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Chair

Mr. James Maloney

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● (0850)

[*English*]

The Chair (Mr. James Maloney (Etobicoke—Lakeshore, Lib.)): Good morning, everybody.

Before we introduce our witnesses and get started today, I just want to acknowledge the tragic event of yesterday. We lost a colleague and a good friend. It's incredibly difficult to process this. For me, I know that you don't always get an opportunity to get to know everybody on the other side of the aisle, but in this case, I did. Gord Brown was a very decent, kind, and fair person and I know, personally, that I'm going to miss him and that everybody shares that sentiment. I just know he's in all of our thoughts today and will be for a long time. I know all of us feel the same way.

Now, we'll move on to business. We have two sets of witnesses today, who are familiar with the way things work around here. I see some familiar faces. Welcome, gentlemen.

For the first hour, we have the Canadian Gas Association and the Canadian Electricity Association. You know the process, I believe, but each group will be given up to 10 minutes to do their presentation and then we'll open the table to questions. You can do your presentation in French, English, or both and you can rest assured that you'll be asked questions in both.

You gentlemen on my left look like you're ready to go, so why don't we start with Paul or Tim.

Mr. Timothy Egan (President and Chief Executive Officer, Canadian Gas Association): Thank you, Mr. Chairman.

Let me extend my sympathies and condolences as well in respect to Mr. Brown. I grew up in Leeds-Grenville, so had a chance to meet Mr. Brown, and I know the riding well. The riding loses a great representative.

Thank you for the opportunity to appear before you today. As noted, my name's Timothy Egan and I'm president of the Canadian Gas Association. With me today is Paul Cheliak, my vice-president of government and regulatory affairs. I have some prepared remarks that I'll read and then I'll be happy to take any questions.

The CGA is the voice of Canada's natural gas delivery industry. Our members are distribution and transmission companies, equipment and materials manufacturers and suppliers, and other service providers. Our product and our delivery system together offer an incredibly cost-effective means to deliver on key objectives on infrastructure, innovation, environmental performance, on the north, on transportation, emissions reductions, and more.

Today in Canada natural gas has a central place in our country's energy mix, meeting 36% of our energy needs. This means it's fulfilling more demand than any other energy form in Canada, more than electricity, gasoline, diesel, etc. Today over 20 million Canadians rely on and benefit from affordable, clean, safe, and reliable natural gas.

I want to speak to the benefits of national energy data and to highlight the users, their needs, and whether their needs are being met today. I also want to note some gaps in current energy data availability and to offer CGA's recommendations on the best practices for managing data going forward.

By way of context, CGA is itself a primary source and user of energy data. As a result of the wide use of natural gas, our member companies, the distribution entities across the country, have access to a vast network of important data and information related to energy end use across Canada. Currently, a substantial amount of this crucial data and information is collected by public institutions, including provincial and federal government agencies and energy regulators. In addition, industry associations like ours and our colleagues, the CEA, private companies, think tanks, and other non-governmental organizations are also collection points and providers of energy data and information.

CGA believes Canada, as a significant producer and consumer of energy, needs to have ready access to the highest-quality energy data that is available to all stakeholders. It's also necessary for the data to be accurate, impartial, and transparent. Particularly during this time when Canada is considering its strategic energy future, as well as its greenhouse gas reduction goals, this access to energy data is essential to ensure that Canadians' energy system is reliable, affordable, and resilient.

On the surface, the basic energy data and information needs seem simple enough. We need to measure and report a comprehensive set that can allow us all to understand the full energy value chain of energy resource extraction and/or production, energy product refining, shipping and transmission, and distribution and consumption. At each point along the energy value chain, we need to know some basic information. We need to know how much is produced, moved, or used; at what initial investment or costs; at what delivered price for the final consumer or energy user; and with what environmental impacts, such as emissions or waste, or life-cycle impacts.

The goal must be to eliminate any informational asymmetries and unnecessary confidentialities so as to allow all stakeholders to see, know, and understand Canada's energy circumstance. Once we have a common set of Canadian energy data and information as a reference point, we will be able to have the foundation we need to analyze, forecast, discuss, and properly debate key issues, and to develop a shared understanding of the entire dimension of what energy is and means to Canada.

However, right now Canada lacks that common point. The Canadian Gas Association believes that all Canadians need to have ready access to the highest-quality data and analysis via a single window energy data management capacity. In addition to a lack of some very basic energy data, there's the additional challenge that the disjointed nature of the current collection and reporting in Canada leads, in cases, to issues with data timeliness, quality, and accuracy. One simple example is the lack of any official public sector count of how many customers use natural gas. Statistics Canada doesn't report that number any longer. Natural Resources Canada has an estimated value, but its only via our organization, the CGA, that we collect this information. So, despite its being the most-used energy form in Canada, we have no shared understanding of how many homes, businesses, and industrial facilities are using our product.

● (0855)

Similar data and information gaps prevent a reliable and meaningful common understanding of how to better manage our energy policies, our energy development, and our energy use. Further, in many ways they prevent Canadian energy literacy and the opportunity for self-learning on energy.

