Energy sector review: Canada

The importance of energy in the lives of Canadians cannot be overstated. It keeps their houses warm in the winter, fuels the vehicles, and provides electricity for technological devices. Businesses and the government in Canada benefit from the energy sector because it gives jobs and generates profit.

The ways in which Canada, like any other country gets, generates, and consumes energy have an impact on the environment. This, first of all, concerns the emission of greenhouse gases that influence the climate.

Each province, territory, urban area, rural town, or settlement in a big country like Canada has its own energy context. Challenges in the energy sector can be particularly difficult for Canada due to these regional variances. There are significant regional and political disparities in Canada when it comes to the economy, climate change, and globalization as well.

According to the nationwide poll, 92 percent of Canadians are concerned about the economy, and 69 percent believe the oil and gas industry will continue to be vital in the future. While Canadians accept the reality and expect the government to take the lead in achieving international obligations, support for this viewpoint differs by location.

Among the predictions for what the year 2021 will bring for the energy sector of Canada, there are a few commonalities to keep an eye on.

According to the Canadian Energy Research Institute, lately, the energy producers in Canada have earned significantly less for their oil than their overseas peers due to a lack of pipeline capacity and limited market access.

Increased taxation and regulatory requirements, in addition to pipeline constraints, have compounded the oil and gas industry's problems in recent years. For example, deregulation and extensive tax cuts in the United States have greatly improved the economic environment for them, notably for the oil and gas sector, while Canada's recent policies have been harmful.

The major public oil and gas corporations have already lowered their capital spending plans in 2020 by more than $43.6 billion, simultaneously reducing global supplies by millions of barrels in the next years. It is self-evident that for Canada supplying underdeveloped countries and domestic companies with Canadian oil is preferable.

Another challenge is the unique northern Canadian territories that require a very special approach. The energy transformation process is not simple here due to a legacy of off-grid systems and insufficient infrastructure.

The populations of Canada's three northern territories are made up mostly of indigenous peoples. In these areas, Canadian strategies and energy programs intersect with the needs of indigenous communities, which complicates the situation. Here, many efforts have been done to reduce Northern Canada's reliance on diesel.

However, rolling blackouts and long delays for parts and repair workers have become all too frequent for the approximately 116,700 residents of Canada's North. Energy expenses are rising in many communities. There is a high reliance on imported fuel, and many of the territories' energy assets are old, and underperforming, posing a threat to northerners' reliable energy supply. These factors put a strain on government resources while also reducing the growth of the economy and prosperity.

The Senate in his recent report on these problems offered the following recommendations:

government funding for renewable energy projects in the territories and federal support for diesel facility upgrades in remote northern towns. The paper also emphasized the territories' renewable energy prospects. Solar and wind energies are becoming less expensive as they integrate with diesel generation systems, - it claims.

Thus, it is clear that the Canadian market requires new energy infrastructure in certain locations or for specific energy sectors in order to meet North America's energy demands.

The solutions to overcome these challenges can be provided by the top Canadian energy companies that are involved in producing renewable energy and implementing their projects in Canada and abroad. There is a long list, but the two of them definitely should not be missed.

Enbridge Inc. is the Canadian energy giant with a market capitalization of about 75 billion dollars, which concentrates on the transportation of energy. The company operates throughout North America, boosting the economy and improving people's lives. It transports about 20% of the natural gas consumed in the United States and around 25% of the crude oil produced in North America.

Their renewable energy projects can create a total of 5,082 megawatts (MW) of zero-emission energy. Enbridge is now one of Canada's largest renewable energy businesses.

The second company - Canadian Solar Inc. is one of the world's largest providers of solar photovoltaic products. It is also one of the largest solar power plant developers. It has sold solar modules to tens of thousands of clients in over 150 countries.

The company is quickly expanding its manufacturing capacity while utilizing the most cutting-edge technology to meet the goal of increasing shipments from 18 GW to 20 GW in 2021.

We can conclude that in Canada, there is a growing tendency toward collaboration among regulatory and government agencies in the realm of energy regulation. Despite the challenges in building large-scale energy infrastructure, and the intersection with indigenous peoples’ rights Canada is regarded to be well-positioned to meet the country's future energy needs with the safe and reliable energy system.