



# Federal Government Lessons and Next Steps

Create a Path: *to build  
back better*

## 3<sup>rd</sup> Foundation: Build Back Better

- **In the September 23<sup>rd</sup> Speech from the Throne:**
  - *“The third foundation is to build back better to create a stronger, more resilient Canada. To do this, we must keep strengthening the middle class and helping people working hard to join it, and continue creating jobs and building long-term competitiveness with clean growth.”*
  - *“Support manufacturing, natural resource, and energy sectors as they work to transform to meet a net zero future, creating good-paying and long-lasting jobs.”*
- **How are you approaching Building Back Better?**

## CALL SUMMARIES: NRCAN & PETROLEUM INDUSTRY ASSOCIATIONS

To date, there have been **five** calls with the federal petroleum industry associations. Included below are summaries for the calls taking place on the following dates:

- March 27
- April 21
- May 5
- July 22
- September 24

---

### MARCH 27 SUMMARY: NRCAN & PETROLEUM INDUSTRY ASSOCIATIONS

#### OVERVIEW

- The Deputy Minister of Natural Resources convened a call on March 27, 2020 of petroleum industry associations from across the full industry supply chain.
- The call focused on promoting the efficient exchange of information as the oil and gas sector faces the dual impacts of COVID-19 and the steep decline in oil price.
- Association heads provided summaries of current issues facing their industries, highlighting the significant challenges being faced across upstream, midstream, and downstream operations.
- Participants raised the importance of both short-term and long-term federal support, with a focus on critical infrastructure designation, liquidity, worker support, regulation, and investment in recovery.
- It was agreed that a task force on industry recovery would be a critical next step.
- A follow-up call will be organized in the coming weeks and the Minister may wish to consider participating.

#### PARTICIPATION

- The following NRCan senior officials participated on the call:
  - Deputy Minister Christyne Tremblay
  - Associate Deputy Minister Shawn Tupper
  - ADM Jay Khosla (Strategic Petroleum) and Drew Leyburne (Energy Technology)
  - Senior management from the Strategic Petroleum Policy and Investment Office
- The following industry association heads were present:

Organization	Participant
BC LNG Alliance	<b>Bryan Cox</b> , President & CEO <b>Colleen Sweet</b> , Policy Lead

Canadian Association of Petroleum Producers	<b>Tim McMillan</b> , President & CEO <b>Shannon Joseph</b> , VP of Government Relations
Canadian Association of Oil Drilling Contractors	<b>Mark Scholz</b> , President & CEO
Canadian Energy Pipeline Association	<b>Chris Bloomer</b> , President & CEO
Canadian Fuels Association	<b>Peter Boag</b> , President
Canadian Gas Association	<b>Tim Egan</b> , President & CEO <b>Paul Cheliak</b> , VP of Gov & Regulatory Affairs
Canadian Propane Association	<b>Nathalie St Pierre</b> , President & CEO (not confirmed)
Canadian Society for Unconventional Resources	<b>Dan Allan</b> , President & CEO
Chemical Industry Association of Canada	<b>Bob Masterson</b> , President & CEO
Explorers and Producers Association of Canada	<b>Tristan Goodman</b> , President
Newfoundland and Labrador Oil & Gas Industries Association	<b>Charlene Johnson</b> , CEO
Petroleum Services Association of Canada	<b>Gary Mar</b> , CEO <b>Elizabeth Aquin</b> , Senior VP
Progressive Contractors Association of Canada	<b>Paul de Jong</b> , President

## DISCUSSION HIGHLIGHTS

### *NRCan Introduction*

- DM Tremblay highlighted the current challenges facing Canadians and businesses, thanking industry for putting the health and safety of their workers and the general public first and for mobilizing to support the response to the COVID-19 situation.
- A summary of recent federal announcements was provided, including support for SMEs through wage subsidies, tax deferral, and access to credit/liquidity.
- The DM raised the importance of the government's ongoing engagement with industry and provinces and territories, including a recent FPT DM call that took place earlier on March 27.
- The following questions were posed to the table:
  - Given the current situation, what are the key challenges facing the sector?
  - What is your most significant priority for government in terms of responding?
  - What analysis can you share regarding the long-term view of the sector? /
  - How can we work efficiently together?

### *Canadian Gas Association (CGA)*

- First call of its kind between entire petroleum supply chain – all industry associations – underscores importance of hydrocarbon value chain to Canada.
- CGA has shared a letter with recommendations. Focus on two key requests:
  - Delivering core energy services: ensuring industry has tools at disposal to maintain continuity (PPE, access to sites). Currently managing but most continue.
  - Rapid economic response: current measures are a strong start, continued importance of tax measures. How to support a rapid recovery once crisis is over.

### *Canadian Association of Oil Drilling Contractors (CAODC)*

- Industry undergoing 'spring breakup' whereby roads are inaccessible as seasons change. Once period ends (~2-3 weeks) there will be no work.
- Industry needs equipment working in the field, without which there are no revenues, cash flows. Potential for sector to be devastated. While oil sands and E/P have some producing assets, service sector does not. Service sector essential for recovery.

- Need to ensure that there is targeted and strategic measures of assistance. Both to the service sector's customers (producers) as well as to the sector itself.
- SME measures are important, but medium and larger companies also need assistance.
- Well abandonments is an important measure. Need to ensure it supports activity across the sector. Not enough to provide funds to Orphan Well Association. Need to directly fund activities in coordination with producers to spread benefits across the service industry.

#### *Canadian Association of Petroleum Producers (CAPP)*

- Upstream producers are facing very challenging price environment, with some losing money on every barrel produced. Some limited positive news when you look at gas production opportunities into 2021.
- Immediate impact can be seen with the over \$6B in investment pulled from the sector. This will have a direct impact on other associations on this call.
- Orphan wells is an important measure. It can help keep important companies operational and workers employed, as well as help balance sheets.
- Good conversations with EDC, but EDC needs policy direction to work on liquidity issues.
- Regulatory environment could be challenging. Need to manage the current requirements, as well as provide flexibility throughout crisis.

#### *Canadian Energy Pipeline Association (CEPA)*

- Importance of addressing current crisis in short-term and long-term manner. Early federal announcements are helpful.
- CEPA has provided recommendations to the PM/Premiers via a letter. Need to deploy liquidity quickly, manage regulations, and address energy as critical infrastructure.
- All companies are dealing with crisis – social distancing, screening, essential services.
- Major projects remain critical (CGL, TMX, NGTL).
- A recovery task force that looks at forward approach to recovery may be necessary. To bridge where we are in the crisis and how we recover.

#### *Canadian Fuels Association*

- Refining sector is facing significant challenges. Focus on maintaining continuity of supply as new protocols are brought into force (managing COVID-19).
- Demand decline has been asymmetrical (jet fuel declined 80%; gasoline 40%; diesel 20%).
- Ability to deal with regulatory reporting requirements has evaporated.
- Significant liquidity concerns exist for the sector. If decline lasts for multiple months then situation will become worse. Refineries are already seeing margins at zero or negative.
- Consider further tax measures –deferral of federal excise tax payment. Need to ensure access to COVID-19 testing, PPE equipment, etc. to protect continuity of supply.

#### *Chemistry Industry Association of Canada (CIAC)*

- Industry is stepping up in current crisis period.
- Billions of investment potential. Need federal government as a full partner.
- Federal government must protect the benefits of the chemistry sector as it addresses plastic waste. The industry is supportive of recommendations of zero plastic waste action plan, but need to ensure future investment and work with the sector. CIAC does not agree with declaring plastic a toxic substance under CEPA list.

#### *Canadian Propane Association (CGA)*

- Sector has implemented protocols to protect employees and customers.

- Working with 10 provinces makes it challenging to address different approaches being taken. For example, some provinces are deferring certifications and inspections, while others are not. Industry also facing 2-4 day at border with supply chain.
- Government support for recovery should assist existing industry. Attempting to spur massive energy systems change at the same time as recovery will make it harder and longer.

