

The Canadian Oil and Gas Industry and Climate Policy

A report on climate and energy policy advocacy by the Canadian oil and gas sector

February 2023

Table of Contents

Executive Summary	2
1. Introduction	4
2. Overview of Sector Engagement and Net Zero Ambition	8
3. Oil and Gas in Canada: Pushing for Fossil Fuel Expansion	13
4. Oil and Gas Sector’s Opposition to Climate Policy	19
5. Industry Engagement Strategies	24

It is noted that logos of industry associations are occasionally utilized in the graphics associated with the analysis in this report, as is common practice in public facing releases of this kind. This in no way implies agreement and/or endorsement by the entities concerned with the report’s content.

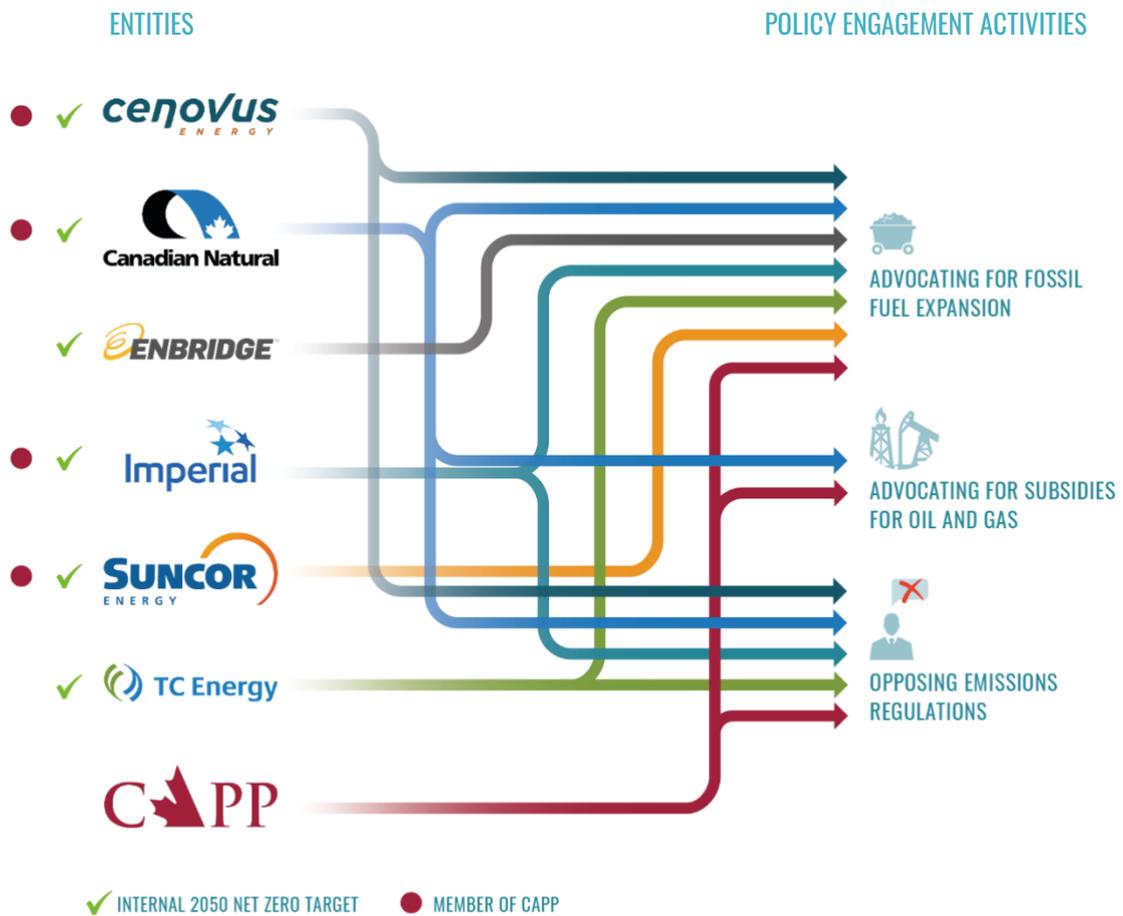
Executive Summary

- **This report analyzes the climate-related policy messaging and engagement of the Canadian oil and gas industry.** It finds what appears to be a case of “**net-zero greenwashing**,” a term coined by the United Nations Secretary-General António Guterres in November 2022 following the release of research by a [UN High-Level Expert Group](#) on credible net-zero pledges, which includes guidance for companies to align advocacy efforts in support of — and not against — climate policy action. InfluenceMap's analysis shows that despite the Canadian oil and gas sector's widespread use of net zero commitments and narratives, the industry remains strategically opposed to science-based policy to deliver net zero targets in line with limiting warming to 1.5°C.
- **The report analyzes the climate policy engagement of the six largest oil and gas companies headquartered in Canada and the sector's primary industry group, the Canadian Association of Petroleum Producers (CAPP).** Four of the six companies — Cenovus Energy, Canadian Natural Resources Limited, Imperial Oil, and TC Energy — demonstrate negative climate policy engagement. Suncor Energy and Enbridge appear to engage positively on some areas of the energy transition while opposing others.
- **CAPP — that represents upstream oil and gas companies — appears to be the most active and oppositional to climate policy progress.** CAPP is actively engaged with policymakers on several areas of climate and energy policy in Canada. Of the companies covered in this report, Suncor, Canadian Natural, Imperial Oil, and Cenovus are all members of CAPP.
- **The sector has consistently supported the expansion of the fossil fuel industry, including advocacy for new oil and gas projects.** This engagement starkly contrasts with IPCC and IEA 1.5°C net zero scenarios that call for rapid phaseout of fossil fuels in the global energy mix. The sector also opposes the removal of fossil fuel subsidies and policies that aim to phase out fossil fuels.
- **At the same time, the sector does not appear supportive of stringent emissions reduction regulations.** Engagement from the entities show outright opposition or attempts to weaken climate policy action in the region. The Canadian government's recently proposed 2022 Oil and Gas Emissions Cap that would reduce sector's emissions by 30% below 2005 levels in 2030, for example, received severe pushback from several of the entities in this report.
- **The report also highlights the emerging role of the Pathways Alliance and its 'Oil Sands Pathways to Net Zero' initiative,** a relatively new coalition of 6 oil sands companies, including Canadian Natural, Cenovus Energy, Imperial Oil and Suncor, that appears to be getting increasing traction in Canadian climate policy debates. The Pathways Alliance advocacy appears to emphasize the sector's commitments to reducing GHG emissions from oil sands production operations, framing this as part of net zero strategy. At the

same time, the initiative promotes the overall role of Canadian oil in the global energy mix, whilst advocating against regulation to drive down the sector’s emission in the nearer term.

