Canadian Energy and the U.S. – A Mutually Beneficial Partnership: Economics, Security and the Environment

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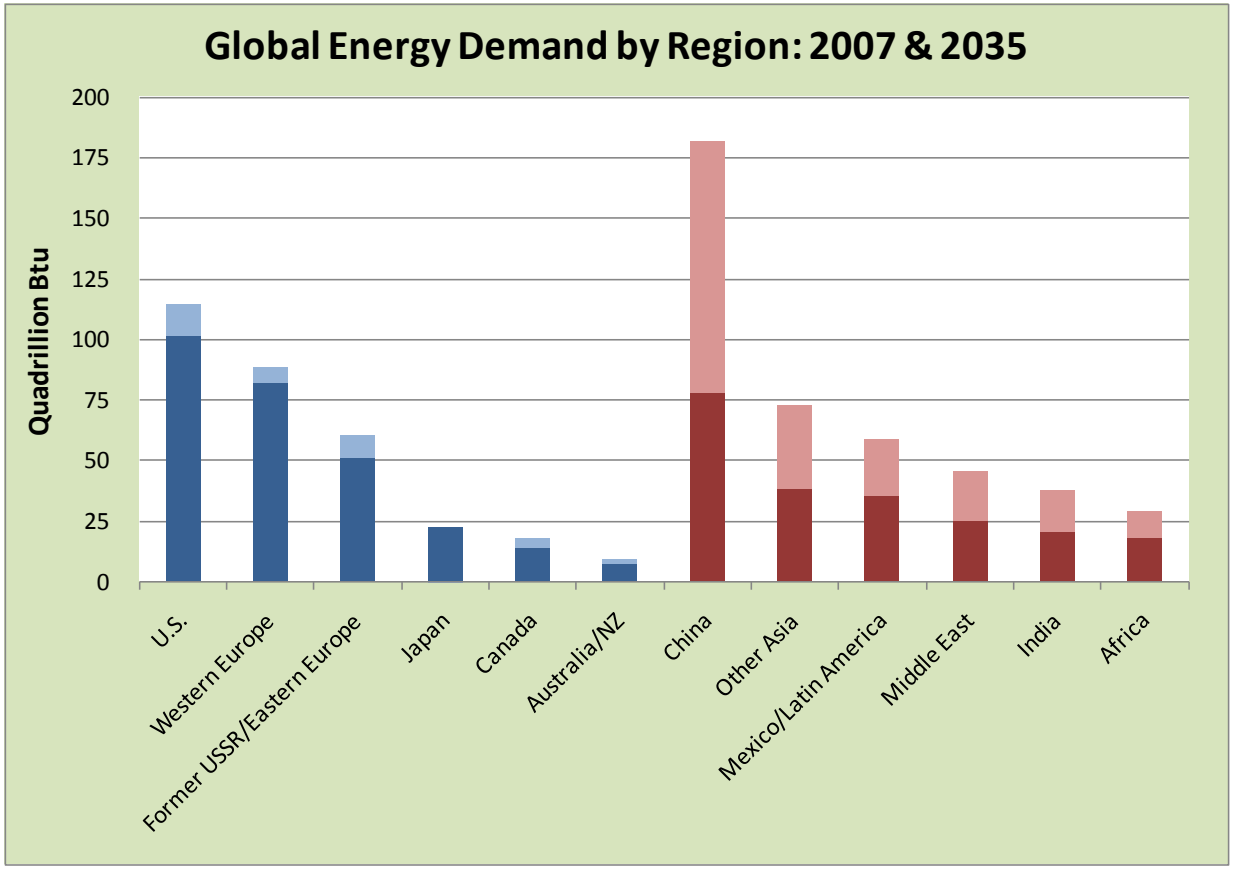
The New Energy Reality

Energy Security is central to our national and economic security

- Demand to increase 53% by 2035
  - 90% in non-OECD countries
- Electricity demand to increase 76%
- 1.6 billion people without electricity
- $26 trillion of new investment by 2030 to meet rising demand
- 90% world's oil reserves owned by national oil companies
- U.S. energy demand could grown by 33% by 2035.
- U.S. electricity demand could grow by 44% by 2035