The coordination of Canadian energy data collection and management is critical for Canadian energy decision-making and for public understanding. The U.S. has its Energy Information Agency, a source used by governments and industry around the world, and globally there exists the International Energy Agency. Both are highly regarded and in fact essential sources, but there is nothing comparable in Canada at present.

A single coordinated capacity focused on the complete and comprehensive provision of energy data and information would add numerous benefits, including ensuring the complete and efficient collection of all the necessary data and information; ensuring the highest level of quality assurance, accuracy, and data confidence; ensuring the quick identification and elimination of data and information gaps; ensuring a comprehensive, fully integrated, and internally consistent data resource; providing single, easy, open access to all Canadians of available energy data; providing tools for energy data analysis and a forum for related studies; and providing an independent source of data and analysis, free from any special interests.

In short, a Canadian energy data management capacity would allow Canadians to stop debating what the data is, and instead focus on what the data and information are telling us about how best to address some of the critical issues facing Canadians, our economy, and society as a whole.

In closing we offer three specific recommendations. One, that the Government of Canada work with the provinces to create an independent, one-stop capacity, to be the authoritative repository and conveyer of all energy data and information in the country. I note the aspect of working with the provinces here, given their significant constitutional authority over energy. This needs to be respected, and any energy data management needs to be done in a coordinated fashion with them.

Two, that the information and data this source collects needs to be available on an open data platform to all who choose to use and consult it.

Three, we need to strive for continual improvements in data timeliness, accuracy, and completeness.

Thank you, Mr. Chairman, for your time.

The Chair: Thank you very much.

Mr. Brown or Mr. Bradley.

[*Translation*]

Mr. Francis Bradley (Chief Operating Officer, Canadian Electricity Association): Thank you, Mr. Chair.

I thank the committee for having invited the Canadian Electricity Association to appear before you to discuss this important study on the current and future situation of national energy data in Canada.

● (0900)

[*English*]

I am pleased to be joined by Patrick Brown from Hydro Ottawa. Patrick is the manager of regulatory policy and research.

[*Translation*]

CEA is the national forum and voice of the electricity business in Canada. CEA membership is comprised of generation, transmission and distribution companies from across the country.

At over 80% GHG emissions-free and growing, the Canadian electricity sector stands ready to help fuel the transition towards a clean growth economy with the electrification of other sectors. Access to reliable and accurate energy information—information that is available in user friendly formats to the public, policy makers and industry—will be important in this transition.

[*English*]

Today I'll highlight some of the gaps in Canada's current national energy data collection system and propose a path forward: the creation of a Canadian energy information agency.

First, in terms of gaps, our current energy data collection system is complex, fragmented, and inefficient. Provincial, territorial, and federal levels of government all collect energy data.

On the federal side, complexity is exacerbated by the numerous departments and agencies responsible for producing energy information. Statistics Canada, the National Energy Board, Environment and Climate Change Canada, Natural Resources Canada, the Canada Border Services Agency, just to name a few, are all involved in the collection, analysis, and dissemination of energy data.

This has led to overlapping information requests and analysis with varying standards, definitions, concepts and timeframes, which can result in inconsistent data. It creates challenges for stakeholders utilizing national energy data. We thus recommend a coherent harmonization of energy data that would reduce confusion for the end user while at the same time improving the efficiency of collection.

In short, we need a one-stop shop.

Second, why is a streamlined, efficient, and effective data collection system in the national interest? I see two primary benefits. First, it could help improve both public and private decision-making; second, it will help promote public energy literacy.

Regarding the former, electric utilities use national energy data to inform everything from system planning to public information campaigns. Similarly, NGOs use energy data to keep track of our progress and to inform their recommendations to both government and the public. All levels of decision-makers, including international agencies and our North American counterparts, also use national energy information to guide policy-making.

Third, on the importance of energy literacy, an informed and educated public that grasps energy concepts and trends will be indispensable in our path towards a "clean growth" future. While efficient and effective data collection in itself will not guarantee energy literacy among citizens, it will provide the solid foundation from which to build. In being provided with access to coherent, credible, and independent information that represents both sides of policy issues in an easily accessible format, the Canadian public will be better placed to participate in our national energy conversation.

[*Translation*]

Fourth, Canada should look to its counterparts and learn from international best practices in national data collection.

Currently, the United States has an Energy Information Administration, the EIA, which collects, analyzes and disseminates independent and impartial energy information to promote sound policy-making and greater public understanding of energy and its interaction with the economy and the environment.

The EIA is independent of government and does not have to seek approval from any government office to collect, analyze, report or publish its findings. This model has done well and contributed to an increased understanding of energy issues in the U.S. The EIA pools together coherent and consistent energy data, standardizes definitions and collection methodologies, and has made it easier to report data.

● (0905)

[*English*]

Lastly, Canada should therefore create an energy information agency of its own.

CEA has long been advocating for the creation of an independent, non-partisan Canadian energy information agency. Recently, we reiterated this in our 2018 pre-budget submission to the House Standing Committee on Finance.

Indeed, CEA is not alone in this. Recommendation 1.3.1 of the report of the Expert Panel on the Modernization of the National Energy Board also pushed for it. At the Generation Energy Forum last year, Canadians also expressed the need for improved institutional structures and recommended establishing a data and modelling centre.