- **The analysis identifies key narratives and strategies advanced by the Canadian oil and gas sector to advocate for fossil fuel buildout.** The sector has frequently argued that Canada’s “clean” and “low carbon” oil and gas could help achieve global climate goals and argues that increased export of Canadian oil and gas could replace coal elsewhere in the world, enabling overall emissions reductions. Further, following the Russia-Ukraine crisis, the sector has claimed that Canadian oil and gas could replace “hostile sources of energy” from jurisdictions such as Russia.

Canadian Oil and Gas Sector’s Climate Policy Engagement



1. Introduction

1.1 Climate Policy in Canada

The Canadian government has made ambitious high-level commitments to tackle climate change in recent years, including a legally binding net zero target as of June 2021. Under the 2030 Emissions Reduction Plan, released in December 2021, the government has also committed to reduce greenhouse gas emissions by 40-45% by 2030 compared to 2005 levels. However, Canada has not yet delivered the level of climate policy needed for rapid decarbonization. According to *Climate Action Tracker*, existing Canadian policies are ‘highly insufficient’ for meeting global climate targets, instead falling in line with a global temperature increase between 3 °C and 4 °C.

The trajectory of climate policy in Canada may be informed by the country’s relationship to its oil and gas sector. Oil and gas has also contributed the *largest proportion of Canada’s GHG emissions of any sector*, accounting for 27% of total emissions in 2020, and continued to receive various forms of government patronage including more than *\$18 billion in subsidies* in 2022.

1.2 Background: Oil and Gas Sector and Climate Change

In August 2021, the UN’s climate science body, the Intergovernmental Panel on Climate Change (IPCC), released its report ‘*Climate Change: The Physical Science Basis.*’ UN Secretary-General António Guterres described the findings as “*a code red for humanity.*” The report found that post-industrial global warming is expected to hit 1.5°C in the early 2030s and will continue to rise unless global CO2 emissions hit net zero by the early 2050s. Furthermore, without a strengthening of climate policies beyond those implemented by the end of 2020, GHG emissions are projected to lead to a median global warming of 3.2°C by 2100. Later, in April 2022, the IPCC’s *Sixth Assessment Report: Mitigation of Climate Change* stressed the need for “substantial reductions” in fossil fuel consumption and shifting investments away from fossil fuels toward low-carbon technologies to limit warming to 2°C. In addition, the International Energy Agency’s (IEA) *Net Zero by 2050* roadmap, released in May 2021, recommended against new coal, oil, or fossil gas fields beyond those already committed to from 2021.

Both the IEA and IPCC have stressed the need for decisive policy interventions by governments around the world to drive the energy transition and lower greenhouse gas (GHG) emissions. Despite this urgent, science-based guidance, the policy plans of the world’s governments remain misaligned from global climate goals. According to IEA’s report, the current national and international policies globally, put the world on track for over 2.7 °C of warming by 2100 (with 50% probability).

The IPCC’s April 2022 report also identified “opposition from status quo interests that are exerting political influence” over the policymaking process as a key reason for the lack of progress on climate policy globally. It

noted that “a number of corporations that are involved in the supply chain of both upstream and downstream of fossil fuel companies make up the majority of organizations opposed to climate action.”

1.3 Net Zero & Corporate Climate Policy Engagement

Over the last few years, the number of companies making net zero commitments has drastically increased. However, analysis by *Net Zero Tracker* finds that many of these commitments lack key components, such as detailed plans and accountability mechanisms to ensure these undertakings are met in a meaningful way. According to Net Zero Tracker, while more than one-third of the world's largest publicly traded companies have adopted a net zero target, 65% of these corporate targets do not meet the “minimum procedural reporting standards.”

Following the proliferation of weak corporate commitments, UN Secretary-General, António Guterres has *called for* “zero tolerance for net-zero greenwashing” and, in 2022, established a high-level expert group on net zero pledges. The group – chaired by Catherine McKenna, the former Canadian Minister of Environment and Climate Change – presented guidance on how to ensure credibility and accountability in net zero pledges as part of a report entitled *“Integrity Matters: Net Zero commitments by Businesses, Financial Institutions, Cities and Regions,”* released during COP27 in November 2022. Among other recommendations, the guidance called on companies to align their lobbying and advocacy in support of climate action and not against it, and to disclose all their activities toward this aim. To make sure that net zero pledges do not enable greenwash, McKenna explained in the foreword to the report:

“Non-state actors cannot lobby to undermine ambitious government climate policies either directly or through trade associations or other bodies. Instead they must align their advocacy, as well as their governance and business strategies with their climate commitments.”

National governments have also started to react to the greenwashing trend identified by the UN: the UK government’s *Transition Plan Taskforce* announced a set of standards for the private sector’s transition plans, which considers alignment between corporate advocacy and stated net zero targets. Other initiatives include the UNFCCC’s *Race to Zero* campaign which sets out criteria for its corporate members, including aligning their advocacy with the Paris Agreement.

1.4 About this Briefing

InfluenceMap's platform assesses the climate policy engagement activities of over 400 companies and 200 industry associations globally. Our assessments provide a direct point of comparison between companies' high-level communications on climate policy and their detailed policy engagement, including the advocacy of the industry associations that advocate on their behalf.

InfluenceMap's analysis of climate policy engagement by the Canadian oil and gas sector focuses on the six largest fossil fuel companies by *market cap* headquartered in Canada – Enbridge Inc., Canadian Natural Resources Limited (CNRL), Suncor Energy, TC Energy, Cenovus Energy, and Imperial Oil – as well as the Canadian Association of Petroleum Producers (CAPP).¹ These six companies comprise 67.8% of the total market cap in the GICS Energy sector in Canada. Four out of the six – Canadian Natural, Suncor, Cenovus, and Imperial Oil – are primarily upstream oil and gas producers engaged in the extraction of crude oil and gas, whereas Enbridge and TC Energy operate midstream assets across North America.

CAPP is the main industry association representing Canada's oil and gas sector. Industry associations such as CAPP have a clear function to influence policy in the interests of their corporate members. As companies increasingly come under pressure from investors and the public to act on climate change, much of the negative advocacy traditionally undertaken by the companies is now outsourced to their industry associations. Globally, the most powerful advocacy groups are instrumental in shaping climate and energy policy in their respective regions. The *UN Guide for Responsible Corporate Engagement in Climate Policy* outlines the important role they play.