An Inconvenient Energy Truth

Global Energy Demand To Grow 53% by 2035



ESTIMATED MONTHLY HOUSEHOLD COST FOR RETAIL GAS IN APRIL

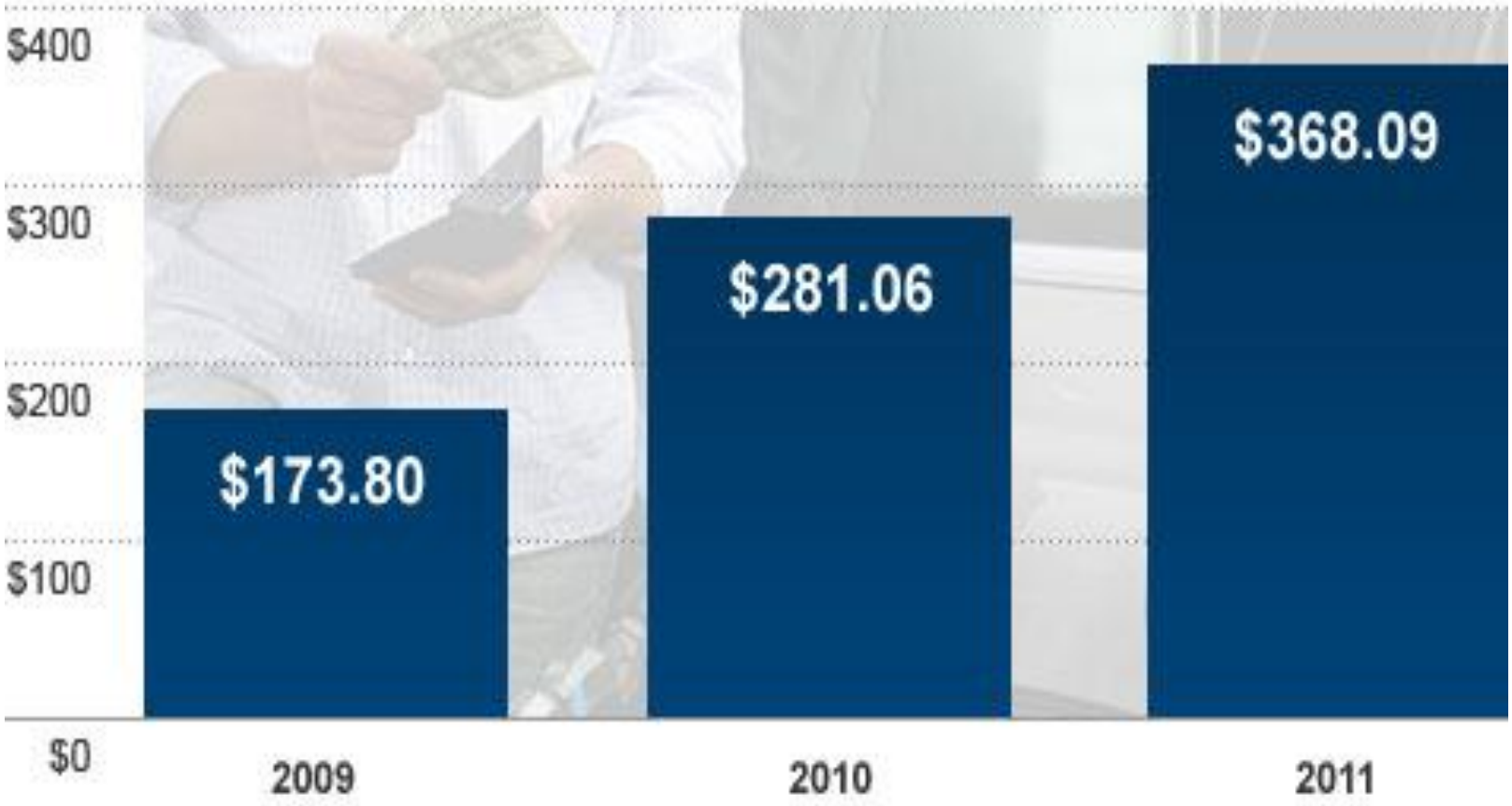


PHOTO: THINKSTOCK. SOURCE: OIL PRICE INFORMATION SERVICE

Fueling Our Economy

Shale plays are on pace to create

- +200,000 jobs in OH by 2020
- +115,000 jobs in PA by 202 (140,000 existing)
- +100,000 jobs in TX, LA, and MS

Also Decreasing our Imports

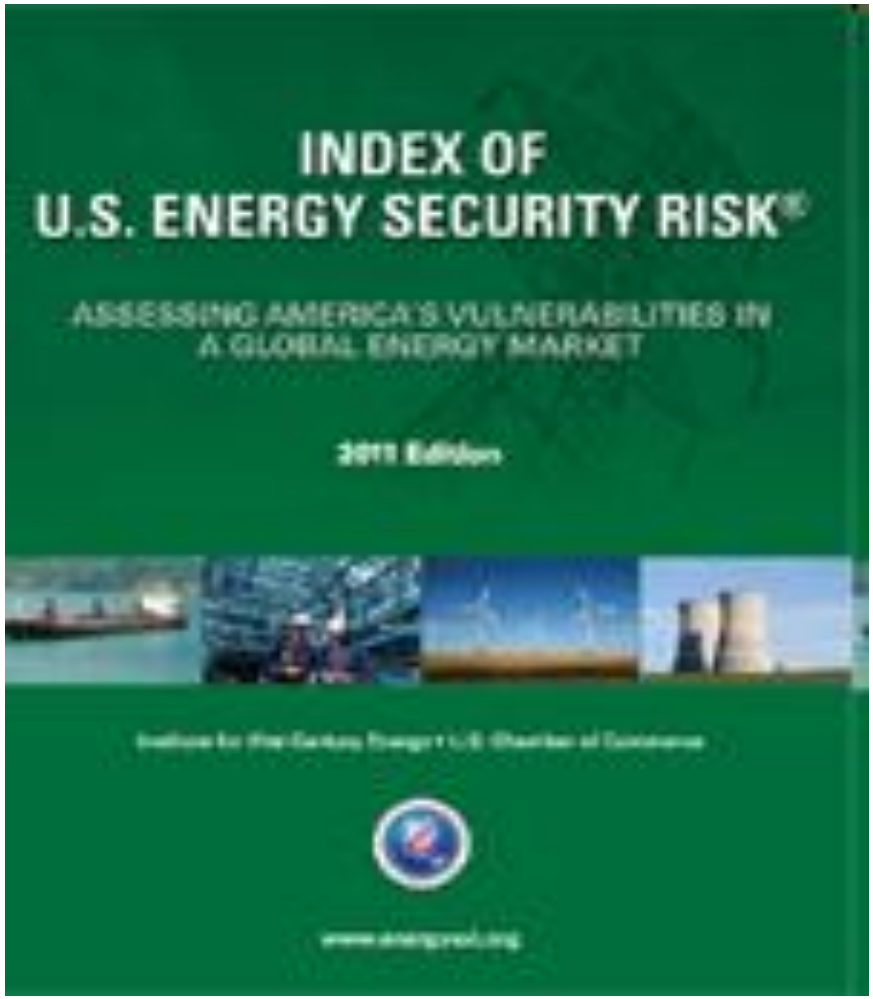
- While GOM production has decreased by 15%, onshore increased by 225%
- Net imports decrease by 1.3% in 2012

