

Abandonment of Energy East will impact future generations

Megaprojects like Energy East invariably attract intense opinions for and against, and the reaction to the announcement that TransCanada Pipeline (TCP) has abandoned its proposal to build the Energy East pipeline have been a mixture of celebration and concern. But when the reality is that an energy development company can invest \$1 billion to respond to approval review processes only to be confronted with a wall of changing regulations and conditions it is time we answer the question whether Canada is interested in providing companies with a stable, predictable investment environment.

Energy East had the potential to create a source of secure and sustainable infrastructure to provide a domestic market for Canadian oil. From a purely economic standpoint, it could have stopped the flow of \$30B in revenue each a year to oil producers in foreign countries. It could have provided multiple markets rather than the virtual monopoly pricing of our primary market in the United States. It could have largely decreased the need to transport oil by railcars. It could have provided much needed employment during pipeline construction and operation. It could have provided increased government revenues to western provinces that fund equalization payments to eastern provinces. It could have provided additional revenues to energy companies who are predominant investors in the development of new technologies to reduce greenhouse gas transmission. It could have demonstrated that Canada is open for investment in resource development.

But as with everything in life there were risks and no clear agreement on the vision of energy future. One thing is certain though, unless something is done, companies, governments, media and people will continue to debate the merits of the risks versus rewards.

Would have, could have, should have. It's all somewhat irrelevant as the country must now move on from the business decision taken by TCP. But whether you are pleased with the outcome or not, regardless of the risk-reward debate, we have a responsibility to assess the events leading up to the cancellation of Energy East to determine if there are improvements that can be made, or better still, whether we can stop debating to the point that we lose every resource development project that includes any type of risk to the environment.

Before we consider whether we invite another resource development company to submit to an environmental review process that few will argue is broken and does not serve anyone's best interest, we must decide as a country whether there are any conditions under which compromise to support responsible resource development is possible.

As a region and a country, do we feel our interests are better served by consuming petrochemicals that produce greenhouse gas emissions from countries outside our ability to regulate and control, or are they better served by developing secure, sustainable energy at

home where we can control and monitor environmental regulatory compliance. Nowhere is it more urgent to resolve this question than in Atlantic Canada.

The fact our region will not benefit from the projected \$7B in future economic growth must be considered in relation to the reality of our slow-growth economies and aging populations and decide whether we will continue to oppose any project with potential environmental impacts. In all good conscience, can we defend our environment against all levels of risk, all the while sending our youth westward to produce oil for sale in the United States? Or accept payments from those provinces who have for generations demonstrated confidence in their government to regulate industries and in companies to minimize their environmental liability?

Unless we honestly evaluate our stance on this issue and attempt to find an approach founded on solutions rather than pitting one side against the other, we risk stoking the resentment of those who help fund our quality of life and enlarge the divide between regions of Canada. There must be a balance between economic need and environmental stewardship, it is not an all or nothing discussion. Business needs to demonstrate a commitment to helping Canada to meet its emission reduction targets and opponents need to be realistic and economically responsible in assessing the cost-benefit of energy and development alternatives.

It is time both sides of the energy verses environment debate come together and agree on the necessary conditions to allow investors a level of certainty in project assessment conditions and timelines. But we need to have a dialogue that includes options other than complete rejection.

It may be that Energy East was a long-shot from the beginning, a vision that relied on the trust between too many diverse stakeholders. The next time an opportunity like this appears wouldn't it be great to say that Atlantic Canada has talked it over and here's the minimum conditions to get the necessary approvals. Let's just make them strong, not unattainable.

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