



July 14, 2026

Energy NL Submission to the Government of Canada

Re: Getting Major Projects Built in Canada - Discussion Paper on Proposed Legislative, Regulatory, and Policy Reforms

About Energy NL

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 fabrication; law firms, and human resource agencies.

Comments on Discussion Paper

Energy NL fully supports all efforts by the Government of Canada to make the decision process surrounding new major projects more efficient and predictable. Energy NL views this as an important and necessary step to improving Canada's competitiveness for investment and strengthening our energy and economic security. Below is our response to each of the six proposals put forth in the Discussion Paper.

1. Federal Review and Decision-Making in No More Than One Year

Energy NL is in full agreement with Government of Canada legislation to ensure that federal impact assessment and permit reviews happen concurrently, with a one-year timeline for the federal government's review and decision process. Other jurisdictions with which Canada competes for investment have found ways to accomplish this while at the same time ensuring protection of the environment, health, and safety. As an example of the process not working efficiently and competitively, the environmental assessment process for the Bay du Nord project offshore Newfoundland and Labrador took nearly four years. The project description was registered in June 2018 and project approval was announced in April 2022. While in Norway, one project in the Barents Sea with similarities to the Bay du Nord project, the Johan Castberg project, was approved in approximately six months. This project's plan for development and operations, including the impact assessment, was filed with the appropriate authorities in December 2017 and the project received approval in June 2018.

2. One Crown Consultation Process

Energy NL supports having one consultation process for major projects, with an entity such as a Crown Consultation Hub within the Impact Assessment Agency of Canada, that seeks input from Indigenous groups and replaces multiple, overlapping, and redundant processes. Such an approach can ensure a clear, concise, and consistent approach to consultation.

3. One Project Decision

Generally, Energy NL agrees that a process which allows one federal decision document incorporating all federal decisions required for a major project to move forward would be an improvement. However, for offshore energy projects, such a process would need to consider and incorporate joint federal-provincial management. Similar to what is proposed in the document for pipelines, transmission lines, and northern offshore energy projects – where the Canada Energy Regulator will make the decisions, the offshore regulator (see #4 below) should be provided with that mandate for offshore energy projects.

4. Single Project Authority

The Canada-Newfoundland and Labrador Atlantic Accord Acts enshrine joint federal-provincial management of our offshore energy resources. One of the most important elements that Energy NL envisions from these proposed reforms is the opportunity to move quickly with respect to improving the environmental assessment process for offshore energy projects due to the existence of the Canada-Newfoundland and Labrador Offshore Energy Regulator (CNLOER). We are encouraged by the reference in Proposal #4 of the Discussion Paper that “further assessment will be undertaken with Nova Scotia and Newfoundland and Labrador to determine how to achieve a single regulator model for projects under the responsibility of the Canada-Nova Scotia Offshore Energy Regulator and the Canada-Newfoundland and Labrador Offshore Energy Regulator (CNLOER).” Energy NL strongly recommends the CNLOER be the lead single project authority on offshore energy environmental assessments, as they have decades of proven experience and expertise in local environmental conditions and with offshore energy development, construction, and operations. The CNLOER is best placed to deliver a more coordinated and efficient process while ensuring environmental protection. However, implementation of such an approach should be informed by extensive industry consultations at each step of the way.

5. Enable Economic Zones Through Regional Impact Assessments

Following a regional assessment for offshore exploratory drilling, which was completed in February 2020, the decision was made to exempt proposed exploratory drilling operations occurring in the designated area offshore Newfoundland and Labrador. This was a welcome and positive step towards improving the efficiency of the approval process for such activity. In fact, implementation of the exemption for exploratory drilling confirms that improvements can be achieved while maintaining environmental rigour and protections. In general, regulatory oversight for offshore energy activities should reflect the level of environmental risk posed by the activity. As such, consideration should be given to extending the regional assessment model used for exploratory drilling to development projects – with regional assessments for such projects in geographic areas where development has already occurred and mitigations and impacts are well studied and understood. Measures such as incorporating considerations and learnings from previous impact assessments, particularly for common, standardized

aspects of projects, could contribute towards improving the overall efficiency of the environmental assessment process. We view the Discussion Paper's proposed legislation to create "Federal Economic Zones" (Proposal #5) as a novel approach and the inclusion of offshore energy areas as such zones could certainly be a means of achieving an improved approach for development, construction, and operations of offshore energy projects.

6. Streamlined and Efficient Regulatory Environment

Energy NL agrees with all efforts to make the regulatory process quicker, less repetitive, and more flexible. Items listed in the Discussion Paper can certainly expect to achieve such results. For major energy projects in our province, historically the environmental assessment process has been arduous, complex, and lengthy, mainly due to federal requirements and processes which many of the proposals outlined in the Discussion Paper, if implemented, could improve.