Fueling Our Economy

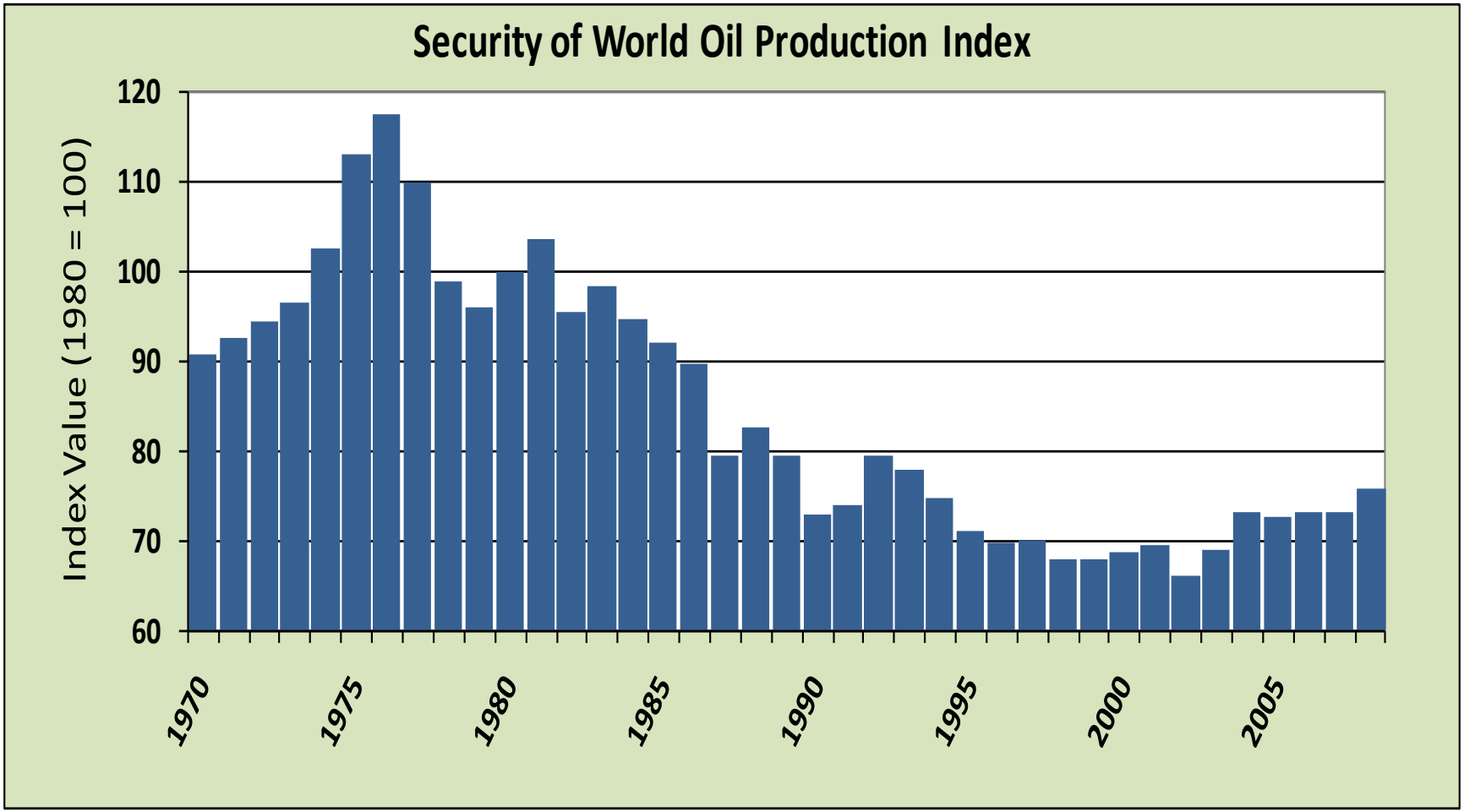
- By 2030, U.S. oil and natural gas policy changes could generate more than:
  - 1.4 million new jobs;
  - $800 billion in additional government revenue;
  - and 10 million barrels worth of added daily oil and natural gas production;
- Increased U.S. production, Canada's oil sands resources and a growing renewables– the U.S. can meet 100 percent of its liquid fuel needs by 2026

(Woods MacKenzie September 7, 2011 *U.S. Supply Forecast and Potential Jobs and Economic Impacts 2012-2030)*

