Summary of a Workshop to discuss establishing a Canadian Energy Information Organization

A Canadian Energy Research Institute Initiative

Toronto, Ontario
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(Dated: March 30 2016)

Opening Remarks

SPEAKER

Allan Fogwill, President and CEO, Canadian Energy Research Institute

Allan Fogwill welcomed participants and said the topic for the day's workshop would be whether the time is right to establish a Canadian Energy Information Organization (CEIO) that would provide the basis for a common understanding of Canada's energy systems. He cited the proposed Energy East pipeline as an example of a debate that could be improved if all concerned parties had access to objective facts and neutral analysis. "Debates will still be difficult, but we can reach consensus if we can focus on values" instead of arguing from different sets of data, he said.

Fogwill said the day's workshop discussion would be divided into three parts, each posing its own question:

- Why is a CEIO needed and valuable to the constituents present today?
- What products should a CEIO deliver?
- How should a CEIO be funded and governed?

He urged participants to keep in mind the practical limits on available funding, the need for cooperation among stakeholders, and the "good work already being done by organizations" in this sector. He concluded his remarks by emphasizing the importance of trust: "We can't move forward without stakeholders trusting the source."

Workshop Discussion

MODERATOR

Dr. David Layzell, Director, Canadian Energy Systems Analysis Research (CESAR) Initiative

Part 1: Why is a CEIO needed and valuable?

Dr. Layzell asked participants to consider why energy information is needed in Canada.

Many participants agreed that a single repository of energy data would eliminate the costly duplication of effort in the current system, where many different stakeholders produce their own statistics for regulatory, royalty, pricing, demand response, and investment purposes. Industry partners want to "make sure we're collecting data once," said a participant. Instead of having to provide multiple agencies and regulating bodies with the same information many times, often under different rubrics, consolidating the information at a single site would save time and money. Harmonizing the data would also reduce confusion for end users, since differences in definitions and taxonomy would make the information easier to digest. A few participants agreed that such a system would improve efficiency in the Canadian energy market.

Several participants said there is a need for access to coherent and consistent energy information to help educate average Canadians about the importance of energy to the health of the economy and to their daily lives. "People don't appreciate the trade-offs that are required. The more literate they become, the more they understand," said a participant. Another participant said Canada does not have an "energy culture, with energy citizens who understand the sector well, its risks and impacts. We need this information when we go into smaller communities when there's a large project coming through," to help community members understand the risks and opportunities. Another participant said a CEIO could promote a common understanding of the importance of energy in everyday life: what it means for the economy, the environment, and jobs. Another participant said there is currently a great deal of data about these issues in Canada, but it is too spread out and inconsistent to be useful. Fogwill asked who the intended users of a CEIO are. "If the answer is 'the average consumer,' do we have to differentiate between everyone and decision makers in particular? If yes, the approach we take to energy literacy would change," he said.

Participants seemed to agree that a CEIO should provide unbiased, factual information—to be a "source of truth," one said. Another participant said information that starts at the granular level can be used in many ways. Companies could use this information to improve understanding of market drivers, production, benchmarking, and forecasting at the operational level, and the public could use it as a source of truth and commonality at the economic and policy levels. A participant said it may not be possible to reconcile all the data, but as long as details about the source of information are provided, users can draw their own conclusions about its reliability.

Other participants pointed to the impact a CEIO could have on public policy. Having access to high-quality demand data could help in the formulation of provinces' long-term energy plans and guide decisions about building infrastructure. Participants referred to how quickly the energy market is changing and the corresponding need for immediate access to quality information. "You could wake up to find your demand was being destroyed because you didn't see changes coming," one said. Another said better data would help stakeholders understand how innovation

is transforming the sector. Another participant, describing the ways in which European governments keep track of trends in supply, such as distributed generation, said, “at this point we have been focusing only on what it was that we historically have collected, which is primarily fossil fuel info with a bit of stuff on electricity generation including nuclear power, but we need to adjust our focus because we will face a different energy system that will see alternatives, both in supply and demand, play a much more important role..” As of now, in Canada, the impact of the burgeoning clean technology sector is loosely defined; there are no solid numbers on its size and scope, said another participant.

CEIO data could also be used to monitor the effectiveness of governmental programs. “It’s all about measuring the Canadian economy and how energy affects policy,” said a participant. “How is the energy sector a driver of growth? We need a robust understanding of data and comparability of various data.”

A participant said a CEIO should also establish a uniform level of coverage throughout the energy sector. “Coming from oil and gas, we are well covered. When I try to get into other sectors, I run into problems. Granted, there are areas in oil and gas that are a problem, but in other sectors I don’t find the same level of information.” It was noted that StatsCan is changing its data dissemination process which should alleviate some of these concerns.

Part 2: What products should a CEIO deliver?