All four of the upstream oil and gas producers analyzed in this report are members of CAPP. They are Suncor, Canadian Natural, Imperial Oil, and Cenovus. CAPP also has several international big oil members including *Chevron, Shell, BP, ExxonMobil*, and *ConocoPhillips*.

The report also overviews the role played by the Pathways Alliance (Oil Sands Pathways to Net Zero) in advancing the oil and gas sector's advocacy. As of February 2023, the Pathways Alliance consists of six oil sands producer companies – Canadian Natural, Cenovus Energy, Imperial Oil, Meg Energy, Suncor, and ConocoPhillips – claiming to *represent up to 95%* of Canada's oil sands production with a goal to "*achieve net zero greenhouse gas (GHG) emissions from oil sands operations by 2050.*"

The Pathways Alliance appears to function as a way for these companies to collaborate and coordinate their individual engagements with climate and energy policy in Canada. While InfluenceMap has not produced a separate assessment and set of metrics for Pathways Alliance, it has assessed a range of evidence related to

¹ All companies, except Cenovus, are in the CA100+ target list of companies, whereas Cenovus is included in the *Climate Engagement Canada's (CEC)* focus list of companies.

the initiative's activities and provides an overview in this report. In a follow-up briefing, InfluenceMap will take a closer look at the detailed engagement of Pathways Alliance and its members, focusing on its advocacy in Alberta.

In this report, InfluenceMap outlines the detailed advocacy led by the six Canadian companies and CAPP ("the sector") on climate-related policy in Canada. The report finds that the sector has consistently advocated in favor of oil and gas, including supporting new fossil fuel infrastructure, while attempting to block ambitious climate policy in Canada and beyond. Their engagement largely contradicts IPCC guidance on achieving net zero emissions by 2050 and limiting warming to 1.5°C. Given the sector's high-level communications around net-zero ambition, InfluenceMap's analysis suggests that such claims represent examples of 'net-zero greenwashing', following the logic of the UN High-Level Expert Group's 2022 "Integrity Matters" [report](#).

2. Overview of Sector Engagement and Net Zero Ambition

Using InfluenceMap’s established methodology for assessing corporate climate policy engagement, this chapter presents an overview of the climate policy engagement of the six entities in this report – and contrasts their policy engagement performance with their net zero commitments.

2.1 Summary of Net Zero Commitments and Advocacy

In recent years, Canadian oil and gas companies have offered top-line support for net zero ambition, both operationally and in terms of government policy. The IPCC has stressed the urgent need for robust climate policies to phase out fossil fuels and cease the construction of new fossil fuel projects to achieve net zero by 2050 and limit global warming to under 1.5°C.

Table 1: Net zero positions of oil and gas entities

Entity	Has made an internal net zero commitment?	Has supported net zero as a government policy target?
 CANADIAN ASSOCIATION OF PETROLEUM PRODUCERS Canada's Oil and Natural Gas Producers	N/A	Yes
	Yes (Net zero by 2050)	Yes
	Yes (Net zero by 2050)	Yes
	Yes (Net zero by 2050)	Yes
	Yes (Net zero by 2050)	Yes
	Yes (Net zero by 2050)	Yes
	Yes (Net zero by 2050)	Yes

- All six companies in this report have adopted an operational target of net zero by 2050 and made voluntary commitments to reduce emissions in line with this goal. Despite these claims, data from the Canadian government shows that GHG emissions from the sector *increased by 74%* between 1990 and 2020.
- All the companies and CAPP have supported net zero as a policy goal. Tweets from *Cenovus, Enbridge, Canadian Natural, and Imperial Oil* support the need to achieve net zero emissions by 2050 globally. *CAPP* and *TC Energy* have stated support for this goal on their corporate websites. While Suncor's website *supported* net zero by 2050 when accessed in January 2022, this statement was *no longer available* on the webpage when accessed in August 2022.

The Pathways Alliance & Net Zero Advocacy

In June 2021, a group of five Canadian oil sands producers formed the *Pathways Alliance* to "*achieve net zero greenhouse gas (GHG) emissions from oil sands operations by 2050*" to "help Canada meet its climate goals". The group initially consisted of Canadian Natural, Cenovus Energy, Imperial Oil, Meg Energy, and Suncor, followed by ConocoPhillips joining in November 2021.

An important function of the Pathways alliance appears to be to amplify the climate commitments of oil sands producers. The group's website states that it *supports* climate action through "collaboration between industry, government, Indigenous communities and stakeholders." In its introductory press release in June 2021, the Alliance supported high-level climate action, including *support* for the goals of the Paris Agreement and *support* for an economy-wide net zero target by 2050.

The Pathways Alliance specifically emphasizes narratives highlighting the sector's commitments to reducing GHG emissions from oil sands production operations, framing this as a part of a strategy to produce what it calls 'net zero GHG' oil and gas by 2050. These plans, however, seemingly do not consider the 'scope 3' emissions resulting from the use of this oil and gas. Alongside its target to produce "*the cleanest barrels of oil in the world*" the Alliance also envisions and *advocates* for a greater role for Canadian oil and gas in the global market. Further information on the specific policy engagement activities coordinated via the Alliance can be found in the corresponding sections of this briefing.

2.2 Summary of Climate Policy Engagement

InfluenceMap’s analysis shows that, in stark contrast with IPCC guidance, all the entities in this report have advocated for measures to increase the role of fossil fuels *and* opposed various climate policies introduced to achieve a net zero economy.

