



Legislative Assembly of Alberta

The 28th Legislature  
First Session

Standing Committee  
on  
Alberta's Economic Future

Bitumen Royalty in Kind Program  
Stakeholder Presentation

Tuesday, December 11, 2012  
10 a.m.

Transcript No. 28-1-5

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The 28th Legislature  
First Session**

**Standing Committee on Alberta's Economic Future**

Amery, Moe, Calgary-East (PC), Chair  
Bikman, Gary, Cardston-Taber-Warner (W), Deputy Chair  
Bhardwaj, Naresh, Edmonton-Ellerslie (PC)  
Blakeman, Laurie, Edmonton-Centre (AL)  
Bilous, Deron, Edmonton-Beverly-Clareview (ND)\*  
Casey, Ron, Banff-Cochrane (PC)\*\*  
Donovan, Ian, Little Bow (W)  
Dorward, David C., Edmonton-Gold Bar (PC)  
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Rogers, George, Leduc-Beaumont (PC)  
Sandhu, Peter, Edmonton-Manning (PC)  
Sherman, Dr. Raj, Edmonton-Meadowlark (AL)  
Smith, Danielle, Highwood (W)  
Starke, Dr. Richard, Vermilion-Lloydminster (PC)  
Strankman, Rick, Drumheller-Stettler (W)  
Towle, Kerry, Innisfail-Sylvan Lake (W)  
Young, Steve, Edmonton-Riverview (PC)  
Vacant

\* substitution for David Eggen

\*\* substitution for Peter Sandhu

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**Standing Committee on Alberta's Economic Future**

**Participants**

North West Upgrading Inc.....EF-25  
Alyssa Haunholter, Director of Government Relations  
Ian MacGregor, Chairman  
Stuart Primrose, Partner, North West Capital Partners



**10 a.m. Tuesday, December 11, 2012**

[Mr. Amery in the chair]

**The Chair:** Well, it's 10 o'clock, and I would like to call this meeting to order.

I'd like to welcome all the members that we have here and the staff and all the LAO staff that's around the table.

We would like to start by introducing ourselves. I will start. I'm Moe Amery, MLA for Calgary-East and chair of this committee.

**Mr. McDonald:** Everett McDonald, Grande Prairie-Smoky.

**Mr. Bilous:** Good morning. Deron Bilous, MLA, Edmonton-Beverly-Clareview, substituting for David Eggen.

**Mr. Quest:** Good morning. Dave Quest, Strathcona-Sherwood Park.

**Mr. Casey:** Good morning. Ron Casey, Banff-Cochrane, substituting for Peter Sandhu.

**Ms Haunholter:** Alyssa Haunholter, director of government relations, North West Upgrading.

**Mr. Primrose:** Stuart Primrose, North West Capital.

**Mr. MacGregor:** I'm Ian MacGregor. I'm the chairman of North West Upgrading.

**Ms Fenske:** Jacquie Fenske, MLA, Fort Saskatchewan-Vegreville.

**Mr. Luan:** Good morning, everyone. Jason Luan, Calgary-Hawkwood.

**Ms Olesen:** Good morning. Cathy Olesen, MLA, Sherwood Park.

**Mr. Bhardwaj:** Good morning. Naresh Bhardwaj, MLA, Edmonton-Ellerslie.

**Ms Jansen:** Good morning. Sandra Jansen, MLA, Calgary-North West.

**Mrs. Towle:** Kerry Towle, Innisfail-Sylvan Lake. Merry Christmas.

**Mr. Strankman:** Rick Strankman, Drumheller-Stettler. Merry Christmas to you.

**Dr. Starke:** Good morning. Richard Starke, MLA, Vermilion-Lloydminster.

**Mr. Quadri:** Sohail Quadri, Edmonton-Mill Woods.

**Dr. Massolin:** Good morning. Philip Massolin, manager of research services.

**Mrs. Dacyshyn:** Corinne Dacyshyn, committee clerk.

**Mr. Rogers:** Good morning. George Rogers, Leduc-Beaumont.

**Dr. Sherman:** Good morning. Raj Sherman, Edmonton-Meadowlark.

**The Chair:** Well, thank you very much.

We also have Mr. Bikman and Mr. Hehr and Mr. Donovan participating by teleconferencing.

Just a few housekeeping items before we start our meeting. I'd like to inform you that the microphone consoles are operated by the *Hansard* staff. Please keep all cellphones, iPhones, and BlackBerrys off the table because they might interfere with the

audio. The audio of committee proceedings is streamed live on the Internet and recorded by *Hansard*.

Now we'll move to the first item on the agenda, the approval of the agenda.

**Mr. Rogers:** I will move that, Mr. Chairman.

**The Chair:** Mr. Rogers. All in favour? Opposed? Carried.

The second item on the agenda is the approval of the minutes of the last meeting of Alberta's Economic Future Committee, that was held on November 28, 2012.

**Mr. McDonald:** So moved, Mr. Chair.

**The Chair:** Mr. McDonald. All in favour? Opposed? Carried.

Now we will move to our presentations. We have with us Mr. Ian MacGregor, chairman of North West Upgrading; Mr. Stuart Primrose, partner in North West Capital Partners; and Ms Alyssa Haunholter, director of government relations.

Mr. MacGregor, on behalf of the committee thank you very, very much, and thank you to North West Upgrading for accepting our invitation to appear and provide us with an overview of the BRIK program in your capacity as partner in the new bitumen refinery venture north of Edmonton and your work within the BRIK program.

As a starting point for our review, we're on a tight schedule, so I will remind everyone of the process. Our presenters will have 20 minutes – and we will be using the timer to keep everyone on track – followed by questions from the committee. I understand that the presenters have a PowerPoint presentation, which was posted to the internal committee website yesterday afternoon, so all members should have a copy.

Without any further delay, Mr. MacGregor, the microphone is yours.

#### **North West Upgrading Inc.**

**Mr. MacGregor:** Well, thank you very much. You don't have to worry about me taking too long because I'm scared, and I go fast when I'm scared.

I'm chairman of North West Upgrading. I'm a fourth-generation Albertan. My great-grandfather came and worked at Turner Valley, and my grandfather worked as a mechanic, but he also worked in the oil field. My father worked at Barber Machinery, which was the oil field machine shop, and I've worked in the oil field my whole life. I'm honoured to have the opportunity to speak with you today.

