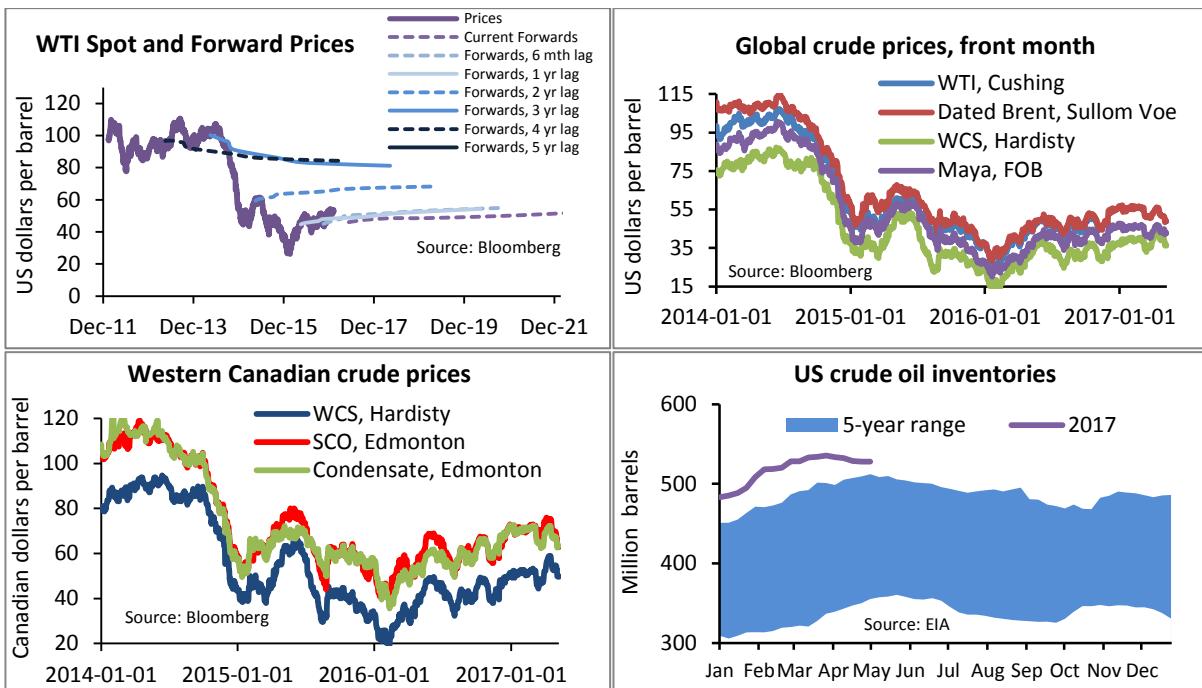


# ENERGY & THE ENVIRONMENT

## AT THE ALBERTA SCHOOL OF BUSINESS

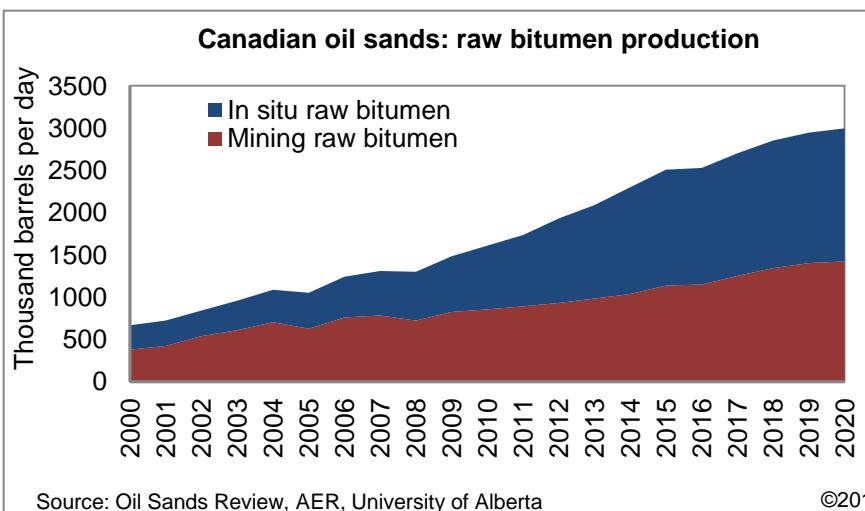
### Crude oil

Week of May 9, 2017



#### Featured topic: Oil sands production could grow another 500,000 b/d by early 2020s

After flat production growth in the oil sands between 2016 and 2015, looking at the projects that are now steaming, under construction or have been sanctioned, oil sands raw bitumen production is expected to grow