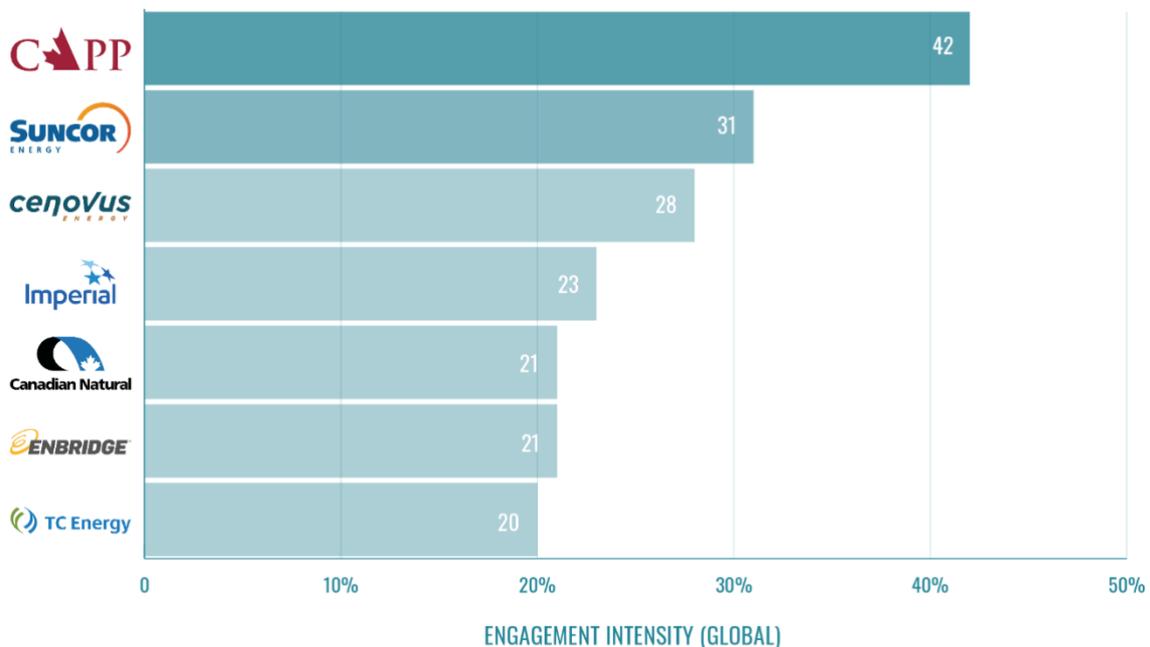
Such negative engagement is reflected in the entities’ scores in InfluenceMap’s metrics. The table below ranks the entities in order of their **Performance Band** (high to low, or most to least positive), which represents the full measure of a company’s direct and indirect engagement with climate policy. It also notes **Organization Score** (0-100%), indicating how supportive or opposed a company is towards climate policy aligned with the Paris Agreement; **Engagement Intensity** (0-100%), which expresses how actively the organization is engaging, whether positively or negatively; and **Relationship Score** (0-100%), measuring how supportive or opposed the aggregate of a company’s industry associations are toward climate policy. Company profiles can be accessed by clicking on the company logos in the table.

Table 2: Ranking of six oil and gas companies and CAPP as per InfluenceMap’s metrics

Entity	Market cap USD billion (as of 2022)	Performance Band	Organization Score	Engagement Intensity (Global)	Relationship Score
	\$46.48	D+	55%	31%	49%
	\$76.46	D	48%	26%	46%
	\$37.65	D-	47%	30%	35%
	\$65.66	D-	42%	24%	45%
	\$42.73	D-	46%	20%	37%
	\$31.69	D-	41%	24%	43%
	N/A	E	34%	43%	N/A

- CAPP has the lowest Organization Score (34%) of the entities analyzed, while demonstrating the highest Engagement Intensity (43%), indicating significant and active opposition to Paris-aligned climate policy. The group has opposed the ambition of policymakers on multiple strands of climate policy in recent years, such as *oil and gas emissions regulations* and *carbon taxes*. CAPP’s score is also a testament to its advocacy to maintain the role of fossil fuels in the energy mix.
- Four of the six companies – Cenovus, Canadian Natural, Imperial Oil, and TC Energy – demonstrate negative engagement, indicating misalignment with IPCC pathways to achieve net zero by 2050. The Organization Score of these entities falls below 50%, which indicates direct climate policy engagement that, overall, is misaligned with the goals of the Paris Agreement.
- Suncor Energy and Enbridge appear to engage positively on some areas of the energy transition while opposing others, with scores of 55% and 50%, respectively. Both companies support certain decarbonization policies alongside more negative advocacy for a continued role for fossil fuels in the energy mix. Suncor holds the highest Engagement Intensity (31%) in comparison to the other companies.

Engagement Intensity of Canadian Oil and Gas Sector



- Overall, the Canadian oil and gas sector’s top-line support for net zero is not aligned with its detailed policy engagement. Following the logic of the November 2022 *report* on net zero claims from the UN’s

High-Level Expert Group, such misalignment suggests that the sector's net zero claims represent a form of "greenwash," distracting from its clearly oppositional stances on the scale of policy action deemed necessary by the IPCC.

3. Oil and Gas in Canada: Pushing for Fossil Fuel Expansion

This chapter summarizes how the entities in this report have advocated to expand fossil fuel production in Canada and beyond.

3.1 Overview of Fossil Fuel Advocacy

InfluenceMap’s analysis shows that CAPP and all six companies have advocated for measures to increase the role of fossil fuels in Canada. Such measures range from policy changes to support the industry, such as the easing of regulatory requirements, to investments in additional fossil fuel infrastructure – positions that challenge IPCC findings on pathways to net zero by 2050. The table below summarizes the sector’s position on key issues related to fossil fuels.

Table 3: Summary of fossil fuel advocacy

Entity	Promoting role of oil and gas	Advocating for subsidies for oil and gas	Promoting “clean” fossil fuels
 CANADIAN ASSOCIATION OF PETROLEUM PRODUCERS Canada's Oil and Natural Gas Producers	Yes	Yes	Yes
	Yes	N/A	Unclear
	Yes	Yes	Unclear
	Yes	N/A	Yes
	Yes	N/A	N/A
	Yes	Unclear	N/A
	Yes	N/A	Yes

Yes	Evidence of negative engagement
Unclear	No clear position detected in the evidence of engagement
N/A	No evidence of engagement found

3.2 Detailed Engagement on the Energy Mix

Advocacy for fossil fuel buildout by CAPP and these six companies can be traced across North America. The following subsections offer a breakdown of their engagement; the first explores advocacy for fossil fuel infrastructure, and the second summarizes opposition to fossil fuel phase out.

Promoting role of oil and gas

Despite IPCC and IEA 1.5°C net zero scenarios calling for rapid phaseout of oil and gas, the Canadian sector has consistently supported the expansion of the fossil fuel industry, including new oil and gas projects. Notable advocacy trends detected by InfluenceMap are presented below. Please refer to [Appendix B](#) for detailed evidence of pro-fossil fuel engagement by individual entities.