Layzell asked participants to consider the following questions: What should an energy information organization do with the data it receives? What products should it produce? He said a “big question of trust” lies within these questions: trust from the organizations providing the data, and trust in the quality and reliability of the data / data products by those who wish to use them to inform themselves or their policy and investment decisions.

In the context of limiting bias and the perception of bias in the information offered by a CEIO, participants discussed whether a CEIO should just provide access to historical data and the synthesis of that data, or to also include analyses that converted the historical data into forecasts of future trends. Speaking in favour of a CEIO containing only historical data, a participant said, “I’m not sure I would be looking for one agency to do the analysis. I’d be happy to have just one source for the information, but I don’t have to have one source for analysis.” Another participant agreed, saying that including analysis that projected into the future would harm a CEIO’s credibility because “you can’t help embedding values” when you make forecasts.

Arguing the opposite position, another participant said the U.S. Energy Information Administration model is worth considering, as it has a solid reputation and makes forecasts. The participant also cautioned against "putting data out there without context," because "this stuff is complicated and you need experts to analyze it" to avoid misunderstanding among the general public. A couple of participants argued for a middle position, one in which a CEIO acts as a one-stop shop for all energy systems information, offering only historical data but providing links to other sites that do forecasts and analyses of implications for the future. A participant said that whether or not a CEIO offers value-added products in the form of forecasts, it must be built to keep up with the rapid pace of change in pricing and consumer attitudes.

Participants strongly supported the idea of freely sharing information among provinces and between the federal and provincial governments. Concern was expressed regarding gaps in data received from Statistics Canada, and the difficulty in finding provincial production information on Statistics Canada's website. It was noted that many of the workshop participants have been engaged in Statistics Canada's outreach process for improvements in its dissemination tool, which would feature significant improvements to its searchable functions.

A participant said that in the interest of making sure the data a CEIO shares is accurate and credible, all submissions should be reviewed and critiqued before being made available to the public. Trusted partner organizations need to see these numbers, even if they are confidential, he said, although there are industry, government and academic stakeholders involved in the Statistics Canada review process, prior to a data release. There will invariably be instances where the public's right to know comes into conflict with industry interests, but a CEIO should strive to make the "x's disappear," that is, avoid blacking out information. In the cases where information cannot be shared, a CEIO could identify information and services that are relevant to the missing data and possibly provide a 'gap filling' service that generates 'reasonable numbers' when actual data is not available. Challenging subject areas include cogeneration, employment, bust and boom cycles, and distributed generation.

Statistics Canada may be able to leverage the infrastructure that exists in other organizations that are already collecting and disseminating energy systems information. A participant brought up the example of www.nacei.org, a website that, for the first time, "pulls together North American energy infrastructure on a single map." Users can access all energy information for anything over a megawatt. Bringing this information together onto a single platform offers many benefits, some of which have not yet been realized.

Part 3: How should a CEIO be funded and governed?

Layzell recommended that this discussion be divided into three sub-headings and taken up in order:

- Values and principles
- Governance
- Funding

Values and principles

Echoing suggestions made in Part 1 of the workshop discussion, participants said a CEIO should avoid duplication of effort, maximize efficiency, deliver timely results and encourage standardization. Other suggestions included having timeliness and ease of use, having continental and international integration, using international best practices to be a "state-of-the-art initiative," and maintaining a customer focus. One participant said the designers of this information service should always keep the audience in mind.

Governance

Participants expressed a range of opinions as to how the CEIO should be managed. Some suggested a model whereby the CEIO could be managed by a federal government department under a multi-stakeholder agreement, such as the way the National Justice Statistics Initiative is managed by Statistics Canada. In this model, the Justice Information Council governs the centre and sets priorities. The data from partner organizations is treated as an in-kind contribution and is provided free of charge. If stakeholders can demonstrate to their provincial government officials the need for a CEIO, "this project could have legs," said a participant.

Another suggestion was a non-governmental organization that is co-funded by federal and provincial governments but which has a multi-stakeholder board and which receives and manages data from a wide range of organizations, including industry. A participant described the governance model at Petrinex, an organization that describes itself as "Canada's petroleum information network." Petrinex is collaboratively governed, managed and operated by government (Alberta Department of Energy, Saskatchewan Ministry of the Environment, the Alberta Energy Regulator and oil and gas industry associations (CAPP and EPAC)). Projects are underway for the inclusion of BC and Indian Oil and Gas Canada. Governance is provided by the Petrinex Executive Board (CEO/Deputy Minister level from government, regulators and industry) which is

focused on long-term strategic direction, dealing with organizational barriers, and providing funding for major strategic initiatives; and a Petrinex Steering Committee (VP/Controller level representatives from government, regulators and industry) which provides strategic input to the Executive Board and is responsible for operational governance of the organization. Fogwill asked whether decisions made by the governing board of Petrinex could be overturned by the Alberta government? The participant responded that "someone has to own the assets. Alberta Energy owns the assets, but the governance is distributed to government, the regulator and industry. A minister or deputy could override the board's decisions, but that would cause disruption." Another participant noted that the collaborative governance approach has been effective and that such an override has not occurred in over 15 years of operation.