almost half a million barrels between now and the early 2020s. Cenovus SAGD projects Christina Lake F and Foster Creek G are ramping up production. CNRL Horizon Phase 3 and Suncor Fort Hills, both mining projects, are expected online by the end of this year. Cenovus Christina Lake G and CNRL Kirby North have online dates scheduled for 2019.



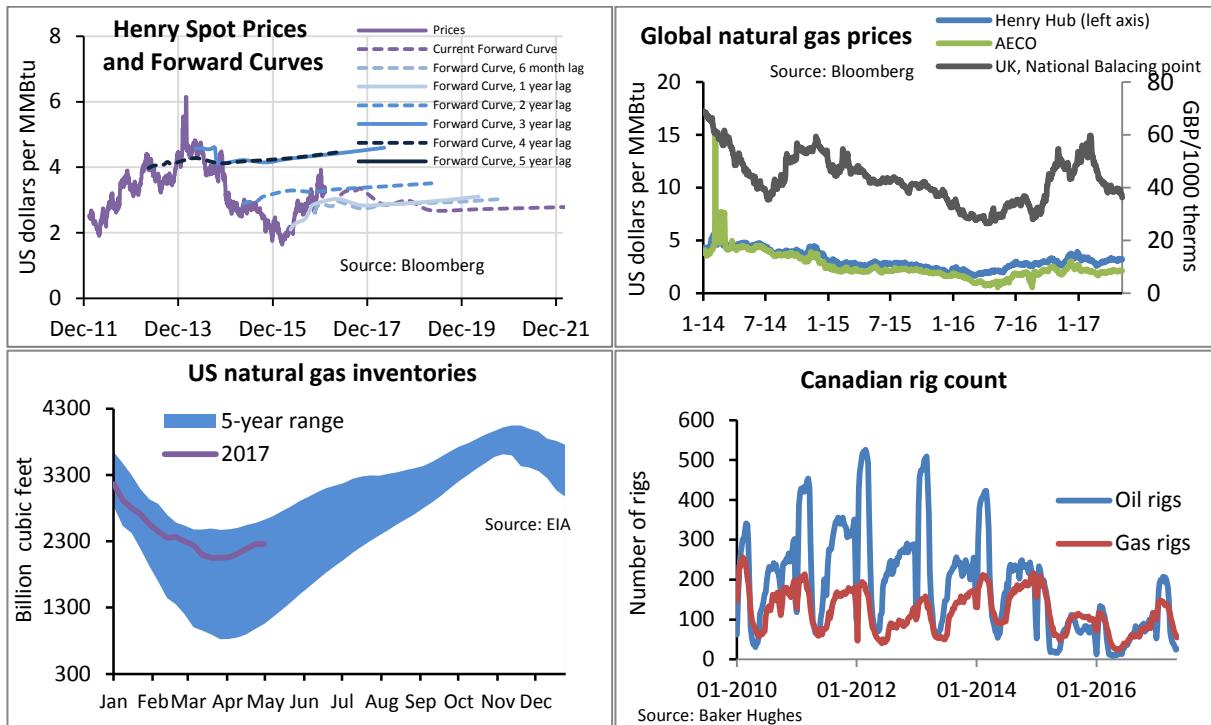
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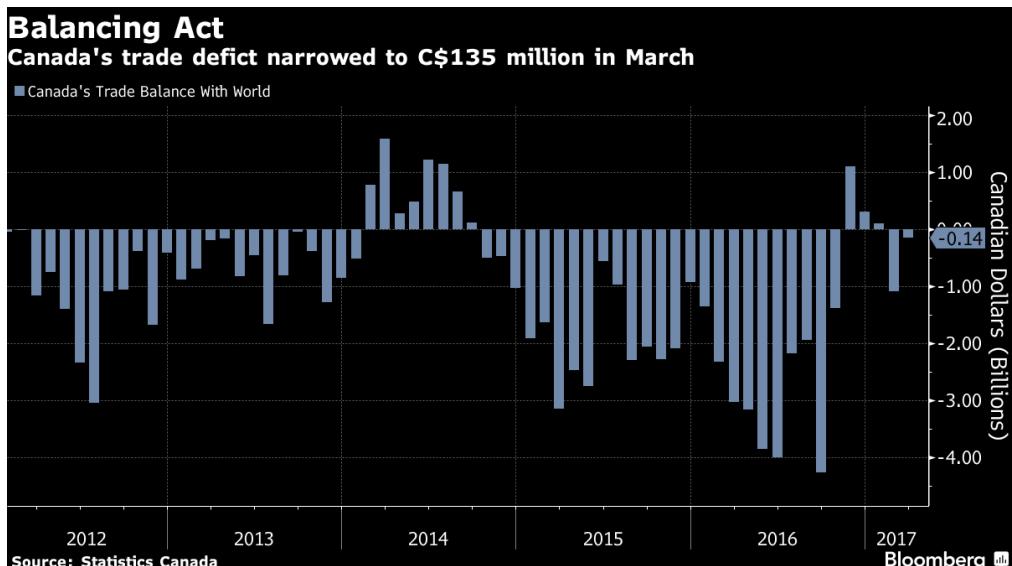
# Natural Gas

