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Canada's New Major Projects: A Crash Course

Presented to the School of Public Policy Forum

November 19, 2025

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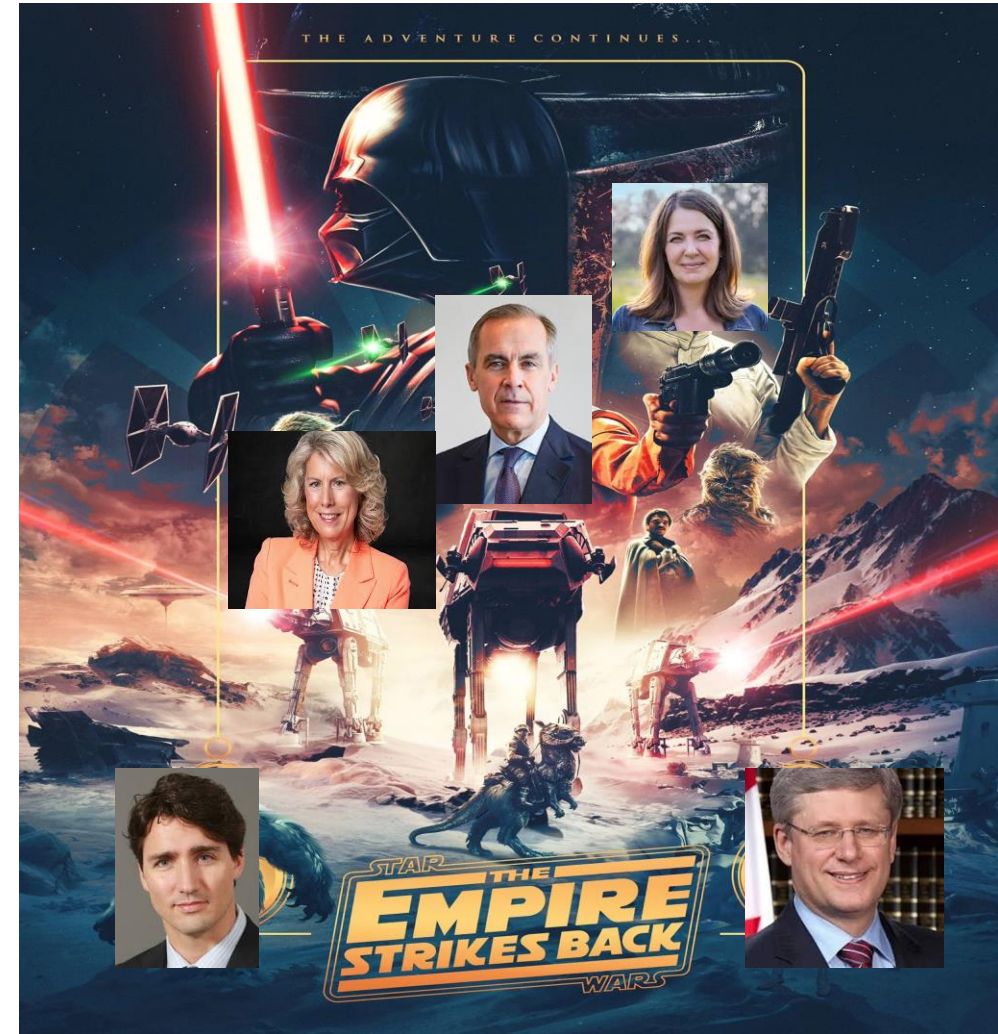
Summary & Overview: Read Carefully

- The Major Projects Management Office (MPMO) Initiative supports the Government of Canada's plan for Responsible Resource Development...to support government-wide efforts to improve the performance of the federal regulatory system for major natural resource projects.
- Under the Responsible Resource Development plan, federal regulatory departments and agencies are working collaboratively to improve the efficiency and effectiveness of environmental assessment, regulatory permitting and Indigenous consultation processes related to the review of major resource projects.
- The aim is to create a favourable business climate needed to unlock potential investment in major projects while also protecting the safety of Canadians and strengthening environmental protection.



CEEA 2012- *Major Projects Management Office: A New Hope*

Bill C5 2025- *Major Projects Office Strikes Back*



Major Projects Office- what's different this time?