*Explorers and Producers Association of Canada (EPAC)*

- Impact on E/P sector will massive, as will spill-over impacts across the country (manufacturing, IT, services, finance).
- Focussed on three key priorities – critical services (ensuring continuity), cost reductions (regulation and taxation), and liquidity (building on existing announcements).
- EPAC supports recovery task force idea. 'Made-in-Canada' concepts needs to be a focus as government considers stimulus and recovery.

*BC LNG Alliance*

- Alliance supports maintaining liquidity and ensuring viability of producers.
- LNG remains an opportunity for Canada going forward. Need to ensure we take the right approach going forward – supporting investment and Canada's message to global markets.
- Agree on importance of recovery task force.

## APRIL 21 CALL SUMMARY: NRCAN & PETROLEUM INDUSTRY ASSOCIATIONS

### OVERVIEW

- On April 21, 2020, **NRCan convened its second call of petroleum industry associations** from across the full industry supply chain.
- The call provided an opportunity for NRCan to **update industry associations** on recent federal actions to support Canada's oil and gas sector as it faces the dual impact of COVID-19 and a steep decline in oil prices.
- ADM Khosla highlighted two phases of government support for the sector.
  - **Previous announcements:** Under the first stage, actions included immediate access to liquidity and credit for SMEs, support for workers, support for regulatory flexibility (OBPS), guidance on essential services, and engagement with international partners, including the G20, on market stability.
  - **April 17 announcement:** Under the second stage, actions include expanding liquidity and credit for medium sized energy companies with larger financing needs, providing \$1.72B in funding and loans to remediate inactive and orphan wells, and up to \$750M to conventional oil and gas and offshore to reduce greenhouse gas emissions, with a focus on methane.
- The **response from industry was positive**. Key interventions included:
  - Questions on eligibility for liquidity supports;
  - Consideration for liquidity support for large companies, who are critical to recovery;
  - Continued importance of regulatory flexibility and additional tax relief (i.e. excise tax);
  - Desire to bring clarity to next steps for inactive and orphan wells, as well as emissions reductions fund.; and,
  - Opportunities to support recovery through stimulus, including in geothermal energy.
- Going forward, **industry associations raised the need to explore opportunities to support economic recovery**. A follow-up call in the near future could be scheduled with associations and the Deputy Minister of NRCan on potential recovery efforts.

### PARTICIPATION

- The Government of Canada was represented by senior officials from NRCan, led by ADM Jay Khosla, Strategic Petroleum Policy and Investments Office, and Finance Canada (DG Sam Millar). Representatives from EDC and BDC were invited but did not attend.
- The following industry association heads were present:

Organization	Participant
BC LNG Alliance	<b>Bryan Cox</b> , President & CEO
Canadian Association of Petroleum Producers	<b>Tim McMillan</b> , President & CEO <b>Shannon Joseph</b> , VP of Government Relations
Canadian Association of Oil Drilling Contractors	<b>Mark Scholz</b> , President & CEO



Canadian Energy Pipeline Association	<b>Chris Bloomer</b> , President & CEO
Canadian Fuels Association	<b>Peter Boag</b> , President
Canadian Gas Association	<b>Tim Egan</b> , President & CEO <b>Paul Cheliak</b> , VP of Gov & Regulatory Affairs
Canadian Propane Association	<b>Jim Cable</b>
* Chemical Industry Association of Canada	<b>Bob Masterson</b> , President & CEO * <b>Greg Moffet</b>
Explorers and Producers Association of Canada	<b>Tristan Goodman</b> , President
Newfoundland and Labrador Oil & Gas Industries Association	<b>Charlene Johnson</b> , CEO
Petroleum Services Association of Canada	<b>Elizabeth Aquin</b> , Interim President & CEO
Progressive Contractors Association of Canada	<b>Paul de Jong</b> , President
Clean Resource Innovation Network	<b>Joy Romero</b> , Chair
Business Council of Canada	<b>John Dillon</b> , Senior VP, Policy and Corporate Counsel

## DISCUSSION HIGHLIGHTS

### *NRCan Introduction*

- ADM Khosla provided an update on existing federal actions and the April 17 announcement to support the petroleum sector. Taken together, this provides a comprehensive package of measures that will help the fully supply chain address ongoing challenges.
- It was raised that ongoing collaboration will be required to continue to manage the current situation and support economic recovery.

### *Canadian Association of Petroleum Producers (CAPP)*

- Appreciation was noted for last week's announcement.
- CAPP has initiated engagement with provinces on inactive and orphan well programming. Noted that jurisdictions are eager to move quickly to roll out measures.
- On new liquidity measures, CAPP has engaged EDC and BDC to better understand what is coming forward. They raised that companies who produce more than 100K barrels/day may not be eligible. Its roughly 20 eligible members would likely require up to \$2B in support.
- CAPP sought clarification on whether additional measures would be put forward for large tier companies.

### *Canadian Association of Oil Drilling Contractors (CAODC)*

- The challenge for drilling companies is a lack of activity by producers. Liquidity is critical in this situation. CAODC is working with its membership to understand applicability of liquidity measures – attempting to clarify whether larger drillers and service contractors are able to access measures. Also raised importance of support for larger producers, which would have benefit for its membership.

\*Amendment; the name Chemical Industry Association of Canada under Organizations should read Chemistry Industry Association of Canada

\*Amendment; the name Greg Moffet under Participant should read Greg Moffatt

- Raised the prospect of support for geothermal energy through stimulus measures, which uses same drillers and service companies.

#### *Canadian Energy Pipeline Association (CEPA)*

- Pipeline companies are facing cash flow challenges; a lack of pipeline throughput is impacting CEPA membership.
- Raised question on eligibility of pipeline companies for announced liquidity measures. This question was referred to EDC/BDC following the call.
- CEPA also raised importance of support for larger companies, who will play a significant role in recovery by deploying capital.

#### *Canadian Fuels Association (CFA)*

- Short-term liquidity remains a key challenge for refiners, distribution companies, and retail.
- Raised a question on the opportunity to provide tax relief through excise tax for finished fuel and the federal fuel charge.

#### *Canadian Gas Association (CGA)*

- Raised question on eligibility criteria for methane emissions reduction fund, noting the opportunity that could be applied across the full petroleum value chain to reduce emissions.
- CGA also raised the continued importance of continuing to identify options for tax relief and regulatory flexibility in the current situation.
- It was noted that petroleum industry associations provided a letter to the Deputy Minister of NRCan on the economic recovery, and looks forward to continuing the conversation on the role of the petroleum sector in this regard.

#### *Chemistry Industry Association of Canada (CIAC)*

- While the chemistry industry remains resilient in the current situation, it depends heavily on a robust and health upstream petroleum sector. The CIAC is therefore very supportive of recommendations from the sector to maintain critical supply chains.

#### *Explorers and Producers Association of Canada (EPAC)*

- Noted that the engagement across the federal government with industry to address the current situation was very strong. Further, EDC and BDC have provided clarity and guidance on how liquidity will work.
- Sought clarity on whether the funding for inactive and orphan wells would include requirements to improve regulatory systems in provinces. NRCan and Finance provided clarity on intent for long-term management of the issue.

#### *Newfoundland and Labrador Oil and Gas Industries Association (NOIA)*

- NOIA raised previous feedback provided to the federal government from an NL perspective on the package.
- Membership has noted that companies that have already fired employees are not able to benefit from wage subsidy. Some have also noted that bleak outlook makes taking on further loans a challenge. Some companies are therefore benefiting from current supports while others are not.

#### *Petroleum Services Association of Canada (PSAC)*

- PSAC noted its appreciation for the support package, including for inactive and orphan wells. It will benefit many companies and workers, but not all.