A CEIA would have as its sole purpose the collection, analysis, and distribution of energy information, ideally via regular public reports. The agency should consist of partnerships and information-sharing agreements between the federal and provincial and territorial governments, utilizing Statistics Canada for primary-source energy data or perhaps adopting this function itself.

The development of the CEIA should be guided by the following principles, namely, that we should facilitate the establishment of common definitions; ensure that appropriate safeguards and measures are in place to protect the sensitivity and confidentiality of data submitted by energy companies and other organizations; ease administrative burden by eliminating obligations to report the same data to different agencies; seek to ensure synergies with achievement of public policy objectives related to GHG reduction, climate change, and environmental protection; and finally, acknowledge the benefits associated with improved collection and dissemination of energy-related data from an economic-growth and investment-protection standpoint.

[*Translation*]

I would now like to invite my colleague from Hydro Ottawa to share a few thoughts on this topic from the perspective of a utility company.

[*English*]

Mr. Patrick Brown (Manager, Regulatory Policy and Research, Hydro Ottawa, Canadian Electricity Association): Thank you, Francis.

Hydro Ottawa appreciates the opportunity to participate today.

As you may know, Hydro Ottawa is the local distribution company here in our nation's capital. In addition to that core business activity, Hydro Ottawa also has a growing portfolio of renewable energy assets, including the Chaudière Falls hydroelectric station, located not too far from this building, as well as a growing portfolio of energy services.

To support our diverse business interests, we need high-quality information and take seriously the imperative to ensure that our customers and the general public as well have access to such information.

Regarding the proposal for establishing a Canadian energy information agency, Hydro Ottawa believes that the idea has merit and wishes to echo the principal recommendations that were just outlined by Francis.

With respect to how a diverse energy company like us would see this type of agency adding value and improving upon the status quo, we would offer the following thoughts.

We have experienced, and continue to experience, challenges with existing reporting requirements and processes that are in place with certain federal agencies.

We believe the public interest would be well served, especially in relation to energy literacy goals, by the establishment of an agency that is independent from government and has an exclusive mandate to collect, analyze, and disseminate energy information.

Finally, we do see a need for a broader range of federal government data products and services on a wide range of energy-related topics, especially in relation to renewable energy and electricity in general. Particular examples include developments and trends around electrification, electric vehicles, distributed energy resources, and electricity pricing.

With that, I will hand it back over to Francis.

Mr. Francis Bradley: In closing, as it currently exists, Canada's energy information collection system is inefficient.

[*Translation*]

A Canadian energy information agency could streamline data collection, facilitate greater evidence-based decision making by government and industry alike, and increase public energy literacy. Critically, a CEIA could also assist in our transition to a clean growth economy by enabling more accessible and reliable energy information sharing, and ultimately better energy policies and decisions.

[*English*]

While CEA strongly supports the creation of a CEIA, the concept is not without risk. If the CEIA does not streamline the federal data collection, but instead becomes just one more federal agency to which data must be submitted, then we will have missed the opportunity and will have exacerbated the problem instead.

I thank all committee members for your time, and we're happy to answer any questions you may have.

The Chair: Thank you very much.

Mr. Serré, you're going to start us off.

[*Translation*]

Mr. Marc Serré (Nickel Belt, Lib.): Thank you, Mr. Chair.

I thank the witnesses very much for their very specific presentations and their good recommendations.

Both of you believe that we absolutely need a central focal point, and that was very clear in your presentation. In our study we are examining that need, I think that you were very clear on that point. I also appreciate the fact that you presented the European point of view and that of the EIA in the United States.

My question is about the steps that need to be taken. Mr. Egan, your first recommendation concerns the provincial jurisdiction, which is important. Given today's climate, do you have specific recommendations to make to the federal government on behalf of your organization and all of its members on the need to engage the provinces and municipalities, and on the specific measures that need to be taken to encourage collaboration?

● (0910)

Mr. Timothy Egan: Thank you, sir.

If I may, I will respond in English.

[*English*]

I highlighted the provinces, given how much energy data collection they do on their own. As for what the federal government can do independently of that, as Mr. Bradley highlighted, a series of federal agencies currently collect data, and I think there is an opportunity to assess what data is coming from each of those agencies and the best way to coordinate that data collection from each of them.

I share the concern that what could happen here is that we create a new federal body that just duplicates the existing data collection capacities. That's another reason to make sure that we have the provinces in the conversation, because I think this entity needs to be independent of any one government. I think that's critically important.

We rely on several different federal departments and agencies for data in a variety of ways right now, but we also call on the provinces very regularly with respect to data collection. The economic regulators that I noted are those that oversee the activities of each of our members. The *régie* in Quebec oversees the activities of Énergir and Gazifère and their counterparts across the country. There's data in each of these points, and it needs to be brought together in a coordinated fashion.

My recommendation would be that the energy and mines ministers who meet every year, including this year in Iqaluit, make this a priority item for their agenda. In spite of experiencing political challenges at times, they've had great success in identifying specific initiatives to co-operate on, and they have a mechanism in place for such co-operation. I think they could lead on our response to this, and the independent entity that comes out of this could come from them.