- Not enough “big stuff” getting built - the stuff that IS getting built is taking too long and costing too much.
- Higher stakes- productivity crisis, weakening economy, trade war with USA.
- Workaround for C69/IAA.
- Create urgency and action.



Do we have more or less uncertainty?

- What makes a project major?
- What are projects of national interest?
- What about projects that don't make the list?
- What about the adjacent government role as a provider of capital?



What is 'national interest'? Major projects law still hasn't defined it

By Nick Murray • The Canadian Press

Posted October 20, 2025 2:37 pm • 3 min read



“The Building Canada Act does list five criteria the government can consider in deciding which projects get the fast-track treatment — but the government isn’t bound to them.... Those criteria include whether a project provides economic benefits to Canada, advances the interests of Indigenous peoples, or contributes to Canada’s climate change goals.”

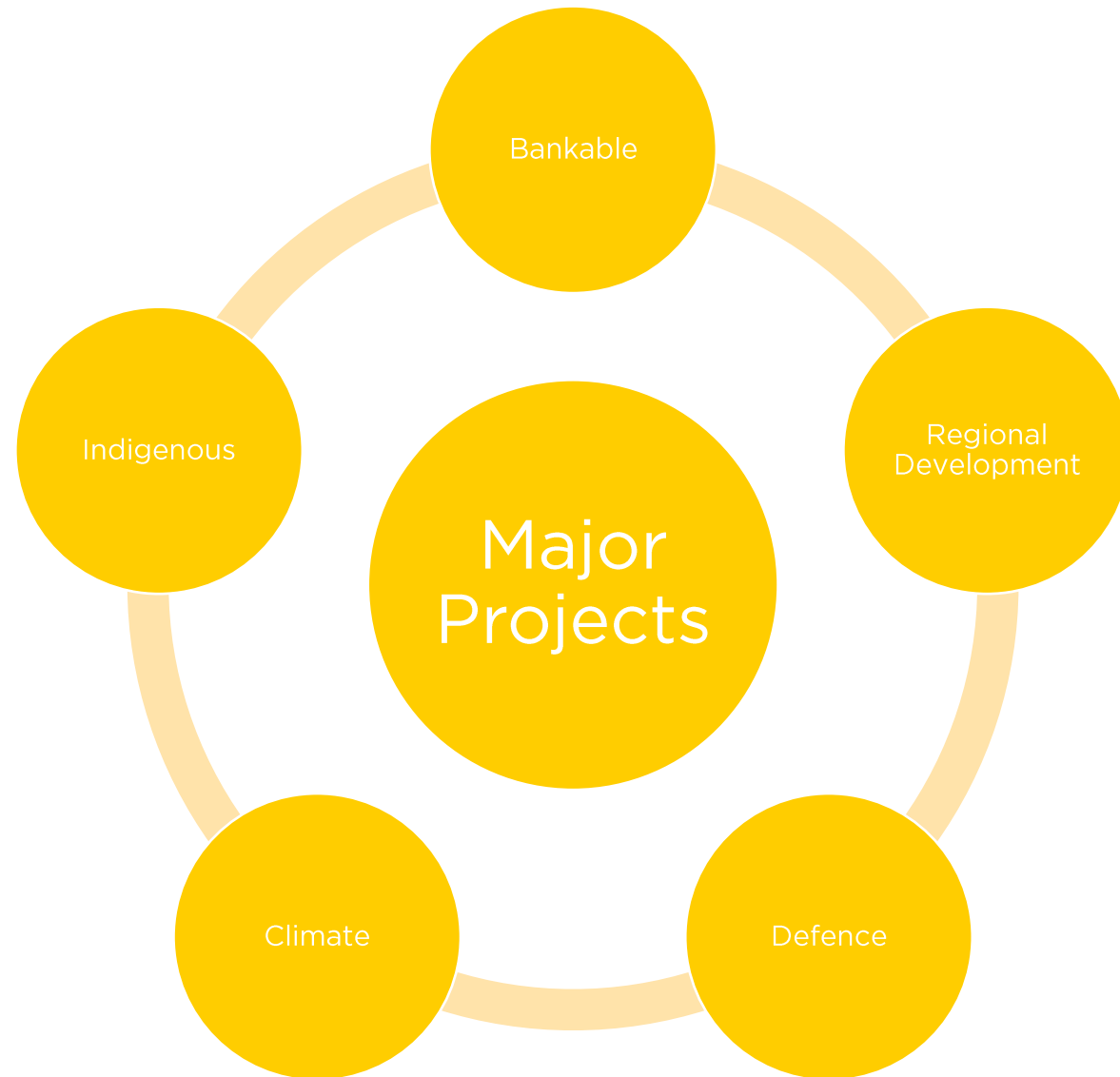
Source: <https://globalnews.ca/news/11486302/major-projects-law-national-interest-definition/>



Mixing mandates for projects?

