

# CANADA'S WILL TO WIN

## SEIZING A GENERATIONAL OPPORTUNITY

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### *Check against delivery*

Good morning, everyone. *Bonjour à tous.*

Thank you to the Canadian Club Toronto for having me.

Leading a multinational company, I work every day on creating a sense of purpose and aligning leaders towards achieving clear outcomes. This is especially valuable if a generational opportunity exists. And in my view, Canada is in such a moment.

*A la tête d'une entreprise multinationale, je travaille chaque jour pour donner un sens profond à notre Mission, puis à enligner nos dirigeants vers l'obtention d'un objectif clair. C'est particulièrement vrai lorsqu'il existe une occasion générationnelle. Et, à mon avis, le Canada traverse un tel moment.*

Canada has a time-bound opportunity to strengthen our economic sovereignty, build our economy and re-establish our global position. We can do this by delivering energy security and enabling emission reductions for our allies through exporting Canadian liquefied natural gas (LNG) to replace higher emitting coal.

To realize this vision, federal and provincial governments must adopt a new political roadmap with four drivers: the political will, the management capability, policy consistency and a Team Canada approach to rebrand Canada as a place to invest.

Canada needs to set a bold ambition – I believe we can be the number one exporter of LNG to Asia. *Je crois que nous pouvons être le plus grand exportateur de gaz naturel liquéfié vers l'Asie.*

We have the supply, we have a transportation cost advantage, and the demand is there for the taking. Our political, business and Indigenous leaders need to unite in this ambition – and show the world Canada is back in business. The threat of tariffs has exposed flaws in our economy. The question is: do we regress or seize the opportunity that the world offers us? Canada has a choice to make, and it's a clear one. It's between continuing the status quo or embracing a bold ambition. And we've made this choice before.

### **The historical political roadmap in action**

Let's take a lesson from history. Our company's roots run deep in Canada's economic fabric. TC Energy emerged from a bold vision: the TransCanada Pipeline, a natural gas pipeline, crossing more than 3,500 kilometers, bringing Western Canadian natural gas to provinces in the east.

The year was 1951, and Canada's population was booming. Energy shortages were becoming a problem and the country needed to supply its own energy. We had a choice between running the pipeline down through the U.S., which was technically simpler; or running the pipeline entirely across Canada, and through the complex Canadian Shield. Canada decided to build it across Canada. MP Carl Nickle, described the decision as "...denial of economic sense in favour of nationalism."

That year, TransCanada Pipelines was incorporated through an Act of Parliament, thanks to the leadership of Minister of Trade and Commerce, Mr. C. D. Howe. When our founders first envisioned connecting Canada through energy infrastructure, they weren't just building a pipeline, they were uniting eastern and western Canada. To do this, C.D. Howe implemented a political roadmap.

Decades later, we own an integrated energy network that spans North America, and the TransCanada Pipeline continues to deliver energy for millions of Canadians.

Fast forward to today. Canada is energy rich and has the potential to be an energy superpower. Energy is not a sector of the economy. Energy IS the economy. You can't have an economic plan without an energy plan. And you can't move Canada forward by holding energy back. In 2023, energy contributed 10.3 per cent, or \$279 billion, of Canada's GDP.

And to offer some perspective, should we achieve the ambitious goal of becoming the largest exporter of LNG to Asia, this would increase Canada's GDP annually by \$75 billion. Energy is a source of strength and Canada's most significant form of geopolitical hard power. It gives us clout in the world. Energy is our opportunity, and we need to seize it. How? There are four drivers to the modern roadmap.

### **Political will**

The first driver is political will - we need to make investment in energy a priority, and that starts with thinking big and being bold. 15 years ago, Canada was at the starting blocks with the U.S. in pursuing LNG exports. At one point, we had roughly 18 proposed LNG projects off the West Coast.

We had the opportunity to be number one – and now we are playing catch up. Canada is now commissioning its first LNG facility, while the U.S. has become the largest exporter in the world. Even with the projects currently proposed today off the West Coast of B.C., we have the potential for so much more. Some think our current trajectory to be a top five global LNG exporter is “good enough.” Now, we are very fortunate; through geopolitical events and accelerated energy demand growth, the opportunity has come back around for us to chase. But why should we even care about LNG? Because LNG is the single largest opportunity for Canada to create wealth and also to reduce global emissions.

Take the \$40 billion LNG Canada facility and the Coastal GasLink pipeline; this is the largest completed private sector investment in Canadian history. Imagine what three to four times that investment could bring to Canada? What could another \$160 billion of investment to Canada mean for the country as a whole, both in terms of economic growth and contributing to reducing global emissions?

Asian market consumption of coal has increased by 20 per cent over the last decade, and this comprises 80 per cent of total global consumption of coal. Displacing just 10 per cent of Asia's coal consumption with natural gas will offset 340 million tons of emissions annually – the equivalent of half of all of Canada's emissions.

I mentioned earlier this is a time-bound opportunity. Make no mistake, this is an energy race. I am asked each day to deploy limited capital between investment opportunities in Canada, the U.S. and Mexico. How do we make those choices? I can tell you, other jurisdictions aren't questioning energy's role in society. They are not slowing down.