- For those that will not benefit, liquidity remains a key concern.
- PSAC is in the process of surveying members on the recent measures to understand how many companies will avail themselves to supports. It will share findings with NRCan.
- PSAC also raised the potential for stimulus support for geothermal energy. This would play a role getting drilling and service companies back to work.

*Progressive Contractors Association of Canada (PCAC)*

- PCAC raised a question on whether the federal government had considered the utilization of a U.S. style TARP program to support impacted businesses.
- Canada's construction industry does not have a single ministry to represent it. The sector is facing unique situation given jurisdictional differences on essential service guidance. PCAC would recommend the creation of a multi-ministry construction sector recovery council to address next steps.
- Contractors rely heavily on the strength of larger players and would recommend further support for these firms.
- PCAC would also recommend continued attention to regulatory barriers to investment and 'red tape' when rolling out recovery measures.

*Clean Resources Innovation Network (CRIN)*

- CRIN raised questions on next steps for methane support, including whether aspect of funding would be converted into grants.
- Inactive wells is a great measure. Need to strongly consider areas for collaboration between companies and jurisdictions (i.e. building out area based closures).
- CRIN also raised importance of stimulus measures such as investment in geothermal to get companies and employees back to work.

*Business Council of Canada*

- The Business Council is considering the long-term recovery and role energy plays. Will continue to engage with industry associations and government going forward.

## MAY 5 CALL SUMMARY: NRCAN & PETROLEUM INDUSTRY ASSOCIATIONS

### OVERVIEW

- On May 5, 2020, **NRCan convened its third call of petroleum industry associations** from across the full industry supply chain.
- The call allowed industry associations to update the department on: **COVID-19 impacts** to different segments of the petroleum sector, **conditions for and challenges against ramping up operations**, and longer-term **priorities to support economic recovery**.
- Industry associations raised the following key points:
  - Industry consistently indicates the **need for strong, unambiguous signals from government** that they support the hydrocarbon industry. This call is an important forum to support dialogue and engagement.
  - There is a need for a **'regulatory runway'** to support timely recovery and help get promising projects (i.e. LNG) off the ground quickly.
  - **Industry segments are being impacted very differently** – services and small companies are seeing high numbers of layoffs (30-50%), while other areas (pipelines, utilities) are not as affected.
  - Strong support for methane, inactive/orphan wells, and medium sized company liquidity. **Still holding out for liquidity for large caps.**
- The Deputy Minister provided a thoughtful and informative wrap-up to participants, that will help set the stage for the next meeting:
  - We are not out of the woods – but **the sector is resilient**.
  - **Now is the right time to have the conversation with Canadians** on the petroleum sector's value proposition and long-term goals/contributions to Canada's economy.
  - **PPE is critical for essential services**. NRCan is working with Public Safety, ISED, and PSPC. NRCan will continue to reach out to associations on the needs of their members, and are working to put together **a compendium of best practices from natural resource industries** on how to protect workers and re-enter in a safe manner.
  - **NRCan is committed to advancing targeted discussions with NOIA, CFA** and others who have raised ongoing concerns and issues from some sub-sectors (offshore, services, refining – including diesel/gas issue).
  - **Alignment with provinces and territories makes a huge difference**. The Minister down to NRCan officials are placing an emphasis on this. Just had Ministerial and DM cross-country calls.
  - The following other critical issues were flagged:
    - **Access to rail service/transport issues** – especially in light of blockades. Not a solved issue. (from CPA)
    - Need to build and **keep domestic capacity and supply chains in Canada** (i.e. chemical/fuel processing/petrochemicals)
    - **Importance of looking at energy as an integrated system**, to create alignment b/w energy systems when looking to economic growth and recovery. Raising

critical importance given focus on low-carbon economy, Indigenous reconciliation, innovation, and ESG.

## PARTICIPATION

- The Government of Canada was represented by senior officials from NRCan, led by Deputy Minister Tremblay and ADM Khosla, SPPIO.
- The following industry association heads were present:

Organization	Participant
BC LNG Alliance	<b>Bryan Cox</b> , President & CEO
Canadian Association of Petroleum Producers	<b>Tim McMillan</b> , President & CEO <b>Shannon Joseph</b> , VP of Government Relations
Canadian Association of Oil Drilling Contractors	<b>Mark Scholz</b> , President & CEO ( <i>late to meeting</i> )
Canadian Energy Pipeline Association	<b>Chris Bloomer</b> , President & CEO
Canadian Fuels Association	<b>Peter Boag</b> , President
Canadian Gas Association	<b>Tim Egan</b> , President & CEO <b>Paul Cheliak</b> , VP of Gov & Regulatory Affairs
*Chemical Industry Association of Canada	<b>Greg Moffatt</b> , Senior Director
Clean Resource Innovation Network	<b>Joy Romero</b> , Chair
Explorers and Producers Association of Canada	<b>Tristan Goodman</b> , President
Newfoundland and Labrador Oil & Gas Industries Association	<b>Karen Winsor</b> , Chair
Petroleum Services Association of Canada	<b>Elizabeth Aquin</b> , Interim President & CEO
Progressive Contractors Association of Canada	<b>Paul de Jong</b> , President

## DISCUSSION HIGHLIGHTS

### *NRCan Introduction:*

- DM Tremblay expressed appreciation for industry's role in Canada's COVID-19 response.
- While the previous call focussed on support measures, the purpose of the May 5<sup>th</sup> call was to discuss a 'path to recovery.'
- Emphasis was placed on the fact that the federal government continued to work to provide support for the sector and is engaging provincial partners to ensure existing measures are being effectively implemented.

### *Canadian Gas Association (CGA)*

- The downstream continues to deliver natural gas to Canadians. Operations have been scaled back, however, with a 30% reduced rate on a range of projects. Industry will need signal of support from governments to return to capacity.
- There are concerns about sufficient supply of PPE on a go forward basis.
- Other "pinch point" is around regulatory process – the CGA would like the 'regulatory run-way' to be as clear as possible.
- The Government will need to have a clear understanding of the hydrocarbon sector: there is a perception that the natural gas sector's role in the economy is a short one, rather than foundational to the longer-term strength of the economy.

### *Progressive Contractors Association of Canada (PCAC)*

- PCAC relies significantly on the hydrocarbon value-chain.

\*Amendment; the name Chemical Industry Association of Canada under Organizations should read Chemistry Industry Association of Canada

- Federal infrastructure funding will end up flowing to the construction sector, which build major projects. Reinforced the importance of 'clearing the regulatory path.'
- There will need be streamlined and simplified process for federal infrastructure funds to be directed to recipients – that are 'shovel ready'.

#### *B.C. LNG Alliance*

- From short-term perspective, the LNG Canada project is the Alliance's key project.
- Sector is seeing success in managing protocols and guidelines and is ready to get back to work. LNG Canada project and others have demonstrated they are responsible.
- On the capital side, regulatory barriers will also need to be cleared to ensure the sector is ready for capital investment – every jurisdiction will be seeking capital as badly as Canada.
- Federal infrastructure investments will need to unlock LNG and create multiplier effects across the value chain.
- From a longer-term perspective, opportunity to set the narrative about the energy space and to show Canadians what the industry is about, in a renewed way.

#### *Petroleum Services Association of Canada (PSAC)*

- Current status for the services sector is quite grim. PSAC is forecasting the lowest level of activity since 1971-72. There will be a 30 to 50% reduction in its workforce.
- 11 sample companies indicated that they employed 10K workers, have now let go under 4K and are expecting another 1K to be let go in next months. This is a 40% decrease.
- Government measures are appreciated, however further liquidity is badly required.
- To restart, PPE is needed for all companies and guidelines clarified on OHS.
- PSAC has undertaken a workforce study on LNG – a great catalyst for creating jobs.
- The federal government will need to champion of the sector and indicate that it is 'wanted'.
- Investors will need this type of certainty for capital investment to return to the sector.

