

Depleting natural gas reserves makes no sense for the province

By Dave Hughes and Ben Parfitt,
Vancouver Sun
November 15, 2012

British Columbia is no petro state. So why do our political leaders insist that we are a global energy power?

At the University of Calgary last month, Premier Christy Clark boldly asserted that B.C. could one day export four trillion cubic feet of natural gas per year, an amount that would put us on par with the output of Alberta's oilsands industry.

Clark also said that over the next 30 years such exports "could add over a trillion dollars" to our province's gross domestic product.

These sound like impressive numbers. But drill into them a bit, and they appear to be overstated, which raises critical questions.

What does exporting four trillion cubic feet of gas per year from B.C. actually mean, when viewed against what we have? What would the economic, energy security and climate consequences be of producing all that gas and more?

Consider the following facts. Last year, B.C. produced a record 1.2 trillion cubic feet of natural gas - among the most water-depleting and energy-draining gas on earth, due to the deployment of highly controversial fracking technology.

The bulk of that gas went to Alberta to assist in the most water-depleting and energy-draining oil production on earth. The next biggest slice went to the United States. What was left we used here in the province.

Presumably, we would not simply shut off the taps on these markets in the event that five new liquefied natural gas (LNG) terminals are built on our coast, and we begin shipping four trillion cubic feet of our gas to China, Japan and elsewhere. The government's energy policies would therefore see gas extraction rates quintuple in northeastern B.C. - and probably a whole lot more because natural gas will likely be burned to power all those LNG plants.

What not enough of us have asked the government about is what such policies mean in terms of depleting our non-renewable fossil fuel resources and undermining our ability to meet our legislated greenhouse gas emissions reduction targets.

Now is the time to do so. Here's why.

According to British Columbia's Oil and Gas Commission, our current reserves of natural gas total roughly 33 trillion cubic feet. Based on our premier's projections of 4 trillion cubic feet per year of

gas exports, we'd drain our entire reserves in just 8 years, or less if we continued to supply our own needs and those of our existing customers.

Now the likelihood is that we have far more gas. Estimated total resources for B.C. exceed 1,200 trillion cubic feet. But even optimistically assuming we can successfully extract one quarter of those resources, we'd be completely out of gas in 75 years - that is if we exported it all and left nothing for ourselves or for our neighbours.

Speaking of neighbours, Alberta's Energy Resources Conservation Board projects a 35 per cent decline in its own gas production over the next decade. And according to Canada's National Energy Board, total Canadian natural gas production is down nearly 20% today from its peak in 2002.

The only western Canadian jurisdiction whose reserves and production show growth is here in B.C. And our elected leaders' vision is that we rush whatever we have out of the country.

Premier Clark and B.C. Energy Minister, Rich Coleman, call their gas export plans a "strategy". Their choice of wording is an insult both to the English language and to basic economics.

Billions of dollars will be needed to build gas pipelines to our coast, tens of billions more to build the liquefied natural gas plants required to process our gas so that it can be loaded onto ocean tankers.

Yet according to British Petroleum, 17 countries have more natural gas at their disposal than does Canada. In the global "foot race" - Minister Coleman's words - to supply our gas to Asian markets, we are at an extremely disadvantageous position. Worse, China, one of the proposed destination points for our gas, may be sitting on a potential motherlode of its own gas supplies.

Recently, the political war of words over the proposed Enbridge oil pipeline has ratcheted up between Premier Clark and Alberta Premier Allison Redford. What we desperately need instead is a broader national dialogue focused squarely on two things - domestic energy security and climate change. There is only so much fossil fuel to go around. And the climate implications of burning it are well known.

It's time to behave like responsible owners of those limited resources, not oil and gas pitchmen.

Dave Hughes is a geologist who has studied Canada's energy resources for more than three decades with NRCan's Geological Survey of Canada. He is president of Global Sustainability Research Inc.

Ben Parfitt is a resource policy analyst with the BC office of the Canadian Centre for Policy Alternatives and author of *Fracking Up Our Water, Hydro Power and Climate: BC's Reckless Pursuit of Shale Gas*.