- **CAPP has led significant direct engagement with policymakers in support of fossil fuel expansion.** In March 2022, CAPP’s letter to Canadian Minister of Environment and Climate Change, Steven Guilbeault, and Minister of Natural Resources, Jonathan Wilkinson, *supported* “prioritizing” pipelines and LNG facilities, stating that this would help Canada’s climate change response by enabling the supply of lower-emission LNG. Additionally, CAPP’s federal lobbying registration in June 2022 disclosed that it has *advocated* for construction of pipeline projects between the United States and Canada.
- **TC Energy, Enbridge, Canadian Natural, Imperial Oil, and Suncor advocate for government support for oil and gas in Canada and the US.** In March 2022, TC Energy and Enbridge sent a letter to the US Federal Energy Regulatory Commission (FERC) *advocating* for an expedited pipeline approval process for pipeline projects, citing the Russia-Ukraine crisis. In Alberta, TC Energy has also *sought* “government assistance” for the permitting process of the Keystone XL pipeline, alongside advocacy for government support for investment in this pipeline, as revealed in its federal lobbyist registry filing in August 2022. Advocacy for government support for the industry was noted in *Canadian Natural’s* and *Imperial Oil’s* lobbying filings across Canada in 2021-2022. Imperial Oil also *stated* in an investor presentation in March 2022 that “further oil and gas investment” was required in any scenario. In February 2022, following the Canadian government’s announcement that it will spend *no additional public funds* on the TransMountain project, Suncor’s then-CEO Mark Little *supported* the project, stating that the 2021 British Columbia floods were a “reminder” of the need for energy infrastructure projects.

- **Cenovus appears to be pushing for offshore oil and gas development.** Multiple federal lobbying filings from Cenovus in June-August 2022 reveal that the company *advocated* for support for provincial government investment in the West White Rose/White Rose project, an offshore project in Newfoundland and Labrador.
- **Enbridge appears to oppose the phase-out of fossil gas.** The company's comments to the Toronto City Council in February 2021 *opposed* the phase out of fossil gas-fired electricity generation in Ontario, stating that the proposal does not offer “realistic” solutions.

Enbridge’s Advocacy for the Line 5 Pipeline in the US

Enbridge’s Line 5 carries petroleum from western to eastern Canada via the US states of Wisconsin and Michigan. Evidence from Canada and the US shows that Enbridge has consistently advocated in favor of the project. Enbridge disclosed in the Quebec Lobbying Registry in February 2022 that the company had *approached* the Quebec government to put in place an action to “convince” the US federal government and Michigan state government to “abandon its intention to end the pipeline project.” In June 2022, Canada’s National Observer reported that Enbridge had *advocated* the former Michigan governor Rick Snyder regarding the decision on the pipeline, and as of June 2022, the company continues to operate the Line 5 “in direct violation” of the *shutdown order* by the current Michigan governor, Gretchen Whitmer. Previously, as per a November 2021 report by The Globe and Mail, Enbridge Vice-President, Colin Gruending, *urged* the US federal government to include fossil fuel infrastructure projects in the Build Back Better agenda. Gruending stated that the Line 5 pipeline was a “job creator” that “protects the environment” and “secures the economic security for the entire region.”

Enbridge has also been linked to attempts to criminalize public opposition to fossil fuel infrastructure projects, especially in relation to the Line 3 pipeline from Alberta to Wisconsin. In October 2021, an investigation led by The Guardian *revealed* that Enbridge had reimbursed the US police \$2.4 million for “arresting and surveilling” hundreds of demonstrators opposing the construction of the Line 3 pipeline. In Illinois, Enbridge *voted* for bill HB1633, the state’s critical infrastructure bill, that would allow criminalizing protests against fossil fuel infrastructure.

Advocating for subsidies for oil and gas

The April 2022 IPCC *Mitigation of Climate Change Report* highlighted the need for policy incentives to enable the transition away from fossil fuels. The IPCC notes that removing fossil fuel subsidies would reduce emissions, improve public revenue and macroeconomic performance, and "yield other environmental and sustainable development benefits." InfluenceMap finds that several oil and gas entities in this report are directly engaged with policymakers to advocate in support of fossil fuel subsidies, demonstrating positions that are misaligned with IPCC guidance on fossil fuels.

- **Opposition to phasing out 'inefficient' fossil fuel subsidies under Canada's G20 commitment:** In February 2022, the Canadian Parliament's Standing Committee on Environment and Sustainable Development developed a plan to *phase out 'inefficient' fossil fuel subsidies* to accelerate Canada's G20 commitment. CAPP advocated against this measure both in a *submission* to the committee in May 2022 and a *testimony* to the committee in March 2022, stating that the benefits for the oil and gas industry were not inefficient subsidies, instead they were "national industrial policy." On this proposal, Suncor *requested* the government for "a clear understanding" and "interpretation" of what counts as a 'subsidy' as disclosed in the company's federal lobbying registration in July 2022.
- **Advocating for subsidies and government support for the sector:** Canadian Natural reported advocacy in favor of subsidies in its federal lobbying filing in June 2022. The company had *advocated* for wage subsidy and other government funding for the oil and gas sector, citing the impact of the COVID-19 pandemic.

Please refer to [Appendix C](#) for details of engagement on fossil fuel subsidies.

Promoting "clean" fossil fuels

InfluenceMap finds that several of the entities in this report are directly engaged with policymakers to promote fossil fuels on the basis that they are part of the transition to clean energy. This includes supporting a clean energy transition pathway that involves fossil gas buildout, and supporting the deployment of clean technologies such as carbon capture and storage (CCS/CCUS) to maintain fossil fuels in the energy mix.

- **Advocating for fossil gas as "clean" energy:** TC Energy's recommendations to the 2022 Federal Budget Consultation in August 2021 appeared to *advocate* in favor of LNG projects and stated that "the flexibility of natural gas as a safe, clean, reliable and affordable fuel source should be considered in any emission reduction strategy." Activity reported in lobbying filings by both *Cenovus* and *Canadian Natural* note support for development of "cleaner" energy; however, neither company has clarified to what extent this would exclude unabated fossil fuels. Please refer to [Appendix D](#) for details of engagement on fossil gas.