When I got out of university, I had to create my own job because no one would hire me. I've worked for myself in all parts of the oil industry ever since, and I ended up here building a refinery. I want to tell you a little bit about it. I started on this about eight years ago. By the time we're in operation – we'll be starting up in 2016; there are still two phases left to build. I think the oldest man in the world is probably the way I'm going to look by the time I get done here.

We started doing this because we believe that Alberta's bitumen production is going to grow. I think everybody believes that. We saw opportunity in that growth, so we founded a new business, and we founded that business because we'd never seen one of these things before. When you pull up at the service station, you can't buy bitumen for your car. Someone is going to have to make it into fuels, and we decided that would be us. We felt that fuels create a lot of value and we could make money doing it, and we

thought that the producers that sent it to us could also make money.

We were lucky because we had a clean sheet of paper when we started, so we felt like we could behave to optimize our design around Alberta's constraints and Alberta's opportunities, and that's what we did. First of all, we decided that we were going to be in the processing business; we were not going to be in the production business. We were going to convert bitumen into fuels. That was our business. We weren't going to get it out of the ground. The second thing we were going to do was maximize the value to the producer. The people that were going to be our customers, the people that supply bitumen to us, had to make more money, or they wouldn't do it.

We're building this refinery, and it's going to last for a hundred years. If you look around other refinery sites, you'll find that they last for a very long time. So we had to meet the conditions, the environmental standards of tomorrow, not the standards of today. We tried to incorporate many things that are tomorrow's standards, not today's standards.

The final thing was that we had to build in a place where we thought we had a good chance of controlling construction costs. Alberta has not been an easy place to do that. We felt that picking the right location would help us do that. I think you know that we picked the heartland as our location. This is really small, but you can see the highway going through there, and you can see the North Saskatchewan River. The Agrium fertilizer complex is on the right of that slide, and we're in the middle. We have about 1,300 acres there, and we're going to use about 600 of those acres to build this facility.

We chose to make diesel. There are many things you could do. If you were a producer, you could sell raw bitumen. Many of the things that have been built to change the value of bitumen are called upgraders, and they make synthetic crude oil. The thing on the right, the green, is the diesel. We make diesel for two reasons. First, there's a lot more margin in it. Secondly, we felt it made it easier to export and move the raw materials around.

The processes we chose to use in the refinery were all proven processes. A refinery is essentially something that adds hydrogen to bitumen. The more hydrogen you add, the lighter the products get. When you finish adding it, if you've added enough, you get fuels. So if you add partial hydrogen, you get to synthetic crude oil. If you add more hydrogen, you get to diesel fuel. We decided we should add as much hydrogen as we could. There are two ways to get hydrogen. You can either make it out of natural gas, which has been what many other people in the province have done, or you can take the very bottom, heaviest part of the barrel and use a process called gasification and make the hydrogen that you need for adding to the heavy oil out of the bottom of the barrel.

We chose to do that because we don't think coke in the modern world is going to be a good thing to make. We think that, you know, it's essentially a very low-value product.

**The Chair:** Welcome, Danielle.

**10:10**

**Mr. MacGregor:** We chose gasification to make our hydrogen, and we did that because we wanted to convert the bottom of the barrel into something useful. If you make coke, you lose about 15 to 20 per cent of each barrel in the form of coke. When we use that to make our hydrogen, we're recovering all that material. The other thing that comes out of the gasification is pure CO<sub>2</sub>, and you can use that CO<sub>2</sub> for enhanced oil recovery, and that was an important element of the project for us. We chose hydrocracking

because that gets a higher yield, and then we did some other things just to make the products that we produce better, low sulphur and higher cetane in the diesel, which makes it a premium product.

Along the way we formed a partnership with Canadian Natural, so we're 50-50 partners. The company I'm chair of is called North West Upgrading, and we're 50-50 with Canadian Natural in the project.

In 2008 the province came out and announced the BRIK program. The BRIK program, I think, was trying to get higher value for the royalty production that was produced in Alberta, trying to get further down the value chain. Alberta was really unique, and I think the people in the Department of Energy saw this. All the other large producers were basically doing something with the bitumen to get further down the value chain. Alberta was sort of, you know, standing alone by not progressing down it, and I think BRIK was an attempt to get to this value.

Something that maybe is not commonly thought: Alberta will become the largest producer of bitumen through the royalty system. Since Alberta backs into 25 per cent of every project through royalties, in the fullness of time Alberta will actually be the largest producer. So Alberta is more incented or needs to think more about what it's doing with its raw materials, and I think BRIK was an attempt to anticipate this.

BRIK really provided a framework for us. It was taking the royalty production – Alberta had taken its light oil production in kind for a long time, but it hadn't taken its bitumen in kind, so the first step was being able to actually receive bitumen rather than money. The next step was that they had a widely advertised sort of expression of interest process where they asked people: what do you think we should do with our bitumen to get more money from it? That was followed by a public tender, and they asked people for firm proposals, financially backed, that would say what to do, and then, finally, they selected the best proposition.

We won that tender. The bid was for 75,000 barrels a day. That's what they asked for. Phase 1 of our project is going to have 37,500 barrels a day from the province from the royalty production and 12,500 from Canadian Natural. Phase 2 is going to have 37,500 barrels a day from the royalty production.

The contract terms have us being responsible for the main risks. We have to design, build, and operate the refinery. We're responsible for all the costs. I said here that we're responsible for costs in excess of \$6.5 billion. We're responsible for all the costs. If it exceeds \$6.5 billion in cost, we don't get paid a return on anything that's in excess of \$6.5 billion. There were operating costs that were well defined in the agreements, and we're responsible if those operating costs are exceeded.

It was a 30-year term, and it was a cost-of-service type of contract, and I'll spend a bit of time talking about that in a sec here. Cost-of-service contracts are kind of the norm for financing large energy projects. The builder finances and constructs the facility. He provides a service, and he charges a fee, which is basically rent for the facility. The producer supplies the feedstock and keeps all of the profits after paying the fee. Some examples of these things are Keystone and pretty well all the electricity transmission lines in the province. The gas cost allowance, which is used for determining how much royalty gas pays for processing, is essentially a cost-of-service calculation. They're widely embedded in our economy.

BRIK and the tender that we provided had some unique features. Typically cost-of-service contracts flow through all the capital costs. We had a cap on ours, so we can't flow through costs above \$6.5 billion. Typically cost-of-service contracts flow

through all of the operating costs. Ours are capped. So those were significant reductions in risk for the province, we believe.

The final thing that's pretty different from a normal cost-of-service contract is that we're on the hook for all the costs right up to the point where we sanction the project. We have spent about \$800 million on it so far. If we didn't sanction, we'd lose our \$800 million.