Does every province and sector need a national interest project?

What type of private sector capital and risk appetite aligns with each type of project?





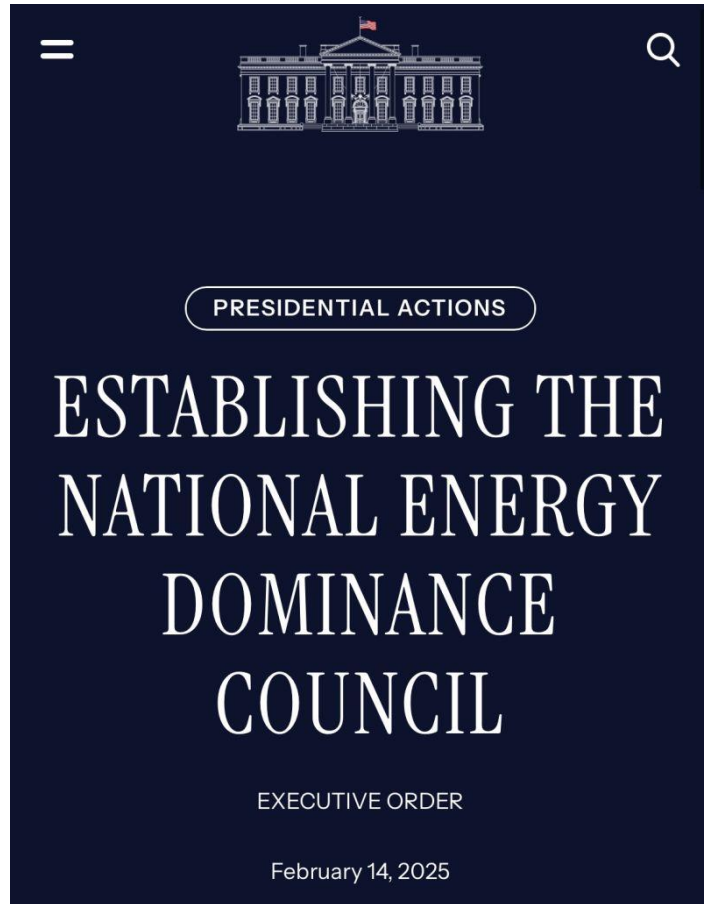
U.S. strategic sectors/major projects philosophy...

We must protect our country and our workers. Our steel industry is in bad shape. IF YOU DON'T HAVE STEEL, YOU DON'T HAVE A COUNTRY!

— *Donald J. Trump*
(*@realDonaldTrump*) March 2, 2018



Urgency and Action: Trump Style



- The bar for deregulation and fast permitting keeps getting lower.
- Risk of U.S. over-reach through reliance on emergency orders and end-running states, courts, and Congress



“Referred” projects & “transformational strategies” for MPO - candidates for fast track so far...

Electricity	Mining	Infrastructure & Transportation	LNG	Oil
Darlington SMR (ON)	RedChris (BC)	Contrecoeur Terminal Container Project (PQ)	LNG Canada Phase 2 (BC)	Pathways Plus (AB)
North Coast Transmission Line (BC)	McIlvenna Bay Foran (SK)	Port of Churchill Plus (MB)	Ksi Lsimis LNG (BC)	
Iqaluit Nukkiksautiit Hydro Project (NU)	Canada Nickel (ON)	Alto High Speed Rail (ON PQ)		
Wind West Atlantic Energy	Northern Graphite Matawinie Mine (PQ)	Northwest Critical Conservation Corridor (BC, YK)		
	Northcliff Resources Sisson Mine (NB)	Arctic Economic Security Corridor (YK, NWT, NU)		
	Critical Minerals Strategy (all provinces except PEI)			

- Regional perspective is always a factor.
- Includes shared projects i.e. Wind West Atlantic.
- Critical minerals strategy not shown - all provinces/ territories except PEI are included.