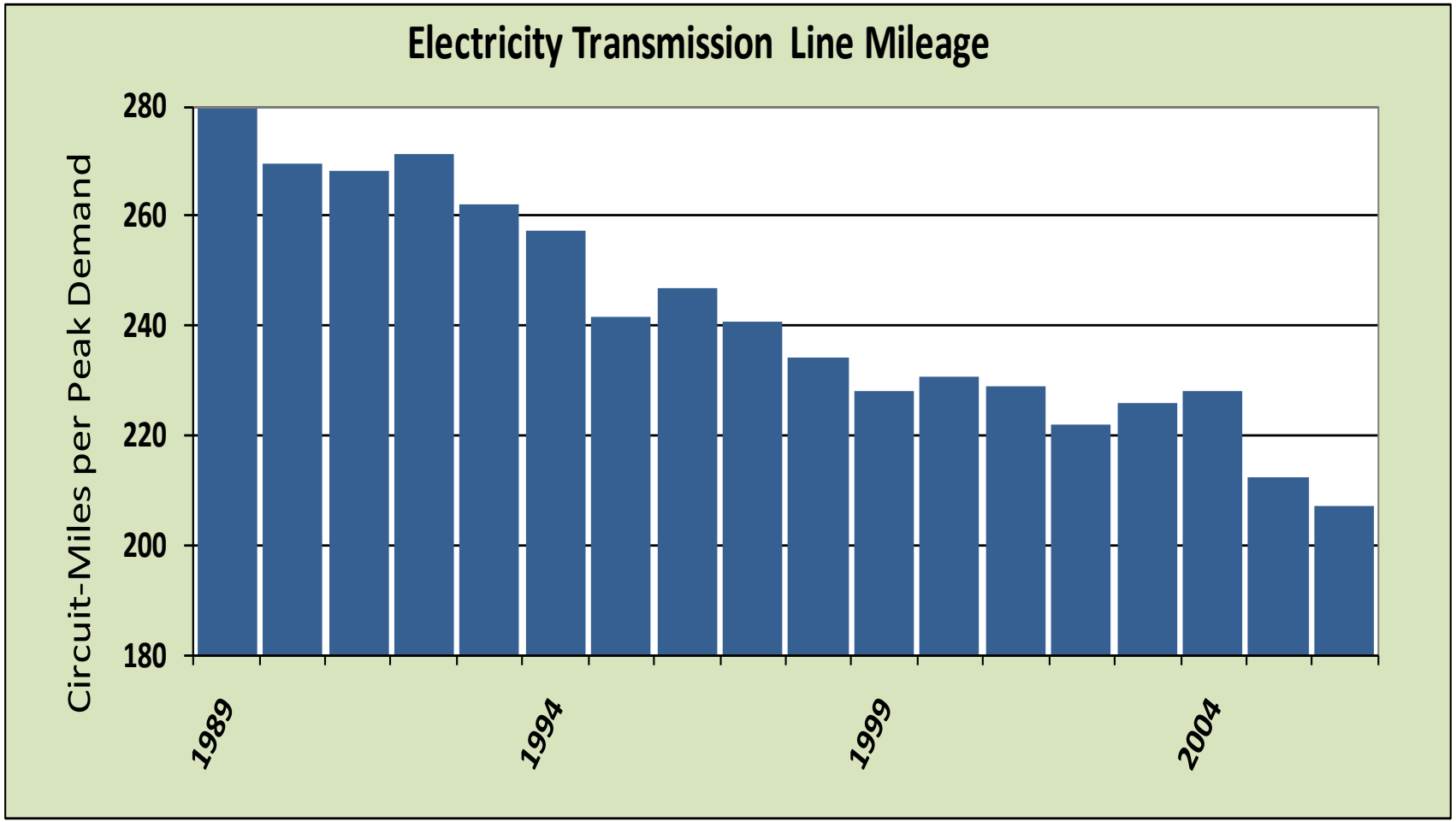
Energy Security Risk Index



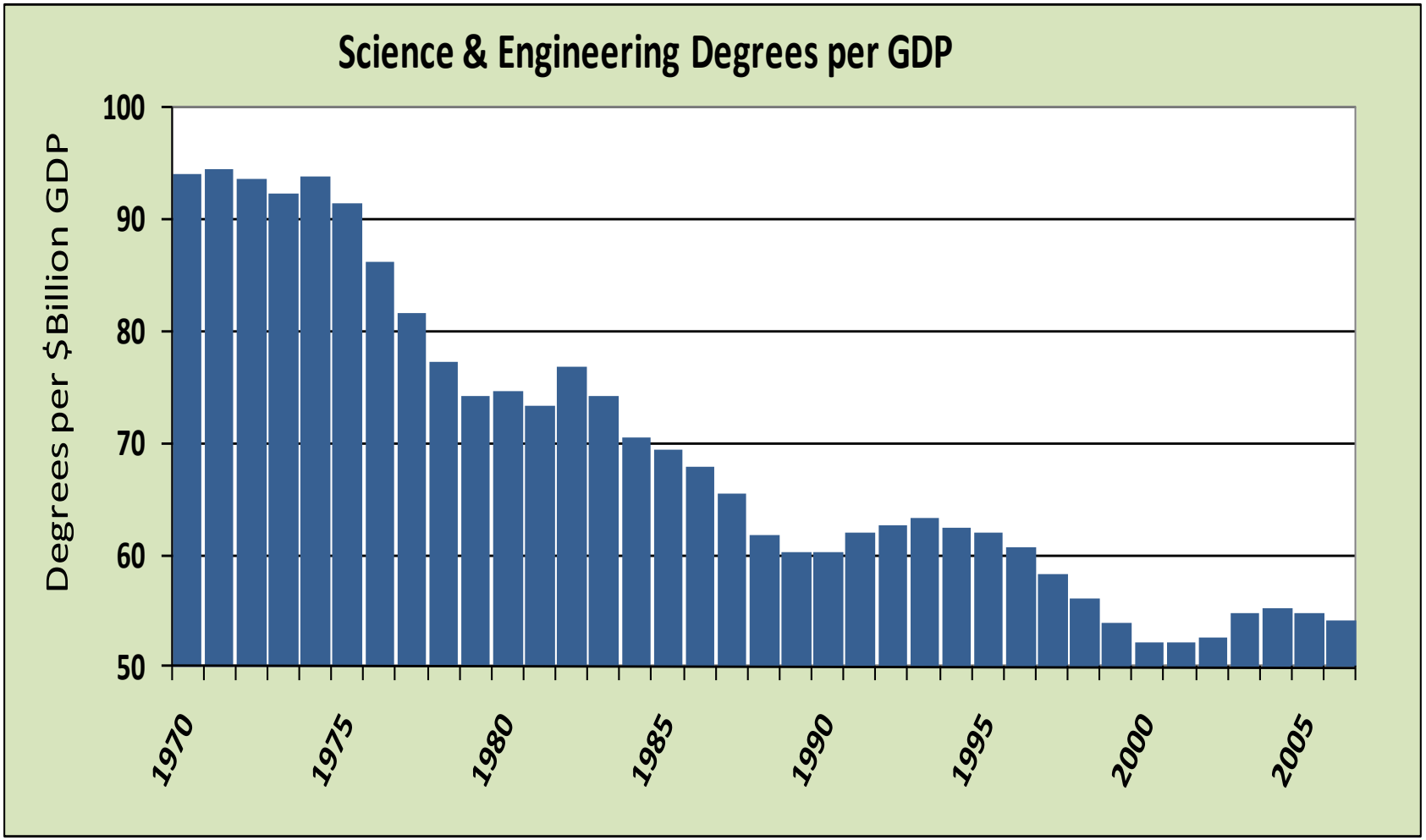
Energy Security Risk – World Oil Security