Week of May 9, 2017



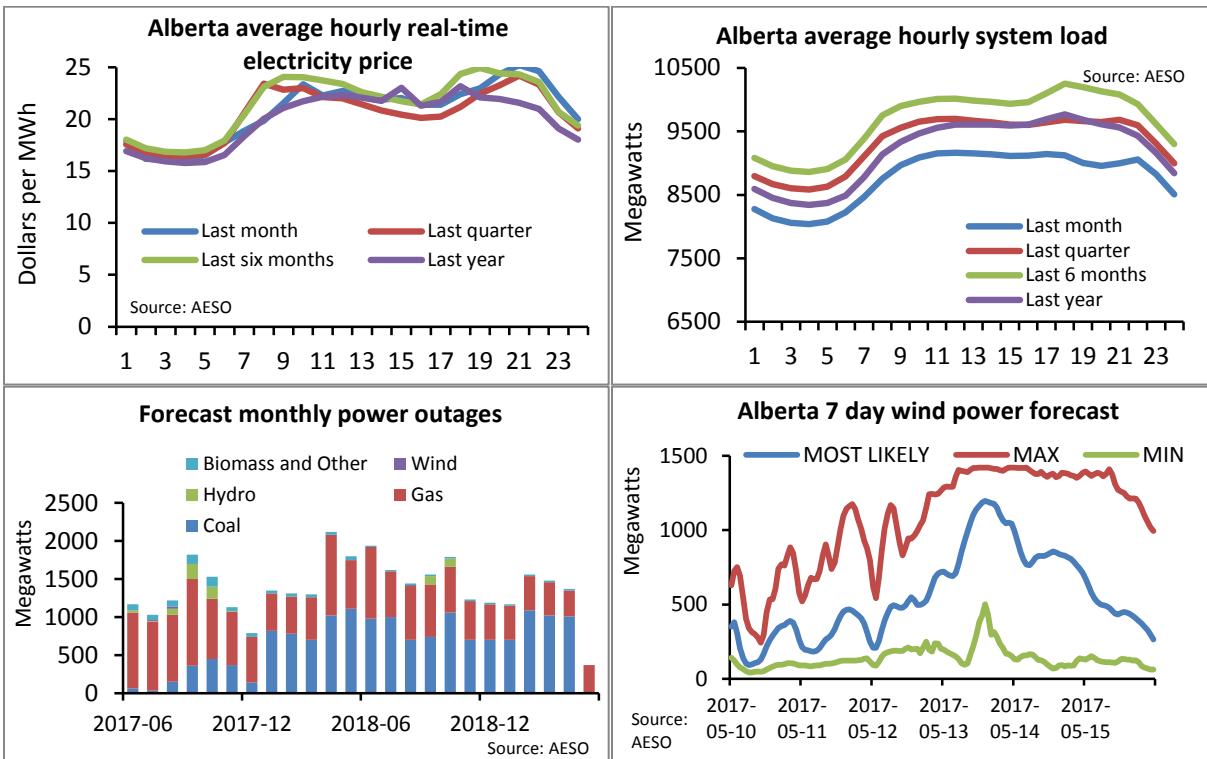
## Featured topic: Canadian exports rebound, thanks to natural gas and lentils