Province/Territory	Number of MPO Projects/Transformation Strategies
Alberta	1
British Columbia	5
Manitoba	1
New Brunswick	2
Newfoundland	2
Northwest Territories	1
Nova Scotia	1
Nunavut	2
Ontario	3
Prince Edward Island	1
Quebec	3
Saskatchewan	1
Yukon	2

Electricity: Now Core to the Carney Climate Strategy

- Small Modular Reactors (SMR): Doug Ford's plan to rescue Ontario economy- this First-Of-A-Kind (FOAK) Darlington project will benefit other provinces and U.S. partners.
- Wind West Energy Atlantic: Can this project beat the global competitiveness challenge for offshore wind? And can the power be sold to U.S. markets? Green H2 all but dead for now.
- North Coast Transmission Line: good synergy- LNG, critical minerals, Indigenous partnerships.
- Iqaluit Hydro: Key strategy to displace diesel dependence.

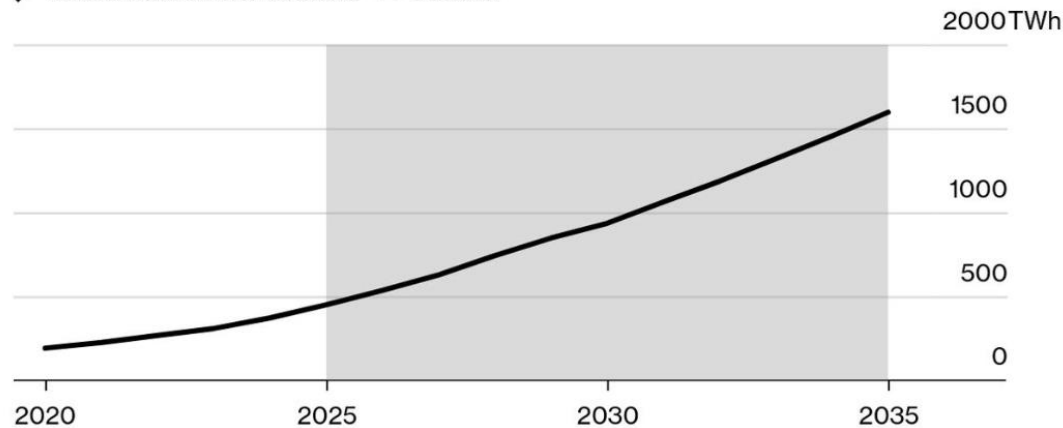


Data Center Boom = Energy Emergency?

AI Power Boom

Data center electricity demand forecast to more than triple by 2035

✓ Global data center demand ■ Outlook



Source: BloombergNEF

Note: Demand measured in terawatt-hours

Bloomberg

- Global AI power demand expected to equal 40 per cent of U.S. current electricity demand by 2035.
- Which fuels/technologies will support this growth?
- Can Canada partner with the U.S. or should we pursue our own data center projects?
- What are the electricity price implications for other users on the grid - including trade-exposed manufacturing?



