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Thank you and good afternoon everyone.

While we have operations across North America, Calgary is home to Enbridge.

I’m a native Calgarian and I’ve spent much of my career here – about half of it with an upstream oil and gas exploration company.

So I have some appreciation for the challenges our customers face.

Over my 30+ years in the energy business, pipelines – and the broader energy industry for that matter . . .

. . . have never been in the public spotlight like we are today. The scrutiny is all-consuming.

The good news is that we’re in a tremendous age of opportunity.

The outlook for North American energy is positive, to say the least - we have the technology, skills and capital to unlock massive unconventional reserves.

At the same time, the world needs more energy. Global consumption is expected to rise by as much as 50% by 2040.
But my view is that 3 challenges threaten our energy competitiveness and Canadian prosperity, namely:

- the rising cost of developing reserves in North America (both oil sands and shales);
- our lack of connectivity to both continental and global markets and compounding these factors;
- relentless opposition to infrastructure development, which is the challenge I’ll focus on today.

Designing good projects, raising capital, executing on time and on budget – these are big issues, but ones we’ve been managing.

And Alberta’s energy industry has proven its innovation, resourcefulness and world class approach.
But it’s the need to achieve what some call “social license” that’s proving to be our greatest test.

I’ll talk about “social license” and address questions that are probably on your minds today.

Questions like:

- What happened – were we caught off guard?
- What would we have done differently?
- How have we changed?

Most important, with all that’s at stake – will pipeline companies be able to meet industry’s needs – and by extension – the needs of all Canadians?

Believe me, we’ve asked ourselves these questions.

After all, it’s not like we haven’t had a pretty good track record engaging stakeholders over our own 65 year history.
Now, this may feel like I’m setting you up for doom and gloom over lunch.

But, I’m not going to whine about our challenges.

My goal is to describe what we’re doing about them.

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First, some background on the perspective Enbridge brings.

As the transportation link between energy supply and demand, we play a critical role in our economy . . .

. . . providing energy to heat homes, fuel vehicles and airplanes, and the source for many other day-to-day products . . .

. . . like clothes, computers, plastics and medical equipment to name a few.

I think sometimes we lose sight of that connection between energy and day-to-day life.

The way we look at it, delivering energy – safely and reliably – is our prime social responsibility.

One that supports prosperity and quality of life of millions of people.

With changing supply and demand fundamentals and because we have such an extensive network of pipelines . . .

. . . our role puts us at the center of the transformation of the pipeline grid in North America going on right now.

But we’re at the center of the controversy surrounding infrastructure development.
That debate is deeply polarized – and it’s moved from the business section to the front page.

So how did it come to this?

I believe it was the confluence of four factors which created a potent cocktail of complexity, and second-guessing of the energy industry.

The first is heightened legitimate public concern around climate change and the impact of greenhouse gas emissions associated with fossil fuels.

Those concerns are exacerbated by more focus on weather-related natural disasters – like the flooding we experienced last year . . .

. . . and a lack of consensus about the global solutions.

The second is self-induced – several high profile incidents that raised concerns about the safety of our energy infrastructure.

Now, if you look at the history, the energy industry has actually been very safe.

But, in the face of some awful images, public confidence has been shaken.
The third driver was a well – orchestrated strategy by opponents of fossil fuels to attack the transportation conduit – pipelines.

Stop the pipelines – and you stop energy development. Not a bad strategy.

And finally, these factors are playing out within a much broader context.

The debate is no longer one between energy companies and landowners on the right-of-way . . .

. . . but part of a much broader communications discourse on public policy.

Energy issues are no longer local; they’re national and global in scope.

Let me be clear, these factors aren’t just noise.

The fallout is that today, regulators, employees, shareholders, political leaders and the public – expect more of energy companies.

And that’s the way it should be.

So that’s how we got to this point. Now, what’s at stake?

First of all, there are significant risks to Canada if we can’t advance energy infrastructure while the window of opportunity is open.
The impact of discounted prices because of constrained pipeline capacity doesn’t just impact our industry.

It means lower royalties, taxes and investment which impact our ability to fund social infrastructure. (Another thing we lose sight of)

Access to new markets is the only way we, as Canadians, are going to achieve fair value for our limited natural resources.
The solution – if you go by the headlines – is simple. “Earn social license”.