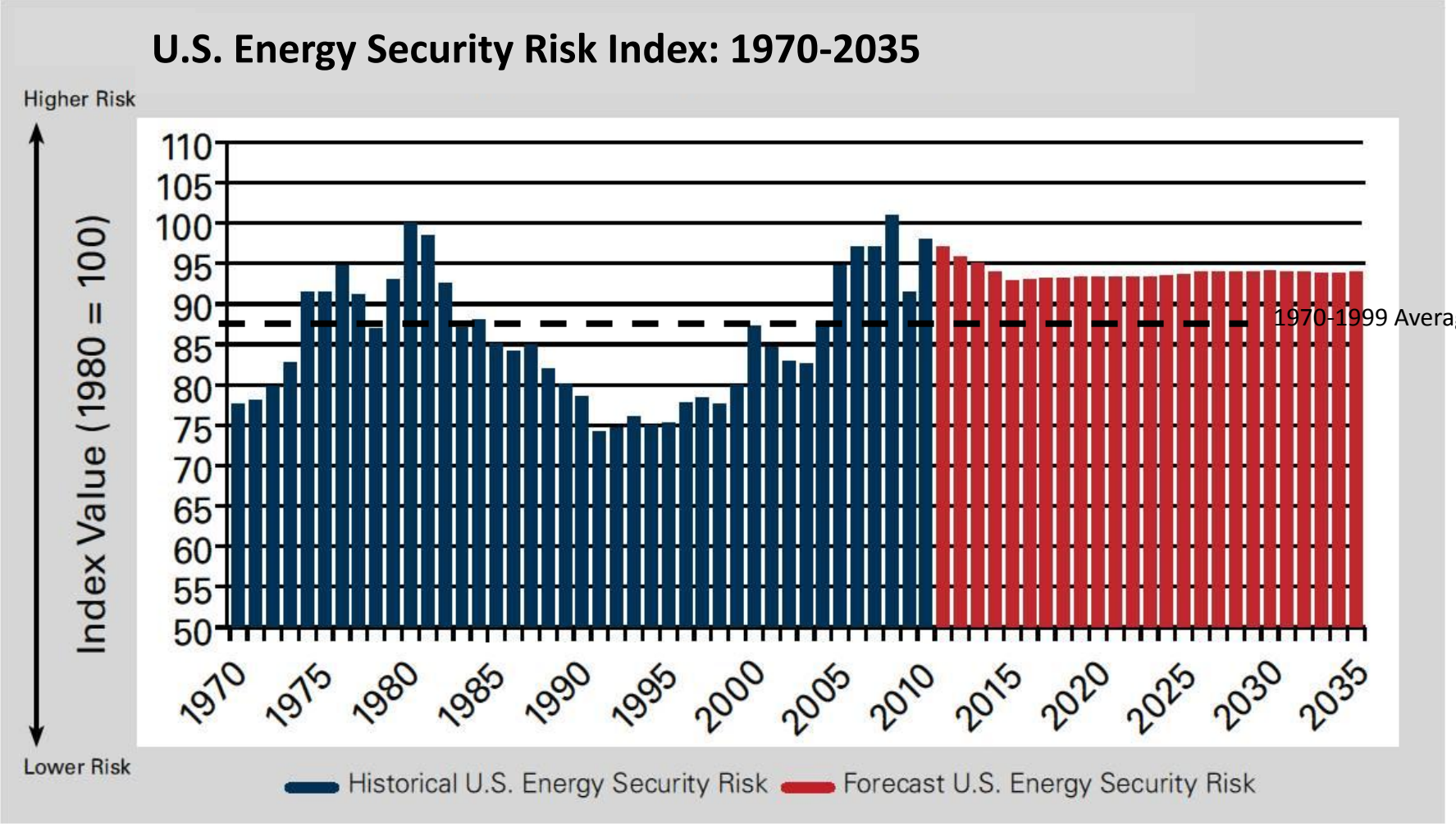
Energy Security Risk – Transmission Capacity