#### *Canadian Association of Petroleum Producers (CAPP)*

- Recognize the Government's support for orphan/inactive wells and liquidity measures for small and mid-size companies. Looking forward to liquidity measures for larger companies.
- Flexibility on the timing of federal regulations will be helpful. Need to be mindful of what is in place today – and that governments be mindful of the pace of change for all stakeholders.
- As we look to recovery, important to look at how the hydrocarbon sector could play a role, given its history of pulling Canada out of recessions.
- Government needs to express support for the sector to attract investment back in Canada: investors are looking for unqualified support.
- Should examine Indigenous opportunities. A number of communities are coming around on reconciliation, and hydrocarbons are seen as a pathway for their communities. Clarity on UNDRIP legislation is important.

#### *Newfoundland and Labrador Oil & Gas Industries Association (NOIA)*

- Job losses have been significant for NOIA members: over half of members have laid off a significant number of workers, and projects delays are continuing.
- Will be important for streamlined processes to access government supports, while sector waits for investment to return. Some members are not able to access current stimulus.
- There are issues relating to shipping – there has been a real reduction in shipping to the province, affecting timing and costs.
- The offshore has a role to play in the province's recovery. Key is "getting holes in the ground" for exploration, through exploration and tax incentives.

- Continuing this type of dialogue is important.

#### *Canadian Energy Pipelines Association (CEPA)*

- Major pipelines continue to operate, without issues. On the project side, there have some delays on major projects, some of which are related to Indigenous consultation.
- The Government has the challenge of consulting virtually. It will be interesting to see how things progress on this front.
- Pipeline companies still need to see a liquidity package for large companies. Some of CEPA's members move refined products; there are liquidity issues for part of the industry.
- PPE is a real 'pinch point' – as we enter recovery, there will be even more demands.
- Regulatory runway also needs to be addressed.
- There is a need for robust support for the industry. Narrative for industry should include growing natural gas and petrochemicals, in addition to the oil side of the industry.

#### *Explorers and Producers Association of Canada (EPAC)*

- Members are impressed with engagement from Minister of NRCan, who understands the concerns of industry and has been a champion for the sector.
- Federal government's liquidity measures: impressed with the speed of liquidity, but a liquidity package for larger players is needed.
- Methane: Have updated members about methane and are trying to clarify how the federal measure will work. There is some trepidation about loans.
- Clearing regulatory pathway: this is not just about regulators, but is also about the policy space (e.g. methane equivalency) and having systems work at the same time to avoid costs.
- There are some opportunities for improving alignment between policies on hydrocarbons and Indigenous priorities, if the appropriate investment vehicles and processes put in place.

#### *Canadian Fuels Association (CFA)*

- See leveraging existing energy system/infrastructure to facilitate a longer-term recovery.
- Demand is driving capacity utilization that will not be sustainable even in the medium term.
- Fuel demand is a key "pinch point"; and steps to re-open economy will help to turn around demand situation. Diesel is performing better than gasoline. There is a larger gasoline surplus, adding to operational challenges.
- PPE is challenging but not a huge problem – we continue to watch this.
- Some urgent regulatory issues have largely been resolved, which have allowed industry to continue to operate and still be in compliance. Appreciate time-line adjustments (e.g. CFS).
- Government will need to step back from "high cost policies." There is a significant opportunity to achieve both economic recovery and climate goals, by being 'policy agnostic' and looking at innovation broadly across the energy sector.

#### *Clean Resource Innovation Network (CRIN)*

- Imperative to work together more than ever.
- Treasury Board Submission for Strategic Innovation Fund (SIF) funding will advance this May, with funds being disbursed in the Summer. These are funds that can be applied to projects to increase the industry's productivity.
- For recovery, should consider an integrated energy system and plan for Canada as we go forward.
- Canada is a global leader in ESG. It is important that inclusion be communicated to

s.21(1)(b)

Canadians.

*Canadian Propane Association (CPA)*

- Propane is considered an essential service; and so far COVID-19 has had a marginal impact on jobs in this space.
- Looking ahead to see what happens in the agricultural sector, which is a large part of the propane market. It will not be business as usual. Bigger impact has been on price.
- Are having discussions with our U.S. counterparts about difficulties with contracting supply in the summer. This could mean a few things: shortages, price increases. Have to see how U.S. rail transportation impacts the Canadian side.
- On recovery, rail and transportation are key. Rail cars are not being returned, as it is too expensive; but we will see an increase in demand on rail for products.
- Blockade issue was not resolved and still at the forefront of the conversation. Need clarity on where this is going and how to manage rail transportation in the Fall.

*Canadian Society for Unconventional Resources (CSUR)*

- The natural gas story in Canada is a good one. Prices are good, and the sector is benefitting from curtailment of conventional and unconventional gas. No impacts on employment yet. COVID-19 story for natural gas seems positive.
- Emphasis in the last few months has been on LNG narrative and natural gas and natural gas liquids. Report came out in April on 'LNG development as a lifeline to the oil and gas supply chain.' Need to develop this resource with the highest ESG standard.
- NRCan should continue to be a partner on this message. There are concrete ways to message Canada's attractiveness for investment.

*Chemistry Industry Association of Canada (CIAC)*

- Sector remains resilient and operating well. There has been a significant effort to repurpose production for safety/critical needs.
- Some members are worried about impacts to supply chains and consumables, if global supply chains do not pick up in a couple of months.
- Investment attraction remains important. The way the federal government worked with

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



## JULY 22 CALL SUMMARY: NRCAN & PETROLEUM INDUSTRY ASSOCIATIONS

### OVERVIEW

- On July 22, 2020, **NRCan convened its fourth call of petroleum industry associations** from across the industry supply chain.
- Previous calls focused on providing an opportunity for associations to provide updates on COVID-19 impacts, and challenges/priorities for an economic recovery. However, this call dedicated more time to the department to provide several important updates. IARS DG Angie Bruce also provided a presentation on NRCan's UNDRIP engagement strategy.
- As the bulk of the agenda was spent on NRCan updates, participants were asked to keep roundtable interventions short with a focus on setting the stage for a future call. Participants were grateful for the department's work to date, from the Minister down to the working level, on engaging them and ensuring their perspectives are heard in the Centre and at ECCC.
- The Deputy Minister concluded by responding to several roundtable comments, and indicated her appreciation for the frank and helpful feedback. She suggested that while we are not alone in trying to find a solution to the global climate change problem, Canada will need a unique solution as one of the most important oil and gas producers on the planet, which also has strong climate change policies.
- It was agreed that another call will be scheduled in the next few weeks to allow more time for discussion and feedback.

### PARTICIPATION

- NRCan was represented by DM Tremblay and SPPIO ADM Khosla.
- The following industry association heads were present:

Organization	Participant
Canadian LNG Alliance	<b>Bryan Cox</b> , President & CEO
Canadian Association of Petroleum Producers	<b>Tim McMillan</b> , President & CEO ( <i>late to meeting</i> )
Canadian Association of Oil Drilling Contractors	<b>Mark Scholz</b> , President & CEO
Canadian Energy Pipeline Association	<b>Chris Bloomer</b> , President & CEO
Canadian Fuels Association	<b>Peter Boag</b> , President
Canadian Gas Association	<b>Tim Egan</b> , President & CEO
Chemical Industry Association of Canada	<b>Bob Masterson</b> , President & CEO
Explorers and Producers Association of Canada	<b>Tristan Goodman</b> , President
Petroleum Services Association of Canada	<b>Elizabeth Aquin</b> , Interim President & CEO
Progressive Contractors Association of Canada	<b>Paul de Jong</b> , President ( <i>late to meeting</i> )
Canadian Propane Association	<b>Nathalie St-Pierre</b> , President & CEO
CEPA Foundation	<b>Rob Beamish</b> , Executive Director

### DISCUSSION HIGHLIGHTS

*NRCan Introduction:*

- DM Tremblay opened the meeting by thanking everyone for their participation, indicating that previous conversations have been constructive and educational.
- Given the agenda for this call, the DM indicated there would be a future call focused more on recovery which would allow more time to hear from the associations.
- The Deputy provided updates in five areas:
  1. NRCan's work with the Industry Strategy Table
  2. Roll-out of Federal Support Measures to date (e.g. liquidity measures, orphan/inactive wells, Emissions Reduction Fund)
  3. Regulatory Affairs (e.g. Clean Fuel Standard,
  4. International Collaboration (e.g. G20, IEA, Line 5, KXL, plus TMX)
  5. NRCan's return to work plan (particularly R&D activities in Devon, AB)

*Canadian Gas Association (CGA), Tim Egan Opening Remarks*

- The updates provided by the DM are useful.
- The more the economic realities are brought to the forefront to drive the green agenda, the better.
- There are a lot of files where NRCan leadership will be key.