This is the process we've gone through. As I said, we started in 2004. We got our regulatory approval for all three phases of the project in 2007. Then we went through the BRIK process, and we recently sanctioned, last month.

We spent about \$800 million getting here, which seems like a lot to me, but that's how much it took. A lot of this money was spent on engineering. We acquired some long-delivery materials. You have to buy some of the things that you need for this three or four years before you need them, and there's just an enormous amount of work before you have a believable cost estimate. We spent all this money. Not one dollar of government money was received as we were spending this \$800 million.

We believe that we're going to produce an enormous amount more revenue from each dollar of royalty production, but we also mitigate some really significant risks, and I believe that they're threats to oil sands growth. I don't think it's any secret that pipelines are tough to build. We only have one customer. The service station isn't the typical customer, but that's where our stuff ends up and people like that. We've only got one place where we send all of the material that we make here. Finally, we see local diesel shortages quite often in Alberta, and those local diesel shortages show up in sort of reductions in our economy. We think building a refinery here deals with all these risks.

I don't believe that the best market for Alberta's energy production is in the U.S. I think that going forward, if we're going to grow, we have to get to where the markets are growing, you know, 6 to 10 per cent a year, and those places don't start with a U. All of those places need diesel, and the types of developing economies are essentially built on diesel. They're not built on gasoline for your car. They're built on diesel for your truck or diesel for your railway or diesel for your boat. All of the places on the right in blue are places that are diesel-based economies.

The map here is confusing. Stuart did it – I didn't do it – so it's his fault. The numbers in the boxes are how much it costs to get things somewhere. People have talked about rail as being a viable transport. For the type of quantities that we're going to produce in Alberta, I don't believe it. I think our materials have to go by pipeline. If you look at the numbers on the top, that's how much it costs to get a pipeline to the coast, essentially. You have a couple of alternatives. I can either go west, or I can go south. When I go south, I have to go a lot further, and it costs a lot more. All of that is a proprietary advantage to Alberta. If we can get our materials to the best markets, we've got an enormous transportation advantage. If you add these numbers up, it's somewhere between \$15 and \$25 a barrel. It's an enormous amount of money.

If you think about what we can export, bitumen is always going to be difficult to export, in my view. Diesel is easier. Diesel moves every day off the west coast; 2,700 tankers a year are operating off the west coast already, and they're moving diesel. They're not moving bitumen. Diesel has a lower environmental impact if you spill it. If you do have an accident – we all don't want to have accidents, but if you do have one, diesel is a lot lighter, it's a lot easier to clean up, and it evaporates. All those things are better. Finally, remote communities in B.C. all run on diesel, so diesel is moving around to them in barges and tankers every day, and it's hard to say that our diesel is different than the diesel that they move every day.

The markets want what we can produce. This is Stuart's problem again. He put a slide in with a bunch of cars. It should be a bunch of trucks. They need diesel in these markets, and we're able to supply it. What we think is that it's a stable place to keep sending our materials to, and they want what we make.

I'll just go back to pipelines for a second. There isn't any pipeline in the future that's going to be easy. I think the environmental movement has seen pipelines as a place where they can constrain Alberta's production, so every time a pipeline comes up, somebody is not going to want it. It's never going to be easier than it is today. If we build every pipeline that has been announced, we still won't have enough. So, you know, pipelines are a problem.

A sort of aggravating factor on that. I'm sure you've been reading about how the U.S. is going to become energy self-sufficient. A lot of the reason they're saying that is because the Bakken production that's right in the middle of our pipeline route has been increasing so much. That production will squeeze our bitumen out because there's only so much pipe going through it, and that production is shorter, and they can afford to pay more than we can.

#### 10:20

The squeezing hurts Alberta. Mexican Maya blend doesn't go through a pipe; it comes in a tanker. Our blend goes through a pipe. If you see what's happening to our value, it's going down, and the reason it's going down is because we're transportation bottlenecked. If Bakken comes on more, that's going to keep happening, and it could get worse.

If you look at diesel, it hasn't been affected. Diesel trades relative to Brent, which is an international market, not relative to WTI, which is basically a North American market, so, first of all, diesel revenues have been a lot higher, but they're stable. They're not nearly as volatile as the bitumen is.

Whether you believe in global warming or not, it doesn't really make any difference because CO<sub>2</sub> is in the newspaper every day, and people see it as something that has to be dealt with. The U.S. has been thinking about it for a long time. This is an old slide from 2007, when they were talking about low carbon fuel standards. That's code for a tax on bitumen. They've been thinking about it for a while, and it hasn't gone away.

When Bloomberg decided to support Obama in the election, he said that the reason he was doing that was because Obama was better positioned to take action on global warming. This is coming back. If you think of taxes that are going to be acceptable in the U.S., a tax on Canadian bitumen is really acceptable because no one in the U.S. pays it. If you think of targets, this must be an easy target for them.

We can manage CO<sub>2</sub> in Alberta, and we can do it cost-effectively, I believe more cost-effectively than anybody else in the world. You do that by following a sequence. Refining can make pure CO<sub>2</sub>. We have reservoirs in Alberta that were discovered in the '50s, '60s, '70s, '80s, and '90s that are on their last legs now, but they still have 40 per cent of their oil left in them. You can get that oil out if you put CO<sub>2</sub> in. The CO<sub>2</sub> stays behind, and the oil comes out. We can revitalize the central part of Alberta. Red Deer north is full of these reservoirs. When you're finished with it, the CO<sub>2</sub> stays in the ground. We think that in central Alberta you can put a billion tons of CO<sub>2</sub> in the ground, and it will stay there.

The recovered oil that we get out of the ground pays the cost of doing this, so it's not something where we have to write cheques to get the CO<sub>2</sub> in the ground. Everybody else in the world has to pay to manage their CO<sub>2</sub>. Here we get oil out that pays the cost.

This slide is a poor attempt at showing what happens. The line on the bottom is showing what happens if we refine SAGD production and make it into diesel, and it shows you how far you can drive and emit a ton of CO<sub>2</sub>, 3,200 kilometres if you just make SAGD into diesel fuel. If you do what we're doing, you move right to the top, and you can go 4,100 kilometres before you emit a ton of CO<sub>2</sub>. So we go from being the worst diesel in terms of embedded CO<sub>2</sub> content in the world to the best. We think that's a pretty significant proprietary advantage, and we make money when we do it.