Canada's trade deficit decreased more than expected in March, driven by higher exports of energy products and 'other' food products, like lentils. Cold temperatures in the US Northeast resulted in a 32% increase in natural gas imports from Canada into that region, while Cyclone Debbie disrupted coal production in Australia and led to a 64% increase in coal exports from Canada. Economists reported that while this was a positive report, there are concerns about Canadian trade having 'trouble gaining consistent traction'. (Source: Bloomberg)



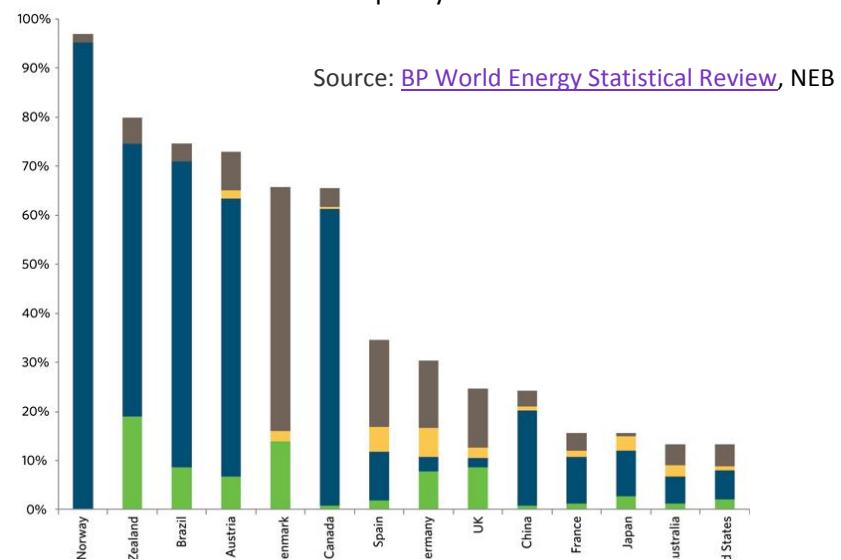
# Electricity

Week of May 9, 2017



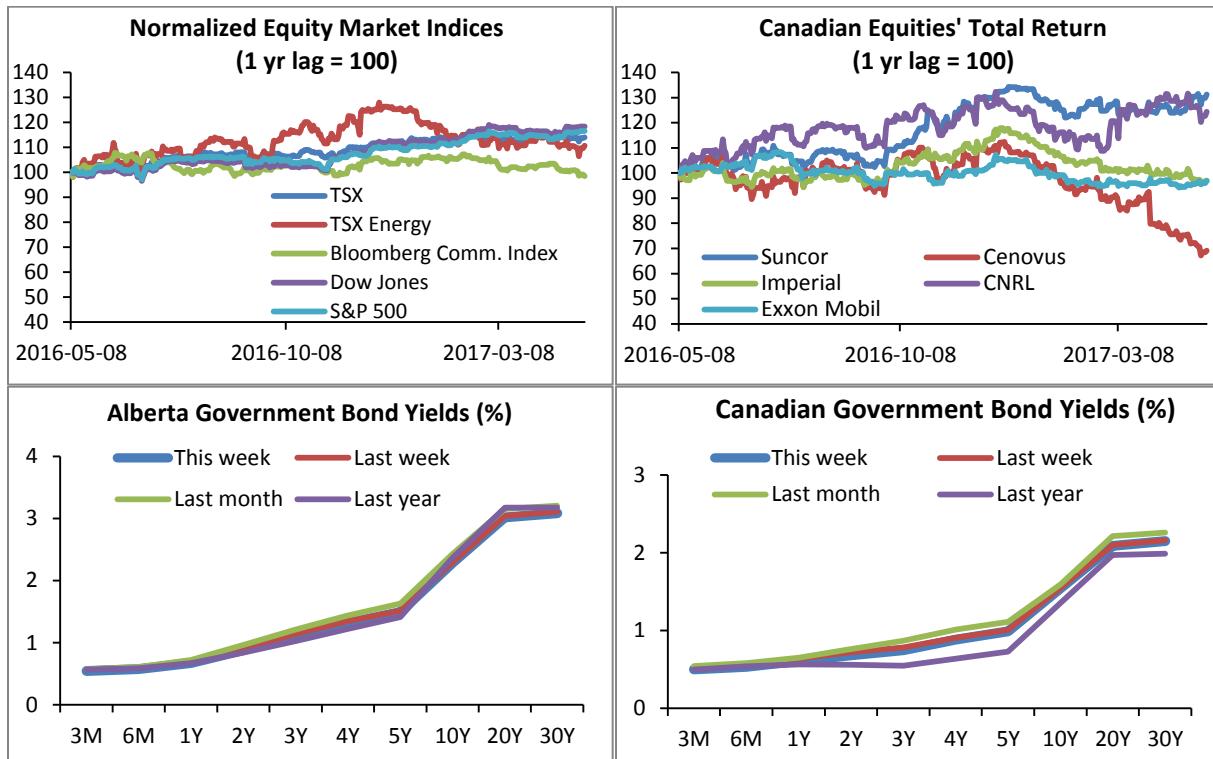
## Featured topic: Canada ranks third in global hydro power generation