But what exactly does that mean?

That term, “social license”, gets thrown around a lot but it’s elusive to define . . .

. . . which makes it convenient for those who oppose energy development.

To some, it means getting 100% support.

But looking back at history, we’d be challenged to find any infrastructure decision getting 100% support, or even 60 – 70% support.

Whether it was rail to connect regions, the original gas pipeline across Canada, or the Saint Lawrence Seaway to access export markets – there have always been opposing views.

That includes our own Line 1 – the first continental crude oil pipeline to connect Western Canadian supply with Eastern Canadian and US markets.

In 1950, we completed this 1,900 kilometre line – crossing the backyards of 2,500 landowners – in only 150 days at a cost of $90 million.
Not everyone was in favour – but Line 1 was a game changer for our country.

65 years later, there’s no questioning its value and the benefits it’s delivered to Canada (more than 4 billion barrels of crude delivered).

What would it take to build that line today? At least 3-4 years and adjusted for inflation, triple the cost.
But let’s get back to social license.

Social licence isn’t about achieving unanimity.

My view is that it means we need to do our jobs in building public trust. Let me be specific, it means:

- Putting safety and environmental protection ahead of everything else.
- Setting our sights on not just meeting regulations, but exceeding them. We need to be world class.
- Being transparent and open to people’s concerns – ensuring we are accessible in communities and holding ourselves accountable.
- Investing in the business – that means maintenance and replacement programs and advancements in design, steel, coatings, leak detection and integrity . . .
- . . . as well as investing in our communities – creating capacity and jobs, and partnering to enhance safety, and enriching educational and cultural programs.
- It means utilizing existing infrastructure first so we minimize our environmental footprint.
• And it means finding a balance where we gain the benefits of economic development in a sustainable way.

Let me be more specific with 3 live examples of how we’re applying this approach to earning our social license.
Line 9

Our Line 9 reversal will provide Quebec and Ontario refiners with secure access to Canadian supply, which ensures they can be competitive.

So, in effect, Line 9 will protect thousands of refinery and petrochemical jobs in the region.

And it means producers can achieve better pricing – so very much a win/win proposition.

Line 9 was recently approved by the NEB.

The conditions they imposed were tough and what’s clear is that the NEB responded to the public’s concerns.

So did we.

We engaged communities earlier, more often and at all levels.

We collaborated across the energy value chain to increase understanding of what we do.

Critical to this was building a coalition of: unions, community leaders, refiners, producers . . .

. . . all asking tough questions, but also speaking on behalf of the project. That was a huge breakthrough.
We opened ourselves up like never before – welcoming people to integrity dig sites . . .

. . . where they could touch the pipeline, meet our people and feel the commitment they have in operating safely.

And importantly, we took action to address concerns – adding extra valves at water crossings.

More emergency response equipment, and increased communications with municipalities.

That's earning social licence.
Flanagan South

On our Flanagan South project in the US, we invested time up front to understand what mattered most to people.

In the past, we focused on construction issues, but they wanted to talk to us about climate change and bitumen – so that’s what we did.

We spent time early on with Native American tribes identifying business opportunities . . .

. . . and ensured that when we were ready to build, they were trained and ready to work.

That had a big impact on how we were received in the community.

That’s earning social license.

And when an activist group launched an injunction, the judge dismissed their case. Here’s what the judge said:

“The evidence indicates that Enbridge has gone out of its way” in addressing its obligations.

Consulting with Native American tribes, conducting public outreach and consultation, and preparing extensive mitigation plans.”
Northern Gateway

Some of the learnings applied in our Line 9, Flanagan South and other projects underway right now have come from Northern Gateway.

When we first conceived of a pipeline to connect Asian markets (that was more than a decade ago now), we were in a different game.

We were doing the right things – but the 4 factors I talked about earlier soon took hold . . .

. . . and then more challenges to the cocktail . . .

. . . opposition to oil sands, tankers off the West Coast and First Nations rights and title.

When I’m asked what we could have done differently, it would have been spending more time building trust with communities.

Although we’ve had our challenges, I’m proud of how our team responded with increasing successes.