The other thing I'll note is that I highlight capacity instead of agency, because we have to think about how we're using technology. The reality is that this data is online. It can be made accessible on the cloud, and there are ways to coordinate this that are cost-effective and respect the jurisdictional differences.

Mr. Marc Serré: That brings me to my second question, and I'll ask it first of Mr. Bradley, and then Mr. Egan.

We obviously talk about the data being transparent, accurate, and public, and your second recommendation, Mr. Egan, refers to open-source data. What would you say to your members in the private sector who are concerned about their competitive advantage if they shared this data? What are the recommendations around that framework so we protect the competitiveness of individual companies with respect to data?

Mr. Francis Bradley: That's one of the critical things we would be looking for—this agency or this capacity—to weigh in and balance it to ensure the risk protection of information. Again, it is a balance. There is a limit to what information, and how much information, should be provided. At the same time there is a requirement for information at an aggregate level for purposes of decision-making and public policy. Frankly, we're in the middle of these sorts of discussions right now with Statistics Canada with respect to some additional information they're seeking to elicit from our members. Honestly, regardless of whether there is an agency, that is an ongoing discussion. I think it's a discussion that will always take place; it's probably just becoming more so in the age we live in now when so much information is available online. It will be a never-ending source of discussion, although perhaps in this way it could be addressed in a more centralized and consolidated manner, at least with respect to energy.

● (0915)

Mr. Timothy Egan: I would underscore those points and point out that there's perhaps no better time to be looking at how to manage energy data, given that there's so much conversation about how to manage data in general in the public discourse. The principal concern would be privacy—privacy of individuals' data and privacy of corporate data for competitive purposes—and so rules of the game would have to be established from the start about how privacy is respected. I think we can gain a lot from the various other conversations about privacy that are going on right now to establish that.

Mr. Marc Serré: I have a quick question about Statistics Canada.

Should it be the agency that we look at expanding to play a national role in this? Would that be a part of your recommendations?

Mr. Francis Bradley: With respect to CEA's recommendations, we haven't offered an opinion one way or the other. We've suggested that an agency could lean on Statistics Canada as a source for some of the information, or that it could gather information itself. That frankly isn't a concern of ours, so long as the function itself is done in a coordinated and consolidated manner.

Based upon discussions we've had with others, we think this one's a bit of a no-brainer. There's a fair amount of consensus that we need to do better in terms of having national data, so I applaud the committee for taking the time to shine a light on this.

The Chair: Thanks, Mr. Serré.

Mr. Falk.

Mr. Ted Falk (Provencher, CPC): Thank you to our witnesses for coming. I enjoyed your testimony, and I think this study is important.

I want to follow up a bit more on Mr. Serré's questioning.

As you were both presenting here, I had similar questions going through my mind about the competitiveness of the energy industry in Canada. The word “transparency” keeps coming up in your and previous previous presentations to this committee. Everybody wants to be transparent with everything.

I don't get the sense that anybody's trying to eat anybody else's lunch here. I don't sense a competitive environment for any particular industry in the energy business in Canada, or that the gas industry is trying to muscle away some of the electricity industry's business. I think it's as though everybody is content here.

You talked about transparency, and I'm wondering where the competitive advantages are. Where's the proprietary information that you want to guard? It sounds as though there is none. It sounds like, “Our books are wide open. We want to share everything, and everybody is going to live in peace and harmony together.”

Can you expand, Mr. Egan?

Mr. Timothy Egan: Absolutely.

Mr. Chairman, I'm very interested in eating the electricity industry's lunch, if I can.

Voices: Oh, oh!

Mr. Ted Falk: I appreciate hearing that.

Mr. Timothy Egan: Don't assume that my remarks suggest otherwise.

Mr. Francis Bradley: We have common members.

Mr. Timothy Egan: We have common members.

Both of us represent industries that are regulated monopolies, so competition between my members and, if I might be so bold as to say, competition between Mr. Bradley's members doesn't occur, because they are regulated monopolies. However, we do in fact compete with each other, and we do compete with other energy sources for the provision of energy services.

We care a lot about competition. We're very concerned about competition. The issue here is not about, does creating an energy data management capacity mean you're going to be obliged to share your strategic plans about how to grow your customer base. No, I don't think so. Does it mean you're going to share details on who your customers are, what their rates of growth and energy consumption are, and where they're going? I don't think so.

I think what it really means is, as I noted, what's our resource base? Is there a single, comprehensive, transparent assessment of what our resource base is in the country? Is that widely available? What are our current rates of production from that resource base? What are our current rates of consumption from that resource base? I think there's a line, and I don't mean to suggest that it's not a line that our members care a lot about in terms of competition. I think you can talk about whether there is a level playing field of information that can be available to all so that we can then all pursue our competitive interests.

I would also argue that having that level playing field of information is important for you as decision-makers, in order to create the most effective policy framework. When we don't have an effective policy framework, it's that much more difficult for us to compete as well.

● (0920)

Mr. Ted Falk: I appreciate that answer, and I'll ask Mr. Bradley to follow up on that as well.