- **Advocating for CCS/CCUS deployment to justify oil and gas expansion:** The Canadian oil and gas industry has repeatedly touted CCS/CCUS² as a solution to continue or increase the rate of fossil fuel utilization, especially through its engagement with the new federal CCS/CCUS Investment Tax Credit (ITC) in Canada. For instance, CAPP's comments to the 2022 pre-budget consultation *advocated* for expanding the ITC eligibility to include projects in which the captured CO₂ is used for enhanced oil recovery (EOR). In addition, CAPP called on the government to redesign the ITC to refund 75% of the costs of CCS/CCUS projects. Similarly, Enbridge's recommendations to the 2021 federal budget *advocated* for the expansion of the tax credit to include CCS/CCUS projects deployed with EOR. Enbridge also *advocated* in favor of CCS deployment with oil and gas to the US government in March 2022.

² The IPCC overviews the potential applications for, as well as difficulties related to, implementing and scaling CCS/CCUS technologies. InfluenceMap's assessment of company positions on CCS/CCUS are considered in conjunction with the broader IPCC analysis on the likely roles for abated/unabated fossil fuels up to 2050 and beyond. For example, referring to CCS/CCUS as justification for advocating for an increased role of oil and gas in the energy mix would be considered misaligned with the IPCC's position on the role of fossil fuels in 2050 net zero pathways. However, supporting other applications for CCS/CCUS, for example related to decarbonizing heavy industry, would likely score positively under InfluenceMap's methodology.

Pathways Alliance's Advocacy for CCS in the Oil and Gas Sector

Since its inception, the Pathways Alliance – a group constituted by the upstream producers to decarbonize oil and gas production in the Canadian oil sands – has been advocating for a decarbonization pathway that involves heavy deployment of carbon capture and storage (CCS) technology in the energy sector. [Press releases](#) and [Twitter communications](#) from the Alliance frequently advocates for the need for CCS investments. Through its engagement with the Canadian federal government, the Alliance advocates for increased government funding for CCS projects through the recently announced CCS Investment Tax Credit. For instance, in the Alliance's comments to a committee consultation on clean technology in Canada in October, it [stated](#) that government support for CCS was required for the "speed needed to meet 2030 target". [Advocacy](#) to expand the tax credit was also included in the Alliance's submission to the 2023 Federal Budget Consultation in October 2022.

The Alliance's support for CCS appears alongside its advocacy in favor of oil production. In the submission on clean technology, the Alliance [advocated](#) for a long-term role for oil stating that the focus should be on "reducing emissions and not reducing production." Through its engagements the Alliance has been popularizing what it calls "[net zero oil production](#)," referring to emissions related to the production (not the use) of this oil. As such, InfluenceMap has not identified evidence of the Alliance communicating a position on the overall role for oil in the energy mix that is in line with IPCC recommendation on pathways to net zero by 2050. Please find more details about the policy positions adopted by Pathways Alliance in [Appendix A](#).

While most of the sector's engagement appears misaligned from IPCC guidance on the energy transition, InfluenceMap recorded a few evidence pieces from Suncor indicating more supportive positions on policies that offer alternatives to fossil fuel use. For example, Suncor's lobbying report in British Columbia in June 2022 disclosed its [advocacy](#) for investments in electric vehicle (EV) fast charging infrastructure in the province. Suncor's lobbying filing in June 2022 in Alberta also appeared to [support](#) renewable energy development in Alberta.

4. Oil and Gas Sector's Opposition to Climate Policy

This chapter analyzes how the Canadian oil and gas sector engages on climate policies. It presents the sector's engagement on climate policies broadly and goes on to explore the sector's engagement on two emissions reduction policies.

4.1 Overview of Top-Line Messaging on Climate Policy

InfluenceMap's analysis finds that the Canadian oil and gas sector is generally positioned against ambitious climate policy action. The sector's high-level positions on climate policy, while nominally positive, often include narratives that appear to challenge the need for urgent climate policy action. Some of the most common caveats are detailed below.

- **The need to focus on economic competitiveness:** Evidence suggests that CAPP and Enbridge have sought to emphasize concerns around the economic impacts of robust policy action to limit the scope of climate policies. In March 2022, CAPP *advocated* to Canadian federal ministers that climate policies should "preserve economic predictability" and not cause investments to "retroactively become worthless or become stranded." Further, Enbridge's June 2021 comments to the US government on the proposal to include the social cost of greenhouse gases in infrastructure approval processes *argued* that "long-term, global positive effects of GHG-emitting activities" should be considered in the cost-benefit analyses that inform policy frameworks. Similar arguments are also noted in engagement by *Canadian Natural* and *Cenovus*.
- **The need to consider energy access:** Imperial Oil and TC Energy have highlighted concerns around energy access. For instance, Imperial Oil *states* that climate policy should recognize the need for affordable energy and that the "long-term objective" of climate policy should be to reduce the risks of "serious impacts" of climate change. TC Energy's 2021 CDP response *stated* that effective carbon pricing should ensure "affordable sources of energy for human prosperity" and provide flexibility in compliance.
- **The need to direct policy toward other jurisdictions:** Engagement from Suncor and Cenovus suggests attempts to block policies by diverting them toward other jurisdictions. In November 2021, Cenovus CEO Alex Pourbaix *stated* that carbon pricing needs to be applied globally so that the Canadian economy is not "handicapped" by countries without carbon pricing, as reported by Calgary Herald. Similarly, Suncor disclosed its engagement with the Canadian federal government in July 2022, *advocating* for provincial level regulations. Separate *research* by Pembina Institute, an energy research think tank in Canada, has shown that provincial GHG emissions regulations in Canada tend to be less ambitious, compared to federal regulation of GHG emissions.

Despite its net zero advocacy, InfluenceMap’s analysis of the Pathways Alliance engagement activities likewise indicates the initiative’s use of narratives that challenge the need for stringent, regulated, near-term emissions reduction strategies. For example, in its submission to the 2023 Federal Budget Consultation in Canada, the Alliance advocated against policies that “add costs and regulatory burden,” and instead *advocated* for an “incentive-based” approach to climate policies. The Alliance’s President, Kendall Dilling, *added* in an op-ed in The Globe and Mail in August 2022 that the federal government’s emissions reduction plan needs a “practical and realistic approach” to protect jobs and investments in Canada, and to ensure global energy security.

4.2 Detailed Engagement on Specific Climate Policies

Canadian oil and gas entities are engaged on multiple specific climate policies in Canada with primarily negative positions. This section summarizes the industry’s engagement on emissions reduction policies in Canada, namely the federal oil and gas emissions cap announced in 2022 and several methane targets and standards, which appear to be the two policy areas attracting the most engagement from the sector. The table below summarizes the sector's positions on these policies.

