



# **Getting to a Clean, Safe and Secure Energy Future**

## **Perspectives on Change**

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Pipeline Safety Trust Conference

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# [ Outline ]

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- **Context**
- **Trust Barometer – Stormy Days**
- **NEB Modernization Review**
- **Where to from Here?**
- **Qs & As**

# Context – Disruptive and Uncertain



Citizens, activists, landowners, and Indigenous people looking for a new way forward (Free, Prior and Informed Consent)

Energy Forecast: 150 million e-cars by 2040 (100x more), and 103.5 mb/d (up from 92.5). GHG emissions : commitment to halt climate change to 2 degrees Celsius, but deep consumer and technology change needed

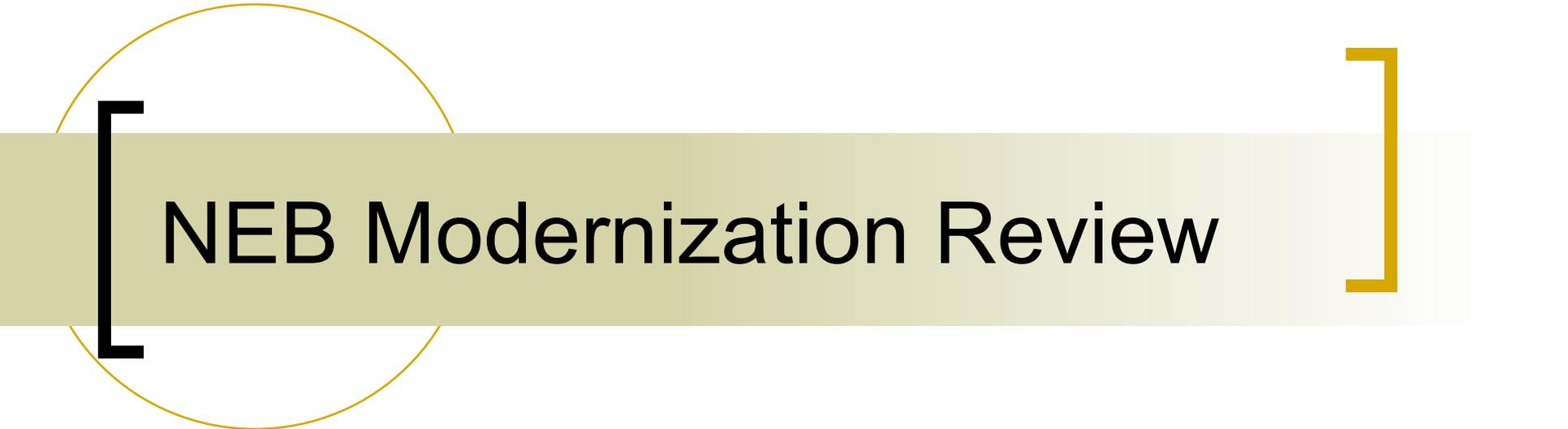
# [ Tracking Trust ]

- Edelman trust barometer; see: <https://www.edelman.com/executive-summary/>

*“The 2017 Edelman Trust Barometer reveals that trust is in crisis around the world... trust ... has declined broadly, a phenomenon not reported since Edelman began tracking trust among this segment in 2012.”*

# [ Edelman Findings ]

- Mass population **rejects authority**
- Trust has decline in all four key institutions — business, government, NGOs, and media
- **Majority distrust** media and government
- 53% believe the **system is failing** them
- Distrust means that **concerns become fears** (acute in US) and people become **closed to new perspectives**



# NEB Modernization Review

# Situating the Expert Panel Recommendations

The NEB Modernization Expert Panel Report provides 26 recommendations across key themes, including:

- Governance
- Mandate
- Decision-making Roles
- Legislative Tools for Lifecycle Regulation
- Indigenous Engagement
- Public Participation
- Focus on Landowners

# [ Highlights of What We Heard ]

- Pipeline projects lay in the cross hairs of climate change and energy debates
- Unclear policy and vision result in the impossible situation where a regulatory hearing becomes a polarizing policy forum
- There is a crisis of confidence for the public, indigenous communities and investors alike
- Despite the great concerns, win-win solutions are possible and there is much common ground to build upon
- Trust and confidence is achievable with strong leadership, new processes and greater transparency