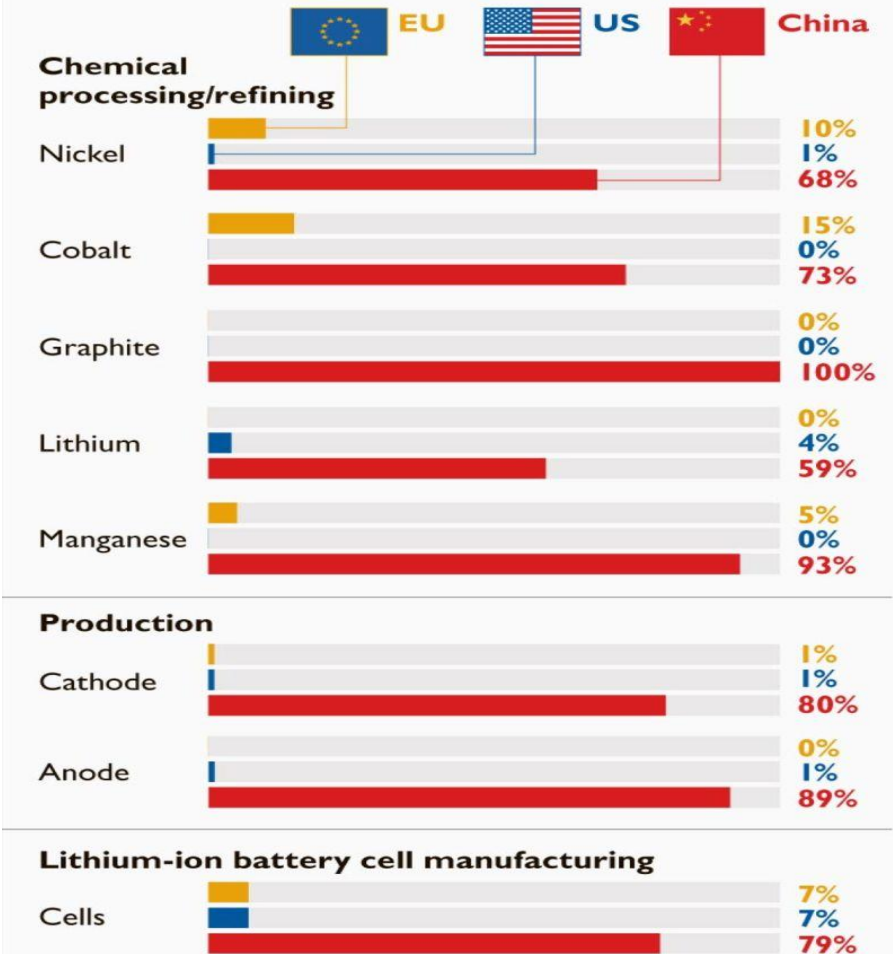
Mining: Four Critical Minerals Down, 30 More To Go!

- “Mature” *copper* projects: bankable- just don’t screw it up.
- *Nickel*: high-cost resource in a challenging market and jurisdiction- yikes.
- *Graphite*: good case for government “derisking” in a China-dominated market.
- *Tungsten*: NATO critical minerals list - defence dollars at work.
- Critical minerals strategy: leverage federal budget & infrastructure investments plus G7 strategy.



- China's leverage is in the downstream and processing side, not mining.
- Canada faces a risk of producing ores and concentrates that must be refined and beneficiated in China.
- Critical minerals processing is an opportunity for Canada to bolster our domestic industrial capacity and to gain leverage with trading partners and allies.
- The Alberta Industrial Heartland would be a good location for more smelting and refining...

China dominates the processing of key minerals



Graphic: The Times and The Sunday Times •
Source: Benchmark Mineral Intelligence



LNG: Canada the Gas Superpower?

- Federal, provincial and Indigenous alignment behind LNG is not 100 per cent but materially better than the past.
- Canada on track to 50 million tons per annum across five projects.
This would make us the 4th largest producer after U.S., Qatar and Australia.
- *LNG Canada II* - highly bankable, strong operator + Asian partners.
- *Ksi Lsims*: floating LNG - earlier stage, full Indigenous partnership with Nisg'a.
- Discussion points around market and climate/methane impact.

LNG Market Update: Key Developments

- U.S. LNG start-ups and sanctions continue (Plaquemines T2, Corpus Christi T3, Golden Pass).
- Qatari mega-wave of LNG coming to market.
- Trump/EU/Russia “sanctions for gas” dealings.
- Trump pushback on EU methane regs & CSRD regulations.
- U.S. trade/geopolitical tensions with India and South Korea.
- Russia/China: Power of Siberia 2 pipeline MOU- 50bcm.
- Will glut/lower prices stimulate demand?





**The information war on methane emissions from LNG is heating up: will Canada be a victim?
Or will growing scrutiny of fugitive emissions benefit our low methane intensity value chain?**

Chart: Is LNG worse for the climate than coal?

Research suggests that liquefied natural gas can have a bigger emissions footprint than coal, undermining LNG's status as a "bridge fuel."



By **Maria Virginia Olano**
26 January 2024





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Aren't we forgetting oil...?