Table 4: Summary of positions on specific emissions reduction policies

Entity	Position on oil & gas emissions cap	Position on methane regulations
 CANADIAN ASSOCIATION OF PETROLEUM PRODUCERS <small>Canada's Oil and Natural Gas Producers</small>	Negative	Mixed
	Negative	Mixed
	Negative	Mixed
	N/A	Mixed
	Negative	N/A

	N/A	N/A
	Negative	Mixed

- Negative** Evidence of opposition to policy
- Mixed** Positive and negative positions on the same issue across multiple instances of engagement
- N/A** No evidence of engagement found

Oil and Gas Emissions Cap

In 2021, the Canadian federal government proposed an emissions cap on the oil and gas industry that would reduce the oil and gas emissions by 30% below 2005 levels in 2030. The cap is a part of Canada’s 2030 Emissions Reduction Plan. In July 2022, the Standing Committee on Natural Resources began the formal *consultation process* seeking industry feedback on the policy. The Canadian oil and gas sector’s engagement with this policy demonstrates broadly negative positions, with concerns over the cap’s ambitious aims and its impact on the industry. Please refer to [Appendix E](#) for details of engagement on oil and gas emissions cap.

- **CAPP and TC Energy testified to the federal government opposing the emissions cap.** CAPP’s comments to the government committee overseeing the policy in February 2022 *did not support* the emissions cap and appeared to state that the policy would deter investments from Canada. CAPP followed with a letter to Canadian federal ministers *opposing* the cap in March 2022. TC Energy’s testimony to the committee in February 2022 *stated* that “an overly restrictive” emissions cap would reduce oil and gas production and lead to “irreversible impacts” on energy security, reliability, and affordability.
- **The CEOs of Cenovus, Canadian Natural, and Imperial Oil publicly opposed the cap.** Cenovus CEO Alex Pourbaix *stated* that the “aggressive goals” in the cap do not consider other industrial sectors such as agriculture, heavy industry, and transportation, as reported in an article published by Calgary Herald in July 2022. Tim McKay, the President of Canadian Natural, called the policy “*unnecessary*” and argued that Canada’s decarbonization measures should balance environmental and economic objectives, as reported by Financial Post in August 2022. JWN Energy reported in August 2022 that Imperial Oil CEO Brad Corson called the cap “*very aggressive*” and added that the proposal stretches the capability of what is technically and economically feasible.

- **Despite the Pathways Alliance's nominally positive top-line communications on the support for climate action, it appears to have negative engagement on interim emissions reduction plans of the Canadian government.** While the Alliance's submission to the 2023 Federal Budget Consultation *supported* the government's 2030 Emissions Reduction Plan, it appeared unsupportive of the Oil and Gas Emissions Cap, announced as a part of this plan. For instance, in a submission made to the federal government on clean technology development in Canada, the Alliance appeared to *not support* the proposed Oil and Gas Emissions Cap, stating that the policy had "impractical timeframes" that could drive away investments from the oil and gas sector in Canada. Similar comments were made on this policy by the Alliance's president in the *opinion piece* in The Globe and Mail in August 2022 and in a *press release* in March 2022.

Methane Emissions Regulation

Following the adoption of Canada's first climate change plan, the 2016 Pan-Canadian Framework on Clean Growth and Climate Change (PCF), federal and provincial governments have introduced emissions reduction policies targeting the methane emissions from the oil and sector. This includes Canada's commitment to reduce methane emissions from the sector by 40% to 45% below 2012 levels by 2025. In 2018, the Canadian government released a set of *regulations* to reduce methane and Volatile Organic Compounds (VOC) emissions. Please refer to *Appendix F* for details of engagement on methane regulations.

- **While a few Canadian oil and gas entities offer high-level support for methane emissions reduction, they advocate for flexibility in methane policy implementation.** For instance, in July 2022, CAPP appeared to *support* "pragmatic, targeted and achievable" methane emissions reduction, including the 45% methane reduction target. However, InfluenceMap found that CAPP also *advocated* to delay reporting requirements for methane emissions in a letter sent to the Canadian House of Commons in March 2020 during the COVID-19 crisis. CAPP's letter also advocated to defer the implementation of federal methane regulation for a year. Similarly, while Canadian Natural's website states *support* for Canada's 45% methane reduction target, a self-reported lobbying filing in Alberta disclosed that the organization had been *advocating* that the 45% target should be implemented with the "lowest possible impact on capital and jobs" – an unclear qualification which could potentially weaken the ambition of the policy.
- **TC Energy, Cenovus, and Enbridge have stated support for methane regulations with exceptions.** TC Energy *stated* in its 2020 CDP response that methane regulations should be standardized and should minimize duplicative regulation. Cenovus' August 2022 Alberta lobbying filing disclosed that the company *advocated* for methane regulations to maintain competitiveness within a trade-exposed industry. In its

2021 CDP Climate Change response, Enbridge emphasized that any federal GHG regulation should be *“cost-effective.”*

5. Industry Engagement Strategies

This chapter analyzes the strategies deployed by the oil and gas sector in its advocacy. The first section explores the key narratives used by the industry in its engagement, while the second analyzes the sector's indirect influence through other industry associations and astroturf groups.

5.1 Key Narratives

InfluenceMap has identified key narratives used by the Canadian oil and gas industry to advocate for fossil fuel buildout and to weaken or block ambitious climate action.