# [ Key Principles ]

## **Principles Applied to Recommended New Regulatory Framework:**

1. Living the Nation-to-Nation Relationship
2. Alignment of NEB Activities to National Policy Goals
3. Transparency of Processes and Decision-Making and Restoring Confidence
4. Public Engagement Throughout the Lifecycle
5. Results Matter: Regulatory Efficiency and Effectiveness

# Vision and Recommendations: *Outcomes & Structure*

- A regulatory system that **aligns with a clearly defined and coherent national strategy** to realize energy, economic, social, and environmental policy objectives
- An independent **Energy Information Agency**, separate from both policy and regulatory functions, accountable for providing decision-makers and the public with critical energy data, information, and analysis
- A modern **Commission**, governed by a Board of Directors, with decisions rendered by a separate group of Hearing Commissioners

# Vision and Recommendations: *Process & Decision Making*

- Two Phase Process:
  1. **Determine alignment with national interest** *before* detailed project review or licensing decisions, informed by substantive Indigenous Consultation and stakeholder engagement
  2. **IF “Yes”, proceed with detailed review** including environmental assessment, regulatory licensing and project conditions

# Vision and Recommendations: *Engagement & Relationships*

- **Real and substantive participation of Indigenous peoples**, on their own terms and in full accord with Indigenous rights and title, in every aspect of energy regulation
- A Commission which **radically increases the scale and scope of its stakeholder engagement** to build trust and drive better outcomes for all Canadians
- **Better relationships with landowners**, on whose land so much vital infrastructure sits

# [ Report Summary ]

- **Innovative Nation - to - Nation structures and processes**
  - Build capacity and confidence
  - Enduring relationships will shape a “made in Canada” approach to UNDRIP as new and existing energy infrastructure is considered and kept safe
- **Robust “whole of government” policy alignment**
  - Ensure the most senior government direction to shape and maximize national interest
- **Effective and Efficient “one process – one review” in Phases**
  - Ensure that engagement, decisions and knowledge cascade through project assessments and lifecycle
- **Modernized and adaptive engagement and transparency**
  - Deliver a framework for ongoing credibility and trust, from landowners to communities to national interests