I was asked to speak a bit about what you need to do for more refining. You need three things. You need people, feedstock, and capital. I put this slide in. Nobody in there is an Albertan, but they built this railway to get to Alberta. They built this railway to bring immigrants here, to make farm products, to export the things that we do.

**The Chair:** One minute left.

**Mr. MacGregor:** Sorry. I'm going as fast as I can.

I believe that Canada and Albertans are about building big infrastructure projects. We're just continuing on in this tradition.

The feedstock is here. BRIK was the first step in doing that and enabled guys like me to take action and build these things. We can attract the capital. We've proven that. We've attracted \$800 million in capital to this project so far.

If you look at this slide, you say: "Wow, there was a big surprise in 2011. Our gas went close to zero." Why did that happen? Why did our gas prices go down so much? Because they found a lot in the States. They're saying the same things about Bakken oil right now. We're talking about: how do we get a new market for our gas? We're going to build LNG facilities off the west coast, but it's going to take us five to 10 years to build them. We need to respond in the same way on oil.

**The Chair:** Mr. MacGregor, I know this is a very interesting presentation. We will extend it for three more minutes. You have seven more slides to go through.

**Mr. MacGregor:** Okay. Sorry.

My own belief is that we have to do the same thing with oil. We have to figure out a way to export our oil to another market where it's valued. If you look at this slide, you see how much the bitumen value is. In 2025 there's \$150 billion of potential value from conversion of that raw bitumen into oil, and if you pay taxes on it, Alberta is going to receive about \$15 billion a year if all of that can be converted. It can't be. We can't do that much refining by 2025. I don't believe that. But it's worth trying to do whatever we can. Our meagre 37,500 barrels a day of royalty production is going to send back \$500 million more than the government would have got selling raw bitumen. It's an increase from about \$53 a barrel last year. It's an increase of \$35 a barrel, about 70 per cent more.

If we don't deal with our threats, bad things can happen to us. We might get eaten. Anyway, there were three stated objectives with BRIK. We think we have checked the boxes on each of those three objectives, but more importantly we've managed the risks that are there. If you see the nice lion sitting next to the lady, that's the one-market risk. The other ones are CO<sub>2</sub> and pipelines.

Thank you.

**The Chair:** Thank you very, very much, Mr. MacGregor.

Now I'd like to open the floor for questioning. We will start with the Wildrose caucus for five minutes, then the PC caucus for

five minutes, then the Liberal caucus for five minutes, then the NDP caucus for five minutes.

We will start with Mrs. Towle.

**Mrs. Towle:** Thank you. Thank you very much for the presentation. I found it very informative as a new MLA, and I appreciate how you've laid it out. One of the things I'd like to focus on that I didn't see in your presentation is exactly how you got to be selected and the contract under which you are operating. You mentioned that there was a world-wide tender out there. Are you able to kind of go over with us the parameters of how they made the decision to pick you and the partnering company?

**Mr. MacGregor:** It was a tender, and it took a couple of years. The first step was that they essentially advertised and said: if anybody has got a good idea for converting royalty bitumen into something else or doing something with it that will generate higher value, send in what you think. They did that, and it took about a year to receive all that and to digest it. I don't really understand what was going on when they were doing that.

After they finished all that, they came out with a tender. They said: "We're going to tender and ask people who can produce the most value. Tell us why you think that and tell us why it meets these parameters." There was a pretty exhaustive list of things that they wanted to achieve, and then I think they evaluated you against that sort of grid of things that they want.

**Mrs. Towle:** Okay. Then, obviously, at some point in time you entered into a contract, and I believe I have the contract here, but what I notice is specifically missing from the contract is any of the terms of the financing. Now, I understand that there is about 20 per cent in equity and that 80 per cent is financed.

**Mr. MacGregor:** Yeah.

**Mrs. Towle:** I guess as a new member I'm wondering why that would be confidential and why that would be missing from all the public documentation and what the background is to the 80 per cent financing. What are the terms of that?

**Mr. MacGregor:** I can't speak to why it's confidential. I think there are things that we see as commercially confidential in there. Would you like me to talk about the 80-20?

**Mrs. Towle:** Well, I'm familiar with the 80-20. I understand that it might be a bit of an industry standard, and that I don't have a problem with.

**Mr. MacGregor:** Actually, it's not an industry standard. Usually projects like this have a lot more equity and a lot less debt.

**Mrs. Towle:** What's the difference with this one?

**Mr. MacGregor:** Well, the fees are based on a return on equity, so the debt is essentially embedded in the toll at the cost you pay the debt. So debt is a much lower cost than equity is. As you push more debt into the project, you reduce the processing fees. The fees that are charged are essentially reduced as the debt component increases.

**Mrs. Towle:** Is that 80 per cent backed 100 per cent by the government?

**Mr. MacGregor:** You know, I sort of hear that a lot, so I'd like to attempt to answer it. It's backed in the way where EnCana goes to TransCanada and says: we're going to sign a contract with you,



and we want you to move our gas. This is the same kind of thing. It's backed in that way. You're committing to pay us for processing your bitumen in the way that EnCana pays TransCanada to move gas. So we're receiving that. You know, it's a payment to us. It would be like saying that the renter in the house that you buy with a mortgage is responsible for the mortgage.

10:30

**Mrs. Towle:** So if that is the case, is there any risk to Albertans if for some reason this project failed?

**Mr. MacGregor:** I think there's always risk. Sure.

**Mrs. Towle:** Do Albertans know what that risk is? It seems to be fairly confidential exactly what the terms of the agreement are.

**Mr. MacGregor:** I think they know that it's an 80-20 debt to equity ratio. They know that we're incented to arrange the debt on the lowest possible cost terms. You know, I'm not sure what you're saying.

**Mrs. Towle:** Well, I guess I'm wondering: if the contract failed and the 80 per cent financing is completely backed, a hundred per cent, by the government or it's reduced by the equity. . .

**Mr. MacGregor:** Well, it's not backed a hundred per cent by the government because Canadian Natural is there. Canadian Natural is supplying 25 per cent of the feedstock on exactly the same terms that the government is.

**Mrs. Towle:** Okay. The amount that is backed by the government, which is essentially taxpayers – if the project were to fail, there have got to be some costs in there.

**Mr. MacGregor:** Yeah, I think so. In the same way that the shareholders of EnCana pay TransCanada to move their gas and that if TransCanada failed on moving that gas, they'd be responsible ultimately, I think they're responsible in the same way.

**Mrs. Towle:** I guess the question, though, would be: are Albertans aware of what that risk is? I'm not. I'm an Albertan, and I don't know what that risk would be to me as a taxpayer.

