

**Submission to the House of Commons  
Standing Committee on  
Natural Resources**

**Bill C-49**

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## **Introduction**

Energy NL was founded in 1977 to represent the supply and service sector of the energy industry. Today Energy NL represents over 500 member organizations worldwide which are involved in, or benefit from, the energy industry of Newfoundland and Labrador. Energy NL members are a diverse representation of businesses involved in a range of activities related to both renewable and non-renewable energy development, construction, and operations. This includes, but is not limited to, areas such as direct offshore and onshore supply, health and safety equipment and training, engineering solutions and fabricators, law firms, and human resource agencies.

Energy NL is pleased to have an opportunity to provide this submission with respect to Bill C-49 An Act to amend the Canada-Newfoundland and Labrador Atlantic Accord Implementation Act and the Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act and to make consequential amendments to other Acts. As we ready to be leaders in the energy evolution by providing lower-carbon oil and renewable energies such as offshore wind, these amendments and the establishment of joint management are imperative to the process. As demonstrated throughout the world in jurisdictions such as Norway, offshore oil and gas and offshore wind can coexist for the benefit of adjacent residents and the entire world. Canada has an opportunity to be a leader in these areas of energy production and must appropriately adapt legislation so that it encourages growth in the sectors and provides maximum opportunity for the supply and service sector and maximum benefits to those adjacent residents.

## **The Atlantic Accord**

The Atlantic Accord Memorandum of Understanding and the Canada-Newfoundland and Labrador Atlantic Accord Implementation Act (referred to jointly in this submission as the Atlantic Accord) are defining documents which have enshrined joint federal-provincial management of the Newfoundland and Labrador offshore oil and gas industry. The principles of the Atlantic Accord that include joint management, that offshore resources be treated as if they are on land, that Newfoundland and Labrador be the principal beneficiary of the offshore, and that the local supply and service sector have full and fair opportunity to participate in the industry have been foundational and have facilitated the establishment of an industry offshore Newfoundland and Labrador. This industry has provided significant economic benefits to both Newfoundland and Labrador and Canada and made the province a world leader in offshore production in harsh environments.

The Atlantic Accord created an industry, not a simple collection of projects. The Atlantic Accord permitted the establishment of world class supply and service sector, world renowned research, and leading educational institutions which have trained leaders in the sector and made a valuable contribution to not just the economic side of the sector, but also the health, safety, and environmental aspects of the offshore sector.

Energy NL contends that revisions to the Atlantic Accord must include the same approach to renewable energy development and ensure the building of an industry, one where Newfoundland and Labrador is the primary beneficiary and the Newfoundland and Labrador supply and service sector plays a leading role. Energy NL and its members are highly sensitive to any changes to the Atlantic Accord which have potential to diminish, in any way, the joint federal-provincial management regime or limit the potential of Newfoundland and Labrador's offshore energy industry and its associated benefits. As such, the primary consideration for Energy NL with respect to the proposed changes is ensuring the Atlantic Accord remains a fundamental document pertaining to

the governance of the offshore and that joint management remains strident, and the sector can grow and prosper with Newfoundland and Labrador supply and service sector playing a significant role. It is within this context that Energy NL provides the following comments regarding Bill C-49.

### **The Offshore Oil & Gas Sector**

With respect to Bill C-49 and the offshore oil and gas industry, Energy NL does not have significant concerns.

As referenced above, Energy NL does feel strongly that the Atlantic Accord is the foundational document for offshore Newfoundland and Labrador and the principles and intent of the Accord and the supporting implementation acts must be upheld, even as the offshore industry evolves and the Canada-Newfoundland and Labrador Offshore Petroleum Board evolves with it.

Energy NL did have initial concerns with the role of the Government of Newfoundland and Labrador as outlined in the legislation however, after discussion with federal government officials Energy NL is more confident in the shared decision-making power of both levels of government and the role of the provincial minister. Energy NL encourages the language of the final draft to be explicit in indicating joint management and joint decision making. This is especially the case in areas such as the implementation of marine protected areas and marine conservation areas, as well as the ability of governments to prohibit and/or remove offshore activity from a region with compensation. These are significant powers and should only occur with explicit agreement of both the Government of Newfoundland and Labrador and the Government of Canada, and only used for limited and unique circumstances.

