

# Industry Expectations

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# Industry Expectations

- The opportunity to lead in the area of energy efficiency and set its own path
- To be part of the industry commitment to effective environmental management
- For efficient energy use to extend the life of facilities and the industry

# Industry Expectations

- Removal of regulatory barriers
- Improved public image of industry
- Economic benefits exist from efficient energy use
  - A 10 percent reduction in fuel gas consumption could result in a savings of more than 250 million dollars

# Fuel Gas Usage

## Upstream Oil and Gas

- In 2004 14.2 Billion Cubic Metres of Fuel gas used
  - Raw Gas (11.2 Billion Cubic Metres)
    - Batteries
    - Gas Gathering Systems
    - Gas Plants
  - Process Gas (3.0 Billion Cubic Metres)
    - Straddle Plants
    - Injection Facilities (Majority Insitu)

# Benefits to Albertans

- Albertans would benefit from fuel gas conservation
  - Increased sales → increased royalty payments
  - Reduced fuel gas combustion → reduced GHG's, VOC's, and NOx

# Barriers to Optimization

- Belief that fuel gas is free – midstreamers have a hard sell
- Lack of monitoring and benchmarking
- Rate of return for energy efficiency projects is low – lack of management buy in for these projects
- High rates of industry activity
- Limited staff expertise
- Lack of incentives

# Objectives

- Focus greater industry emphasis on energy use
- Remove barriers and promote benefits
- Develop recommendations on appropriate regulation and reporting
- Provide examples of successes and approaches for improving energy efficiency

- **Benefits of Reducing Fuel Consumption**
- Reduction in air emissions, CO<sub>2</sub>, NO<sub>x</sub>, CH<sub>4</sub>
- Improved conservation of resource
- Increased sales gas supply
- Demonstrated commitment to corporate environmental/sustainable development policies
- Raises company commitment to corporate stewardship
- Improved public image as public acceptance of perceived fuel waste is declining (i.e., anti-idling campaigns) in light of increasing recognition of supply challenges and increased costs of fuel
- Reduced operational emissions and related reporting requirements (NPRI)