**Mr. MacGregor:** Okay. I'm not sure what . . .

**Mrs. Towle:** Well, if the contents of the contract on the 80-20 are kept confidential, then how do Albertans know what that risk is?

**Mr. MacGregor:** I don't know how to answer that.

**The Chair:** Thank you, Mrs. Towle. Your time is up.  
Mr. Rogers, please.

**Mr. Rogers:** Thank you, Mr. Chairman. Mr. MacGregor, I want to thank you and your team and certainly your entire organization. I think this is a great opportunity for this province. I listened with intent to your presentation. You talked about a \$6.5 billion investment, hardly small change, certainly where I come from. You also talked about an \$800 million risk that was totally within your partnership to be absorbed should this not proceed.

With that as a backdrop, I'm just wondering if you might comment a little bit more on the type of risk that's involved in a venture like this. As you know, we hear a lot in this province about – and you showed a slide there where there were people demonstrating – more refining here and so on, listening to people like the Federation of Labour and others that chastise this

government for being in favour of pipelines and for moving any product out of the province at all.

I guess my question to you after my rambling is: this sounds like a great opportunity, obviously with some risk, so why aren't there many others rushing to do what you're doing at this point? I mean, we have a lot of feedstock here. There seems to be a lot of opportunity. What does it take to make a project like this happen? And not only happen, but the fact that you're hoping to make a profit – the last time I checked, profit wasn't a four-letter word – I'm certainly okay with. Could you maybe help me a little bit?

**Mr. MacGregor:** The main factor in making it happen is that you have to be annoyingly persistent. That's the first factor. The second thing is that you have to have a secure source of long-term feedstock. Without that, you can't finance. You have to have feedstock. Then with a good plan and with good people you have to overcome the belief that no one in Alberta can ever build anything for the price that they say they can. The history here is not good on large capital projects, so you have to have a really comprehensive, well-developed, well-thought-out plan to meet the objections of the people supplying the money that you can do this for the cost you say you can.

We plan to build it for \$5.7 billion, and our fee structure runs out at \$6.5 billion. I get a lot of questions about: what happens if this costs more than \$6.5 billion? My answer is: "It's not going to. We meant \$5.7 billion when we said it, and here's the planning and the amount of work." We spent \$800 million proving that we can do it for that. I mean, those are the things you have to meet.

These are enormous-scale projects. To put it in sort of the context of the Canadian Pacific Railway, when they built that, they spent \$40 million. If you inflated it to today, it would be about a billion dollars. The first phase of this is \$5.7 billion, so it's an enormous-scale project, and you can only do so many of them at the same time. I think that if somebody proves that they can do a good job, there will be lots of other people coming.

**Mr. Rogers:** If I may, to follow up, then.

**The Chair:** One and a half minutes.

**Mr. Rogers:** Thank you, Mr. Chairman. I've got a minute.

I've driven through southern Texas and seen the complexes that are down there, so there are obviously people that have spent this kind of money and built this type of infrastructure, and that's obviously one of the reasons why the move to pipe product to those facilities, in some people's minds, would make a lot more sense. We have those facilities existing already but very expensive to build, as you've said.

**Mr. MacGregor:** People have been telling me that my whole life. I think you can do anything you want here. I think the opportunities are here, and I want to do it here. If people are saying, "We can do only it in Texas; Texans are way smarter than us," I don't think so. I think we can do it here. I think that what makes this probably the best place in the world to live is that all this opportunity is here. We've got the resources here, and we've got the brains to convert them. So when they say, you know, that it's way better to do it in Texas, I don't spend much time thinking about that.

**Mr. Rogers:** Well, I'm glad to hear that because, obviously, I don't share that opinion. I certainly think we've done very well in this province, and I know we'll do a lot more. I'm pleased with what you're doing.

One little piece, if I have any time left, Mr. Chairman: others talk about incentives and the whole idea that the province should be providing incentives. I understand you've talked about a business partnership that I see that we've struck with you. Where do you see incentives? Is there a place for incentives in this business?

**Mr. MacGregor:** I don't think incentives are needed. We had a small, relative to the scale of the project, incentive on the CCS or on the CO<sub>2</sub> portion of it. When the refinery is in full operation, we will receive about a hundred million dollars of incentive to help with the CO<sub>2</sub> content. The CO<sub>2</sub> system is being built much larger than this refinery will produce. It's being built 15 times larger than this refinery will have. Everybody that comes to this area after us will use that system to move CO<sub>2</sub> in. It was like building a highway. We were going to build a small highway, and because of the incentive Enhance and we were able to build a much larger highway.

**Mr. Rogers:** Thank you.

**The Chair:** Thank you, Mr. Rogers.

I think that before we get to the next questioner, I would like to welcome Mr. Young, Edmonton-Riverview, and Ms Blakeman, Edmonton-Centre.

**Ms Blakeman:** I'm sorry. It's the fabulous constituency of Edmonton-Centre, but thank you.

**The Chair:** Well, it is the fabulous constituency.  
Dr. Sherman, please.

**Dr. Sherman:** Thank you, Mr. Chair. Mr. MacGregor, I appreciate your presentation. Thank you so much. I have a lot of rapid-fire questions. First of all, I support the principle of refining it where you mine it, and I support the principle of value-added jobs in Alberta and Canada and better environmental performance. I think these are good values.

With respect to environment a couple of questions. Water: how are you using the water? Secondly, energy: what are you using as energy? Are you using natural gas or coal? Thirdly, the CO<sub>2</sub>: the cost of sequestering CO<sub>2</sub> is immense. It's immense. What will be the cost of sequestering all the CO<sub>2</sub>?

**Mr. MacGregor:** Okay. I'll start with the water. We designed from the start to minimize water use. You can't build one of these things without using water, but we designed to minimize the use, and we have one of the most advanced – I won't say the most advanced – water treatment plants for the effluent that you can build.

I'm sorry. I missed the middle question in there.

**Dr. Sherman:** The cost of sequestration of CO<sub>2</sub>.

**Mr. MacGregor:** Okay. The cost of sequestration of CO<sub>2</sub>: the main reason that it's so expensive is that most of the CO<sub>2</sub> we produce in the world is made by burning things. When we burn something, we take 15 parts of air and mix it with one part of fuel and burn it. The CO<sub>2</sub> comes out, and it has 15 parts of nitrogen from the air and one part of CO<sub>2</sub>. We can't handle the CO<sub>2</sub> with that nitrogen in because, in order to move the CO<sub>2</sub>, it has to be a liquid, and we have to compress it to turn it into a liquid. If the nitrogen is in it, we have to compress it to about 4,000 pounds per square inch. If the CO<sub>2</sub> is pure and separate, we only have to compress it to 1,000 pounds per square inch. If you're going to economically manage CO<sub>2</sub>, you have

to make pure CO<sub>2</sub> from the get-go. You can't put nitrogen in it or the cost goes up. The first step is making pure CO<sub>2</sub>.