Growth Case for Alberta Oil



Oil sands production grew from 2.5mmbpd to 3.5mmbpd from 2015 to 2024



Smith government talking about doubling oil sands production over next decade-
“use it or lose it”



Industry capex would need to return to pre-2014 levels



Industry focus more cautious- partially regulatory/cost environment, partially investor preference for share buybacks & dividends



Improved market access will help unlock capex but will it be enough



Provincial bitumen royalty-in-kind program will play some kind of role



West Coast oil pipeline has the potential to...

- Displace Russian and Iranian crudes (with some blending/creativity).
- Provide leverage for Asian refiners with OPEC+ and U.S. shale/Trump.
- Use oil as a catalyst for other Canadian trade and geopolitical relationship building.
- Support product exports back to the U.S. and Europe (and BC???).
- Position long-term for “decarbonized” oil for Japan/Korea/Singapore
- However, we must align with the needs of the customer - increasingly driven by crude-to-chemicals and jet fuel.

Asian Demand In Flux But Still Growing

Asia Pacific oil demand by product, 2019-2030 (mb/d)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2024-30 Growth Rate	2024-30 Growth
LPG/Ethane	4.4	4.4	4.6	4.9	5.2	5.5	5.6	5.7	5.9	6.0	6.1	6.2	2.0%	0.7
Naphtha	4.6	4.5	4.8	4.8	5.2	5.2	5.4	5.7	5.8	6.0	6.1	6.3	3.0%	1.0
Gasoline	7.6	7.3	7.8	7.9	8.1	8.0	7.9	7.8	7.7	7.6	7.4	7.2	-1.7%	-0.8
Jet/Kerosene	2.9	1.9	1.9	1.8	2.5	2.7	2.8	2.8	2.9	3.0	3.1	3.2	2.6%	0.5
Gasoil/Diesel	9.6	9.3	9.6	9.6	9.7	9.7	9.8	9.9	10.0	10.1	10.1	10.1	0.7%	0.4
Residual fuel oil	2.4	2.4	2.6	2.6	2.7	2.7	2.6	2.7	2.6	2.6	2.6	2.6	-0.4%	-0.1
Other products	4.5	4.5	4.5	4.7	4.7	4.7	4.7	4.8	4.8	4.9	5.0	5.0	1.0%	0.3
Total products	36.0	34.2	35.6	36.3	38.0	38.6	38.9	39.4	39.8	40.1	40.4	40.7	0.9%	2.0
Annual change	0.6	-1.8	1.4	0.7	1.6	0.7	0.3	0.5	0.4	0.3	0.3	0.2		

Source: IEA Oil 2025



Grand Bargain?

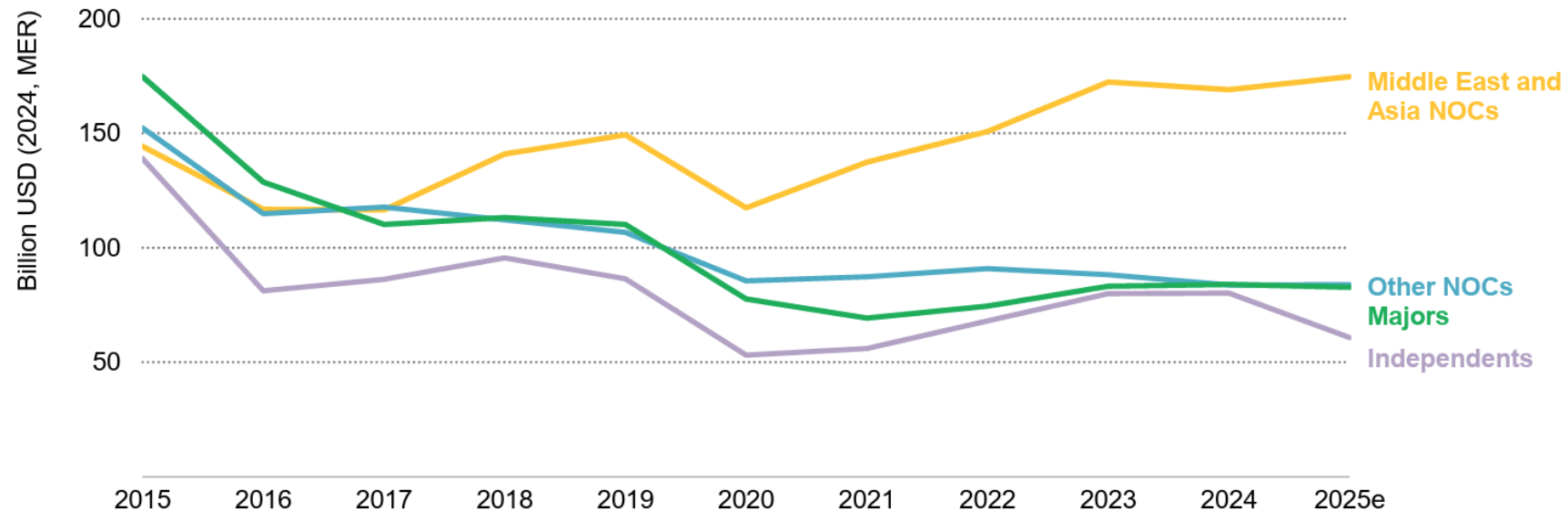
- Pathways + Production + Pipeline.
- Who pays for Pathways?
- What is the outlook for Indigenous consultation and partnership?
- What happens with oil/gas emissions cap & tanker ban?
- What happens with industrial carbon pricing?