Over 60% of Canadian electricity came from hydro power in 2015, ranking the country third globally behind Brazil and Norway. The majority of Canada's hydro came from BC, Manitoba, and Newfoundland and Labrador, where more than 85% of generation is from large hydro facilities with reservoirs. Hydro power from reservoirs is a valuable part of Canada's generation mix because they store energy and help balance fluctuations from intermittent renewables. Wind capacity increased twenty-fold from 2005 to 2015, but the intermittency of wind generation prohibits widespread adoption. Biomass and solar made up the smallest share of electricity generation in Canada with a combined 7% of total capacity in 2015.



# Equities and Bonds

Week of May 9, 2017



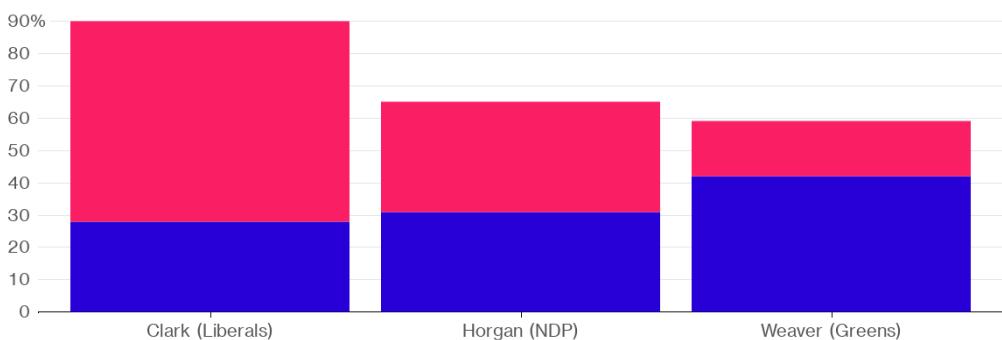
## Featured topic: What could BC's election mean for energy?

A recent Bloomberg article states that BC election could be a tight race between the Liberals and the NDP. What would the results of this election mean for energy? BC's Liberals are pushing to expand oil pipelines and develop liquefied natural gas export facilities in the province. The BC NDP platform is viewed as less friendly to the energy sector. The NDP have stated that they would review oil and gas subsidies, as well as the environmental risks of fracking. The party has publicly opposed the Kinder Morgan's Trans Mountain pipeline expansion, saying that the risks of the pipeline shipments and the increased tanker traffic outweigh the benefits. In addition, they would like Petronas to find a new site from their proposed LNG export terminal.

## In Power But Disliked

Incumbent has highest disapproval rating. Trailing party's leader is most popular.

■ Approve ■ Disapprove



Forum Research Inc. poll published May 2

Bloomberg



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Weekly Energy Charts – An analysis of global energy market fundamentals

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