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PNWER Presentation Market Access & Regulatory Reform

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Who is CEPA?

The Canadian Energy Pipeline Association (CEPA) represents Canada's transmission pipeline companies who operate about 130,000 kilometres of pipeline in Canada and the United States.

VISION

A safe, socially and environmentally sustainable energy pipeline industry for Canadians.

MISSION

We engage and collaborate to continually improve our industry's safety, sustainability and transparency, and the business environment within which it operates.



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CEPA members



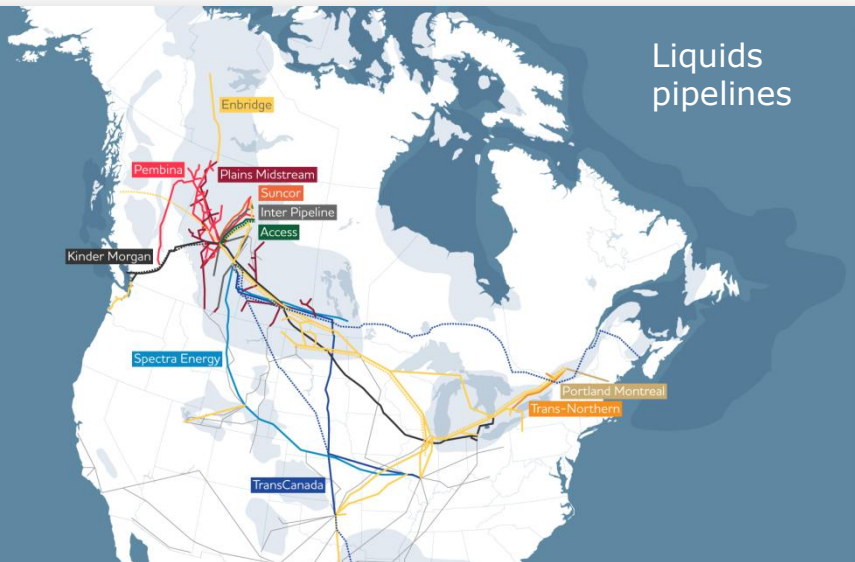
Trans-Northern Pipelines Inc.
Pipelines Trans-Nord Inc.



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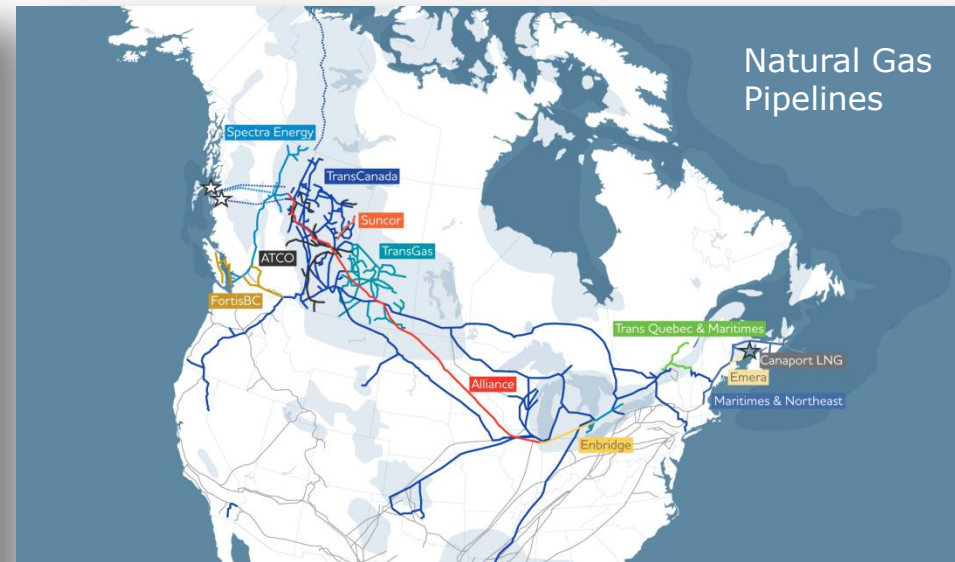
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Transmission pipelines