Certainly I think there needs to be that competitiveness. When, as you indicated, we have lots of monopolies in various sectors here, I think there is a tendency for folks not to necessarily seek out the efficiencies that could be driven out of any particular industry or energy provider.

I appreciate hearing that you would like to steal some electricity companies' business. I don't get that sense a lot. In fact, I'm always perplexed when I get my bill in the mail, and my hydro company is telling me ways I could use less of their product. I'm a businessman. I don't tell any of my customers, “By the way, if you do this and this, you don't have to use as much of my product as I'm currently selling you.” Something doesn't feel right about that scenario.

Mr. Bradley, maybe you want to speak to that.

Mr. Francis Bradley: Sure.

It is an interesting dynamic. What it speaks to is the transformations that are already starting to take place in the electricity business. I would liken it to where telecommunications was 20 years ago. Wireline telephone service was a monopoly and it still is today, but guess what? They have a lot of competition and it came from people outside.

There are a number of reasons that companies will engage in energy efficiency programs and promoting these to customers. Often, it has to do with public policy objectives that have been set by provincial governments and regulators. The other side of it is that, for some companies, it is also a customer retention strategy, as they're looking to the future and anticipating that there will be some new players in the marketplace. Yes, it's a regulated monopoly, but the competition is going to be coming from interesting places. It's going to be coming from Tesla, which is going to want to put in power walls. It's going to come from people who will bring in new distributed energy resource options. It is in the interest of the incumbent companies to continue to build that relationship with the customer. In some instances, that means helping the customer to be more efficient. It may sound a little bit counterintuitive that we'll help you to use less of our product, but the subtext of that is that you're using our product.

Mr. Ted Falk: I understand that.

I want to follow up on a comment you made.

You talked about the U.S. system and the Energy Information Administration in the United States. I got the impression that you were quite fond of the model of information gathering they have on the U.S. side.

Do they not have to provide information to any other jurisdictions, as an energy industry outside of the Energy Information Administration?

Mr. Francis Bradley: I am not that familiar with that organization. I understand that there will be—

Mr. Ted Falk: No, I'm asking about this in relation to your American counterparts. Do your American counterparts only have to provide data to the Energy Information Administration in the United States or do they have to provide data to other jurisdictions? You referenced the CBSA, and the provincial, territorial, and federal levels. Is that the experience of your American counterparts too, or do they just have to provide the information to this one agency?

Mr. Francis Bradley: They will provide information to other agencies as well.

Mr. Ted Falk: Okay. So, that—

Mr. Francis Bradley: That national level organization is the definitive organization for providing information back out. We're not suggesting that we would create an agency in Canada and that it would mean that we then don't have to report anything, anywhere, ever again. We realize that there are always going to be other requirements.

Mr. Ted Falk: Different jurisdictions have different objectives in information gathering. Is that right?

Mr. Francis Bradley: Yes. Absolutely.

What we would have ideally, though, at least is consistency in terms of what the definitions are and consistency in terms of the data, because we don't even have that now. Frankly, we have inconsistencies in the national information provided to and then pumped back from Natural Resources Canada and Statistics Canada, for example. We don't even have it at the national level, much less between jurisdictions.

The Chair: Mr. Brown looks like he wants to weigh in.

Mr. Patrick Brown: Thank you very much.

With respect to our counterparts in the U.S., there are reporting obligations to the EIA, as well as other government bodies, such as the Federal Energy Regulatory Commission, as well as state utility regulators. Our understanding from engaging with our counterparts, however, is that they do have an improved culture when it comes to sharing information between state and federal level agencies. That's perhaps a practice or a model we should consider emulating here.

● (0925)

Mr. Ted Falk: Right.

The impression that I had from your presentation—

The Chair: I'm going to have to stop you there, Mr. Falk.

Mr. Ted Falk: Oh, really. Man, I was just getting going here.

Voices: Oh, oh!

The Chair: I hate to do it, but I have no choice.

Mr. Ted Falk: I thought maybe because Jamie wasn't here, you'd kind of cut me more—

Mr. T.J. Harvey (Tobique—Mactaquac, Lib.): If I were chair, I'd let you go on.

Mr. Ted Falk: Thanks, T.J.

The Chair: Are we done now?

Mr. Cannings, we'll move over to you.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Thank you all for being here today. It's very interesting to hear your points of view on this. I'm actually quite heartened to hear your comments on a central one-stop-shop, easy-access point for data so that we can all have good data we can agree on.

In my previous life I was an ecologist and involved in a lot of provincial, national, and continental-scale ecosystem planning processes that involved trying to get data from all these levels of government and industry. It was a nightmare. I would have thought that something a little simpler than an ecosystem, when you're just talking about energy, would be in better shape. I guess I can understand your and everyone's frustrations frustrations and why we want to move in this direction.

You've outlined how complex the situation is. In Canada we have a federation in which the provinces have a lot of powers over energy, we have regulators who are at arm's length from the provinces, and usually we have industry associations such as your own for individual industries.

We'll have to develop regulations on how the data should look, how it should be collected, how it should be distributed, when it should be passed on to another agency. How complex would that process be? Who would be making those regulations and enforcing them? Is it the federal government? Can the federal government do all that itself, or will it rely also on the provinces and the regulators?