Who Pays? Importance of Asian and Middle Eastern Partners

Upstream investment by the majors is set to dip slightly for the first time since 2021; current levels remain well below 2015, as do their share of total upstream spending

Upstream oil and gas investment by company type, 2015-2025

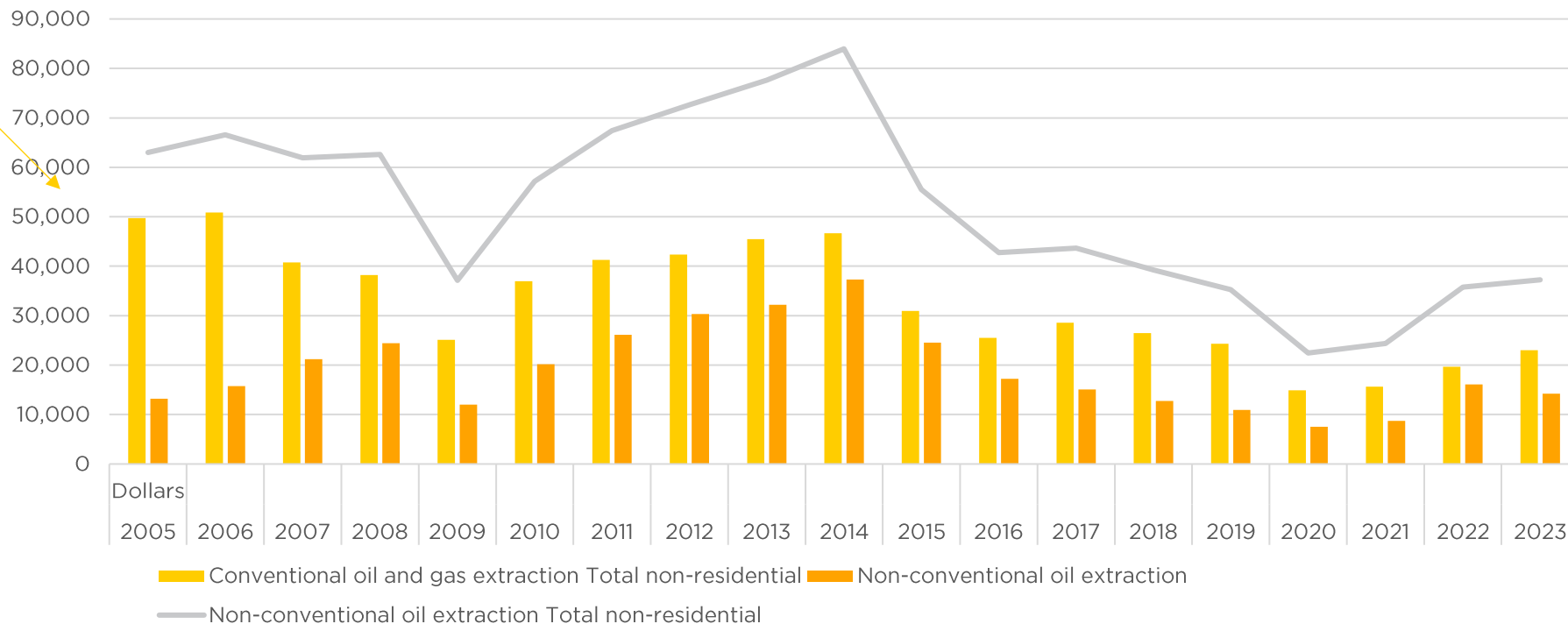


IEA. CC BY 4

Middle Eastern and Asian national oil companies now account for about 40% of upstream investment, up from 25% in 2015. Investment by independents is set to fall due to lower oil prices and higher costs, despite recent M&A moves that cut expenses via consolidation.

