

## MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

### MACKENZIE GAS PROJECT

February 15, 2018

**MR. O'REILLY:** Merci, Monsieur le President. On December 22 of last year the Mackenzie Gas Project partners announced their decision not to proceed with the development. Not only is there no interest in offshore hydrocarbon, onshore interest has evaporated. As the Premier predicted, there is no interest in NWT oil and gas, and it will not come back for a long time, if ever.

Some government leaders are blaming the review processes for the demise of the project. Nothing could be further from the truth. Had the project gone ahead, it would now be a multi-billion-dollar white elephant.

This project never had any confirmed shippers beyond the anchor fields, but applied for a pipeline to handle much more. The Environmental Impact Statement was submitted by the developers less than two months after the right was requested. Six rounds of information requests took up precious time and resources. This points to a poor job by the developers. In total, the developers requested delays or extensions 30 times during the joint review process. These delays and extensions totalled 500 days, although some of these happened concurrently.

The job of the Review Board and the National Energy Board was made much more difficult because the federal and territorial governments limited the participation of employees to provide their expertise and knowledge, a process now formalized in this Cabinet's project assessment policy. Non-governmental organizations were often put in the position of providing expert evidence and doing the job of governments, despite not being resourced at all, in some cases.

What lessons can we learn from the Mackenzie Gas Project? Here are a few, Mr. Speaker:

- Pinning all your hopes on one or a few large projects is not sound economic development planning;
- You can try to rush projects through, but this will come back to bite you in the end; and
- While using hydrocarbon resources locally may make some sense, investing more time and effort into oil and gas development in the Northwest Territories is not a wise use of our efforts.

It is not clear whether our Cabinet has learned much from the Mackenzie Gas Project. I will have questions later today for the Minister of Industry, Tourism and Investment. Mahsi, Mr. Speaker.