Our neighbours in the U.S. and Mexico are surging ahead, offering a more attractive investment environment. But this isn't just about economic growth. It's also about diversifying our energy exports to secure our future, reducing our reliance on one trading partner. Currently, 99 per cent of our natural gas exports go to the United States. Is Canada truly economically sovereign if a single country's tariffs can upend our prosperity? *Le Canada est-il véritablement souverain économiquement si les tarifs douaniers peuvent compromettre notre prospérité?*

### **Political management capability**

The second driver is political management capability. Our economy and investment climate need hands-on political management to identify and clear obstacles to enable projects to get built on time and on budget. Whoever wins the election, the elected government should ask business leaders for a list of priority projects that government, industry and Indigenous leaders can collaborate on with a sense of urgency. We know that political will and management capability can make a difference in this day and age. It's been tested and proven by other governments around the world.

Take one example we've experienced in Mexico. President Claudia Sheinbaum—with a post-graduate degree in environmental science and energy—demonstrates a deep understanding of the critical role natural gas plays in driving economic growth and reducing emissions. With that in mind, her administration has plans to construct 14 gas-powered electricity plants by 2030, along with increasing the share of renewable power in the country to 45 per cent of total generation. Together, these will displace higher emitting fuel oil power generation. In order to develop needed additional power generation, Mexico needs natural gas pipeline infrastructure.

On May 1st, we will have completed our Southeast Gateway Project in Mexico. This nation-building pipeline will provide the foundation for economic development in Southeast Mexico...a region that has historically had limited access to electricity. It has created jobs and will elevate the quality of life for nearby communities. Thanks to political will and management capability through a clear regulatory process, the pipeline was finished on time and \$500 million under budget. We were able to begin construction just eight months after filing for the necessary permits. From the initial permit request to the in-service date, the entire process will have spanned two years-and-10 months for a 700 km pipeline, including fully comprehensive environmental evaluations.

### **Policy consistency**

Let's now talk about the third driver - policy consistency. Where we stand today, building anything of scale takes time. Sometimes, longer than an election cycle. Often, the permitting process takes two to four times longer than the time to construct the actual project. Since the Impact Assessment Act has been implemented in 2019, only one project – Cedar LNG – across all industries in Canada has been approved – and it did so by delegating approvals to the provincial review process. With that track record, how are we to attract \$160 billion of new investment to become number one?

I hear from investors that to build here, we need to provide a high degree of policy certainty. They need to have confidence that Canada's commitment to energy infrastructure won't waver, is bipartisan and isn't at risk of being revoked.

They see our potential, but not the policy consistency required to invest. As a result, we're seeing capital flow to other jurisdictions offering higher risk-adjusted returns. I often say uncertainty is the enemy of investment; this needs to be addressed with the utmost urgency.

If we can achieve alignment on a bold ambition for Canada, we then need to carry this over multiple terms of office and party lines. Consider this: the TransCanada Pipeline was built in just two years. Yet today, projects can take over a decade to come to fruition or even make it to final investment decisions. By the time permits are approved, someone else has likely seized the market and opportunities are lost. If we allow this inertia to persist, we risk more than delays. We risk ceding market share to competitors, entrusting our energy future to others and losing the economic sovereignty that should be standard in a resource-rich country like ours.

### **A Team Canada approach**

A lot is riding on this moment in time. As a CEO who engages with political leaders at both the national and subnational levels in multiple jurisdictions, I am often struck by how hands-on political leaders in some jurisdictions are in pitching for direct investment and working with investors to get over the finish line. We need to see more of this in Canada. This is the fourth driver: a Team Canada approach around the world.

In Alaska, the U.S. administration is working towards signing MOUs for LNG with countries like Japan and South Korea. The Governor of Alaska has travelled to Asia himself to line up customers and investors for Alaska LNG, and he returned with an agreement from Taiwan.

Whatever happens post-election, it will be important for the Prime Minister, Premiers, businesses and Indigenous leaders to be united and aligned. Collectively, we'll have to travel to Asia to market ourselves and underscore that Canada is back in business. They need to see our sincerity and conviction, because when Japan came calling for our natural gas a short time ago, we turned them away.

### **A call to action**

My fellow Canadians, we have a renewed opportunity.

*Le Canada a la possibilité de réduire sa dépendance à l'égard d'autres pays, tout en exportant vers le monde et en bâtissant une prospérité et une force durable ici, dans notre pays.* With three coasts, diverse energy sources like natural gas, LNG, oil, uranium, our nuclear expertise, hydro power and abundant critical minerals, Canada has the chance to reduce its reliance on other countries, while exporting to the world and building lasting prosperity and strength here at home.

Let's realize this vision and Build Canada Now. We need a political roadmap spanning multiple terms in office. We need to raise our ambitions – let's be the number one exporter of LNG to Asia. We need united leaders across our nation.

Thank you. *Merci à tous.*



**François Poirier**

*President and Chief Executive Officer (CEO)*

