

Opening Statement Before the U.S. Senate Committee on Energy & Natural Resources
The Honourable Jonathan Wilkinson, Minister of Natural Resources of Canada
May 17, 2022

Thank-you, Mr. Chairman, for the timely opportunity to speak with the Committee about an inter-connected double threat to the national security interests of both our nations: energy security and climate change.

I appear before you to share Canada's perspective on these urgent matters with our neighbour, closest ally and largest trading partner in my role as my country's Minister of Natural Resources. I was, as well - until 6 months ago - Canada's Minister of Environment and Climate Change.

The International Energy Agency defines energy security as the uninterrupted availability of energy sources at an affordable price.

There are some, in both of our countries, who suggest that given the current urgency of the energy security issue, we must set aside concerns and actions relating to climate change, both mitigation and adaptation.

This position is neither thoughtful nor tenable. Domestic energy security and climate action are increasingly and inextricably tied together. As Canada works to urgently help our European allies, we are cutting oil and gas emissions, including through methane regulations, and establishing clean fuel and clean electricity standards to achieve our ambitious 2030 targets.

If we look to the present situation in Europe – western European countries are currently working vigorously to secure predictable energy supplies in the context of an increasingly belligerent and irrational Russia.

In the short term, Europe is focused on replacing Russian energy imports with those from other countries while aggressively accelerating a transition towards renewables and hydrogen in the medium-term.

As the President of the European Commission stated recently, "It is our switch to renewables and hydrogen that will make us truly independent. We have to accelerate the green transition."

In this context, recent decisions by the US and Canada to expand hydrocarbon exports to our European friends to displace Russian oil and gas for the short term are entirely appropriate – particularly since these actions are being taken very much within the context of our respective climate change plans.

However, it is the shift to domestically produced renewable energy and to hydrogen supplied by stable countries like Canada, that will provide true energy and national security to Europe - and to both our countries.

A clean energy transition will deliver energy security and a sustainable future... enabling democratic countries to wean themselves from petro-dictators who weaponize energy... it will strengthen economies and create jobs... and it will respond to the urgent “code-red for humanity” - which is how the Intergovernmental Panel on Climate Change characterizes the climate crisis confronting us.

Given the challenging nature of current geopolitics, the need to be focused on energy security has never been greater – security that can be driven through Canada-US energy collaboration and through joint action on climate change.

Let us commit our two countries to the further development of a North American energy powerhouse – one that will facilitate energy security while helping to advance our shared journey down a path to net zero.

Canada and the US already have deeply interconnected energy systems – in fact, 60% of US oil imports, 93% of American electricity imports, and 98% of natural gas imports come from Canada. Fully thirty-seven transmission lines now cross our countries borders.

Going forward, there will be a continuing relationship between our countries in the area of oil and gas. Even in the IEA’s net zero scenario, there will be a need beyond 2050 for approximately 1/4 of current oil production and 1/2 of current gas production for use in non-combustion applications, such as petrochemicals, lubricants, solvents and waxes. And clearly countries that focus on producing hydrocarbons with ultra low production emissions are likely to be the last producers standing.

In the context of the low-carbon energy transition, the opportunities for Canada-US collaboration and mutual benefit are enormous:

- Critical minerals – all the way from mines to processing to manufacturing to recycling
- Hydrogen – to fuel our trucks, planes, trains, and perhaps eventually our homes
- The transmission of clean electricity from Canada to the US
- Production of renewables energy and transmission of clean electricity across our borders
- Nuclear technology – including small modular reactors
- Low-carbon building materials and green building retrofits
- Carbon removal technologies
- And in the research, development and scaling of a wide range of clean technologies.

As we partner in these areas, we need to be clear-eyed, ensuring that, in moving away from dependence on autocratic hydrocarbon producing countries, we do not inadvertently end up with similar dependence on other autocratic countries in areas such as critical minerals. This highlights the importance of cross-border energy infrastructure such as Line 5.

I was in Washington last week to advance exactly these conversations – because they are critical to the future of both of our economies and our planet.

Canada is committed to working with you to enhance North American energy security, to fight climate change and to create jobs and economic opportunity for the citizens of both our great countries.

Thank-you.