- **Claiming that Canadian oil can reduce global emissions:** In its attempts to make a case for the expansion of the industry, the Canadian oil and gas sector has utilized narratives in its advocacy that portray Canadian oil and gas as an environmentally desirable solution for global climate goals. In its testimony to the Canadian government on the oil and gas emissions cap, CAPP *claimed* that reducing investments in the Canadian oil and gas industry could lead to “greater global emissions” from coal being used in other jurisdictions. Further, CAPP argued that dissuading investments in Canada would send investments to Kazakhstan, Venezuela, Nigeria, and Russia, which the association suggests would lead to “global increases in emissions, not decreases.” Similar claims are made by Enbridge and TC Energy’s comments to Canada’s 2022 Budget Consultation. TC Energy *suggested* that LNG deployment can help in reducing global emissions, adding that Canadian LNG exported to China will emit 35-55% fewer GHG emissions than China’s primary energy source, coal. Similarly, Enbridge *stated* that ‘electrified’ LNG presents a generational opportunity for Canada to supply the “cleanest, greenest LNG” while reducing the world’s reliance on coal-fired power. Please refer to [Appendix G](#) for details of advocacy based on this claim.
- **Citing the Russia-Ukraine crisis to advocate for more oil and gas:** The onset of the Russia-Ukraine crisis in early 2022 and the consequent global energy crisis has pivoted the narratives used by the Canadian oil and gas industry. CAPP’s testimony to Canada’s Standing Committee on Environment and Sustainable Development, delivered in March 2022, *stated* that supplying Canadian oil abroad would “displace foreign and more hostile sources of energy” in the context of the Russia-Ukraine crisis. Additionally, in February 2022, during a committee hearing on the Canada-Ukraine Free Trade Agreement, CAPP *referenced* the Russia-Ukraine tensions to list out the advantages of Canadian fossil gas and emphasized Canada’s “extremely rigorous regulations” on methane emissions. InfluenceMap noted similar claims in TC Energy and Enbridge’s March 2022 letter to the US Federal Energy Regulatory Commission in which they *stated* that immediately approving fossil gas infrastructure could “eliminate the leverage and profit” that enables “Russia’s international aggression.” Further, CAPP has sought to strategically weaken, block, or delay climate action by citing the current energy crisis. In a blog from CAPP dated April 2022, then-president Tim McMillan *claimed* that the ongoing energy crisis in Europe resulted

from Europe’s “focus on climate and emissions reduction.” McMillan added that this “enabled” Russia’s invasion of Ukraine. Please refer to [Appendix H](#) for details of pro-fossil fuel advocacy citing the Russia-Ukraine crisis.

5.2 Indirect Influence

Canadian companies undertake policy advocacy through multiple industry groups. Different groups appear to play different functions in policy engagement: while industry associations and business coalitions undertake direct advocacy with governments, astroturf groups tend to appeal to the public through PR and ad campaigns.

Indirect climate policy engagement via industry associations

The CAPP appears to be the most significant industry association for the upstream oil and gas sector and exerts its influence across a range of economic, energy, and climate policies. In recent years, the Pathways Alliance has also emerged as an important industry coalition that appears actively involved in trying to influence Canadian climate and energy transition policies. As per the filings made by the Pathways Alliance in the federal lobbying registry, several meetings with policymakers were undertaken by President [Kendall Dilling](#) and Vice President [Mark Cameron](#) in 2022-2023 — indicating the Alliance's growing traction with policymakers.

In addition, Canadian oil and gas companies are members of several other industry associations in North America with highly negative engagement on climate policy. The table below summarizes the advocacy led by four other prominent groups representing Canadian companies.

Table 5: Industry association memberships of Canadian oil and gas companies

Industry Association	Performance Band	Engagement Intensity	Oil and Gas Members	Examples of recent engagement
Canadian Chamber of Commerce	D+	25%	Cenovus, Enbridge, Suncor, Imperial Oil	<i>Opposed</i> Canada’s federal oil and gas emissions cap (<i>Comments to Environment and Climate Change Canada, September 2022</i>) <i>Advocated</i> for Enbridge’s Line 5 pipeline by submitting an amicus curiae brief; opposed the shutdown order for the project (<i>Amicus brief submitted to District Court for the Western District of Michigan, Southern Division, March 2022</i>)

<p><i>Canadian Fuels Association</i></p>	<p>D</p>	<p>7%</p>	<p>Suncor Energy, Imperial Oil</p>	<p>Stated <i>major exceptions</i> to its support for fossil fuel subsidy phase-out in Canada; stated that phase-out should apply only to 'inefficient' subsidies and exclude "clean energy" and technologies that reduce GHG emissions, without specifying what counts under these terms (<i>Submission to Committee on Environment and Sustainable Development, April 2022</i>)</p> <p><i>Supported</i> biofuels for transport but appeared to use this as justification for its opposition towards the electrification of transport (<i>CFA, President & CEO, Bob Larocque, Press Release, November 2021</i>)</p>
<p><i>American Petroleum Institute</i></p>	<p>F</p>	<p>35%</p>	<p>Enbridge, TC Energy,</p>	<p><i>Advocated</i> for a new five-year outer continental shelf offshore leasing program for oil and gas development in the US (<i>Comments to Bureau of Ocean Energy Management, October 2022</i>)</p> <p><i>Opposed</i> the climate provisions in the US Inflation Reduction Act (<i>Joint Trades Letter to Congressional leaders on the Inflation Reduction Act, August 2022</i>)</p>
<p><i>American Gas Association</i></p>	<p>E-</p>	<p>27%</p>	<p>Enbridge, TC Energy</p>	<p><i>Opposed</i> the US Department of Energy's energy efficiency proposal, which raises the ambition of energy conservation standards for gas and propane furnaces (<i>Comments to Department of Energy, October 2022</i>)</p> <p><i>Opposed</i> US Federal Energy Regulatory Commission's (FERC) proposed gas pipeline policy update, which would require that climate impacts of gas infrastructure projects be considered before being approved (<i>Comments to FERC, May 2022</i>)</p>

Indirect engagement through astroturf groups and campaigns

The Canadian oil and gas industry also seems to be attempting to influence climate policies through astroturf groups.³

- Groups leading pro-fossil fuel advocacy in Canada include *Energy Citizens*, sponsored by CAPP, which mobilizes public opposition to climate policies through *ad campaigns*. Cenovus has *disclosed* its sponsorship to *Canada Action*, a group that runs public campaigns supporting the oil and gas industry.
- *Fuelling Canada* is another campaign promoting fossil gas heating in residential buildings to new homeowners. The campaign is led by the Canadian Gas Association, where Enbridge and TC Energy hold membership.
- In the US, Enbridge appears to be engaging through two astroturf groups. Enbridge is a member of the *New Yorkers for Affordable Energy*, which opposes New York's decarbonization policies. A June 2019 report by DeSmog *claimed* that Enbridge funded a group called Minnesotans for Line 3 that advocated for the Line 3 pipeline.

Please refer to [Appendix I](#) for more details on indirect advocacy led by front groups associated with the Canadian oil and gas industry.

³ A *2015 report* by the Union of Concerned Scientists described astroturfing as a tactic of corporate disinformation. Astroturfing refers to the practice of funding or organizing groups to promote a company's policy positions, while at the same time presenting these positions as coming from the community. In this way, astroturf or "front groups" create false representations of community interests in order to advance their own. These groups use measures such as Facebook and TV advertising campaigns, grassroots campaigns, sponsored articles, and petitions to governments to support oil and gas operations and oppose climate policies.