NEB presentation to the Standing Senate Committee on Energy, the Environment and Natural Resources

Canada’s Energy Future 2016: Energy Supply and Demand Projections to 2040

April 12, 2016
The NEB’s Long View: Energy Futures Series

• NEB’s flagship energy information product published since 1967.
• The only publically available Canadian long-term energy outlook
  o Includes all energy commodities and all provinces and territories
• Not a prediction of the future, but PROJECTIONS given a set of assumptions
Lower for Longer?
Results of the Price Cases

Brent Crude Oil Price, Reference, High and Low Price Cases

Total Canadian Oil Production, Reference, High and Low Price Cases
Total Energy Production
Reference Case

Production of Crude Oil, Natural Gas, and Electricity Generation on an Energy-Equivalent Basis

Diagram: Graph showing the production of Crude Oil, Natural Gas, and Electricity Generation from 2005 to 2040 in Petajoules.
What if pipeline projects do not proceed?
Constrained Case: No new major oil export pipelines are built

Western Canadian Crude Oil Production,
Reference and Constrained Cases

Canadian Oil Export Pipeline Capacity,
and Oil Exports, Constrained Case
Future prices and LNG exports are important drivers for Canadian natural gas
Future electric capacity additions dominated by natural gas, renewables
Provincial and Territorial energy diversity an important factor in Canadian energy
Energy Use and GHG Implications

Total Fossil Fuel Demand by Case

- Reference
- High Price
- Low Price
- Constrained
- High LNG
- No LNG
What’s Next?

Updating our analysis this fall to account for recent policy changes and persistent low price environment.

**Summer 2015:** EF 2016 analysis completed

**November 2015:** Alberta announces climate change plan

**December 2015:** Paris Climate Conference

**Summer 2015:** Crude prices decline from July highs

**December 2015:** Manitoba, Ontario, Quebec Sign MOU to link future cap-and-trade systems

**January 2016:** Persistently low prices, WTI <$30

**March 2016:** P.M. and President commit to reducing oil and gas sector methane emissions