

Premier Christy Clark keynote at the second international LNG conference

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VANCOUVER - Thank you very much, all of you, for coming and being a part of our second international LNG conference here in Vancouver. We're so proud to welcome all of you to our beautiful city, our spectacular province, our incredible young country.

We have so much work to do together, so much ahead of us with a generational opportunity to build an LNG industry for not just our province but for our country. This really is, for us, all about building a nation, creating jobs, rolling up our sleeves to take advantage of this generational opportunity to build a prosperous future for every Canadian.

But it is more than just about Canada. This is about our opportunity to make the biggest change and the biggest contribution we ever have as a province to reducing greenhouse gas emissions around the globe by powering up the economies of Asia and helping them move to the cleanest fossil fuel on the planet, move away from dirtier fuels, cleaning up the air there and cleaning up the air here as well.

I want to talk to you a little bit about that. I also want to talk to you about what we are doing here in BC to seize that opportunity, to be the most competitive jurisdiction of our kind in the LNG business, to be the place with the greatest certainty for your investment of any jurisdiction in the world and to meet our intention to achieve those things without needless delays that get in the way of investment decisions, to make sure that we approach this with absolute focus and purpose.

But first I'd like to give you a little bit of a progress report. Some of you were with us last year and I hope you'll notice that momentum is certainly building, built every day by an incredibly diverse population here in our province, diverse, highly skilled and highly educated, more people with university degrees in this country than any other country in the world as a percentage of our population. We've protected our strong economy as well as educating our populous here. We have a strong record of fiscal responsibility, balanced budgets, low and declining debt-to-GDP ratios, triple-A credit ratings right here in British Columbia. And we know that those are important because we know that stability and reliability are important for you as you make investment decisions. That's what senior executives have told me over and over again, that companies will want a diverse portfolio of LNG suppliers. We won't be anyone's sole supplier. But we do know that every company wants to have at least one honourable, reliable partner where they know their supply of natural gas will never be imperiled by politics. It's important for the cost of borrowing and we know that it's important for the security of supply.

This is who we are in British Columbia and here's what we have. We have a vast ocean of energy underneath the earth in the northeast of our province, 150 years' supply at current estimates. You think about how long 150 years is. This wasn't even really a city. The first sawmill opened in Vancouver about 150 years ago. Canada hadn't even come together as a country in confederation 150 years ago. The US was wracked by civil war. John D. Rockefeller founded Standard Oil 150

years ago. They founded it to make kerosene for lamps and they threw the gas in the rivers because they had no practical use for it.

A lot can change in a century and a half. LNG could be one source that kick-starts all kinds of new technologies, new uses over the next 150 years. We don't know what the world will look like then. But we do know what we can do today, and that is to make sure that as a government we look at every decision we make through the lens of whether or not it furthers our purpose in creating an LNG industry here in BC. This is our central preoccupation and so I personally chair a special cabinet devoted to making sure we coordinate our decisions across government with the view to moving as nimbly as we can to create an LNG business here.

LNG is what we ran on in the last election. It is what we were elected to do. It is a promise we made to the people of British Columbia and it is a promise that I intend to keep.

So what progress have we seen since the last time we met here at our first international LNG conference? Well, confidence is high. The number of project proposals has doubled in the last year since we came together. More importantly, when you look at not just the number but you look at the quality of those projects, you look at the companies that are coming to the table, it's impressive, global leaders in LNG with strong backing from countries and investors from around the world, particularly in Asia -- China, Japan, Korea, Malaysia, Singapore, India. On the regulatory front, one proposal already has its environment certificate. That's Kitimat LNG. Pacific Northwest LNG is undergoing its environmental review. Three more facilities are in the preliminary stages of their reviews. Aurora LNG became the ninth proposal to receive its export licence. Last year there were only three licences issued. So momentum is high. We are picking up speed.

Today we got news of the launching of the BC LNG developers alliance -- four major projects uniting to work together to move their projects forward faster.

Hitachi announced that they would open their North American office in Vancouver to access the emerging LNG market. Yesterday LNG Canada announced the selection of its main contractor for its project, and this comes right on the heels of another major milestone that's formally established LNG Canada. That's the joint venture agreement between Shell, PetroChina, KOGAS and Mitsubishi.

In the last month BG signed an agreement with CNOOC to partner in their Prince Rupert project. Sinopec joined up with Petronas and its partners in Pacific Northwest LNG. And we began this year with news that Chevron Apache awarded their contract to lead all engineering and construction services for their Kitimat LNG plant.

It was in the context of all this activity that I led my fifth international trade mission in the three years since I've been premier. We went to Malaysia, Singapore and Hong Kong, and on that trip we reached another major milestone with Petronas and with WoodFibre. Petronas is scheduled, as you may know, to be the first major project to reach final investment decision. WoodFibre is expected to be the first LNG plant in operation in BC. And with both companies we agreed to finalize our project development agreements by November 30 at the latest. That is the last step

before getting to final investment decision. And here's what it means. It means that BC will sit down with both companies and grind into the details so that we can make sure we have absolute certainty on the numbers, absolute certainty on all the costs, all the costs that are under government's control and that are specific to LNG. That includes certainty on all taxes and the costs of any regulatory requirements. So back to what I talked about at the beginning -- certainty, competitiveness, focus and speed. That is the way we do business here in British Columbia. And we know that that adds to our built-in advantages. Our cold climate means that it takes less energy to liquefy the natural gas. Our proximity to Asia means faster shipping times. We know there are other things we can do in addition to certainty, and that includes making sure that there is a skilled workforce here ready to take on the great task ahead.