Mr. Timothy Egan: I suggested that a conversation occur between energy and mines ministers across the country, because I think there should be a coordinated conversation on this. I suspect that what will come out of it is some kind of common view about what the capacity should look like, and then policies, regulations, and legislation would follow accordingly, provincially and federally.

I suspect there might be some minimum data requirement provision for any entity that is a participant in the energy market, as part of this. It could be under provincial regulation, or it could be under federal regulation. To be honest, I haven't thought through the specifics of the regulatory framework for designing this kind of thing, but I suspect that there should be something at provincial or territorial and at federal levels.

Mr. Francis Bradley: I would agree entirely. For this to work, it's going to have to be done in a co-operative and collaborative manner. We've suggested that there will be a need for formal agreements between the different levels of government, ultimately, whether the tool to move forward with is the EMMC, or some other method. Nonetheless, the leadership, I think, has to come from the Government of Canada.

Mr. Richard Cannings: I want to move back to Mr. Egan and talk about something he brought up here that certainly surprised me, and may have surprised everyone here.

You said that in Canada we have no shared understanding of how many homes, businesses, and industrial facilities use natural gas. That was a real surprise to me.

I wonder whether you could elaborate on that and explain why that is and where the pinch points are. What's not happening?

Mr. Timothy Egan: We obviously have a good sense of how many customers each of our members has, and we can create a cumulative list from that. There are entities in Canada using natural gas that are not our members. Obviously, we don't have a sense of how much is being used there; we would look to others to find that information.

Where are we going to find it? There isn't a single point for it. In each province it might be collected by a different body in a different way. We can give you a rough, general sense, but we can't be particularly precise. I think we should be able to be more precise than we are.

I can tell you that there are roughly seven million customers for natural gas, and as I noted, it represents a customer base of about 20 million Canadians, because each customer has a meter and we know how many meters our members have.

● (0930)

Mr. Richard Cannings: This is a case where someone who wanted to do it for a Ph.D. could find out a pretty good number, but it's not easily gathered in our present system.

Mr. Paul Cheliak (Vice-President, Government and Regulatory Affairs, Canadian Gas Association): May I just jump in to provide a bit of history here. Statistics Canada used to collect that information through a survey. That specific data collection point was eliminated about 18 months ago. We used to collect it but we don't anymore. I think part of the systemic challenge here is that, at times, decisions are made about what energy data we're collecting or not collecting and there isn't necessarily a broad consultation with industry about what we're collecting and why we're not collecting it. Natural gas customers are just one example where we did collect it, but we don't anymore. We're not totally certain why that decision was taken, but that's the kind of thing that an agency like this could help us by avoiding making decisions like that. I say this because now to restart it, it will take a whole other process just to get that survey back up and running.

The Chair: You have one minute.

Mr. Richard Cannings: Could any of you comment very quickly or provide any specific examples of unnecessary confidentiality? I ran into it a lot in my previous life.

Mr. Patrick Brown: Sure. From the perspective of a local distribution company, matters of confidentiality arise, first and foremost, when customer information is involved. I can give you a specific example that we've been addressing with Statistics Canada for several months. The nature of the request was such that there didn't seem to be an understanding of the sensitive, confidential nature of the information they were requesting. It was the names of specific businesses, their locations, their individual consumption, and their points of contact. We tripped up over that significantly, and that's continuing.

Companies like ours understand that there's a public interest in sharing our consumption and delivery information at an aggregate level; there's no quibbling about that. We get hung up with customer information. It seemed like, in this and other instances, that Statistics Canada was not sensitive enough or attuned to that particular principle and prerogative. It would be helpful if we were engaging with folks from federal agencies who already had that type of understanding. Perhaps that comes with a better expertise in the industry and how it operates.

That's one example for your consideration.

The Chair: Mr. Tan.

Mr. Geng Tan (Don Valley North, Lib.): Thank you, Chair.

I will be sharing my time with my colleague, T.J., so I will ask just one question of the Canadian Electricity Association

Mr. Bradley, in your statement you mentioned the importance of having access to effective energy data and the importance of sharing data. I want to ask a question about data from another angle: the quality of the data. In a white paper called “Data to Wisdom”, published by your association together with some other firms, your association notes that poor data has impacted virtually all companies, including utilities, The paper indicates that poor data quality costs U. S. companies over $3 trillion annually and that in Canada alone, bad data may cost organizations about $300 billion every year.

If we consider that our annual GDP in Canada is $1.5 trillion, this $300 billion represents almost 20% of our GDP. I'm not trying to question the accuracy of this number, but it is a big problem. How do we address this problem? In your opinion, do we have the resources and a strategy to address this problem? How can we make sure that the accuracy and independence of the data are maintained?

Mr. Francis Bradley: That is a terrific question. It is central. The short answer is, no we don't have the capacity to be able to fix data quality—certainly not specifically in Canada. This is a universal problem. Every jurisdiction and economy has to deal with it, and is dealing with it. As for what you can do about it, we sponsored this paper and continue to sponsor other work in this area to try to improve data quality. I'd have to go back to the authors on the specific cost that was cited in the paper, but there is no doubt that poor data quality already is a problem and that as we move increasingly into a more digital future, the importance of data quality is only going to increase exponentially.