Canadian Crude Oil Facts

- Production: 3.9 million barrels/day
 - Exports: 3.0 million barrels/day
 - Value of Exports: \$56.8 billion
- 2015 data



Canadian Natural Gas Facts

- Production: 15 billion cubic feet/day
 - Exports: 7.8 billion cubic feet/day
 - Value of Exports: \$9.8 billion
- 2015 data

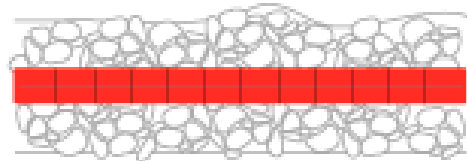


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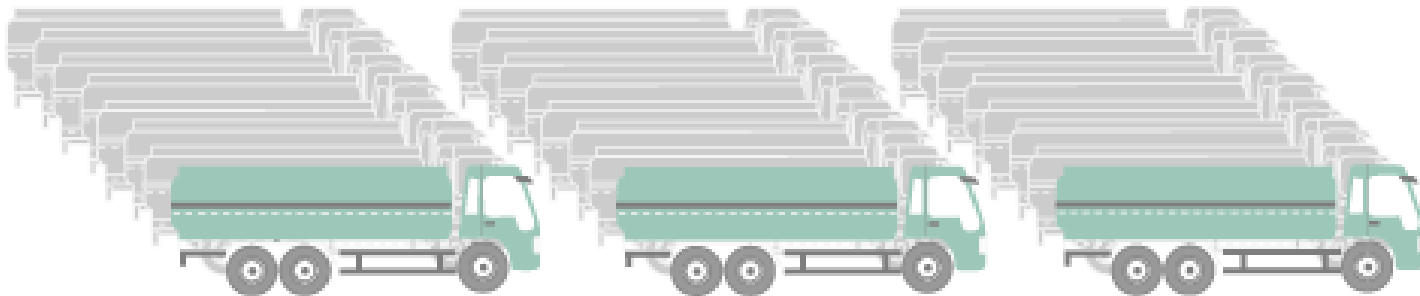
Pipelines — energy highways

TRANSMISSION PIPELINES IN CANADA TRANSPORT
3.3 MILLION BARRELS OF OIL PER DAY



equivalent
to 4,200
rail cars

equivalent
to 15,000
tanker trucks



Economic impact

OPERATIONS OF TRANSMISSION PIPELINES IN CANADA



- Contributed \$11.5 billion in GDP in 2015
 - \$5.1 billion to Alberta's GDP
- Expected to add \$175 billion to the GDP over the next 30 years
- Responsible for almost 34,000 jobs (FTE) across Canada; about \$2.9 billion in labour income