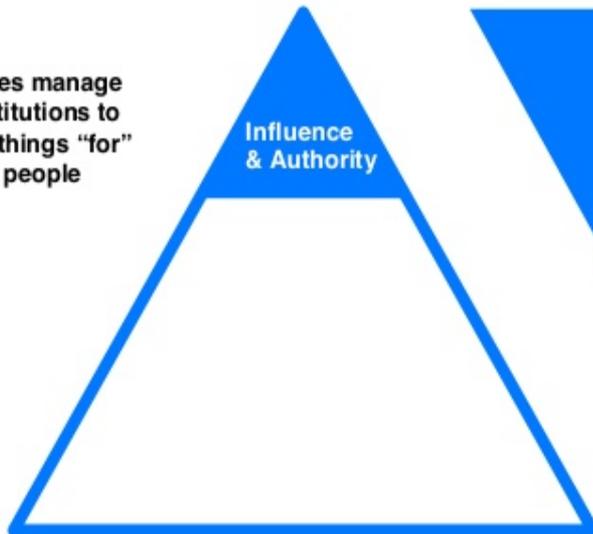
Where to from here

# Edelman Shift: “Institutions working *with* the people”

## A Fundamental Shift

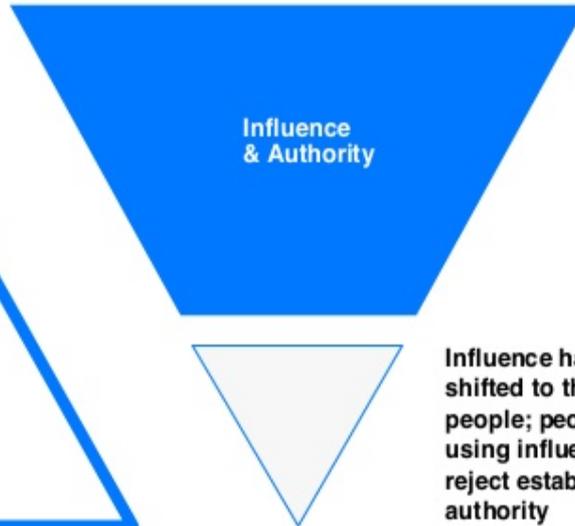
**Old Model:**  
*For* the People

Elites manage institutions to do things “for” the people



**Current Tension**

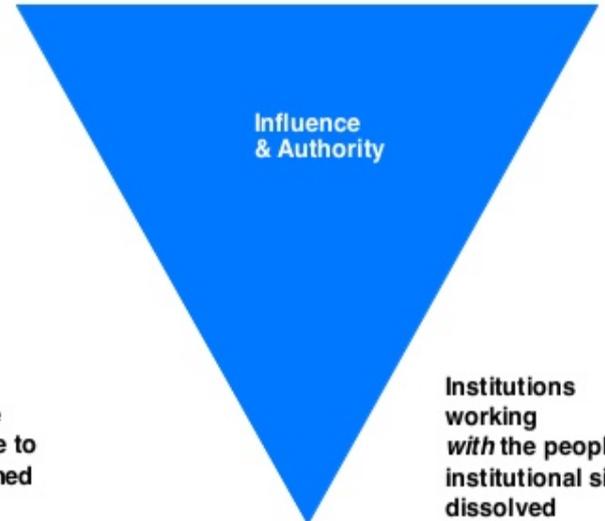
Influence & Authority



Influence has shifted to the people; people using influence to reject established authority

**New Model:**  
*With* the People

Influence & Authority



Institutions working *with* the people; institutional silos dissolved

# [ Setting the Rules ]

- Typically “thou shalt”...risk having a rule set to solve yesterday’s problems
- Hard to set aspirations for new approaches or continual improvement
- Tension between driving toward compliance, and adapting to meet social expectations
- Especially difficult in a complex environment with lots of sub-groups
- **Instead of a static “rule” in law, enable adaptive process to update assumptions and find win-win solutions**

# Achieving the Public Interest

**Government Response:  
Effective Regulation  
Including EA**

**Industry Response:  
Corporate Governance  
& Responsibility**

**Goal Oriented Regulation**

**Clear and Predictable Processes**

**EA as a planning tool**

**Public Engagement**

**Measures and Public Reporting**

**Verification, Audits**

**Cooperation with Agencies (e.g.:  
Accords, Harmonization Agreements,  
DM Task Force)**

**Management Systems (PDCA)**

**Effective Processes and  
Procedures**

**EA and design modifications**

**Stakeholder Engagement**

**Measures and Public Reporting**

**Verification, Audits (“trust but  
verify”)**

**Cooperation across Industry (e.g.:  
Forest Certification, Responsible  
Care, CEPA Integrity First)**



In Conclusion

Personal Thoughts

# [ 1. Assumptions are misleading ]

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- Risks cannot be informed by data alone
- Expect our world to remain very fluid, dynamic and chaotic
- Good decisions need external perspectives
- Relationships that can challenge assumptions will provide better results for everyone

## 2. Rational is not a single truth

- Global realities: things don't always align
  - Energy trade
  - Climate change
  - Finance mobility
- Local realities: expectations don't always align
  - Affordable, clean, safe, reliable energy
  - Each of us is both citizen and consumer – not always aligned either! (*Cleveland*)
- Acceptance and Consent
  - Activism
  - Veto or win-win accommodation

# 3. Be prepared to lead

## Courage

1. Shared confidence
2. Probing / Skeptical
3. Interests
4. Accommodation
5. Fair progress
6. Intentional

## Despair

1. Mistrust
2. Closed / Cynical
3. Fixed Positions
4. Conflict
5. Paralysis
6. Complacent

# [ Change is Needed ]

- Is Change Needed to Enable a Clean, Safe and Secure Energy Future? YES
- Do you believe it is possible? YES
- Invitation during this conference:
  - Seek out someone you think you'd disagree with and find out why they are here – likely that we care about the same stuff and can trust enough to get started