

# Who decides on energy projects?

**Do local, Indigenous, provincial, or federal governments have the final say on whether energy projects get built? There are no easy answers.**



**Stewart Fast**

*Natural resources*

Last month, the latest twist in the ongoing saga over pipeline politics in Canada took place in a hearing room of the National Energy Board. At issue was whether the City of Burnaby is obstructing federal approval of the Trans Mountain pipeline expansion by dragging

its feet on processing local bylaws. The board decided to exempt the pipeline from the bylaws.

For those studying energy policy and politics in Canada, it is also the latest manifestation of a phenomenon that is going to continue to challenge linear infrastructure projects for the foreseeable future. Simply put, this is the question of who decides whether energy projects get built or not? Is it federal and provincial governments? Is it local communities? Indigenous authorities? Is it a combination of these?

The question of how to balance local and national interests has never been easy, and it is getting harder. The federal government came to power on a platform stating: “while governments grant permits for resource development, only communities can grant permission.” While few would disagree with the democratic ideal of consent of the governed, this raises prickly questions: who speaks for communities? What about the interests of the larger national community? What happens when interests of communities clash, as we are seeing in Burnaby?

This is not only a pipeline phenomenon. Plans for decarbonization of the energy system in Canada involve doubling Can-

ada’s electricity infrastructure. More transmission lines and more infrastructure will be built, and the question of “who decides?” will continue to come up.

Research from the University of Ottawa’s Positive Energy project emphasizes that Indigenous and municipal governments have increasing power in energy decision-making, both through formal co-management structures and through community benefit agreements with energy-project developers. There are benefits to this. It can mean increased legitimacy of decisions, reduced risk for proponents, better projects, and earlier “nos” for bad projects.

When our polling partner, Nanos, asked 1,000 Canadians in a phone and online survey Sept. 23 to 26 if they thought authority should be shared between municipal, Indigenous and federal or provincial governments when it comes to energy infrastructure projects, 68 per cent agreed.

Yet, there are also risks of confusion and delay with a system that has multiple decision-makers. Again, Canadians appear to recognize and understand this. Fully 70 per cent thought the “final say” on linear infrastructure projects should rest with federal or provincial governments.

Balancing and bridging local and broader interests in energy infrastructure decisions will be difficult. Our research points to a few potential paths forward.

First, it is important to recognize the benefits of local government involvement, but also to reaffirm a prominent role for federal and provincial authorities, especially for linear projects that pass through multiple communities. This should include responsibility for the federal government to explicitly identify Indigenous governments that are close to linear infrastructure and need to be engaged. This will reduce the burden on Indigenous governments and on proponents.

Second, we need to build technical capacity in municipal and Indigenous governments in areas such as planning, finance, and regulatory processes. One possibility is a national expert body to build capacity. It could draw on existing resources including QUEST’s (Quality Urban Energy Systems of Tomorrow) Community Energy Planning Program, and the unique Catalyst 20/20 program in Indigenous communities. Another possibility is exchanges between personnel in local government, policy-makers, regulators, industry to increase awareness of

historical context and cultures, organizational constraints.

Third, more attention is needed to integrating energy issues into land-use planning. Building regional, provincial, and federal energy policy goals or energy plans into the existing medium- and long-term planning tools (for example: planning acts, provincial policy statements, regional and strategic impact assessment processes) could go a long way to anticipating and mitigating concerns and building better projects.

Finally, predictability and efficiency is hugely important to ensuring that businesses are able or willing to put forward projects for consideration.

The question of “who decides?” whether energy projects get built isn’t going to go away and there are no easy answers. Concerted attention is needed or situations like the ongoing saga in Burnaby will become more and more common.

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