Consideration of the Distinctness of Offshore Energy in National Policy Development

An important consideration when implementing any national energy-related policies, regulations, and programs is that Canada's offshore energy industry is distinctly different than any such operations undertaken onshore. The offshore operates with different challenges and solutions.

Newfoundland and Labrador's offshore oil and gas industry had its infancy with the commencement of exploration activities in the late 1950s. Since that time, it has evolved into a technology-driven, highly specialized industry providing unprecedented employment and significant overall economic and social contributions, while producing sought after products for Canadian and international markets in an environmentally and socially conscious manner. Newfoundland and Labrador's oil producing projects operate about 350 kms from shore, with new activity at distances greater than 500 kms, in cold ocean and harsh environmental conditions. This environment distinguishes offshore oil and gas exploration, development, and production from onshore activities due to the:

- extensive time and investment between resource discovery, development, and production;
- significant larger upfront capital investments with production, and return on investment, occurring over several decades;
- joint federal-provincial management, and the role of the CNLOER as regulator with additional regulatory oversight, and the presence of local, specialized regulator expertise;
- entire industry established around the required marine operations, including supply vessels, transshipment operations, and weather forecasting/environmental monitoring;
- presence of large international tier-one offshore companies and a workforce comprised of a mix of international, national, and local workers;
- an extensive, locally-grown supply community contributing to all stages of project development, construction, and operations in areas such as engineering, fabrication, and offshore maintenance, to name just a few;
- additional supply and services, skills, and expertise required on the additional health, safety, and environmental considerations associated with a harsh marine environment;
- expertise and technology transferred from other, often larger offshore oil and gas regions;
- technology deployed and continually advancing on the full range of activities associated with exploring for, developing, and producing oil offshore vs on-land; and

- a local community of offshore/marine research and development which has evolved with the industry, substantially supported by private sector operators.

The above context is important whenever policy or regulatory measures are being considered for Canada's oil and gas industry as national blanket approaches do not always work and have the potential to unnecessarily impede one aspect of the industry more than another, or, have unintended consequences. For these reasons, changes to the environmental process for major energy projects need to fully consider such differences and should only be undertaken after extensive consultation with direct offshore industry participants and with the Government of Newfoundland and Labrador.

Newfoundland and Labrador's Energy Potential and the Importance of Improving the Process

The offshore oil industry is a major contributor to the economy of both our province and Canada. Analysis conducted by Energy NL indicates that the offshore oil and gas industry provides about 6,000 direct jobs in Newfoundland and Labrador, with well over 17,000 indirect and induced jobs in the province and nearly another 11,000 in Canada. Newfoundland and Labrador is a proven supplier of a responsibly produced lower-carbon energy to the world, with annual export values exceeding \$7 billion. An estimated 60% of Newfoundland and Labrador's offshore crude production is currently shipped to Europe, with potential to produce and ship more to alleviate the energy crisis facing European countries. Our province also has a tremendous, untapped natural gas resource, and recent research conducted by the Government of Newfoundland and Labrador highlights an estimated amount of 19.8 to 35.4 Tcf of total recoverable gas in just one basin. Canada's European allies are seeking access to such energy sources and Newfoundland and Labrador can provide a solution during the period of energy evolution.

Newfoundland and Labrador also has tremendous potential in other offshore energy related industries, such as offshore wind and carbon storage. Energy NL recognizes the important steps taken by both levels of government to advance offshore wind development in Canada, as evidenced by the offshore wind regional assessments which the governments initiated. Research undertaken by OilCo, Newfoundland and Labrador's crown corporation, indicates that the province has sufficient capacity in just one offshore area, to store as much as 60 years of Canada's entire 2022 carbon emissions. While offshore wind and carbon storage projects may be more longer-term, having a clear environmental assessment process will be important to attract investment in such new opportunities which can both develop our resources and reduce emissions within and outside our borders, as will implementing the appropriate regulations to support development of these sectors, in particular, for offshore carbon storage.

Newfoundland and Labrador also has much onshore energy potential, with the ability to substantially increase its hydro power capacity, develop its onshore wind resources, and realize new opportunities as the world develops a demand for clean fuels such as green hydrogen and its derivatives. For any onshore energy projects which would require a federal environmental assessment, the proposals identified should also assist towards achieving a more efficient environmental assessment regime.

Concluding Remarks

As the Government of Canada looks to improve the environmental assessment process with consideration of Canada's investment attractiveness, proposals such as those described in the

Discussion Paper could greatly assist with improving processes and timelines, while also considering the unique nature of the Newfoundland and Labrador offshore energy industry.

Energy NL appreciates the opportunity to provide comments on the Discussion Paper. We support efforts to improve the environmental review process for all types of major energy projects and are willing to provide continued input as governments develop and implement policy measures related to energy development in Newfoundland and Labrador.



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