*Presentation: NRCan's UNDRIP Engagement Plan*

- Angie Bruce, DG IARS, provided an update on the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) legislation timeline and engagement
- CGA asked what was meant by Bill C-262 being "the floor", and Angie clarified that Bill 262 is viewed as the starting point for the dialogue
- EPAC expressed the view that in general, it sees UNDRIP as very positive and believes the government is approaching it in a sensible way
- Participants were encouraged to reach out to Angie directly with further comments or questions on the Government's engagement strategy

*Canadian LNG Alliance*

- There are significant opportunities associated with LNG, and it will play a significant role in the economic recovery.
- There is a need to talk about what role the petroleum sector will play in achieving net-zero.
- We need to work together to attract investment into Canada, rather than competing jurisdictions like Mozambique where a \$16B project is moving ahead.

*Explorers and Producers Association of Canada (EPAC)*

- The Minister's public comments are appreciated as they have been extremely well-done and helpful
- The work both Jay and the Deputy have done on the EDC/BDC packages has been great and continued engagement on that file is appreciated as it is headed in generally the right direction.
- There is an opportunity to revisit the membership of the task force of a resilient recovery, as LNG should be represented.

*Petroleum Services Association of Canada (PSAC)*

- The funding for orphan and inactive wells in BC, AB and SK is appreciated.
- There are still some issues with the liquidity measures, as the service industry is largely unable to benefit from them. There needs to be a way to create investor certainty to continue to attract capital investment to this country.

#### *Canadian Propane Association*

- The rail/transport sector will need to be looked into more. Huge issues are starting to emerge and impacts are being felt more and more.
- Line 5 is another key issue.
- COVID-19 is creating huge delays, particularly for the more consumer-facing parts of the sector, and there needs to be a conversation about supporting the recovery of these companies.

#### *Canadian Fuels Association*

- The engagement to date on the CFS file is appreciated
- Line 5 is critical for Ontario's refining sector and there are some systemic problems and challenges with the project.
- Things are still challenging for the refining sector. While utilization is up from the lows of April, they remain at unsustainable levels.

#### *Progressive Contractors Association of Canada*

- The recognition of the construction industry as an essential service during the pandemic has not only kept people at work, but also begun to attract youth, women and Indigenous people back to the industry, as they see it as a reliable employer.
- While most construction is focused on infrastructure at the moment, there is an opportunity to work together moving forward.

#### *Canadian Association of Oil Drilling Contractors*

- Comparing June 2014 and June 2020, drilling is down 95%, and the service industry is down 75%. There are about 40 rigs working in western Canada today, up from a couple of weeks ago, but still well short of the over 300 rigs that should be working.
- The importance of drilling can't be stated enough (needed for LNG industry, geothermal), and specific recommendations to help the drilling sector survive and be in a position to take advantage of a recovery have been provided to the Deputy.

#### *Chemical Industry Association of Canada*

- Since the last call, things have gone from cautiously optimistic to concerned, as the recovery seems to be stalling.
- The ECCC agenda does not appear to acknowledge the pain the industry is in, and there is concern about imminent policy and regulation changes (e.g. plastics being banned).

#### *Canadian Energy Pipeline Association*

- Linear infrastructure, such as pipelines and power lines, need to be considered in UNDRIP engagement
- Federal liquidity measures are still not impacting the way they should, and they will need to be made effective.
- There are concerns about a lack of certainty on regulatory processes in light of net-zero by 2050.
- NRCan needs to be champions and provide strong advocacy for the industry within the government, as it seems that there are elements within the government that do not want to see the success of the oil and gas sector in Canada.

#### *Canadian Association of Petroleum Producers*

- In general, there is agreement with the comments of the Chemical Industry Association of Canada.
- There is clarity on what the government's targets are with the Paris Agreement and net-zero, but far less clarity on what success looks like in terms of investment and growth.

## SEPTEMBER 24 CALL SUMMARY: NRCAN & PETROLEUM INDUSTRY ASSOCIATIONS

### OVERVIEW

- On September 24, 2020, **NRCan convened its fifth call of petroleum industry associations** from across the full industry supply chain.
- The call provided the new NRCan DM Jean-François Tremblay an opportunity to introduce himself to the heads of associations and learn about their members, their concerns in the current environment and their aspirations for the future.
- Industry associations raised the following key points:
  - NRCan-Industry collaboration is greatly appreciated, and the associations look forward to continuing to work together.
  - The petroleum sector is, and will continue to be, an integral part of the economy and post-pandemic recovery. The associations expressed a desire to be part of achieving 2030 and 2050 climate targets, while noting that there are challenges.
  - The associations also highlighted that industry-government collaboration will need to continue past COVID recovery. They underscored their commitment to work with the Government to address short-term challenges as well as the Government's longer term objectives.
- The DM provided a wrap-up to participants:
  - DM Tremblay underscored his desire to continue building on the strong collaborative approach the associations had with DM Christyne Tremblay, to continue serving as the sector's champion in government, and to continue to tell the sector's story within government.
  - He emphasized the necessity of energy to modern life, now and in the future, noting that "no energy" was not an option, and the challenge is harvest energy while striving for national goals.
  - He reiterated that industry-government collaboration will need to continue past COVID recovery, and that balance must be found between ambitious long-term goals and short-term realities. In the short term, COVID recovery will necessarily be a main focus, but there are opportunities to work together on some longer-term challenges.
  - In the short term, the DM acknowledged the need for programs to support the transition, and a role for industry to help shape them.
  - While acknowledging the unique regional challenges that the petroleum sector faces (e.g. reliance on propane in some areas more than others), he noted that the international dimension must be considered at the same time, given the global market in which our sector plays.
  - DM Tremblay suggested that perhaps future calls could focus on one or two specific themes to allow for deeper discussion on some of the common issues facing the diverse sector.

## PARTICIPATION

- The Government of Canada was represented by NRCan senior officials, led by Deputy Minister Tremblay, DMA Shawn Tupper, and SPPIO ADM Jay Khosla.
- The following industry association heads were present:

Organization	Participant
Canadian LNG Alliance	<b>Bryan Cox</b> , President & CEO
Canadian Association of Petroleum Producers	<b>Tim McMillan</b> , President & CEO <b>Shannon Joseph</b> , Government Affairs
Canadian Association of Oil Drilling Contractors	<b>Mark Scholz</b> , President & CEO
Canadian Energy Pipeline Association	<b>Chris Bloomer</b> , President & CEO
Canadian Fuels Association	<b>Bob Laroque</b> , President
Canadian Gas Association	<b>Tim Egan</b> , President & CEO
Chemical Industry Association of Canada	<b>Isabelle Deschenes</b> , Executive Vice President
Explorers and Producers Association of Canada	<b>Tristan Goodman</b> , President
Petroleum Services Association of Canada	<b>Elizabeth Aquin</b> , Interim President & CEO
Canadian Propane Association	<b>Nathalie St-Pierre</b> , President & CEO
Canadian Society for Unconventional Resources	<b>Dan Allen</b> , President & CEO
Newfoundland and Labrador Oil & Gas Industries Association (NOIA)	<b>Charlene Johnson</b> , CEO

## DISCUSSION HIGHLIGHTS

### *NRCan Introduction:*

- DM Tremblay introduced himself and highlighted the energy sector's importance in the economic recovery.
- He asked the associations for feedback on the Speech from the Throne and the Government's COVID response measures, as well as their views on achieving a full economic recovery while keeping Canada's environmental commitments in mind.

