

ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE

QUESTION 118-18(3): OIL AND GAS INVESTMENT

FEBRUARY 15, 2018

MR. O'REILLY: Merci, Monsieur le President. My question is for the Minister of Industry, Tourism and Investment, who also has responsibility for oil and gas. We spoke of the developer's decision to not proceed with the Mackenzie Gas Project in December 2017. GNWT ended its financial contributions to the Aboriginal Pipeline Group in 2017-2018. I would like to know from the Minister: what, if any, support does our government continue to provide for the Aboriginal Pipeline Group now, and are new contributions or support being planned? Mahsi, Mr. Speaker.

MR. SPEAKER: Masi. Minister of Industry, Tourism and Investment.

HON. WALLY SCHUMANN: Thank you, Mr. Speaker. The Member is right. Last year was the last time we supported them, but moving through this business cycle, we have no plans on providing funding to APG.

MR. O'REILLY: I'd like to thank the Minister for his response on the last question. One of the mandate commitments that Cabinet pushed was to develop a long-term strategy to attract investment in oil and gas. The mandate tracking webpage shows that this item was completed in late 2016, but it still hasn't seen the light of day. Companies are voting with their feet and wallets and leaving. Where is the long-term strategy, and why would we continue to try to attract investment when industry has no interest?

HON. WALLY SCHUMANN: Our territory has considerable petroleum potential, and we have committed in our mandate to deliver a long-term strategy and capitalize on these reserves. With that said, though, this isn't an isolated initiative. It directly links to the important work we are doing as a government in the Northwest Territories. We have the energy strategy, the climate change strategic framework, and we are moving all three initiatives together. This is a shared vision that we have to work towards the new energy climate change strategic framework going forward, and the initiatives that we've signed on to. We are looking at publicizing these three documents, hopefully in April.

MR. O'REILLY: Thank you to the Minister for letting us know that this oil and gas strategy is supposed to be made available in April. Clearly, there's no interest in exploration in the offshore. Now, onshore oil and gas. As shown by the demise of the Mackenzie Gas Project and the decision by Husky to not frack any further in the Sahtu, the Premier predicted the end of oil and gas, and even Matthews Energy Consulting says we need to shift our oil and gas focus from exploration to remediation. Will the Minister start to refocus our efforts on oil and gas to remediation and small-scale development that could provide local energy rather than the mega-project approach?

MR. SCHUMANN: When we bring our strategy forward and table it in the House here shortly, it recognizes that we have to address the needs of climate change. That is the first priority of this government. Also, we've got to take in the current political environment around what we consider moving this forward with the knowledge economy

as such, and what advantages does it ensure residents of the NWT.

I can reassure the Member for sure, in the strategy when we table it, there is going to be a focus of using local energy for local use. That is one of them, but we still have to have a long-term strategy going forward on how to develop our resources.

MR. SPEAKER: Oral questions. Member for Frame Lake.

MR. O'REILLY: Merci, Monsieur le President. That's welcome news from the Minister. I look forward to the strategy. Lastly, in my Member's statement, I spoke about lessons learned from the Mackenzie Gas Project about putting all of our eggs in a non-renewable resource mega-project basket. We learned about trying to cut corners on project assessment; that eventually sort of comes back to bite you. Perhaps the biggest lesson is the need to move past oil and gas to diversify our economy. I would like to know from the Minister: what lessons has he learned from the demise of the Mackenzie Gas Project?

HON. WALLY SCHUMANN: You can answer this a number of ways. I'm going to answer it the way I want to answer it. First of all, the demise of the Mackenzie Gas Project was due to the current market prices of the day. It went from \$11 down to \$1.90. Market prices dictated that they shut down. At the same time I think some of the lessons learned, and the Premier has talked about this a number of times when we're travelling around is the Aboriginal Pipeline Group, how good that was. It was the heart and strength of that initiative, and it is a landmark partnership that, when we're out there speaking to the public, and travelling around, and doing FPTs, it's a model for future development, not just in our territory, but the country could take as an approach, as to how they can move some of these big, large initiatives forward. The other side of it, too, is the environmental process, how long it's taken. Seven years to get this initiative through is way too long. I'm glad to see the federal government come out with their new legislative proposals or initiatives coming forward with environmental regulations. It's going to be a two-year process, max, on some of these initiatives, and that's going to bring some of these projects forward. Thank you, Mr. Speaker.