

Canada, don't misread the new global energy reality

By [Tzeporah Berman](#) | [Opinion](#) | March 24th 2022



Syncrude Aurora mine in Fort McMurray, Alta. Canada's oil is projected to price out first as countries turn to the electrification of vehicles and heating. Photo by the Government of Alberta / Flickr (CC BY-NC-ND 2.0)

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The devastating war in Ukraine is hastening the end of the fossil fuel era in many regions. Canada must read this new global reality correctly and not be misled by oil and gas CEOs ready to exploit another crisis to increase production and push outdated, high-carbon fuel on markets seeking to wean themselves off [fossil fuels](#).

The argument for fossil fuel expansion, at a moment when the world is experiencing unprecedented droughts and floods caused by oil, gas and coal, is that countries need more energy – so let's make sure it's Canadian oil. This ignores how fossil fuel dependence makes us vulnerable to price shocks and declining oil demand due to the meteoric increase in policies to ban fossil fuel vehicles and replace fossil fuel heating, as well as the simple fact that building renewable energy at scale is now cheaper than fossil fuels.

Canada's oil is dirtier and costs more than most of the world's, and it is projected to price out first as countries turn to the electrification of vehicles and heating. That's why dozens of major international banks and insurance companies, including [HSBC](#), [BNP Paribas](#) and [Zurich Insurance](#) now have policies not to insure or invest in the oilsands.

The knee-jerk call for more Canadian oil and gas ignores our responsibility to reduce pollution and fight climate change. Electrification and renewable investment are cheaper, safer, quicker and don't lead to violent conflict or explode when bombed. Even a major solar spill is just a sunny day.

In this northern equivalent of the “[drill, baby, drill](#)” mantra, the one nod to our climate reality and commitment to reducing carbon pollution — a commitment we have so far embarrassingly failed to meet (making us the [only G7 country](#) completely off track) — has been that with carbon capture, we can create “cleaner oil.” Despite billions in investments, [peer-reviewed science](#) shows the industry's attempts are not working, and in the case of Shell's showcase [Quest project](#) in Alberta, it is emitting more carbon dioxide than it's sequestering.

The inconvenient truth for the oil and gas lobby is that energy efficiency and **renewable energy** options can be deployed much faster and for less money than pipelines or LNG terminals. If we want to help Europe's energy crisis and avoid both future wars fuelled by oil and the worst effects of climate change, we must accelerate the shift to renewable energy sources.

While it will be disruptive and expensive to replace gas from Russia in the short term, Europe has made **crystal clear** its commitment to quickly scale up renewables, increase energy efficiency and convert gas boilers to heat pumps, along with other measures to end its reliance on foreign fossil fuels. This approach is reflected both in the International Energy Agency's **10-point plan** on how to increase European energy security and in Germany's commitment to **accelerate** wind and solar energy projects. With the United States also banning Russian oil reserves, President Joe Biden signalled his administration's acceleration in winding down western dependence on fossil fuels.

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The rapid replacement of fossil fuels with clean energy sources now underway across Europe, and reinvigorated in the United States, cannot be taken as an opening for Canada to produce more oil and gas. Already, our current production levels – which are set to expand until 2050 – mean Canada cannot meet its climate commitments. However, the federal government, lobbied hard by the oil industry, is seriously considering bringing online new projects like the [Bay du Nord](#) offshore project that could lead to the development of a billion barrels of oil, creating the same amount of greenhouse gas emissions as 10 million gas-powered cars each year.

Calls for measures to expedite LNG projects are also up for consideration and would only grow our economy's dependence on fossil fuels. LNG is mostly [methane](#) – a dangerous greenhouse gas 86 times worse than carbon dioxide in warming our planet over a 20-year period. Even the IEA's [2050 scenarios](#) show new LNG projects have no place in a climate-safe energy future. This week, the secretary-general of the United Nations [tweeted](#): “Addiction to fossil fuels is mutually assured destruction.” A [report](#) released the same day found wealthy countries need to stop all fossil fuel production by 2034 to keep the possibility of limiting global warming to 1.5 C alive.

Recognition of the need for an immediate and absolute decline in emissions and production is why 11 countries and subnational governments, including Quebec, have signed onto the [Beyond Oil and Gas Alliance](#) and have committed to stop expansion of fossil fuels. It's also why 2,800 scientists, 101 Nobel laureates, 33 cities and 80 elected officials from 30 countries, including Canada, have endorsed the [Fossil Fuel Non-proliferation Treaty Initiative](#). Canada needs to commit to stopping expansion of fossil fuels and support international co-operation to ensure an equitable wind-down of production.

The decline will happen regardless because of how cheap renewables have become and because so many countries, including our own, have already committed to [banning the sale of fossil fuel cars](#). The question is whether it will be a managed decline or an unmanaged decline. An unmanaged decline means more people will suffer.

The Intergovernmental Panel on Climate Change recently released a [landmark climate impacts report](#) that said faster, deeper emissions cuts are needed to avoid climate catastrophes, which is why calls to bring back quashed pipeline projects like [Keystone XL](#) seem especially preposterous. Building more oil and gas infrastructure won't help Canada build a climate-safe or energy-secure future.

As federal Environment Minister Steven Guilbeault [said](#) in recent days, “The solution to global energy problems is not to increase our dependency on fossil fuels. The best way to improve the energy security of European countries is to reduce dependence on oil and gas, regardless of where it’s coming from.”

His words are heartening but must turn into real action. To protect the public at home and abroad, we must break our dependence on volatile fossil fuels that fuel both wars and the climate crisis.

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The fossil fuel sector drives the energy agenda in Canada and are heavily influencing the energy-related policies of federal and provincial governments, often through biased studies of transition (to clean energy) pathways published by "advisory" groups. In particular they are heavily promoting "jumpstarting" a hydrogen economy (which is itself over-hyped) with blue hydrogen, which is hydrogen produced from natural gas with capture and burial (sequestration) of most of the CO₂ byproduct (giving CCS or CCUS if some of the CO₂ is used). The "jumpstarting" is necessary because green hydrogen, produced using renewable energy sources, is apparently currently too expensive but is expected to reach price parity with blue hydrogen "within a decade". So, in the meantime, we will use blue until green becomes cheap enough. Unfortunately, the fossil fuel companies want massive government subsidies for CCS/CCUS, in particular, which will obviously reduce the cost-competitiveness of green hydrogen (and all other green technologies) relative to blue. Since Ministers Guilbault and Wilkinson have already started to act as cheerleaders for CCS/CCUS (<https://www.nationalobserver.com/opinion?page=1>), which is a greenwashed fossil fuel subsidy by any measure, we can expect public money to start flowing into this scam in the upcoming federal budget.

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