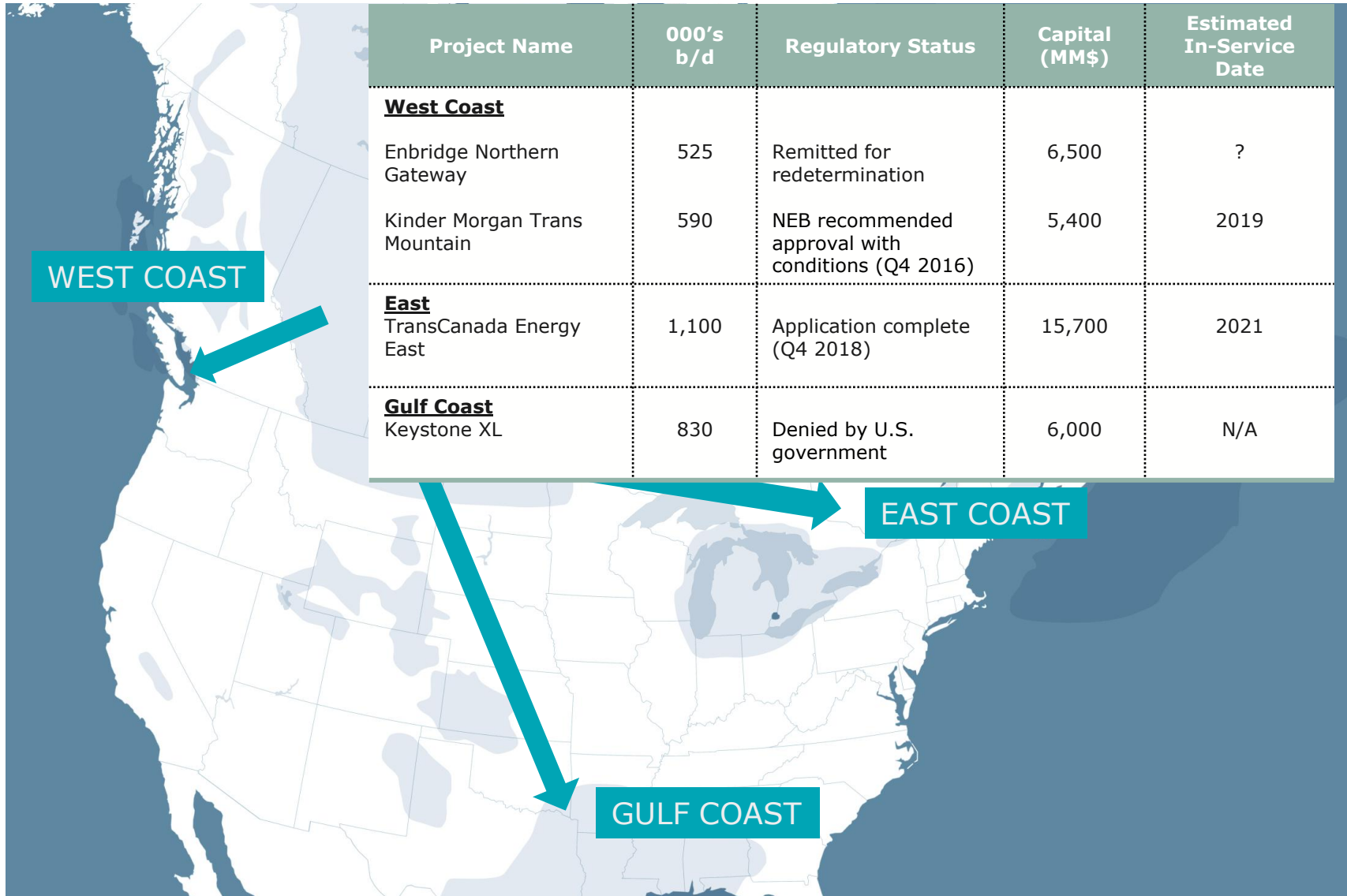
Source: The Economic Impacts from Operations of Canada's Energy Pipelines, Angevine Economic Consulting Inc., 2016