### *Industry Introduction (Tim Egan):*

- NRCan has always been a key champion for the petroleum industry, and this has only become more important in light of COVID-19
- Mr. Egan underscored the complexity of the sector and how critical it is for life in Canada. He emphasized the importance of bringing together the voices of the entire petroleum value chain through these bi-monthly calls.

### *Canadian Gas Association (CGA)*

- Main difficulty is the policy environment in which CGA members are operating, with Members of Parliament requesting an expansion of natural gas infrastructure throughout the country (e.g. asking for hook-ups to local distribution systems), while cabinet seemingly charting a move away from hydrocarbons.
- Legislative and policy initiatives (e.g. Clean Fuels Standard, plastics/CEPA, UNDRIP) are challenging to comply with particularly in the current environment.
- Members are committed to reducing emissions, but there are concerns regarding the pace given the profound economic implications for Canadians.

- In general, the industry has felt under siege and it is critical to continue to work with public servants to address challenges.
- Ultimately the petroleum sector is providing energy commodities and services which are a fundamental underpinning of the Canadian economy.
- The affordability of energy makes Canada competitive, and is essential to all industries within Canada.
- There is a need to consider what environmental goals are doing to the cost of living for the average Canadian.

*Explorers and Producers Association of Canada (EPAC)*

- There have been some positives, including good working relationships with NRCan officials, inactive/orphan well funding, and the Emissions Reduction Fund.
- The commitment to net-zero is positive, and members are in a position to support. Furthermore, they recognize that the international investment community is also focused on ESG.
- However, there is a need for government programs to support the transition of Canadian companies to net-zero (e.g. funding for CCUS implementation).
- While the EDC/BDC programs are quite valuable, companies have had challenges in accessing these programs and it would be useful to adjust the criteria so they could work as intended.

*Petroleum Services Association of Canada (PSAC)*

- Liquidity has been an issue during this time, particularly for the services sector.
- The Orphan wells initiative is positive and will be useful to retain jobs in the sector.
- The difficulties accessing EDC/BDC programs are also problematic
- Emission Reduction Fund is appreciated, as members are often involved in developing new emissions-reducing technology and innovation.
- COVID has been a challenging time for the services sector, and a key objective now is trying to retain skills and expertise.
- CEWS extension to summer 2021 is very positive for members.

*Canadian Society for Unconventional Resources (CSUR)*

- Climate change is a global reality and Canada is positioned to be a leader in the transition to new technologies, as well as ESG performance.
- LNG will be one of the key fuels of the future and exports globally are required to help other countries get off coal and accelerate their own energy transitions.

*Canadian Association of Oil Drilling Contractors (CAODC)*

- Speech from the Throne identified an opportunity for government to work with industry and help move things in the right direction.
- The petroleum sector will have to be part of the solution (economically and environmentally).
- The new technologies/industries to be created within the natural resources sector will require current energy services.
- It is important to support the services sector and assist companies to stabilize and recover because they will be part of new industries.
- There is a need for a sustainable and well-run energy services space to accomplish many of the goals of the government (e.g. net-zero)

#### *Canadian Propane Association (CPA)*

- The recent CP rail strike and rail blockades highlighted the importance of propane within Canada as some regions rely heavily on propane.
- The regulatory environment is making it difficult on members, including impending plastic regulations.
- There is concern that the focus is on the “best” solutions to meet climate targets while “good” solutions that are currently available are being overlooked.
- Propane is a fuel that could bring immediate GHG reductions, particularly in rural/remote communities, but the companies are not able to access any of the programs (e.g. fuel switching in remote/rural communities).

#### *Canadian Fuels Association (CFA)*

- Liquidity and capital investment have been huge concerns.
- A lot of innovation is coming out of the industry, and there is a desire to partner with the government in investing in these innovations to make a difference to achieve net-zero targets.
- CFS will have huge impacts, and there will need to be collaboration to develop implementable regulations.
- There also needs to be better federal-provincial alignment to ensure that programs and regulations work together.
- The programs developed in the next few years will have tremendous impact on the future.

#### *Chemical Industry Association of Canada (CIAC)*

- Although this sector has been fairly resilient, there are pockets that have not fared as well.
- Significant capital investments have been deferred.
- There is an opportunity for chemical/plastics to support net-zero objects and there is risk of losing investment if the Government of Canada labels plastics as toxic.
- CFS is a major concern, as it is anticipated that feedstock costs will double.

#### *Canadian Energy Pipelines Association (CEPA)*

- The pipelines are critical to the economy and to Canada’s economic recovery and the transition to net zero.
- There is a need to see projects under construction (Line 3, KXL, TMX, Coastal GasLink) move forward and reach completion, and there will be a need for more pipelines.
- Pipelines will play a critical role in the transition to net zero and specifically, to support technologies of the future, such as hydrogen and CO2 sequestration.
- The regulatory burden is heavy, new regulations (e.g., CFS) problematic and project certainty is absent (re: C-69).
- Although there are challenges, there is a strong desire to participate in the transition and reduce emissions.

#### *NOIA*

- COVID has caused lots of projects to close or go on hold, and there are many people without work in Newfoundland and Labrador.
- Incentives are needed to promote exploration, which will create both short-term jobs and long-term viability of the sector
- Incentives for delayed projects to get up and running (similar to Norway) would have great



impact.

- The problems are the same across the country, but solutions might look different when considering offshore versus onshore.
- Opportunity for offshore oil to play a bigger role in energy security (rather than importing).

#### *Canadian LNG Alliance*

- Developing Canada's LNG industry will lead to significant economic dividends, as highlighted in a recent Conference Board of Canada report. The potential of the LNG industry to fuel future economic growth needs to be communicated and understood.
- Industry seeing some projects delayed – it's therefore critical to get private sector investment in the industry.
- The pathway to lower emissions is straight through the industry and the petroleum sector will be a huge part of the solution.

#### *Canadian Association of Petroleum Producers (CAPP)*

- There are significant challenges ahead. The crisis did not start with COVID and will continue past the COVID recovery.
- Capital investment has been falling for years and continues to drop – investment has been diverted from Canada to other countries including the U.S..
- CFS is a challenge to regaining investment.
- The Speech from the Throne reiterates what was already known – the government has clear goals and ambitions on climate change, reconciliation, and equity. What is not clear is the government's economic goals.
- If success was defined, members could be more effective on reaching climate change goals.
- There is a need for clear definitions of "net zero by 2050" and "energy transition" to ensure that it is understood and everyone is working toward the same objectives.