**10:40**

The really important advantage that Alberta has is that we have oil fields in central Alberta that are sinks for CO<sub>2</sub>, but when we put our CO<sub>2</sub> in those sinks, oil comes out. This has been proven in Weyburn. There's a project in Weyburn, Saskatchewan, that myself and my partner used to own 11 per cent of. That project uses CO<sub>2</sub> that's produced in North Dakota, puts it in an oil field. The CO<sub>2</sub> stays, and the oil comes out, and the oil makes more money and pays for all of the costs and more. That's the formula we're following. We're not trying to find a garbage dump for CO<sub>2</sub>. We're finding someone who can buy that CO<sub>2</sub> from us.

**Dr. Sherman:** A couple of other questions. Carbon tax: what's your position on carbon tax? On actual emissions or intensity of emissions? What's the right number?

**Mr. MacGregor:** Guys like me don't have a position on that. You know, you guys figure out what the rules are. I'll try and live within them, and I'll try and make money out of it.

**Dr. Sherman:** A third question. You talked about the U.S. markets and the XL pipeline and the U.S. looking at putting in a carbon tax. In your opinion, is the XL pipeline a feasible project that we should be pushing? If so, should we be shipping upgraded bitumen or as much refined product as possible down that pipeline?

**Mr. MacGregor:** My position is that there's something between 25 and 33 per cent of the future oil in the world in northeastern Alberta, and we have to get that out any way we can. If we can sell it as raw bitumen – you can't do enough projects to convert the resource that we have in northeastern Alberta. We can't build refineries fast enough or as many of them. We can't attract the capital here. We don't have the labour to do it, so we have to do a little bit of everything. We have to do everything we can to produce the best value for Albertans.

**Dr. Sherman:** What are your thoughts about shipping it out east, to eastern Canada?

**Mr. MacGregor:** If we build every pipeline that's been announced, we'll be short. We won't meet the production forecasts. So anywhere it can go is great.

**Dr. Sherman:** Okay. Now, with your project which pipeline are you going to use to get to the west coast?

**Mr. MacGregor:** Well, Kinder Morgan runs today, and they have an expansion proposal in. They're running at about 400,000 barrels, I think, today. I'm 63, so I can be a little bit wrong on the numbers. I think it's about 400,000. They've got an expansion in for 375,000, I think. That pipeline could take diesel.

**Dr. Sherman:** Is your project dependent upon Kinder Morgan getting that expanded capacity?

**Mr. MacGregor:** Absolutely not. No. Because diesel is worth so much more than bitumen, you can afford to move it by rail. You can go lots of different places by rail with diesel because if it costs you 10 bucks a barrel, that's not 25 per cent of your margin.

**Dr. Sherman:** The last question: what are your thoughts on Albertans getting an equity share in developed oil sands?

**Mr. MacGregor:** I think they have it through the royalty system. I think that's what they've got. I think BRIK gives them an equity share. They receive all of the profits. After paying our fee, they receive all of the profits that we make on diesel. I think, essentially, the transaction that was done is an equity share.

**Dr. Sherman:** Thank you.

**Mr. MacGregor:** Thank you.

**The Chair:** Thank you, Dr. Sherman.

**Ms Smith:** Mr. Chair, can I get on the speakers list if we have time?

**The Chair:** I'll try.  
Mr. Bilous.

**Mr. Bilous:** Thank you, Mr. Chair. Thank you very much for coming. I'm happy to hear about this project. It may be a surprise to some of my colleagues, but the Alberta New Democrat caucus is actually a hundred per cent behind upgrading more of our raw resources here, keeping the jobs here, adding value as opposed to shipping raw bitumen. So I'm quite happy to hear of this project.

I just wanted to get your take, to start off with, on: why do you think it's taken so long for a project like this to even come online, considering we've been in our oil sands for over 40 years now?

**Mr. MacGregor:** These are hard to do. I mean, today we have 1,300 engineers and accountants working on this project. We have a lot of accountants. I don't know what we've got them for, but they're floating around it. There are 1,300 people working on this thing. We have about 350 people on our staff, and that's tight expertise. It's only really in the major oil companies or in the big contractors where you have deep expertise in doing this. So just getting them to come here is not an easy matter. If you're not a big oil company, if you're some guy who looks like me, it's really hard. You've got to do a lot of tap dancing before you get the right thing put together. It's tough to do, but once one guy does it, it's going to be a lot easier for the next guy.

**Mr. Bilous:** Right. But what we've been told as far as a cost-benefit analysis, that it's much too expensive, that we don't have the labour to refine here: I mean, clearly, that's not the case. Obviously, in your business plan you will be turning a profit by upgrading here in the province as opposed to shipping raw.

**Mr. MacGregor:** Well, there are two things embedded in that. One is that diesel has roughly twice the value of bitumen, and it's got a lot more margin than synthetic crude oil. People have been making synthetic crude oil here, and that's tough to do because they haven't got as much margin. So when people are looking at upgraders that send synthetic crude oil down through the Bakken, where it has to compete with that other light oil, it's getting really tough to do that. But refineries are different. We've got a lot more margin. That's the first thing.

The second thing is that you can only do so much of this. If you tried to build 10 of these, the costs would blow up on all of them. You can only do so much at any one time. If you try and do more than that, your costs will get out of control.

**Mr. Bilous:** Right. Fair enough.

A couple of quick questions. In your slides you have two different phases. Now, you give the completion date of phase 1 as being 2016. Is that correct?

**Mr. MacGregor:** Yeah.

**Mr. Bilous:** And phase 2?

**Mr. MacGregor:** I'm hopeful that we can come back and negotiate. We don't have a contract yet for phase 2. We tendered for it, we have a marketing agreement for phase 2, and I'm hopeful we can come back and say: "Hey, we've made good progress. How about you let us go ahead with phase 2?" I think we have to negotiate a contract that allows us to do that under the BRIK.

**Mr. Bilous:** I'm not a hundred per cent sure on why it was broken into the two phases.

**Mr. MacGregor:** We'd always had a three-phase project because we felt we wanted to build in bite-sized chunks, if you will, and we thought \$5.7 billion is a good bite. So it was divided up that way, and it made sense that there was no point in signing the phase 2 contract until, I think, the BRIK people felt like they had better information. We think we've provided a lot of that now.

