

DATA DIVE WITH NIK NANOS

# JUMP-STARTING THE ENERGY SECTOR

Comfortable majorities of Canadians are good with major national energy infrastructure projects moving forward, even if some communities or provinces oppose them

OPINION

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Intersections are places where both progress and roadkill can happen. That’s where we stand today in terms of building Canada’s energy infrastructure.

After a decade of hostile neglect from a Liberal government that didn’t believe oil and gas was a major part of Canada’s economic future, Prime Minister Mark Carney is seeking to jump-start the energy sector in an effort to advance greater economic resilience.

The oil and gas sector can thank U.S. President Donald Trump for the turnaround. After all, if Canadian oil is so important to Mr. Trump that it is an American no-go when it comes to tariffs, the sector is clearly a real national economic lever.

Tracking research for the University of Ottawa’s Positive Energy Program by Nanos shows the importance Canadians attach to the oil and gas sector – for today’s economy and into the future – is on the rise. Five years ago, 65 per cent of people rated the sector as important to the Canadian economy. This now stands at 84 per cent. Of note, perceptions of future importance have also been increasing (from 41 per cent in 2020 to 67 per cent in the latest wave).

The view that Canada should be expanding oil and gas exports to help the world access more reliable and secure energy supplies is also increasing. Back in 2022, almost six in 10 people agreed (33 per cent) or somewhat agreed (25 per cent) with this position. The numbers have moved to more than seven in 10 Canadians agreeing (44 per cent) or somewhat agreeing (28 per cent).

Mr. Carney’s “build baby build” mantra will be no easy feat, even in the face of the growing political licence to move forward on major energy infrastructure projects.

Building energy infrastructure, or any major infrastructure project for that matter, will take time and effort. Although the dream scenario is to build consensus among governments, communities and Indigenous rights-holders, the uncertainty and length of the consensus-building process in Canada negatively affects the appetite of proponents to make long-term investment decisions.

After all, the Liberal government is new and gripped in a statistical dead heat with Pierre Poilievre’s Conservatives – who can

predict three, four or five years from now whether the “build baby build” appetite will be as strong or even exist?

If perfection is the enemy of good, then today Canadians are willing to set aside the consensus model in favour of moving forward.

Comfortable majorities of Canadians are good with major national energy infrastructure

projects moving forward, even if some communities or provinces oppose them. Respondents are almost three times as likely (61 per cent agree, 16 per cent disagree) to say projects should move forward even if some communities oppose them. Likewise, Canadians are more likely (59 per cent agree, 19 per cent disagree) to want a project to move forward if affected provinces oppose the national

energy project.

We also do not know the “not in my back yard” impact. Respondents may very well be good with the idea of moving forward without a host province’s support – until they are the host and the province being steamrolled.

Look at the clash between Alberta and British Columbia over a proposed oil pipeline. On the one hand, Alberta Premier Danielle

Smith is trying to strong-arm B.C. Premier David Eby into a new oil pipeline to expand capacity for exports. On the other hand is B.C. itself, a reticent project-host province uneasy about more pipelines. This is where national and provincial interests collide. In a sense, both positions have merit. Host communities and provinces affected by a project should have a voice. But how does any project move forward on a consensus model?

This is where leadership is critical. If Canada is a country built and created by reconciling language, culture and geography, where will the current government land on reconciling respect for host communities with the national interest?

The role of Indigenous communities is another dimension that will materially affect the ability of Canada to build any projects of national significance. They realistically are at the heart of any solution, not just as hosts but also as economic partners. Indigenous communities could very well be the key to greater Canadian economic resilience.

Imagine a world where Indigenous nations lead and build their own economic resilience in a manner that also advances Canada’s resilience. Perhaps the current model of starting with a province-to-province agreement could be supplanted with a model that truly starts with Indigenous support.

The first step to getting things done is to recognize that our current approach to building projects of national significance fails to deliver. It neither serves the national interest nor is attractive to investors.

Only 12 per cent of Canadians believe we do a very good (1 per cent) or good (11 per cent) job at energy decision-making. The only conclusion is that Canadians want our leaders to go back to the drawing board to imagine new solutions.

If our elected officials continue with the old approaches, we will very likely be the roadkill at the intersection, frozen in the past. We shouldn’t think of this being only an oil and gas issue. The reality is that we need to create an environment to enable energy infrastructure, whether it be conventional or renewable.

With all the upheaval going on in the world, Canadians are ready for change. They see an opportunity to build energy infrastructure. The opportunity may not be perfect, but creating a sense that Canada can be a place of opportunity and still has the genius to get things done might be the most important mission for our leaders today.