Energy Security Risk – Intellectual Feedstock



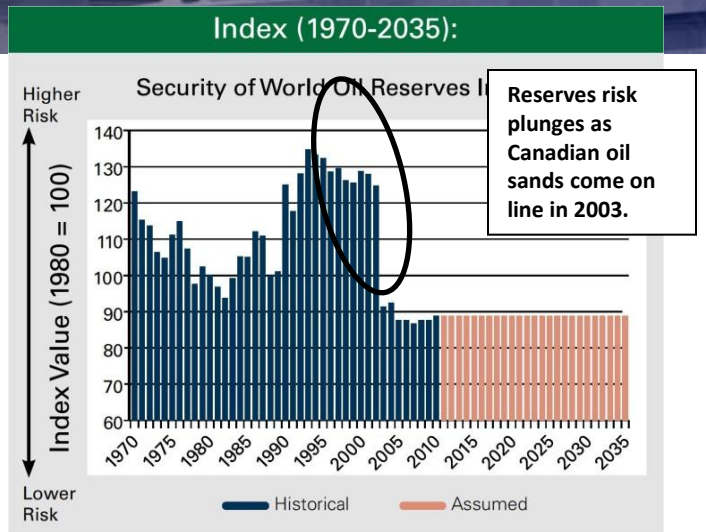
U.S. Energy Security Risk Index

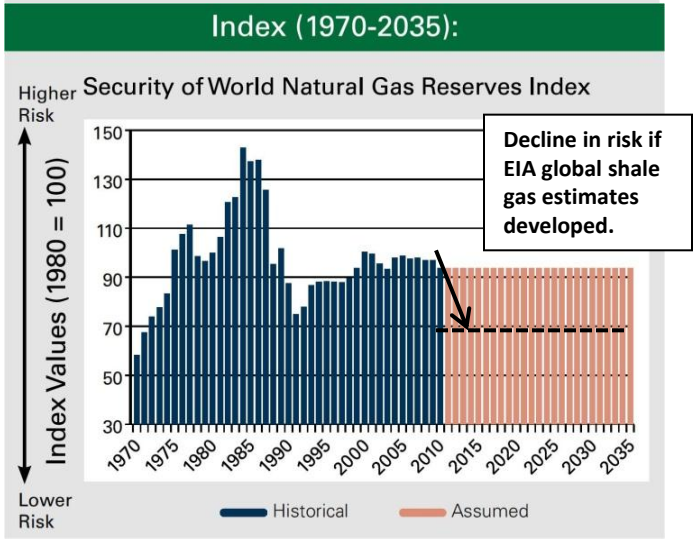


Energy Security Trends to Watch

- Canadian oil sands has lowered global crude oil reserve risks dramatically
  - Development of unconventional U.S. reserves could lower risks further.
  - Keystone XL?

- Development of shale gas resources globally could lower gas supply risks.





U.S. & Canada Relationship

- Largest trade partner
  - $525 billion in two-trade in 2010
  - Two-way merchandise trade up 216% since NAFTA
  - Largest partner of 36 of 50 states
  - Regulatory Cooperation Council
  - 400,000 border crossers
- Canada is our most collaborative military and law enforcement ally
- Long history of trans-boundary environmental & water cooperation (Clean Energy Dialogue)

PARTNERSHIP TO FUEL AMERICA

Initiative of the U.S. Chamber of Commerce Institute for 21st Century Energy

The **PARTNERSHIP TO FUEL AMERICA** is comprised of U.S. businesses and industries that recognize the importance and benefits of North American oil sands development to ensure our nation's energy security and jumpstart our nation's economy.

The **Partnership to Fuel America** will highlight the importance of oil sands and pipelines in creating tens of thousands of new American jobs, generating much needed tax revue, spurring regional and national economic growth and communicating the critical role oil sands play in the security and economic prosperity of the United States.

www.fuelingus.org

Canadian Oil Sands Benefits

- Currently supports 80,000 U.S. jobs
- Could increase to 94,000 - 600,000 U.S. jobs by 2035
- Keystone XL pipeline could create 20,000 US manufacturing jobs immediately and 250,000 by 2035
- The projected impact to U.S. GDP would be between **$200 billion - $800 billion**;

Jobs Supported by KXL

	2012	2015	2020		2012	2015	2020
Alabama	104	440	772	Montana	285	1,291	2,650
Alaska	18	78	147	Nebraska	46	193	341
Arizona	131	558	993	Nevada	60	260	473
Arkansas	59	250	440	New Hampshire	35	146	255
California	974	4,175	7,532	New Jersey	215	926	1,693
Colorado	255	1,129	2,192	New Mexico	40	169	299
Connecticut	100	427	770	New York	457	1,968	3,597
Delaware	25	109	203	North Carolina	215	916	1,614
District of Columbia	31	137	259	North Dakota	18	76	132
Florida	379	1,624	2,919	Ohio	552	2,419	4,594
Georgia	205	878	1,572	Oklahoma	93	396	702
Hawaii	30	128	235	Oregon	120	499	838
Idaho	35	149	256	Pennsylvania	289	1,234	2,201
Illinois	1,456	6,535	13,111	Rhode Island	24	102	183
Indiana	188	799	1,401	South Carolina	96	406	707
Iowa	82	346	598	South Dakota	21	88	154
Kansas	168	745	1,453	Tennessee	152	645	1,123
Kentucky	99	420	735	Texas	791	3,421	6,312
Louisiana	193	854	1,653	Utah	61	262	468
Maine	30	127	223	Vermont	15	63	110
Maryland	126	540	977	Virginia	181	777	1,408
Massachusetts	178	759	1,347	Washington	354	1,573	3,079
Michigan	376	1,627	2,996	West Virginia	32	137	245
Minnesota	152	649	1,151	Wisconsin	642	2,871	5,719
Mississippi	63	270	482	Wyoming	17	73	137
Missouri	136	576	1,015	Total US	10,402	45,239	84,465