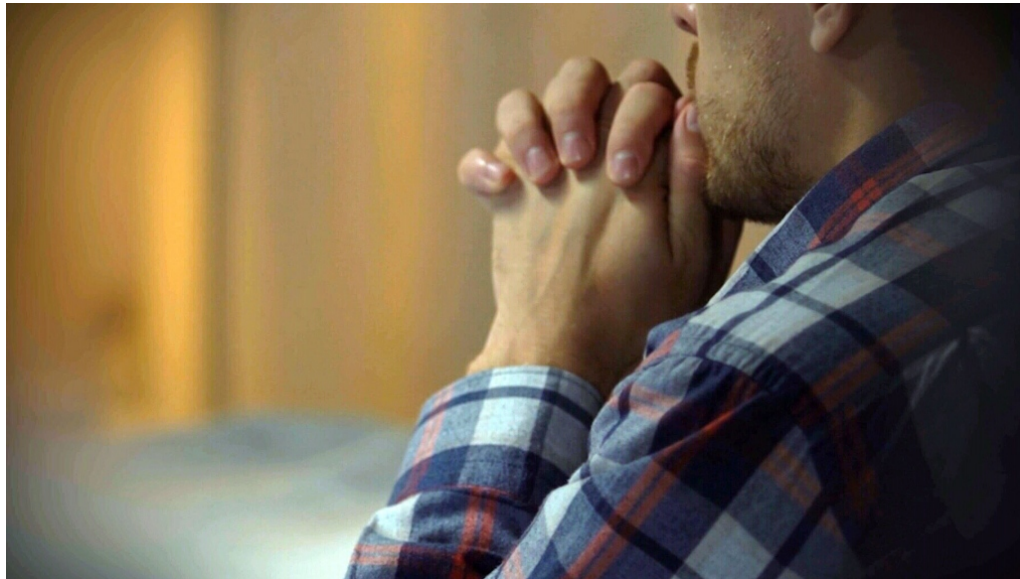
EDMONTON | News

# 'It hurts': Workers grapple with the mental impacts of Alberta's recession

Jennifer Henderson  
 St. Albert Gazette

[The Local Journalism Initiative Contact](#)

Published Monday, October 5, 2020 7:35AM MDT



Clinical psychologist Keith Dobson said economic disadvantage is a strong risk factor for any kind of illness, including mental health challenges.

SHARE    

ST. ALBERT, ALTA. -- Colin Rankin used to run a successful audio engineering business from his home in St. Albert - until COVID-19 hit.

Earlier this year, as artists across the country lost their incomes with the cancellations of events and gatherings, Rankin suddenly saw his business dry up. His customers no longer had the money to get their music professionally engineered.

As the pandemic raged on, Rankin, who has a three-week-old newborn son and a four-year-old stepdaughter, found himself with no money to pay the bills. The audio engineer liquidated his livelihood to keep his family's head above water, selling \$20,000 worth of equipment while he looks for a new job. So far, he has had no luck.



- Full coverage at [CTVNews.ca/Coronavirus](https://www.ctvnews.ca/coronavirus)
- Tracking every case of COVID-19 in Canada
- Ontario schools in COVID-19 hotspots to be given more funding as infections rise
- Trump reports 'no symptoms,' returns to downplaying virus

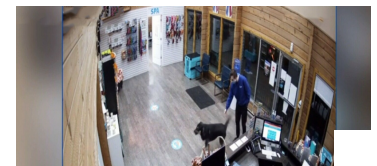
Rankin moved to Alberta four years ago to start a new life after serving a federal prison sentence for armed robbery in New Brunswick. He goes out every day to hand out resumes, but has yet to find meaningful employment. To complicate matters, his criminal record makes it that much harder to secure employment.

"I'm a very, very hard worker. But when people see my tattoos and then they ask for a criminal record check, it just makes it very, very hard."

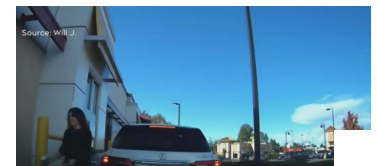
## MOST-WATCHED



'SNL' spoofs Canadian news during skit



Dog walks itself to pet spa after escaping yard



Woman throws coffee at McDonald's employee



Tam stresses the importance of the flu shot



Flu shot available starting Monday

## MOST-READ

- Quebec announces record high of 1,191 new COVID-19 cases as 27 more people hospitalized
- Ontario reports 615 new cases of COVID-19 as province shifts testing strategy
- 'Throat tickle' prompted PM Trudeau to be tested for COVID-19
- CDC again updates guidance to say COVID-19 can spread by airborne transmission
- Health officials 'steering in uncertain waters' in tackling second wave: Tam
- Health-care workers face COVID-19 risk because Canada failed to learn lessons from SARS: report
- Active COVID-19 cases reach more than 700 in Manitoba
- Kayleigh McEnany tests positive for COVID-19
- New Zealand PM says 'we beat the virus again'
- Seven reasons Canada's COVID-19 situation could worsen in the coming weeks
- Lana Del Rey criticized for wearing mesh face mask to meet with fans

Rankin said, "I have to take care of my family. I have no way to make any money. And nobody's hiring right now."

As the father-of-two's employment situation worsened, so did his mental health. Rankin has battled anxiety and depression since he was a teenager, and the stress of finding a job wears on him each day.

"I'm still in shock. Some days, it's really hard. Some days, I get really agitated with people because I'm so depressed. I'm so angry and I'm tired of being sad that then I start taking it out on people and it sucks," Rankin said.

Right now, Rankin's girlfriend is taking care of the family's bills. He said it hurts that he isn't able to provide for his family.

"I'm dealing with it. I have to be strong for my family. I shut myself into my bedroom sometimes and bawl my eyes out. I have a little daughter. I have a little boy. Sometimes, my dogs run out of dog food and I have to feed them cat food. It hurts."

Rankin isn't alone. Across Canada, 5.5 million workers had their jobs impacted by the economic shutdown, according to Statistics Canada. Alberta, already bruised by the downturn of its oil and gas industry, received a particularly painful pummeling: in May, the province's unemployment rate hit a high of 15.5 per cent. In August, it still sat at 11.8 per cent. For the past two months, Calgary has topped the charts for unemployment rates country-wide.

Ehsan Latif, economics professor at Thompson Rivers University, said people who lose their jobs typically feel psychological impacts because their work is deeply tied to their self-esteem. A slumping economy drags the mental health of workers down with it.

Anxiety hits people whether they have a job or not: employed people often watch unemployment rates rise and worry their jobs will be the next to go.

"What (the employed) will do is they will try to work more or try to find another job," Latif explained - many work longer hours or take on extra work to prevent being laid off or let go during a recession, while many others will start preparing their resumes in case they lose their current jobs.

Recessions are even harder on people who are unemployed, Latif said. Studies across the world show a strong link between employment and mental wellbeing.

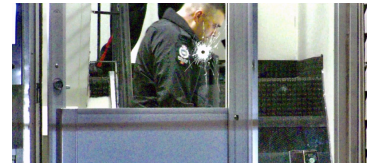
People with mental health problems are typically the last to benefit when the economy booms and the first to suffer in a downturn, found a 2009 summary report by the Mental Health Commission of Canada.

Employment problems and financial stress are key risks for suicide around the globe, with every one-per-cent increase in unemployment correlating with a 0.79-per-cent increase in the suicide rate.

"The psychological impact of economic crises on individuals and families can easily be compared to the aftermath of a disaster such as Hurricane Katrina - where businesses and jobs were lost and people were forced from their homes," the report read.



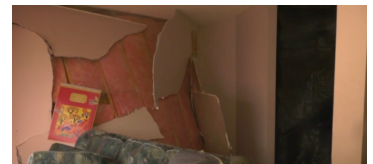
2 dead, 4 in hospital after overdose in Grande Prairie



Man shot in the back during fight at NE Edmonton apartment



COVID-19 case confirmed at central Edmonton Shoppers Drug Mart



'It was just sandwiched in like an accordion': Vehicle hits two homes in north Edmonton



Employee at south Edmonton Superstore tests positive for COVID-19

In Alberta, suicide rates rise even more drastically. Research shows every one-per-cent increase in unemployment correlates to a 2.8-per-cent increase in the suicide rate. This roughly translates to 16 more Albertans dying by suicide for each per cent increase in unemployment.

Cole Goodine, a bareback rodeo athlete in Alberta, has seen his mental health decline since the pandemic began.

Goodine, who lives on a farm near Carbon, Alta., said he has struggled with depression for most of his adult life. The rodeo athlete works hard to manage his depression, but the impact of COVID-19 on his livelihood has quashed one of the major sources of joy in his life. Almost all rodeo events were cancelled this year.