This spring I led an unprecedented mission to our capital in Ottawa to talk to them about how they can help us, how they can coordinate and fund and participate in making sure that our workforce is in a position to take advantage of this incredible opportunity, and we returned from that mission with an agreement to ensure funding and coordination.

Beyond the federal government we are also reaching out to communities, to BC First Nations, to labour unions, to industry, to small and medium-sized businesses who can supply and support the business here, to achieve all of the things by reaching out, by planning, by coordinating and by being united to achieve all of the things that some of our competitors, frankly, have failed to do. We've spent the last year developing a ten-year skills training plan and that plan speaks to our intention to re-engineer our post-secondary, our apprenticeships and our secondary school systems to make sure that British Columbians are trained and ready to take the jobs that industry will be creating because we know from other jurisdictions that the alternative is to do nothing and that alternative is to see wage inflation spiral out of control. We call it BC's Skills for Jobs Blueprint and it was developed in cooperation with labour, with First Nations, with educational institutions and, of course, with industry. We worked together to map out the kinds of skills that would be needed, what years, what months, what locations based on everything we understand about how the projects are unfolding and then working backwards to make sure that we are able to supply those skills in our education system here for one year down the road, five years down the road and ten years down the road. I know that that is part of the confidence that investors need. I also know that it means British Columbians will have the chance to take advantage of the incredible opportunities ahead because you can't build an economy without people who have skills.

More importantly, though, from my perspective, you can't build a strong and healthy society without great-paying, family-supporting jobs that allow people to look after those that they love in the communities that they've built. For me that is the greatest legacy that this industry will create. It's one thing to say 100,000 new jobs because it's a huge number and I think most people have trouble getting their heads around it. I think about it in terms of the individual lives that those jobs will transform. One opportunity realized today means a better life for a generation of people.

If you want to put a face on that story, I'd invite you to look around a little bit at some of the other people who are attending this conference. You might have noticed some of the high school kids who are here. They are taking part in an interactive career experience. They are getting

hands-on experience with heavy equipment, with welding simulators. They are learning about the career paths that are available to them when they graduate because of LNG because we want to make sure that they have the skills and that they want to take advantage of those opportunities.

You'll also see at this convention that it's open to many small and medium-sized businesses. LNG companies from around the world want to put down roots in our province, and you'll need everything from lawyers to tax services to catering, construction, so we created a program called LNG-Buy BC. That's to help connect big companies with smaller, more local companies in every region, and I'll give you an example of that.

I represent a community in the interior, in the Okanagan called Kelowna. There's a company there called BigSteelBox. They build really beautiful modular homes. They've just announced that they're expanding their service to northern BC because they see what's coming and they wanted to be ahead of the curve. There are going to be literally thousands of opportunities like that for people from across BC and we have to help you make those connections.

In April we started the first contractor-supplier boot camps, an RFP seminar for businesses small and large. We're working to connect people across the province to this opportunity because it really does belong to all of us. And when I think about who it belongs to, I think first and foremost this opportunity can belong to First Nations. First Nations have worked hard to try and make this work and First Nations are, in large part, supportive of the creation of this industry. And that's, I believe, because for far too long First Nations in our province have been left out of the mainstream economy. LNG is an opportunity to lift those communities up and to do what their leadership wants, which is the same thing we all want, which is to live in healthy, wealthy communities where every child gets a great education and a shot at a great job. LNG is our chance to do just that. But if we want to lift those communities up and communities all across the north and all across British Columbia and across Canada, we are going to have to work together and we're going to have to focus on strengthening our relationships. That means put politics aside and recognize that we are partners in a tremendous once-in-a-lifetime opportunity.

Two years ago we told British Columbians about the story of LNG. We talked about our plan to grow this economy, to grasp growth in a western world where economies are shrinking, to create opportunities for our children and grandchildren. And we talked about the fact that this world today is in a period of profound change. Global demand for energy is expected to double in just the next 20 years. In China alone almost a billion people will live in cities by the end of 2030. That's 350 million more than today. That is the equivalent of ten Canadas moving to cities. If even a portion of that power can be supplied by natural gas, the children and grandchildren that we are working so hard to leave a legacy for will not just benefit from a profound economic change, they will benefit from a cleaner environment. And this is not just a theory. We have seen what can be accomplished by using natural gas in the United States and in China already. We've seen that it is possible to generate more energy while reducing greenhouse gas emissions. We have the resources, we have the infrastructure and most of all we have the drive to make sure that growing gas and energy demands are met with the clean, safe fuel we find under the earth in the northeast of British Columbia.

Here in our province the economic benefit means we have the chance to leave a debt-free future for our children. It means we have the opportunity to leave them with a better world. And I know that we can because we have been doing this together. We can be the ones who shape a prosperous and responsible future for our children and our grandchildren and we will do it because we decide to do it together.