(Canadian Energy Research Institute June 2011 *Economic Impacts of Staged Development of Oil Sands Projects in Alberta 2010 – 2035*)

Future U.S. Jobs Supported by Oil Sands

	2035		2035
Alabama	5,045	Montana	21,196
Alaska	1,061	Nebraska	2,262
Arizona	6,614	Nevada	3,389
Arkansas	2,930	New Hampshire	1,612
California	50,239	New Jersey	11,707
Colorado	16,444	New Mexico	1,984
Connecticut	5,106	New York	24,631
Delaware	1,429	North Carolina	10,494
District of Columbia	1,853	North Dakota	850
Florida	20,110	Ohio	33,207
Georgia	10,751	Oklahoma	4,652
Hawaii	1,685	Oregon	4,688
Idaho	1,604	Pennsylvania	14,747
Illinois	101,674	Rhode Island	1,241
Indiana	8,860	South Carolina	4,609
Iowa	3,769	South Dakota	999
Kansas	10,991	Tennessee	7,217
Kentucky	4,759	Texas	43,763
Louisiana	12,327	Utah	3,174
Maine	1,522	Vermont	721
Maryland	6,676	Virginia	9,664
Massachusetts	8,771	Washington	23,299
Michigan	20,514	West Virginia	1,679
Minnesota	7,604	Wisconsin	44,012
Mississippi	3,286	Wyoming	996
Missouri	6,763	Total US	599,179

(Canadian Energy Research Institute June 2011 *Economic Impacts of Staged Development of Oil Sands Projects in Alberta 2010 – 2035)*

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JOBS
WIDE LOAD
CANADA OIL SANDS
STOP
USA
THERE'S SOME WEIRDO AT THE GATE.

Canadian Reaction

- "Profound Disappointment" – PM Harper
- "The decision by the Obama administration underlines the importance of diversifying and expanding our markets, including the growing Asian market" – NR Minister Oliver
- "The Keystone decision was a slap in the face to Canada and it's making Canadians rethink the relationship" - Jack Mintz, Chair of the School of Public Policy at the University of Calgary