Canadian Upstream Recovery Since 2021 Still Less Than Half of 2014 Peak

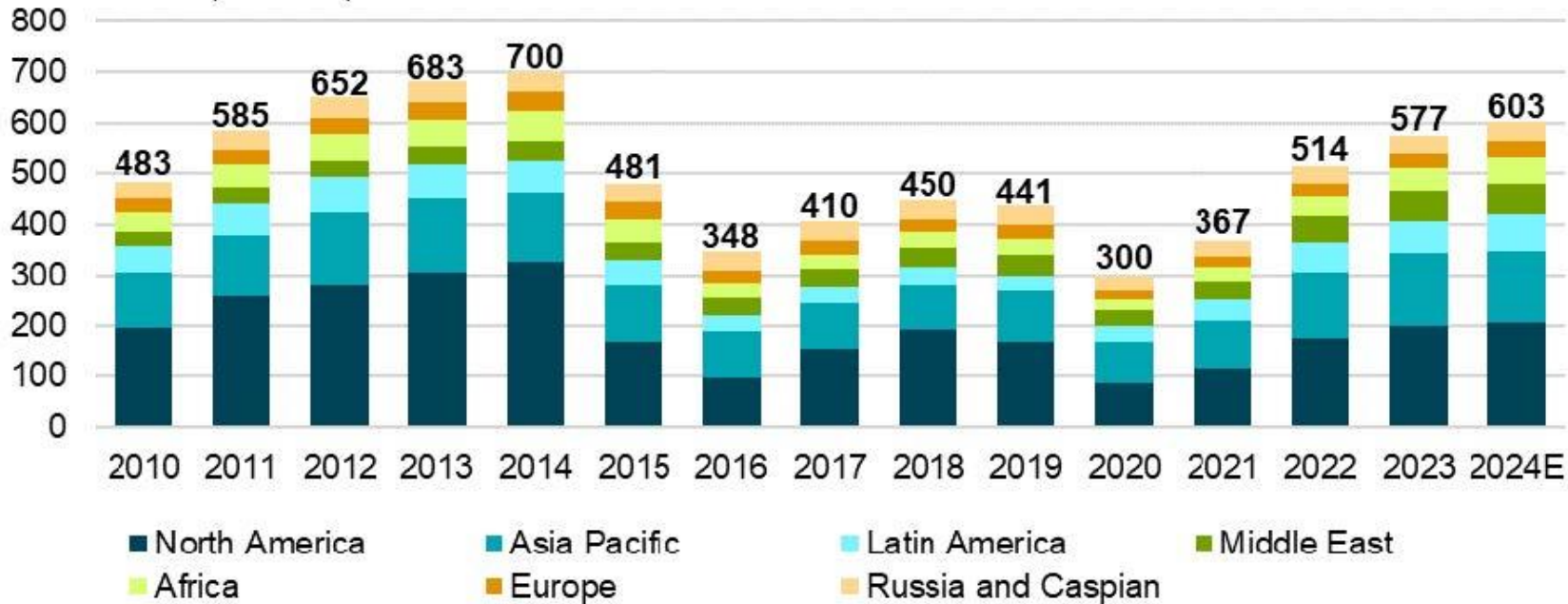
Canadian Upstream Oil and Gas Capital Investment 2005-2023 (2017 CAD-millions)



You Can't Blame Ottawa for Everything...Canadian Oil & Gas Spending Generally Follows the Global Trend

Upstream Oil & Gas Capex

Billion USD (nominal)



Source: IEF, S&P Global Commodity Insights

How do these global trends interact with domestic policy?

Global determines the size of the upstream pie; domestic factors shape the size of the slice...