Canadian Energy:
Helping Fuel our Economy

The United States relies on oil to fuel our economy every day – to transport goods and people, heat homes and businesses, and manufacture a wide variety of consumer products. The United States does not domestically produce all of the petroleum it needs to keep the economy running, and therefore relies on imports for more than half of our needs, some of which come from unstable regions. Fortunately, Canada – our friendly neighbor – accounts for about 20 percent of U.S. oil imports, which means approximately 2.5 million barrels of Canadian oil and refined petroleum products are imported every day by the United States.

Canadian energy strengthens American energy security and bolsters our economy. As neighbors, Canada and the United States trade more than $560 billion in goods and services every year. This bilateral trade supports more than 8 million American jobs, and the expansion of Canadian oil sands development will help create 343,000 American jobs over the next four years alone.[1] From the resource to the refinery, oil sands production relies on American goods and services. Development and production of this vast resource will result in an average of $62 billion in increased U.S. output of goods and services each year from 2009 to 2025. U.S. GDP is also anticipated to increase $34 billion by 2015 and $42.2 billion by 2025 as a result of Canadian oil sands development.[2]

Oil sands crude is heavy and requires more energy to produce. That said, oil sands production becomes more efficient every year as new technologies are developed and deployed.[3] Improved efficiency in the production processes results in lower greenhouse gas (GHG) emissions and reduced water use. For example, producers have deployed technologies that reduce the temperature of the water used to separate heavy oil from sand during extraction, requiring one-third less energy. Producers also recycle 80 to 95 percent of water used, and continue to maximize this amount as much as possible.

Greenhouse gas emissions, water use, and land reclamation are also heavily regulated by the provincial and federal governments of Canada. In 2007, the Government of Alberta established rules requiring a 12 percent reduction in GHG emissions per barrel for all existing oil sand operations. In addition, the Canadian federal government is developing a carbon pricing system that will require emitters to meet a reduction target, acquire approved offsets, or pay $15 per ton of GHGs emitted into a Climate Change and Emissions Management Fund. The Albertan and Canadian governments have also committed a combined $3 billion to develop carbon capture and sequestration technologies. Proposed low-carbon fuel standards (LCFS) in the U.S. fail to consider the ever-evolving nature of oil sands technology and Canadian regulation of GHG emissions.

In 2009, Alberta's Energy Resources Conservation Board issued Directive 074, mandating industry-wide criteria for tailings management and reporting on modified tailings plans. Oil sands producers are also investing more than $1 billion in tailings research and upgrades to reduce tailings inventories and hasten reclamation.

Canadian oil – safely and reliably produced by a friendly neighbor – is vital to American energy and economic security, and should remain an integral a part of any smart U.S. energy policy.

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[1] Canadian Energy Research Institute, "The Impacts of Oil Sands Development on the United States Economy," October 2009.
[2] Ibid.
[3] IHS CERA, "Oil Sands Technology: Past, Present, and Future," January 2011.