26 Aboriginal communities will join us as partners in the project.

This is another breakthrough and it provides First Nations a seat at the table and sustainable economic benefits. ($1 Billion)
We recognized that Aboriginal people are stewards of their lands and waters.

And we’ve committed to ensuring they’re our partners in safeguarding the environment.

Despite our focus on building the safest project possible, people still had concerns.

So, we put away the engineering hats and asked ourselves how we address those concerns . . .

. . . we increased the thickness of the pipe, added more isolation valves, changed the route, and developed dual leak detection systems, and a bunch of other things.

That’s earning social license.

After months of analysis and deliberation, the Joint Review Panel said that our efforts went above and beyond in several key areas:

- Marine mitigation
- Consultation
- Engineering
- Safety and emergency response
• Economic benefits

The Panel said we exceeded regulatory requirements – using words like “stands out” and “international best practice”.

That’s what we’re doing to earn social licence.

Our efforts are making a difference.

While there are those who oppose energy no matter what, public opinion polls now show there’s actually more support than opposition in BC.

We’re within days of receiving the federal government’s decision on Northern Gateway.

But that decision is just one more step.

We’ll continue to work hard to build trust.
So those are some illustrations of what we’re doing to earn social license.

And I want to emphasize that despite the challenges we are making good progress on market access so producers and Canadians can receive fair value . . .

. . . in fact, over the next three years we’ll bring into service market access projects that will open up 1.7 million barrels per day for Canadian and Bakken production.
I’m going to begin wrapping up by focusing on the big picture – how we get to the finish line on energy infrastructure.

And the role that all of us here today can play in getting there.

There are 3 things that I believe are the lynchpins to success:

First, as Teddy Roosevelt put it, “They don’t care how much you know until they know how much you care.”

Our industry has recognized that the economic benefits alone are not enough to achieve public support for energy development.

To build trust, we need to focus first on talking about safety and environmental protection, then economic benefits.

Second, we need to agree that “social license” doesn’t mean securing 100% support – that’s not practical and defies reality.

What it does mean is doing what we can to make our projects and operations world class.

Performance, transparency, investment, exceeding regulation, using existing infrastructure.

Third, we need leadership – in both the public and private sector, and within and outside of our companies.
For example, my own role as CEO has changed with more time spent on building that trust . . .

. . . listening to a range of perspectives, finding common ground and striking a balance among competing interests.

And as leaders, we have to be on the frontlines of engagement, listening and exploring innovative solutions with communities and the public.

And we need to encourage collaboration – not only with those sympathetic to our point of view, but also reaching out to engage those opposed.

It’s here where people in this room can make a difference.

The energy industry itself is not always viewed as an unbiased source – and that’s where we need all business and community leaders to speak up.

Be part of a respectful debate of energy issues within your companies, communities, across our country and at all levels of government.

Speak out and help bring balance to the conversation.

Be part of a growing coalition of support for Canada’s energy future.
I’ll close with a metaphor that crystalizes the approach we need.

Not just as an industry, but with our communities, landowners, the general public, our regulators and political leaders, union leaders and other stakeholders.

It’s one that’s relevant to Enbridge given our sponsorship of the Ride to Conquer Cancer – a 225-km road bike ride that I hope to see many of you at later this summer.

That ride is not a race, but if you’ve ever watched a Tour de France, there is one thing that is critical to success of all of the riders – the Peloton.

Yes, there’s competition within it, but the Peloton is deeply collaborative.

The Peloton is a place where opposing forces work together (could include those who oppose fossil fuels).

There are those who break away from the group, but an effective Peloton will usually prevail because of that collaboration.

It’s a great illustration of how collective human energy can move the group forward to a shared goal.

It’s a metaphor for how collaboration can lead to a place where we address people’s concerns about energy and develop it in the most sustainable way.
And a place where Canada can realize full value for our resources.

That’s the approach we all need to take to succeed in today’s environment.

I’m optimistic about our future.

It’s not going to be easy, but I think as an industry, we’re learning how to manage in this complex environment and we are making progress.

One last word, coming back to our role in the economy.

Delivering energy – and delivering it safely – is our prime social responsibility.

We don’t apologize for it but we are working hard to get better at what we do.

This province, our industry and our Company have met big challenges before.

And we will do it again!