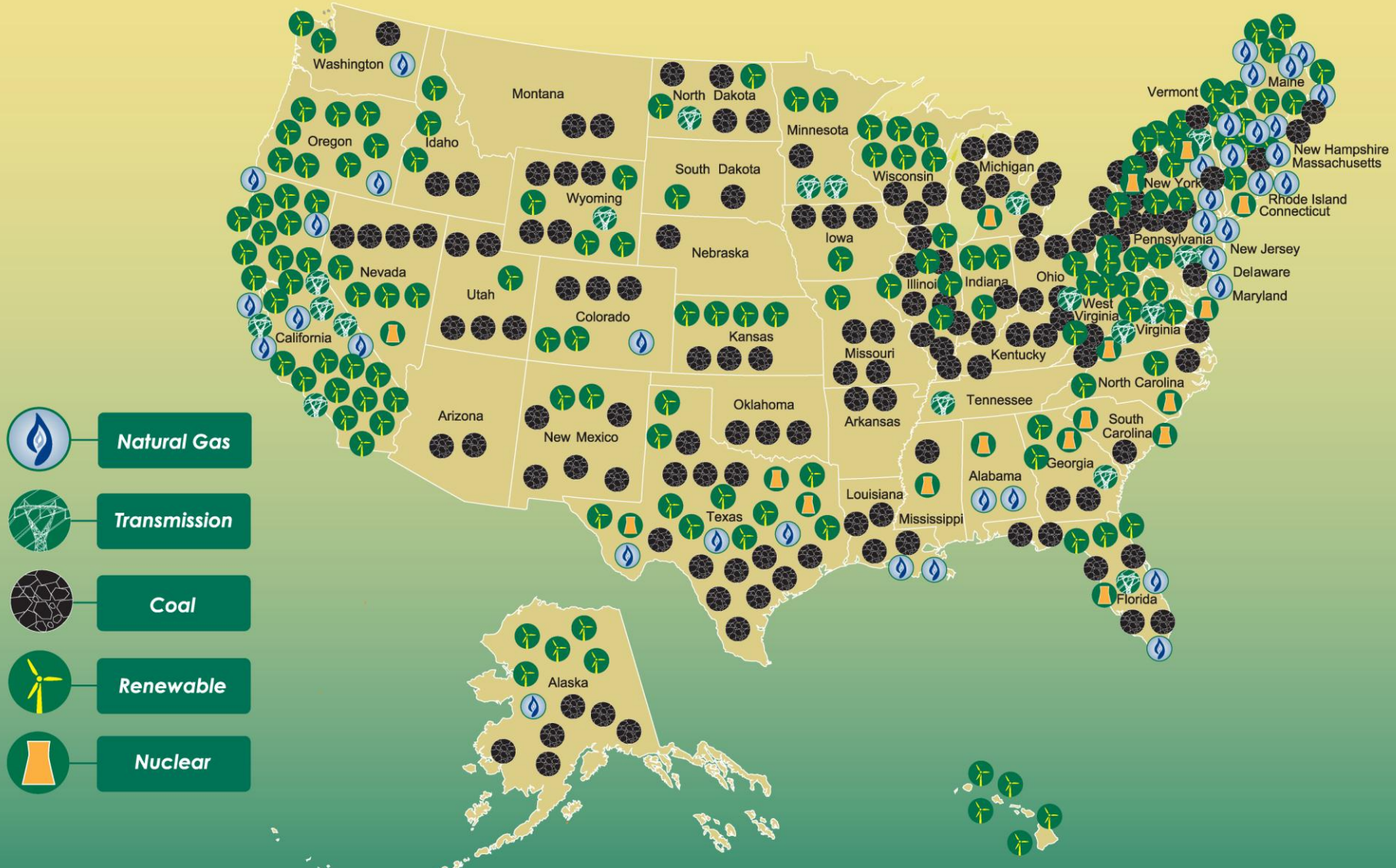
"Green Tape" Stifling Energy Projects

- **Energy sector suffers from a lengthy, unpredictable, and needlessly complex regulatory maze**
- **BANANA - "build absolutely nothing anywhere near anything" mentality**
- **PROJECT/NO PROJECT**
  - **Nearly 400 energy projects have been delayed or scuttled**
  - **Over 40% renewable energy projects**
  - **$560 Billion**
  - **250,000 Direct Jobs**
- **SOLUTIONS**
  - **Review of NEPA**
  - **Federal Preemptive Siting Authority**

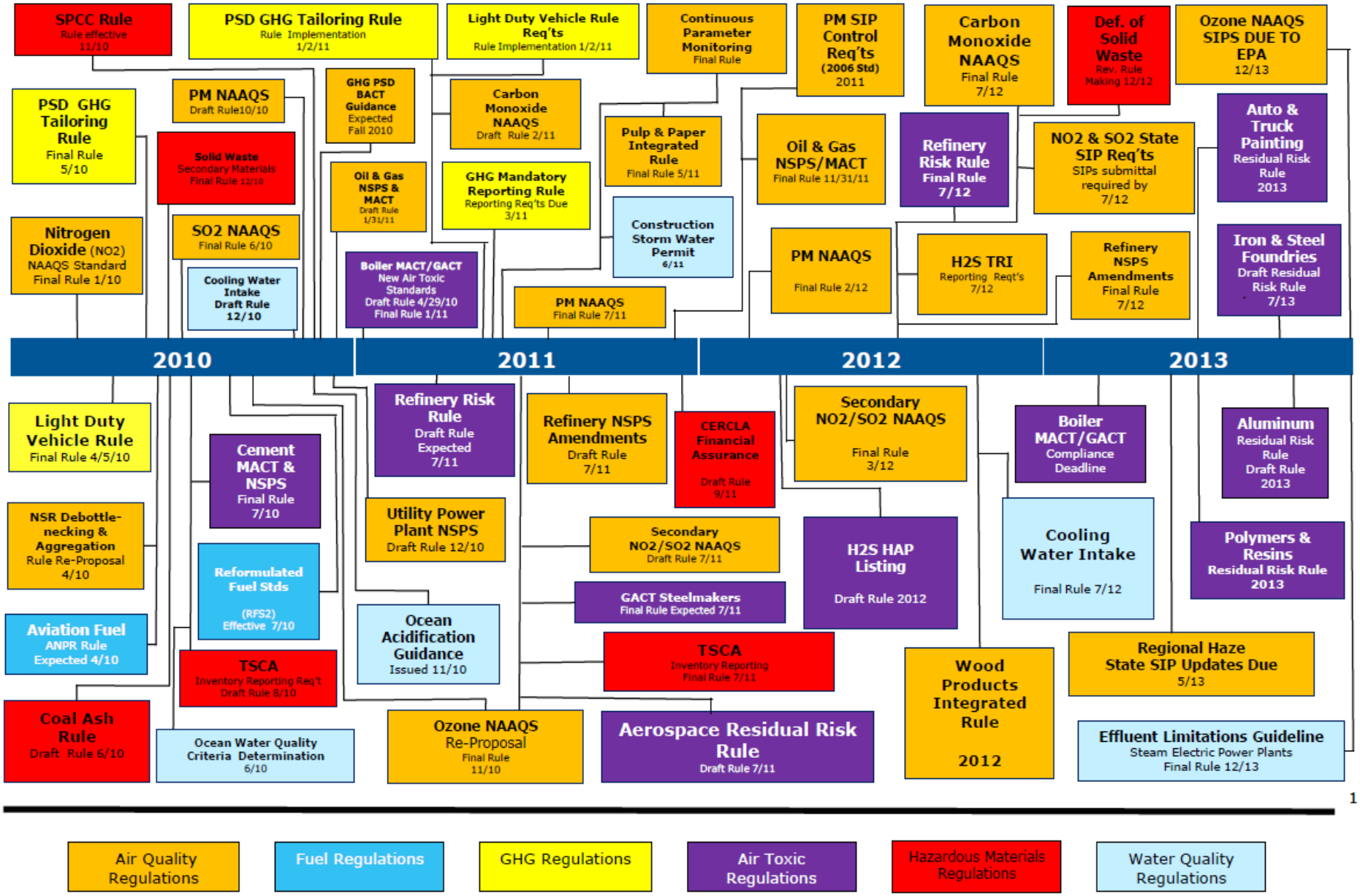
Want "Green Jobs"? Cut the "Green Tape"

Project ~~No Project~~

www.projectnoproject.com



Rulemakings On The Runway!



Time to TAKE ACTION

AT RISK: America's national security, investment climate and competitiveness

ENERGYXXI.ORG