

Building on British Columbia's Natural Gas Advantage

In tough economic times, we tend to search long and hard for solutions. But the answer to ensuring British Columbia's global competitiveness may be closer than we think. In fact, it rests deep below our feet – in the abundant natural gas reserves that have helped shape our province's energy independence and economic vitality for years – and stand ready to do even more in the years to come.

B.C.'s natural gas sector has a long history of creating jobs and strengthening communities, from Fort Nelson to the Fraser Valley – and all points in between. We've been a highly sought exporter of natural gas to the U.S. And, the strategic proximity of our B.C. coast to growing Asian markets positions our province to realize the economic boost of expanding the market reach of our home-grown energy advantage.

The shale gas playing field has become more crowded of late, as other provinces and states discover the same wealth of shale gas that we enjoy in B.C., and many of those emerging basins are located much closer to demand centers than ours. Those competing natural gas supplies will translate into the same jobs, taxes and investments in those jurisdictions that we in British Columbia have come to rely upon, and look forward to building in the future. It also means that throughout North America, we will see significant changes in the traditional flow patterns in Canada of natural gas from west to east and north to south.

To deliver on natural gas' tremendous promise, British Columbians need to find new uses and new international markets for this abundant, domestic resource. While the natural gas sector is primarily located in northeast B.C., it is important for everyone who lives, works and invests in B.C. – including companies like Spectra Energy, which has been part of B.C.'s economy for more than half a century – to support the growth of the natural gas sector. The simple fact is: without the economic contributions of natural gas, the province cannot maintain the critical social programs upon which we all rely.

We should all make an effort to make the most of the tremendous advantages offered by B.C. natural gas. As a local energy resource, natural gas is clean, abundant, sustainable and efficient and provides a tremendous array of socioeconomic benefits to people in communities across B.C. now and in the years to come.

Using B.C. natural gas can also have a positive influence on the environment. B.C. natural gas has low emissions; is sustainable; and complements renewable energy resources like wind and solar. B.C. natural gas is also very versatile, for example, using natural gas as a foundation fuel to generate electricity represents the greatest opportunity for meeting our carbon reductions cost-effectively. Using natural gas in homes and residential buildings is also a cost-effective and energy-efficient alternative for hot water and home heating. It is also important to consider the advantages of using natural gas to propel heavy-duty transport trucks and commercial fleets - another way to reduce greenhouse gases and oil usage.

Next, we can excel in building new markets for our natural gas. We've done it before in mining and forest products – and we can do it again with natural gas. We have exploration and production companies spending billions of dollars in B.C. to safely and responsibly get natural gas out of the ground; we have local companies ready to service drilling rigs and equipment and construction projects; we have a proven network of safe and reliable pipelines to move that gas throughout B.C.; and we have companies like Fortis BC and Westport Innovations that are finding ways to deliver new natural gas products and services to consumers in B.C.

It's important to note that there is a positive correlation between increased natural gas demand and further investments across this province. A prime example is Spectra Energy's capital expansion program in which we are investing \$1.5 billion in natural gas infrastructure, making Western Canada the fastest-growing segment of our business. These investments are the first step in enabling B.C. to better serve the world's fastest-growing economies with clean-burning, reliable natural gas.

B.C. sits in an enviable strategic position, atop a resource that is ready and able to fuel sustainable economic growth. We are self-sufficient in gas supply and use less than 50 percent of the natural gas we produce; we have a well-regulated natural gas sector ready to create socio-economic benefits for First Nations and other communities; we have an existing pipeline network that is ideally situated and expandable to connect growing supplies to virtually any LNG facility developed on the West Coast; and our proximity to Asian markets hungry for affordable energy presents a unique competitive advantage.

The shale gas deep below our feet promises a century or more of supply – supply that holds tremendous economic and strategic importance, not only for our province, but for a world with a growing appetite for reliable, responsibly developed and delivered energy. It will, however, take more than bountiful supply to lead our increasingly competitive international markets. Our rich energy reserves must be matched by renewed reserves of political will, market responsiveness and a true 'one project, one-process' framework for large project reviews. There is real opportunity to establish a modern regulatory framework of linked or integrated legislation that ends overlap and duplication and supports energy development and innovation.

I have every confidence in B.C.'s ability to be a world energy leader. That confidence is shared by my 900 Spectra Energy colleagues who work and live in B.C. and are eager to get started developing the necessary natural gas infrastructure across this province to help bolster the local economy.

Douglas Bloom
President
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