Another participant suggested that a CEIO could operate as a conduit between organizations and be nationally funded and legislated, much like the International Energy Agency. Participants supported the principle of peer review, both as a methodology and as a form of governance. One participant suggested a CEIO should "have distance on the analytical side rather than the data," meaning that it would provide access to historical data from the reporting organizations and analysis of same, but not offer forecasts or future scenario projections.

A participant proposed, as the "lightest touch" and cheapest option, a website-only portal to the information. Another participant suggested "the sweet spot" might be a hybrid model—a portal offering data plus trend analysis but not policy analysis. Another participant said, "There is a need to reconcile data sources and harmonize definitions. If you don't do that, all the data may be in one place, but people won't know what the 'real' data is." Other participants said the best strategy might be to start out with something simple and achievable and move up from there.

Funding

Layzell asked whether seeking funding from the provinces would be an exercise in frustration. One participant replied, "You got your answer last July when the premiers signed off on a Canadian Energy Strategy for Canada which explicitly identified "Working in partnerships to improve energy information in Canada" with explicit goals and actions to this end. Moreover, the first task in the Mandate Letter for the Minister of Natural Resources is to "work closely with provinces and territories to: develop a Canadian Energy Strategy…" Therefore, NRCan and the representatives from the provinces have a clear basis to advance the idea of a CEIO in this year's federal/provincial energy discussions.

Another participant agreed, adding that the value proposition would have to be emphasized in selling it to provinces. Another said, "If you measure nothing, you know nothing. You can't talk

about economic benefits without data." Participants agreed it might be difficult to get buy-in from some provinces. One participant said having the provinces who are the largest producers of energy act as "anchor tenants" would help in this effort.

The discussion of other funding models, including having all stakeholders, both industry and non-governmental organizations, contribute, gave way to a strong expression of support for housing a CEIO within Statistics Canada. Noting that this is a national initiative, one participant said, "In my past experiences with federal-provincial initiatives, the big challenge has been provincial interests conflicting with the national interest. While we want all provinces on board, the governance has to be such that national interest is primary rather than provincial interests."

Another participant said, "We miss a huge opportunity if we don't realize that Statistics Canada is founded on statutes. It carries enormous weight. If we fail to realize that opportunity, we're going down the wrong track." A few other participants agreed that a CEIO should be publicly-funded to avoid the perception of bias in its reporting of data.

Next Steps

Noting the momentum created by the day's session and the interest of the premiers in crafting a national energy strategy, Layzell asked participants for their ideas on how to move this discussion forward. A participant said the budget process for 2016 has concluded, and the window for Budget 2017 talks will open in September or October, approximately. Another participant estimated that it would cost between $50,000 and $100,000 to present a strong case to the government to fund a budget of $5 million to $10 million for a CEIO. He also said it is important to have engagement from stakeholders from the very beginning.

Layzell asked whether there is consensus to put together a working group to develop a business plan. A participant said those present should bring the ideas discussed today to their superiors to see what is palatable. Depending on how things play out, complicated changes might have to be made to how Statistics Canada works, for example. However, other options could see an administrative process included which would not affect the underlying structure of Statistics Canada. Regardless, senior levels of government would be involved, and there would need to be discussions about where the money would come from to fund it.

Layzell proposed that all present take the final report of the day's proceedings to their respective organizations, and other stakeholders, and use it as a basis for conversations about how to move forward with a CEIO. "Ideally, with the recognition that if something's not solid by September,

we're going to lose another year," he added. It was suggested that a smaller working group could then be convened to develop a proposal that the broader group would discuss via webinars. A participant said things should move forward quickly enough to take advantage of the federal government's commitment to reaching out to stakeholders.

Layzell closed the session and thanked participants for their comments and ideas.

Appendix A

List of Participants

Name	Organization
Guy Gensey	Government of BC
Mike Ekelund	Government of AB
Martin Atanasov	Government of ON
Jason Choy	Government of ON
Musab Qureshi	Government of ON
Bill O'Halloran	Government of NS
Drew Leyburne	NRCan
Chris Parsley	NRCan
Matthew Brady	NRCan
Nick Macaluso	Environment Canada
Derek Hughson	BC Oil and Gas Commission
Carol Crowfoot	Alberta Energy Regulator
Andre Loranger	StatsCan
Stephen Rodrigues	Cdn Assoc. of Petroleum Producers
Andy Mahut	Cdn Ind. Program for Energy Conservation
Ralph Torrie	Sierra Club
Steve Pacifico	Pollution Probe
Abha Bhargava	National Energy Board
Bob Skinner	University of Calgary
Ross Weaver	Petrinex
John Nyboer	Cdn Ind. Energy Database Centre
Allan Fogwill	Cdn Energy Research Institute
David Layzell	Facilitator