

## **Canadian Gas Association**

### **Responses**

#### **1. Economic Recovery and Growth**

*Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?*

An essential part of our everyday lives, natural gas heats and cools our homes and businesses, generates electricity, fuels vehicles, and powers appliances & devices in an affordable and efficient manner. Today Canadians are spending less on their natural gas bill with only 1 per cent of typical Canadian household spending going towards natural gas energy costs. This is a very different story compared to other energy choices, and a story few Canadians appreciate. Statistics Canada reports that the natural gas distribution industry's share of GDP in Canada in 2011 was \$3.4 billion dollars. CGA members invest over \$2 billion in new capital spending every year. CGA estimates that, including the natural gas upstream production and midstream segments, the overall sector contributed almost \$24 billion to Canada's GDP in 2011. Traditionally the natural gas distribution industry has focused on the safe and reliable delivery of affordable natural gas to Canadian homes, business, and industry to meet their needs for heating, cooling, and electricity. The emerging opportunity though, is in transportation. Natural gas vehicles using proven, commercially-available Canadian technologies can reduce emissions and provide lower fuel costs thereby enhancing the competitive position of Canadian businesses. Transportation that is fuelled by natural gas supports jobs, provides new energy options for business, communities and families, and contributes to economic recovery and growth by opening up new markets for Canadian goods and services. Canada has extensive capabilities in the area of natural gas vehicle and station-related manufacturing. A Canadian company is engaged at most points along the vehicle and station supply chain, producing equipment such as vehicle engines, fuel storage tanks, modular fuel storage systems, components for vehicles, natural gas dryers, fuel dispensers, biogas upgrading equipment, and complete compressed and liquefied natural gas refuelling stations. CGA supports the establishment of a partnership between Finance Canada and Canada's natural gas industries to develop an appropriate fiscal measure to encourage market adoption of natural gas vehicle technologies (both compressed natural gas (CNG) and liquefied natural gas (LNG)) that will provide more cost-effective transportation choices to keep the Canadian economy moving.

#### **2. Job Creation**

*As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?*

CGA believes that job creation will be realized with continued delivery of low cost natural gas based energy services. Affordable energy services have been and will continue to be a key foundation for the productivity and competitiveness of the Canadian economy. Natural gas is uniquely positioned to contribute to job growth and economic recovery given its abundance and affordability. There are three areas where we believe natural gas can have a significant impact: (1) In transportation, natural gas can contribute to the economic recovery by reducing costs, improving competitiveness of Canadian business and in doing so secure stronger job creation and growth. (2) In terms of new technology applications,

new and existing natural gas end-use technologies can power our economic recovery and growth, securing improved employment prospects today and in the future. (3) In northern and remote communities, natural gas can provide affordable energy solutions that attract new industry and help to ensure businesses in these regions remain competitive and a strong source of local employment. In 2011 the natural gas distribution sector employed over 15,000 full time workers – a significant economic contribution in its own right. But the delivery of affordable energy services from natural gas is an even more important contributor to a strong economy.

### **3. Demographic Change**

*What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?*

Natural gas utilities continue to share best practices associated with workforce planning, succession planning, retention, recruitment and training. Natural gas distribution companies are working to address the challenges associated with the skills deficit created as their current workforce retires, by attracting and retaining younger workers, targeting immigration to fill skilled labour gaps, and attracting and retaining Aboriginal Canadians. CGA would like to work with government to address these challenges so as to help promote skills creation in Canada and continue to strengthen our economic recovery. The natural gas distribution industry is committed to building and maintaining natural gas pipelines to safely and reliably deliver natural gas to Canadian homes, business, and industry. Currently the natural gas distribution industry has over 15,000 full time Canadian employees and CGA estimates that close to 72,000 Canadians work directly in jobs provided by the full natural gas value chain: all the companies that produce, transport, and distribute natural gas in Canada. However, the age of Canada's workforce population is increasing and for the natural gas utility sector it is happening at a greater rate over a shorter period of time. Qualified workers and skilled labour are in significant decline within the gas distribution sector.

### **4. Productivity**

*With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?*

CGA supports the establishment of a government/industry initiative to move money-saving natural gas technologies into the marketplace. Such a program would involve partnerships with Canadian companies and consortia to commercialize new and innovative technology applications of Canadian end-use energy technology. Through collaboration and the leveraging of national and international expertise and resources, the initiative will seek to accelerate the pace of adoption of more efficient and innovative energy services for Canadians. Opportunity for cooperation is available in four main areas: community energy systems, renewable natural gas, transportation, and industrial processes. CGA believes that productivity and growth result in part from the efficient use of inputs and a culture of innovation. This is particularly the case in respect to efficient energy systems that keep our costs down and ensure that our economy is moving forward. Natural gas distribution companies have a strong history of developing innovative, smart energy choices for their customers. Many utilities have been delivering energy conservation and efficiency programs to customers across Canada for more than a decade. Dramatic increases in the supply of natural gas in Canada and worldwide have set the conditions for the delivery of more and more affordable and efficient energy choices to Canadians for their energy needs. To ensure natural gas is an available option for transportation and other efficient energy technology deployment, there is a need to establish building blocks for market development and to create the right conditions for more affordable and sustainable options to compete.

## 5. Other Challenges

*With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?*

CGA supports reducing energy costs and improving environmental performance in northern and remote communities as a priority for the Government of Canada. CGA believes that to realize this priority, the Government of Canada should work closely with industry to stimulate northern and remote communities' energy initiatives by: 1. Leveraging investments by Canadian utilities and others to fund energy infrastructure that will meet energy affordability and environmental priorities; 2. Showcasing technologies like natural gas fuelled CHP energy systems in communities and on military bases; 3. Supporting a national and regional networking, capacity building, and information sharing program that facilitates the development and implementation of, and information dissemination about, community energy systems; and 4. Driving community sustainability by fuel switching from more expensive higher-emitting fuels to less expensive cleaner-burning fuels such as natural gas. Northern and remote communities are notably different from the rest of Canada. Individuals, industry, businesses and communities are at a major disadvantage if they do not have access to affordable, efficient energy solutions to heat and cool their homes and businesses, generate electricity, fuel vehicles and power appliances and devices. Energy costs in northern and remote communities are a major contributor to the high cost of living such communities must cope with in order to survive. Beyond the direct impact, they have significant indirect impact as we look to remote regions in many provinces for significant new resource development opportunities. Natural gas can provide the needed solutions that will increase the standard of living in northern and remote communities and help them develop in an effective manner to the benefit of all Canadians.