This is also one of the reasons we've included that concern about data quality if we move forward, potentially, with an agency in this area.

● (0935)

Mr. Geng Tan: Thank you.

T.J.

Mr. T.J. Harvey: I want to touch on something that my colleague, Mr. Falk, had mentioned earlier. I think we have a shared background of being in business. In business, data is key to everything. For small businesses, medium-sized businesses, large-sized businesses, data is your most important point. You're never going to grow without accurate and timely data.

It always baffles me as why municipally, provincially, and federally it's such a challenge for governments to deal with this data issue, because companies deal with it on a multi-billion dollar scale every day and control it and utilize it to their advantage to help grow their businesses.

My first question is for Mr. Egan or Mr. Cheliak.

Do you believe that an independent agency like the U.S. Energy Information Administration would be a more appropriate tool to deal with data collection on a Canadian scale? This would be a made-in-Canada approach to dealing with data collection across the energy spectrum. It would ensure not only that we're getting the appropriate data in a timely manner, but also that we're able to utilize that data to make conscious decisions about how our energy strategy moves forward over the next 10, 20, 30, 40 years. It would take into account the fact that we have provincial jurisdictions that we need to recognize and honour, and that to give that broad, overarching support to the provinces, we need to have a unified approach to data, one that recognizes that industries from across the spectrum will benefit from having accurate and timely data, and that we are not pitting one part of the energy sector against the other, but allowing all of them to flourish through the use of appropriate data.

Mr. Timothy Egan: I think the short answer is yes.

Mr. T.J. Harvey: That was what I wanted.

Mr. Timothy Egan: There's a lot behind that as to what the entity would look like, how it would be structured, and how you would hammer out the details and description of the assets and resources, and so on. These aren't necessarily easy questions. They're different analyses that are brought to the table, but, yes, we need to do this.

I would argue that it's fundamental to competition to have this. Right now, to speak from a very selfish perspective of my industry's interests, Canadians have very little understanding of the value proposition of natural gas. If there are better datasets out there that are seen as independent and credible, I think it would deeply improve that understanding.

I appeared before a Senate committee a couple of years ago, and the chairman of the Senate committee that was doing an energy study asked me why I was appearing. He said he was a member from the province of Quebec and Quebec didn't use fossil fuels, that Quebec was dependent on hydroelectricity. I had to point out to him at the time that a majority of Quebec's energy came from fossil fuels. We have challenges.

Mr. T.J. Harvey: Just to that point before I run out of time, you do agree or you do believe—and I'll ask this of Mr. Bradley as well—that an arm's-length organization that specializes in the collection and maintenance of that type of data would probably be a more appropriate tool than utilizing an existing entity?

Mr. Timothy Egan: I do.

Mr. T.J. Harvey: Mr. Bradley?

Mr. Francis Bradley: Yes. Agreed.

Mr. T.J. Harvey: Thank you, Mr. Chair.

The Chair: Thank you.

Mr. Bernier, you've got just less than five minutes.

● (0940)

Hon. Maxime Bernier (Beauce, CPC): Merci. Thank you very much.

On that idea of how a new entity could deal with this challenge, as you know we are in a federation and we have to collaborate with provincial and municipal jurisdictions. What happens right now, I've been told, is that the entities that are in charge of collecting data have mutual agreements between each other to have more data or to be able to share the data that they have at the provincial level with the federal level, or vice-versa. Do you think these existing agreements to share data between organizations are working or that we can improve them instead of having only one agency to will deal with it?

Mr. Timothy Egan: I refer to it as an independent capacity. I haven't used the word “agency” for that reason, because I'm not going to commit to a particular entity as the sole vehicle. I think that capacity needs to be independent, if I've picked up on Mr. Harvey's point. I think it needs to be separate from some of the other federal agencies, again to pick up on his point.

Mr. Bernier, if there's a means to expand existing agreements to ensure that this capacity is more robust, then we're certainly prepared to entertain that.

Again, I highlighted the need to respect the jurisdictional authority and existing roles of the provinces in this. What needs to be done, though, is to make every effort to ensure that the various bilateral agreements are as consistent as possible so that we are dealing with a uniform series of definitions, uniform terms, etc. If we don't do that, then we have a series of very different conversations going on about data.

Hon. Maxime Bernier: The best solution would be to have a private sector entity collaborating with provincial and federal organizations with a strong mandate from the federal government.

Mr. Timothy Egan: I see no reason why this enterprise couldn't be a private sector enterprise. We haven't committed to a public or a private entity, but there's no reason this couldn't be a private entity.

Hon. Maxime Bernier: If it's private entity, must it be funded by the private sector, or also by the government?

Mr. Timothy Egan: Insofar as we're subject to a host of federal and provincial regulations and policies that compel us to present information to those federal and provincial agencies, there should be some corresponding underwriting of the cost of data collection, because there's a public interest dimension to it. It doesn't need to be exclusively a public sector cost.

