

Unlocking our Petroleum Potential

Mr. Speaker, in the Northwest Territories, responsible resource development is at the core of who we are. It drives our economy, has generated billions in opportunities for northern and Indigenous-owned businesses and provides thousands of jobs to residents.

Our natural resource wealth is not limited to minerals. We also have some of the world's largest reserves of natural gas and oil, both onshore and offshore and these resources, developed safely and responsibly, will result in significant long-lasting benefits and returns for NWT residents.

Mr. Speaker, as part of advancing the territorial vision of land and resource management in accordance with the Land Use and Sustainability Framework, our government made a commitment to introduce a new petroleum resources strategy.

The Petroleum Resources Strategy: A Path to Northern Benefits and Energy Security was tabled in May of 2018 and is part of our government's overarching vision for addressing energy and climate change in the NWT.

It has set the stage for the steps that our government is taking to restore confidence and investment in NWT petroleum resources.

We have introduced amendments to the NWT's Petroleum Resources Act and the Oil and Gas Operations Act to increase transparency and accountability.

We have formally begun negotiations on an agreement for the management of oil and gas resources in the Arctic offshore that we hope will result in a new offshore oil and gas regime comparable to those already in place off Canada's east coast.

Although disappointed with how the moratorium was imposed, we also recognize that Canada has a need to provide a legal basis upon which to implement this moratorium.

The GNWT's current focus is moving forward towards co-management of the NWT's Arctic offshore waters and resources. We are working with Canada and other partners on the five-year review of the moratorium. We also want to ensure that the review is evidence-based and evaluates the different regions of the Arctic individually, as the Beaufort in particular has benefited from many years of study. The GNWT needs this new management regime comparable to the Atlantic accords, to ensure northerners will be decision-makers on oil and gas exploration and development in our offshore, including making decisions on if, when, where, and how it happens.

Mr. Speaker, as we adapt to the realities of climate change, the transition to a strong, healthy economy - less reliant on fossil fuels - will benefit all residents and communities.

Our government's petroleum strategy also recognizes more-immediate opportunities that exist for our gas to be developed locally to reduce the cost of living, displace diesel for a cleaner environment, and create good long-term jobs.

These opportunities include working with the Inuvialuit Regional Corporation to support the completion of a feasibility study to produce natural gas from local wells and use those resources to generate electricity and heat for the Inuvialuit Settlement Region.

With a view to the future, we are also working with the federal government to address the infrastructure deficit that exists in our territory.

If our government is going to promote economic growth and prosperity for all residents, strategic investments in infrastructure that support responsible development are key. Investments in the Mackenzie Valley Highway - in particular - will help increase the viability of oil and gas resources in the Sahtu.

But, if we are going to get our petroleum resources to market, we must also change the way we look at traditional infrastructure like pipelines.

As we continue our work to implement the NWT petroleum strategy, our northern perspective offers a unique competitive edge – and an opportunity to consider a new direction for getting our gas to market – both figuratively and literally.

Instead of going South where the shale boom has flooded the gas market, we have been approached by investors interested in transporting our LNG resources west from the Arctic Coast where the Beaufort Sea offers a route to the Bering Strait and on to Tokyo.

We know that LNG is being sold in Asia-Pacific region at six-or-seven-times North American prices - and consensus research tells us the demand for natural gas in this region will continue to grow until at least 2050.

Mr. Speaker, we have incredible, proven reserves of Arctic natural gas – once destined to flow south through the proposed Mackenzie Valley pipeline.

While controversy rages across Canada over pipeline megaprojects to move gas to tidewater, more than six trillion cubic feet of defined NWT gas sits in our Mackenzie Delta - just a short pipeline away from the Arctic Coast.

Technological advances mean that once these resources reach the coast, they could be processed and distributed for transportation from floating platforms where ships capable of navigating through Arctic ice can make the journey to Asia.

These are not unproven technologies. Icebreaking LNG tankers are already in use between the Yamal Peninsula and Vancouver and floating LNG platforms are in use off the coast of Russia, Malaysia and Australia.

From the delta of the Mackenzie River, it is just over 3800 nautical miles through the Beaufort Sea and Bering Strait to Tokyo. By comparison it is 4300 nautical miles from Vancouver to Tokyo; and well over 5100 nautical miles from the Yamal Peninsula to Tokyo.

The Mackenzie Delta is well positioned to be a supplier of LNG globally.

It is a region of potential — and ultimately can be Canada's first highway to the Arctic coast without crossing other jurisdictions. The region has active Indigenous businesses with experience in oil and gas, and a history of working with industry to get things done. This is all a stark contrast to what companies must navigate in other jurisdictions.

There is still a lot of work and research needed to make this concept a reality.

But as we continue to implement our Petroleum Strategy and advance and define our approach to climate change, the development of our territory's natural gas resources offers a means to reduce our use of fossil fuels, reduce greenhouse gas emissions, and realize greater energy security – all while providing economic benefits and opportunities.

Secure and sustainable sources of energy will create a more prosperous territory for everyone.

Thank you, Mr. Speaker.