

**REGIONAL ASSESSMENT OF OFFSHORE OIL AND GAS EXPLORATORY DRILLING  
EAST OF NEWFOUNDLAND AND LABRADOR**  
**Technical Advisory Group (TAG) Session on *Climate Change***  
**September 17, 2019**  
**QUESTIONS AND ITEMS FOR DISCUSSION**  
**PARTICIPANT INPUT FORM**

**Name and Affiliation:** Canadian Association of Petroleum Producers

**1) Are there any particular information sources or analysis (such as climate change projections) that you think should be accessed and used in the RA?**

Paper titled Investment of Carbon Proceeds into Oil and Gas Production Operations: Making the case for the oil and gas sectors ability to contribute to provincial emissions reductions and economic growth icf.com May, 2018.

CAPP 2018 Economic Report Series: Competitive Climate Policy, Supporting Investment and Innovation.

Canada is 1.6% of the global GHG emissions ([Global greenhouse gas emissions](#)) and NL makes up 1.5% of Canada ([Canada greenhouse gas emissions](#)) with offshore oil & gas being 20% (including stationary combustion sources & fugitives from [historic summary of GHG emissions](#)). Taking a conservative approach of using fuel consumption for a rig and 2 support vessels for 90 days to drill an exploration well this translates into an estimated 17 ktCO<sub>2</sub>e. The low impact of an exploration well (even 100 exploration wells as per the goals of Advance 2030) on climate change should be considered as these numbers are not a material factor in causing the global climate crisis.

|                                |  |   |
|--------------------------------|--|---|
| World                          | 45,741 Mt CO <sub>2</sub> e(2014)                                  |   |
| Canada                         | 745 Mt CO <sub>2</sub> e (2014)<br>704 Mt CO <sub>2</sub> e (2016) | 1.6% of world emissions                       |
| Newfoundland & Labrador        | 10.8 Mt CO <sub>2</sub> e (2016)                                   | 1.4% of Canada's emissions<br>0.025% of world |
| Offshore Oil & Gas + fugitives | 2.1 Mt CO <sub>2</sub> e (2016)                                    | 19.4% of NL's emissions<br>0.005% of world    |
| Exploration well               | 0.017 Mt CO <sub>2</sub> e (2019 estimate)                         | 0.8% of NL's emissions<br>0.0002% of world    |

Another consideration that should be discussed is carbon leakage. If the oil is not produced in Canada then it will be sourced from countries with lower or no environmental protections resulting in carbon leakage. Carbon leakage refers to the situation that may occur if, for reasons of costs related to climate policies, businesses were to transfer production to other countries with laxer emission constraints. This could lead to an increase in their total emissions. The risk of carbon leakage may be higher in certain energy-intensive industries such as oil and gas.

**2) Are there any specific environmental phenomena or changes resulting from climate change that you feel are already having (or will likely have) an effect on the environmental conditions of the Study Area that should be a focus of the RA? In particular, any with implications for the potential environmental effects of future exploratory drilling activities in the Study Area?**

**3) Are there any particular environmental components and conditions that will likely change over the course of an exploratory drilling program and which therefore require consideration in its initial and on-going planning and implementation? To what degree can such changes likely be anticipated and addressed in**

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initial planning and design, or is an “adaptive management” approach required?

**4) Do you have any suggestions around how the RA should consider climate change in its content and outcomes, including in the eventual recommendations of the Committee?**

- Scope:
  - Activities and emission sources: Needs to be clear on what emission sources should be included to encompass all exploration affiliated activities (i.e. surveys, support vessels, etc – but only to the extent that those activities are required for exploration). Recommend keeping the scope to exploration wells and affiliated activities only.
  - Include assumptions around exploration drilling activity (seasonality, barriers, constraints or limitations such as rig availability, lead time)
  - Consider the history of how long exploration activities have been occurring for and ratio of production platforms (>300 wells for 4 producing fields) and typical success rate.
  - Duration: Would recommend that duration at least cover the Advance 2030 period.
- Study Topics to include:
  - Section that discusses the current applicable regulatory requirements that exploration is regulated by (current environmental stewardship)
  - Discussion on carbon leakage
  - How exploration fits within Canadian goals and projections and how this activity is justified (rational on why Canadian energy is responsible) and exploration emissions within the Canadian and global context. (see question 5 below)
- Specific Study Recommendations:
  - All recommended mitigation measures should be outcome based and not technology prescriptive.
  - Consideration for production of low carbon intensity oil in NL

**5) Do you have any other input or recommendations that you would like to provide to the Committee on this topic?**

Canada has world-class regulations in environment and safety, in NL the oil & gas industry employ thousands of Canadians, support equal and fair employment and produces billions in royalties to the province, which in turn support social programs.

Canada is a recognized leader in methane reductions relating to flaring and venting.

We are a world leader in carbon capture and storage.

We are the largest employer of Indigenous peoples in Canada and most Indigenous groups are now aligned with responsible development.

We have a world-class marine safety system. There are approximately 20,000 tanker movements per year on the East and West coasts and there have been no significant oil spills.

Through offering a “better barrel” into world markets, we will be reducing global emissions.

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The opportunity is to advance the development of a clean, ethical Canadian energy brand based on innovation and a long-term commitment to a low carbon future.

We can be an important part of a global solution through leveraging our proven expertise, technologies and advanced regulatory and governance standards.

***All comments received will be considered public and may be posted to the Canadian Impact Assessment Registry. For more information on the Canadian Impact Assessment Registry Terms of Use and Submission Policy, please consult <https://iaac-aeic.gc.ca/050/evaluations/introduction?culture=en-CA#innovation> . For more information on the Agency's privacy policies, consult the [Privacy Notice](https://iaac-aeic.gc.ca/050/evaluations/Protection?culture=en-CA) on its website: <https://iaac-aeic.gc.ca/050/evaluations/Protection?culture=en-CA>***