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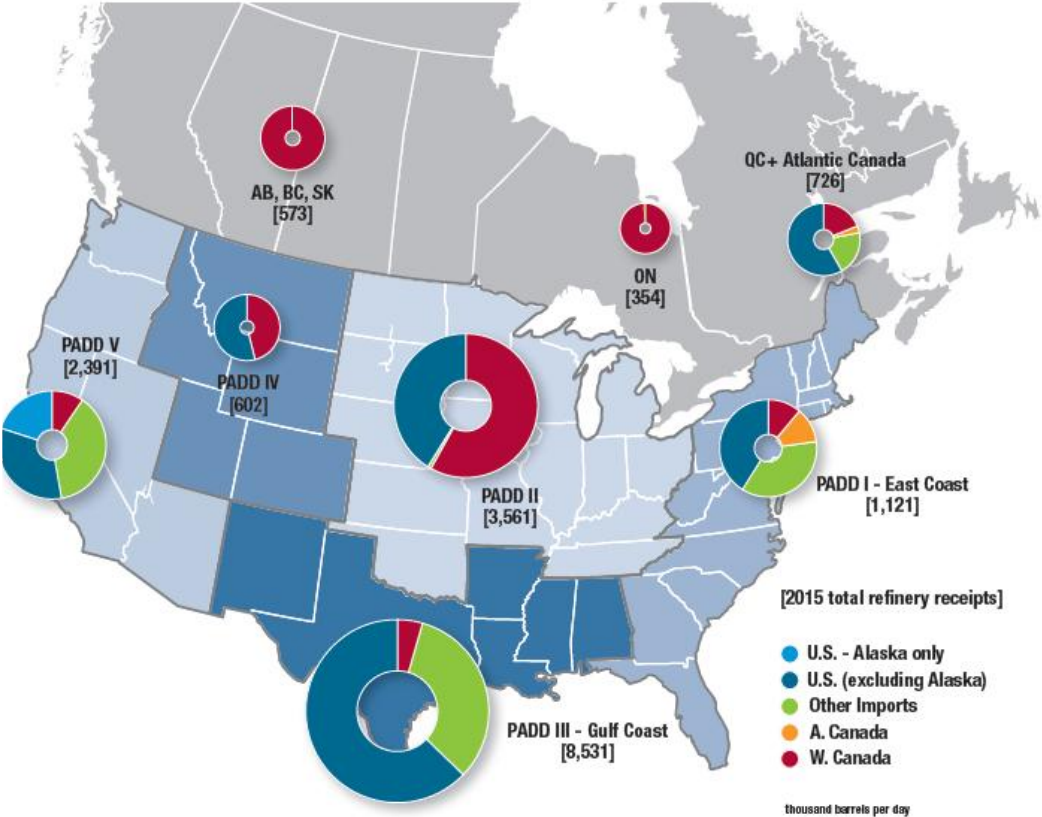
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Proposed crude oil pipelines



Disposition of Canadian Crude

PADD	2015 Refining Capacity (000's bpd)	2015 Canadian Receipts (000 bpd)
I	1,300	257
II	3,968	2,100
III	9,259	390
IV	660	278
V	2,880	225



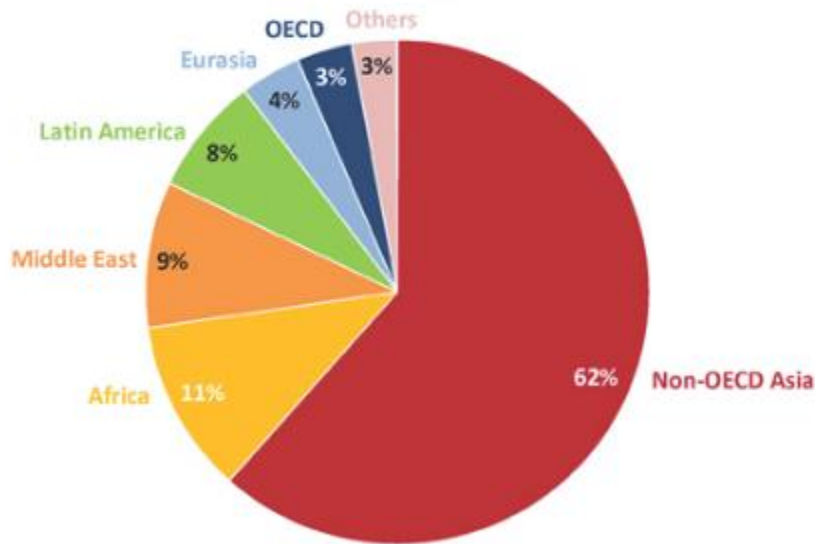
Sources: CAPP, CA Energy Commission, EIA, Statistics Canada



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Global energy demand

Share of Global Growth,
2012-2035



- Growth in oil demand is concentrated in Asian markets
- Market access is crucial
- <1% of Canada's oil is shipped outside of North America

Source: IEA



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Canada vs U.S.