"I don't have those highs (from competing), so I just kind of plateaued all year. There's just no up and no down," Goodine said.

For Goodine, the rodeo was more than just an income generator. It gave him a passion and purpose in life. Now, he spends his weekend at home instead of competing. He is working as a welder during the week, though that's slowing down too.

"I've been working when there's work - it's just, everything's really slow right now, too, which also doesn't help," he said.

Goodine's experience is common for people living through a recession. Overall, the province's unemployment rate has significantly impacted levels of depression across all different subsets of society, a study Latif conducted found.

Meanwhile, a Statistics Canada survey in April and May found nearly a quarter of Canadians (24 per cent) said they had fair or poor mental health - compared to previously published data from the 2018 Canadian Community Health Survey that found eight per cent of Canadians reported fair or poor mental health.

People between the ages of 15 and 24 are most likely (41 per cent) to report symptoms consistent with moderate or severe anxiety, while those aged 65 and older were the least likely to (11 per cent).

That higher level of anxiety among youth reflects findings from another study that highlighted significant concerns about finances, academic disruptions and employment prospects for youth.

During this pandemic, women have been more likely to report higher levels of anxiety than men (21 and 15 per cent, respectively). Keith Dobson, clinical psychology professor at the University of Calgary, said this can be partly related to the fact women have lost their jobs at a higher rate than men since COVID-19 hit.

"Part of that is because women are more likely going to be in service roles than men ... and/or office positions, and so a lot of the office positions either were eliminated or were made part-time," said Dobson, who is also the principal investigator for the Opening Minds program of the Mental Health Commission of Canada, which aims to reduce stigma around mental illness.

Dobson said this contrasts with previous recessions, where men were more likely to lose their jobs due to the economic impact being felt in fields that primarily employ men, such as the oil and gas sector.

Anxiety and depression are the two mental health conditions most likely to increase during an economic decline, since they are the most common mental health conditions overall, he said.

Meanwhile, 18 per cent of Canadians increased their alcohol consumption during the pandemic due to stress, boredom, lack of a regular schedule and loneliness.

according to an April 2020 survey conducted for the Canadian Centre on Substance Use and Addiction. Six per cent reported increased cannabis use.

Marital distress and domestic violence have also increased since the pandemic began, Dobson said - a common thread for recessions. In Calgary, research through the University of Calgary's School of Public Policy found a correlation between dropping oil prices and rising calls for help dealing with domestic abuse.

Since the pandemic began, women's shelters and support centres for people experiencing domestic abuse have reported spikes in calls for service.

While COVID-19 currently threatens the global economy, Alberta is dealing with a multilayered economic crisis. While our response to the pandemic hurt our economy, Alberta has also been struggling to handle a collapse in oil prices.

"In my view, anxiety or stress will be higher in Alberta, because even when COVID-19 is gone, the economy still depends on the oil prices," Latif said.

Dobson said economic disadvantage is a strong risk factor for any kind of illness, including mental health challenges.

"Any time a person is in a tenuous situation, their health usually goes down. So people in marginalized or limited-income situations definitely are affected," Dobson said.

Going into the pandemic, Dobson said the Mental Health Commission knew the country was underfunding mental health needs. In 2017, the commission issued a report calling on the federal government to increase funding for mental health.

"Unfortunately, part of what we're seeing now is really(a) continuation and maybe an exacerbation of some of the things that we've seen previously," he said.

The economic toll of underfunding mental health needs burns a multi-billion-dollar hole in Canada's pocket. In 2016, the Conference Board of Canada found depression alone costs the Canadian economy about \$32.3 billion annually in GDP, while anxiety costs \$17.3 billion per year.

That research concluded nearly a quarter of Canadians living with mental illness are unable to work due to their symptoms, and in some cases depression and anxiety prevents people from entering the workforce altogether.

Dobson said these numbers measure the direct costs, including treatment, hospitalization and lost earnings - things that can be tied directly to the disorder. The indirect costs include factors such as underemployment.

"It's almost impossible to know how much a person would have earned if they didn't have a condition," he explained.

Overall, people who suffer from mental health disorders earn less over their lifetimes - those losses are difficult to measure as well, Dobson said.

"We know that some people with mental disorders stigmatize themselves. They choose not to apply for promotions at work, when they're perfectly capable and perfectly well-qualified. Because of their own sense of self-esteem or inability, they might not (take) that opportunity. So that's an opportunity they lose, which you could never measure," he said.

On top of reduced opportunities, people who suffer from mental illness face reduced education, reduced employment and are more likely to be isolated and not have social contact, he added.

One key to supporting people who suffer from mental health issues is early intervention.

"The earlier you can identify people who are struggling, provide them with care - appropriate care and services, and adequate care for the longer term - You can change that trajectory," said Dobson.

But in Canada, with provinces running their own health care systems, broad country-wide policy changes are a challenge.

Mental health tends to be one of the underfunded parts of every provincial health care system, though Dobson said Alberta has a higher funding rate than other provinces.

"But even here, we know that it's not adequate. It doesn't meet anywhere near the unmet need."

Estimates show that around 7.5 million people in Canada had mental health problems prior to the pandemic. That's nowhere near the number of people who are accessing mental health services, Dobson said - that rate has probably doubled due to COVID-19.

While humans are resilient, he added there is a risk of a "downward cycle" associated with mental illness.


"I think as people become hopeless, helpless, they tend to try less or try to sometimes even give up - so you can definitely see a downward spiral. But I think once you give people an opportunity, and they can see their way out, they often will take those opportunities and run with them."

SHARE    



 Report Error

 Editorial standards and policies

 Why you can trust CTV News

### WATCH MORE FROM CTV NEWS



Physically distanced trick-or-treat inventions for Halloween



Flu shot available starting Monday



A chilly start to the week



'Saturday Night Live' spoofs Canadian culture during skit

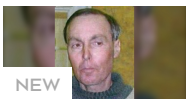


Dog decides to walk itself to a pet spa after escaping yard



COVID-19 pandemic taking a toll on Canadian mental health

### EDMONTON TOP STORIES



Charges laid in 2002 Edmonton homicide



Employee at south Edmonton Superstore tests positive for COVID-19



Oil price stall, global uncertainty prompt caution as oil firms roll out Q3 reports



Alberta flu shot program begins Monday, with COVID-19 protocols



'There were some dark nights': Oilfield workers fight for jobs



Canada-U.S. border to remain closed until Nov. 21, at least

and hope as industry flounders

MORE FROM CTV NEWS EDMONTON



2021 Edmonton mayoral race heating up with four possible challengers emerging



'Karens deserve some love': Edmonton shop giving back to women who share internet-dragged name



Got forks? Edmonton artist uses thousands of utensils for bear sculpture



9-year-old homicide of Spruce Grove teacher 'solvable': Alta. RCMP



'It's really cute': Edmonton's new European-inspired strip mall attracts admirers before it opens



Spirits live inside Whyte Avenue pub: paranormal investigator

DON'T MISS



One-term wonders: U.S. presidents who lost re-election bids

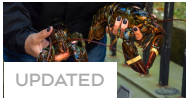


Couple finds 60 bottles of 100-year-old whisky in their home



'Saturday Night Live' spoofs Canadian culture during skit

CTVNEWS.CA TOP STORIES



'The violence must come to an end now': Ministers call for peaceful end to N.S. fishing dispute



No trick-or-treating this Halloween in COVID-19 hotspots, Ontario's top doctor recommends



How one Ontario region has kept its COVID-19 death rate at zero



Liberals say creation of anti-corruption committee would have confidence implications



Regional airlines reject prospect of government stake in carriers



China accuses Canada of condoning alleged anti-China remarks

Political Ads Registry

Use of this Website assumes acceptance of Terms & Conditions and Privacy Policy

© 2020 Bell Media All rights reserved.