**Mr. Bilous:** You talked a little bit about rail. Do you know the numbers as far as capacity of our current network of rail system to transport diesel as opposed to – I know there's quite a limitation on how much.

**Mr. MacGregor:** Well, when you're sitting at one of those crossings swearing at the train, that's got 50,000 barrels if the whole train is full. So, you know, if you want to sit there – like, if we were trying to move a million barrels a day, you'd have 20 of those trains. You'd never get across the intersection because it would be full of trains. We can't move with rail anything like the potential we've got. You know, anything at the margin will help. And don't think that we're not going to have a train derailment, where some people spill a bunch of bitumen, because there are more derailments than there are pipeline leaks.

**Mr. Bilous:** All right. How much time do I have?

**The Chair:** Less than a minute left.

**Mr. Bilous:** Wonderful.

I understand that we're talking about, you know, like you had said, that we could build all these pipelines, and there would still be a bottleneck, if you will. A question that often comes to mind is that I get the demand for energy and oil world-wide, especially in North America, yet at the same time by flooding the market and having an oversupply, you are lowering costs. So in some ways what is the rush to blitz, you know, the extraction and refinement of this oil as opposed to a more moderate pace?

**Mr. MacGregor:** I'm probably the wrong guy to ask that question of. My life is about building things. I want to build as many as I can. I want to build big, successful businesses; I want to have places where, when my kid gets out of university, he can have a job; and I want to make as many of those as I can. I want to do it as responsibly as I can because I live here, but I don't think going slow is an answer because I think somebody else might show up.

I think, you know, that if you look at the Bakken production, that's likely to have the same effect on us. It's possible – I don't know if it's likely or not, but it's possible – to have the same effect on us that the natural gas business did. We have to be thinking about that. We have to develop another market, and the market is voracious for what we make. I don't understand why we wouldn't sell things there. I think it's better for us. I don't think there's a surplus of excess money for building all the things we

want to build here, so if we can get money out of that to build them, as far as I'm concerned the faster the better.

**The Chair:** Thank you.

Thank you, Mr. Bilous.

Ms Smith, you're on the air.

**Ms Smith:** Thank you. Hello, Mr. MacGregor. Nice to hear your voice. I have just a couple of questions. I hope you can fill in the blanks for me. I suppose that in theory you should be able to do this kind of project without government. You should be able in theory to go out and sign up a bunch of small producers to be able to get the feedstock that you need. Can you talk about the role the Alberta Petroleum Marketing Commission as acting in that aggregator role and why that simplifies things for you or why that's an important part of your business model?

10:50

**Mr. MacGregor:** Well, when we first started, the model was that we were going to go to a bunch of small producers and try and sign them up and try and get them to be the contracting parties. It took a long time to get here, but as we were progressing, most of those small producers got vacuumed up by big guys. So there weren't really very many small producers that could sign a reasonable contract with you. That was the first thing.

The second thing was that the small producer wasn't thinking about: how do I refine my oil? He was thinking about: how do I raise money and drill my oil well or drill my SAGD well? He wasn't really focused on the issues of converting this into diesel. His problems were more right on the windshield of the car; they weren't out at the next town down the road.

**Ms Smith:** You've mentioned as well the upward limit of how many refineries we could potentially build. You've said that Alberta is going to be a pretty big player. Twenty-five to 33 per cent of the future oil use I think is what you said. What do you think is the upper limit of how many projects like yours, using a BRIK-style approach, we would be able to build in the next 20 years without seeing the inflationary costs associated with materials and labour? Do you have a guess on that?

**Mr. MacGregor:** No, I don't. I'm old. I'm 63. During my life Calgary started off at about 60,000 people, I think, when I was a kid, and the Palliser was the tallest building in town. I think we can go a long ways here, and I think we can build a lot of stuff, more than anybody thinks, but we have to be really careful, really measured, and do a really good job of it. But I think we can do a lot.

**Ms Smith:** I think that's what we're trying to understand on this committee, the things that worked in the arrangement that North West and the government have versus things we might tweak for any future proposals that are on the table.

I understand that there is some confidentiality around some of the questions I may be asking you, so I'm going to ask them, and you can answer to the extent that you think you can. Help me understand this. You said that we've got a 20-80 split on equity versus debt. You said that you're not going to have this first phase built until 2016. It's going to cost \$5.7 billion. I guess that by my math that sort of suggests you're going to need to borrow \$4.5 billion between now and 2016 to be able to build this project. Yet my understanding is that the government is not going to start paying you its monthly toll charge until the oil starts flowing. With that \$4.6 billion you have to borrow and carry over the next four years, is the government offering you a loan guarantee so that you have the certainty of financing?

**Mr. MacGregor:** No. Absolutely not. There are no guarantees of any form. What we're doing is that we're borrowing that money, and the financial markets see that Alberta is a good party to contract with, as is Canadian Natural. They're both signing the same contract. We're able to borrow and accrue the interest during that period, and then we amortize the accruals over the balance of the contract.

**Ms Smith:** So are you getting some kind of preferential interest rate as a result of having the government as one of your principal partners, or are you paying market rates on your interest?

**Mr. MacGregor:** The interest is amongst the lowest you can get for something like this because the counterparties – the Alberta government and Canadian Natural – are so strong that that means that the debt has a very good interest rate on it. All of those benefits flow through the toll.

**Ms Smith:** Thank you for that.

I had asked a person from Energy this question, but I may as well ask you. If you were in operation today, 50,000 barrels per day, would you be making money at the current prices of both your feedstock and then looking at the sale price of your diesel? Do you know what the value is of how much money you would be making in today's market if you were in full operation?

**Mr. MacGregor:** It wouldn't be me making it so much; it would be the government making it because we sell the products, deduct our toll, and then the government gets the difference between the products and the cost of making them. On the government volume, so 37,500 barrels a day, the government would have made approximately \$500 million more than they did by selling raw bitumen.

**Ms Smith:** Just in this year alone, and that's sort of an ongoing revenue stream?

**Mr. MacGregor:** Yeah. Now, that's volatile, so no one knows what it is. I'm using last year's numbers. You know, differentials have been a lot lower than this. When we were negotiating the contract, the difference between bitumen and light oil was a lot lower than it is today. That's really an artifact of the transportation bottlenecks we're seeing now, I think.