From 2010 through 2014, US crude pipeline mileage grew more than 12,000 miles, or 22 per cent

Miles of new pipeline constructed 2010 - 2014		
Country	Canada	U.S.
Oil	1,600	12,000

In the time the Keystone XL pipeline was under review, we built the equivalent length of 12 Keystone XL pipelines across the US.

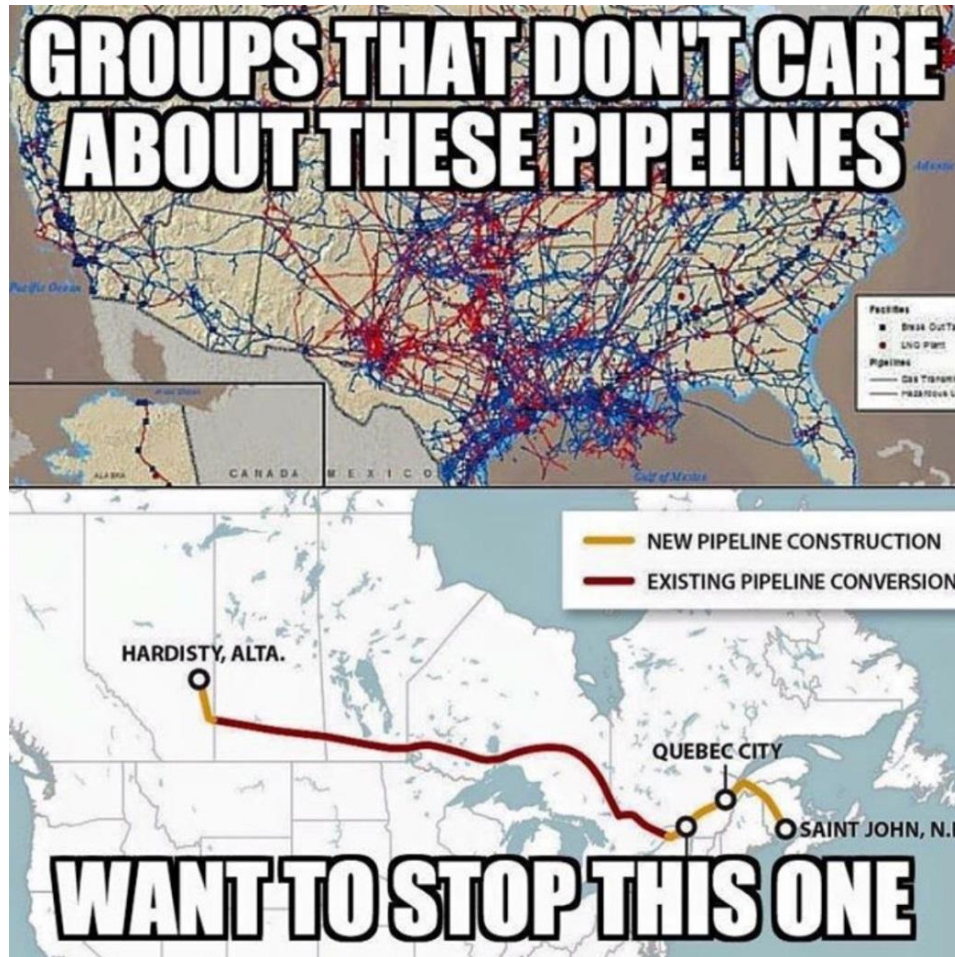
AOPL Pres. Andrew J. Black



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Our opponents



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Industry challenges



- Timelines
- Approval process complexity
- Imposed conditions
- Regulatory compact



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Concluding thoughts...

- Certainty and clarity of regulatory process
- Building public trust
- Harmonization

