

Minister
of Natural Resources



Ministre
des Ressources naturelles

Ottawa, Canada K1A 0E4

February 1, 2023

Cassie Doyle
Chairperson
Board of Directors
cassie.doyle@cer-rec.gc.ca

Dear Cassie Doyle:

As the Minister responsible for the Canada Energy Regulator (CER), it is my pleasure to provide you with this correspondence identifying key priorities for the attention of the CER's Board, Chief Executive Officer, and management. This correspondence sets out the Government's priorities to guide the CER as it delivers on its legislated mandate under the *Canadian Energy Regulator Act*, while fully respecting the CER's adjudicative functions, safety and environmental oversight, data-driven information, and public engagement.

Inspiring Trust and Confidence

The CER continues to inspire trust and public confidence in its ability to regulate infrastructure to ensure the safe and efficient delivery of energy to Canada and the world, and benefits from the deep technical experience and expertise of its decision makers and staff in this work. The CER's governance continues to ensure that the adjudicative decisions and recommendations are made independently and that its core responsibilities are carried out with appropriate strategic guidance and oversight.

Over the past three years, the CER has demonstrated progress by enhancing the meaningful involvement of Indigenous Peoples in its work, including in the oversight of CER-regulated infrastructure, working to ensure that Indigenous knowledge is more meaningfully integrated into adjudicative processes, and establishing an Indigenous Advisory Committee to advise its Board of Directors. I also appreciate that the CER has placed a renewed focus on enhancing Canada's competitiveness in the energy sector, ensuring the efficiency of the existing regulatory framework, modelling energy market scenarios that include pathways to net zero, and ensuring that the public has access to timely and relevant energy information.

Canada

Aligning Government and CER priorities

With these encouraging developments in mind, I am seeking the CER's advice on how our mutual efforts can help to realize the Government's priorities in a way that aligns with the CER's *Strategic Plan* and respects its independence while always keeping safety at the forefront.

The Prime Minister's mandate letter to me sets out the priorities and commitments that I am responsible for as Canada's Minister of Natural Resources, many of which relate to the CER's work, including:

- fighting climate change and building cleaner energy systems;
- advancing Indigenous Peoples' rights and economic reconciliation;
- addressing systemic inequities and disparities; and
- adapting and developing more agile and effective ways to serve Canadians.

These government priorities and commitments align with the CER's 2021–2024 strategic plan and your four interconnected strategic priorities:

- trust and confidence;
- competitiveness;
- data and digital innovation; and
- reconciliation.

These priorities help the CER to deliver on its mission: regulating infrastructure to ensure safe and efficient delivery of energy to Canada and the world; and protecting the environment, respecting the rights of Indigenous Peoples, and providing timely and relevant energy information and analyses. I recognize that this mission is what you do every day under the CER Act, with safety and environmental protection remaining steadfast at the core of your mandate.

Fostering Competitiveness and Innovation

In my role as Minister of Natural Resources, I remain accountable to Cabinet, Parliament, and all Canadians on matters pertaining to the CER while respecting the CER's necessary degrees of independence, particularly for its Commission, and I am keen to ensure that trust and public confidence in your organization is maintained. This includes ensuring that all existing regulatory requirements and timelines are met and extensions are only granted under necessary circumstances. The timelines set in the CER Act for decisions on project reviews are a particularly critical instrument for Canada in delivering certainty to investors, stakeholders, and Indigenous Peoples, and thus in supporting Canada's ability to compete globally. The CER's considerable expertise is also highly valued in its financial regulation of energy transportation in this country.

The CER has a role in the newly established Regional Energy and Resource Tables, which are bringing together provinces and territories, Indigenous communities, unions and

workers, industry, and civil society to develop opportunities for low-carbon economic growth and sustainable job creation. Key areas identified to date are diverse and impactful, such as clean fuels and hydrogen, non-emitting electricity and transmission, carbon capture and removal, and offshore renewable energy. The CER's participation at these Regional Tables will ensure that it remains well-positioned to regulate the energy infrastructure system today and into the future as Canada transitions to a net-zero emissions economy.

Evolving the Energy Information Program

The CER's Energy Information Program has expanded in recent years, and I expect it will continue to provide objective, timely, and relevant expert energy information that is accessible to all Canadians, supports informed decision-making, and informs the federal government's policymaking, including Canada's Emissions Reduction Plan. Particular areas of shared interest include:

- modelling various energy sector supply and demand projections and, further to our correspondence in 2021, a projected scenario in the CER's next Canada Energy Futures Report to be released in spring 2023 that models Canada's commitment to achieve net-zero emissions by 2050;
- new data and analysis on the electricity sector to inform the development of Canada's clean electricity policies and proposed regulations;
- further energy market information and Market Snapshots on renewables, non-emitting energy sources and clean fuels, and that build on the CER's analysis of Canada's energy transition;
- sharing energy information relevant to Indigenous Peoples as part of the CER's commitment to advancing reconciliation; and
- working proactively with government departments, in particular Environment and Climate Change Canada, to ensure the outcomes of your net zero work are consistently incorporated and represented in modelling efforts across the federal government.

Advancing reconciliation, diversity and inclusion

The CER has made significant progress toward advancing reconciliation, and I expect it will continue to do so through:

- continued work on implementing the *United Nations Declaration on the Rights of Indigenous Peoples Act* within the CER's mandate, which is key to both our reconciliation commitments and Canada's competitiveness ambitions;
- acknowledgement that the predictability of regulatory processes and outcomes relies on early engagement and consultation with Indigenous Peoples and meaningful inclusion of Indigenous Peoples in the CER's project assessment and oversight processes, which are supported by the CER in its role as Crown Consultation Coordinator;
- furthered enhancement of Indigenous Peoples' involvement in the CER's lifecycle oversight of the facilities it regulates, through work with the CER's Indigenous

- Advisory Committee and the Indigenous Advisory and Monitoring Committees, advancing the Indigenous collaborative mechanism for the entire NGTL system, and providing support to Natural Resources Canada in the development of the *Ministerial Arrangements Regulations*; and
- setting clear and ambitious expectations for regulated industry in its approach to project design, development, and operations, including through continued work on the *Onshore Pipeline Regulations*, revisions to its Filing Manual, and the sharing of best practices with industry.

Finally, I expect the CER to continue drawing on a diverse range of talent and perspectives as it carries out this work. This includes a continued commitment to a diverse and inclusive workforce, to take action to address systemic racism and barriers, and to take into consideration the diverse perspectives of Canadians, including the unique perspectives of Indigenous Peoples.

Continued Collaboration

The CER plays a critical role in keeping energy moving safely across the country and sharing important energy information in the public interest. In carrying out this work, I expect the CER to remain in close communication with the public servants at Natural Resources Canada and, in particular, with my Deputy Minister, who is my principal source of public service support and key point of contact for the CER.

I look forward to further dialogue, partnership, and progress in the months and years ahead.

Yours sincerely,

Original signed by

The Honourable Jonathan Wilkinson, P.C., M.P.
(he/him/il)

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