**Ms Smith:** How low does oil have to go . . .

**The Chair:** Thank you, Ms Smith. Thank you very much. Your time is up.

Mr. Quadri, please.

**Mr. Quadri:** Thank you. Thank you so much for your time. A great presentation. It's quite a learning experience for me as a new MLA. Coming from a business background, I understand that, you know, you have to have a vision. At the same time, you have to have a passion to come up with a plan like that, and we really value your time this morning especially.

My question is: what are your thoughts on having a bitumen upgrading partnership in Alberta, with your experience and all your dealings with this upgrading business?

**Mr. MacGregor:** You know, I think I'm lucky to live here. I think I'm lucky that people had the vision to do this. It's happened a few times here. It happened with Ernest Manning when he built the Alberta Gas Trunk Line, and it happened again with Lougheed when they built the petrochemical industry. I think I'm in the same

spot as the guys who did that were. You can't do these things alone. We've all got to work together to get it done. So I'm lucky.

**Mr. Quadri:** Do you see an opportunity for additional partnerships in the upgrading business?

**Mr. MacGregor:** Absolutely. Yeah.

**Mr. Quadri:** In your experience with North West's Redwater project and the other projects what are your comments and your thoughts for getting the government's involvement?

**Mr. MacGregor:** I think they should be involved in the way that they are in this just like any other customer is involved. They don't need to do more than that. They need to be a good customer. So when people come to TransCanada and say, "I'd like you to move our gas; here's the commercial arrangement," if they behave like that, guys like me can build within that envelope. We don't need more than that.

**Mr. Quadri:** That's good.

What are the misconceptions and assumptions in this industry? How do you come across? What is your experience in baseline projects? What are the assumptions?

**Mr. MacGregor:** They're hard to do because it's hard to get the right people. It takes a lot of experience. They're hard to do because these are enormous quantities of capital, and if you're not a major oil company, if you're some guy floating around like Ian, it's hard to get \$5.7 billion. But this is the place to do them. There's no better place.

**Mr. Quadri:** Okay. That's good.

One more question. Who's at risk here? The girl or the three lions?

**Mr. MacGregor:** I think the girl is.

**The Chair:** Thank you, Mr. Quadri.

For the remaining two and a half minutes I would like to call on Ms Jansen.

**Ms Jansen:** That was a terrific presentation, very educational, and I think we got a lot out of it. This is a bit of a two-parter. You talked about some 1,300 engineers and people working on this project. First of all, how do you go about assembling a group like that?

**Mr. MacGregor:** I found a guy. His name is Doug Quinn, and he's the president of North West Upgrading. Doug had worked at Shell for about – I don't know – 36 or 37 years. Doug was the guy. When Shell said, "We've got a broken refinery; you have to go fix it," they'd move him there, and he'd live there for five or six years or however long it took to fix it, and then they'd have another one. So he knew pretty well everybody in the refining world. If you meet Doug, he's a true character. He really knows what he's doing, and his Rolodex is about three feet in diameter. So when we need somebody, Doug phones them and says: hey, why don't you come and work with us on this project?

This project is different because it's not being built by a major oil company. It's being built by guys like me who say: "We just want to do the right thing. We don't have any procedures. We've got no processes. What's the right thing? What would you do if you had to do this the very best way that you could?" So when Doug phones them up and says: "You know all that complaining you've been

doing for the last 20 years because you couldn't do it the way that you wanted? Come here, and you get to do it the way you want to." So it's not very hard to hire people.

We've attracted about 350 people on our staff, and then we went out to the big engineering contractors. Doug knows the right guys to get at the big engineering contractors. So he says: "We want Billy Bob doing the hydrocracker because he's done the last three and they work. We don't want Joe because he doesn't know so much about it." So we've got a really good team with those 1,300 people. We've got the best people in the world doing it. The reason that we were able to get them is because this is fun. We don't have a procedure manual that's 10 feet thick. We've just got, you know, a couple of pieces of paper. Now, we're going to have to have a procedure manual someday. We know that. But we're light procedure, heavy action.

**Ms Jansen:** Do I have time for one quick question? You know, we've all heard the argument. There's a certain segment of the Alberta population who feel that everything should be upgraded in this province. Considering what you've gone through here – it seems like a massive project to do this upgrader – I'm just wondering about your general thoughts on the kind of scope of financing and manpower that it would take to do that.

**11:00**

**Mr. MacGregor:** You can't do it. You can't do all of it. It's impossible. You know, if you go to the Gulf coast and look around down there and say, "How long did it take to build all of this stuff?" – it took a hundred years to build it. That's the opportunity here. A hundred years from now you'll look around the heartland and you'll say: hey, it looks like the Gulf coast, only it's all new.

We can do that here, but we can't do it in a minute. We have to proceed in a measured way. Right now we can't do any one thing. We've got to do everything because we're so constrained that we can't sell what we're making. We've got to get as many places to sell it as we can, sell it in as many different forms as we can, and sell it to whoever wants it. Then guys like me will show up, and if you keep providing the environment for guys like me – you know, where did the gas business come from? It came from Albertans drilling gas wells because there was a pipeline system. Where did the petrochemical business come from? It came from: let's make ethane available to people, and they'll build petrochemical plants. This is the same thing, and it will continue to happen. You just have to keep the environment right.

**Ms Jansen:** Excellent. Thank you.

**The Chair:** Thank you, Ms Jansen.

Mr. MacGregor, thank you very, very much.

**Mr. MacGregor:** Thanks for having me.

**The Chair:** I must tell you that you're not old, but you're wise and knowledgeable and a wealth of information. It was a pleasure having you here today. We could use two more hours of this. As a matter of fact, I had requests from committee members to present a motion to extend this meeting for two more hours. Unfortunately, I know you have to be in Calgary around 1 o'clock. I want to thank you and thank your supporters over there for moving mountains to make this presentation here today. Thank you very much. I really appreciate your presence here today.

**Mr. MacGregor:** Thanks for having me.

**The Chair:** Any other business for discussion?

I would like to inform you of one thing before we adjourn. I'd like to advise the committee members that the stakeholders letters have been sent out with a request for written submissions by January 31, 2013. Also for the committee's information, the responses from the Department of Energy to questions read into the record at our last meeting have been received and were posted to the internal committee website.

The date of the next meeting is going to be in early February.  
Any other questions? Mr. Rogers.

**Mr. Rogers:** I was going to move to adjourn.

**The Chair:** All in favour? Great. Thank you very much.  
Great meeting. Thank you.

[The committee adjourned at 11:03 a.m.]