### **The Offshore Renewable Energy Sector**

The Accord amendments are an important start to development of a regulatory framework for an offshore wind industry in Canada's east coast offshore areas. Energy NL is supportive of the approach being taken to provide regulatory certainty to this new industry, and appreciates the efforts undertaken by the Government of Canada since the April 2022 announcement by both levels of government to expand the offshore energy regime to include regulation of offshore renewable energy. Energy NL fully agrees that a modernized Canada-Newfoundland and Labrador Offshore Petroleum Board, with its existing regulatory experience, technical expertise and administrative capacity is the most appropriate body to regulate the broader offshore energy activities.

Energy NL's above-noted position on the role of the Government of Newfoundland and Labrador, particularly regarding decisions related to the ability to prohibit activities in marine protected areas or marine conservation areas, applies equally to offshore renewable energy.

With respect to the liability requirements for offshore renewable projects, such as wind, Energy NL questions the need to have liability set as high as \$1 billion. In comparison to offshore oil and gas projects, offshore wind farms have much less infrastructure, no accommodations, and overall, less direct onsite human interaction. We encourage reconsideration of the liability limits for offshore renewable projects to ensure the limit is commensurate with the actual risk.

### **Regional Assessment Committee**

While it may be outside of the scope of the review process of this committee, Energy NL feels it is important to provide comments on the ongoing work of the committee established to determine a regional assessment for offshore wind projects. During the 2022 federal-provincial announcement

regarding the expansion of the offshore regulatory regime to include offshore renewables, governments also announced that a regional assessment for wind energy in Newfoundland and Labrador's offshore was being initiated under the Impact Assessment Act. Since that time, the Regional Assessment Committee of Offshore Wind Development in Newfoundland and Labrador (the Committee) has been tasked to establish a regional assessment process for potential offshore wind project developments. On November 7, 2023, the Committee released a decision which provided the "focus area" for the Committee in terms of establishing the regional assessment. Energy NL believes the decision of the Committee to limit the assessment to areas without iceberg presence and less than 300m water depth is misguided and does not fully take into consideration Newfoundland and Labrador's expertise, capability, and successful history with ice management. Energy NL feels this decision does not take into consideration the views of stakeholders which provided feedback as part of a consultation process and will ultimately slow down or limit potential development in the area. In fact, Energy NL believes the decision of the Committee to establish such a narrow focus area is a contravention of the intentions of both the Government of Newfoundland and Labrador and the Government of Canada in jointly establishing the Committee.

The decision will mean that the regional assessment exercise will provide no information on the potential impacts of offshore wind development, positive or negative, in the greater areas surrounding the island and adjacent to the southeast coast of Labrador, as originally envisioned by governments. Compared to governments' stated intentions for this assessment, the current review can now expect to only be of limited value. This decision should be reconsidered, and an assessment of the original study area agreed to by both levels of government take place.

### **Conclusion**

Energy NL does not have significant concerns with any specific section of Bill C-49. While Energy NL does not have any reason to believe a lessening of the provisions and objectives of the Atlantic Accord are occurring or are intended to occur through the amendments, Energy NL reinforces the above stated views that the principle of joint management must be retained as amendments are made and a new path for offshore Newfoundland and Labrador is forged through the legislative amendments.

Decisions pertaining to the offshore, be they regarding establishment of marine protected areas or marine conservation areas, or any other form of activity removal or prohibition, must occur jointly and in the best interest of the energy sector. Further, other tenets of the Atlantic Accord, such as that the offshore resources be treated as if they are on land, that Newfoundland and Labrador be the principal beneficiary of the offshore, and that the local supply and service sector have full and fair opportunity to participate in the industry must be upheld in both the renewable and non-renewable energy sectors. This is paramount to the success of our offshore, including both the low carbon oil and gas sector and the nascent offshore wind sector.