[*Translation*]

Hon. Maxime Bernier: Long ago, the National Energy Board recommended that the federal government create an independent Canadian energy information agency. This goes back several years. I imagine that you are in complete agreement with the idea of having an independent, perhaps ideally private agency funded by public or private funds. Is that correct?

[*English*]

Mr. Timothy Egan: Yes.

Hon. Maxime Bernier: Do you want to add something about that?

Mr. Patrick Brown: One piece of information I would give for the committee's consideration is that there is empirical data out there in the public domain that suggests that members of the public are more inclined to regard information coming from public sector sources as credible and trustworthy. One example that I would lend to the committee's consideration is some research by a gentleman named Mike Cleland, who I think is familiar to many of you. At the University of Ottawa, he's done some fantastic research for the Canada West Foundation on energy decision-making.

One report that he released in November 2016 looked at specific energy projects were being developed in Canada. Members of the local communities where those projects were being developed were interviewed to get their opinion on what sources of information they wanted for the particular project and which sources they saw as most trustworthy and credible. There were federal and provincial governments, municipal governments, the proponent, NGOs, and the energy regulator involved. In all four projects, federal and provincial governments ranked the highest, so there should be a recognition that in many instances when you're dealing with specific projects and local communities and the general public more broadly, there is a sense that public sector agencies providing energy-related information do rank very highly in terms of trustworthiness and credibility.

● (0945)

The Chair: Thank you.

Do you have something to add quickly?

Mr. Timothy Egan: I appreciate the reference points and public perceptions. However, I don't think we should take those reference points as definitive for what the vehicle could be. Again, I see no reason this entity couldn't be a private sector entity. What is required for public credibility is clarity around rules of the game. How is data being collected. Is that transparent? How is the data being managed. Is that transparent? There's no reason the enterprise doing that couldn't be a private sector enterprise, and I think you could have public support for that.

[*Translation*]

Hon. Maxime Bernier: Thank you.

[*English*]

The Chair: Gentlemen, thank you very much for joining us today. It was very interesting. We never have enough time to get through all the things we'd like to, but that's just the way it is, unfortunately. We're very grateful.

We'll suspend for about two minutes while we get the next two witnesses lined up, who will be joining us by video conference.

● (0945)

(Pause)

● (0950)

The Chair: We're all set to resume here.

We are joined by Mr. Conti from the U.S. Energy Information Administration, and Duncan Millard from the International Energy Agency.

Can both of you gentlemen see and hear us okay?

Mr. Duncan Millard (Chief Statistician and Head of the Energy Data Centre, International Energy Agency): Yes. It's Duncan Millard here. I can hear you very clearly, thank you.

The Chair: Perfect, thank you.

Each of you will be given up to 10 minutes to make a presentation, and then we will open the table to questions for both of you.

Mr. Conti, why don't we start with you.

Mr. John Conti (Deputy Administrator, U.S. Energy Information Administration): Good morning, members of the Standing Committee on Natural Resources. Thank you for giving me the opportunity to appear before you today to provide testimony on the roles and responsibilities of the U.S. Energy Information Administration.

I believe strongly in the value of relevant and credible national energy information in developing national and international energy policies. I am proud that the EIA plays a significant role in providing that kind of information. EIA is the statistical and analytical agency in the U.S. Department of Energy. It was created by federal statute in the late 1970s with a mission to collect, analyze, and disseminate independent and impartial energy information to promote sound policy-making, efficient markets, and public understanding regarding energy and its interaction with the economy and the environment.

EIA is the primary source within the U.S. federal government of energy information and, as firmly established within the law that created EIA, its data, analyses and forecasts are independent of approval by any other officer or employee of the United States government. The EIA is headed by an administrator who is appointed by the President and confirmed by the Senate. The administrator is the only political appointee at EIA, and the EIA's independence is vested directly in her. Every nominee for the position of administrator has been asked during the confirmation process in the U.S. Senate to commit to upholding EIA's independence, regardless of the party of the President or the leadership of the Congress.

My statement will provide an overview of EIA's stakeholders, organizational structure, and data collection and analysis. A wide range of stakeholders makes use of EIA's energy data and projections, which we generally make available through our website, www.eia.gov. Our 2017 web survey found that most active users of the website included interested business and industry, private citizens, and consultants and researchers, who together made up two-thirds of EIA's website customers. Other important users identified themselves in the areas of education, finance, energy, and government.

EIA data and analyses meet many of the diverse needs of our stakeholders. For example, business, industry, and financial professionals require good information about production, consumption, and prices to develop their own strategies and processes. Policy makers and interested private citizens need contextual information about energy activities and markets, and the opportunity to examine trends that affect their lives. Even consultants and media who are in business to produce their own energy data analysis need some of the statistics we produce to provide context and benchmarking for their work.

In fact, although media made up only 2% of our web users, it represents another important channel for disseminating EIA analysis and statistics. Many of our reports, data updates, and forecasts are actively used by trade and public press. By focusing both on statistics and their interpretation in the service of providing context about energy, EIA's work is accessible by a wide range of users, and consequently helps inform a wide variety of interested stakeholders.

EIA is organized to develop and integrate its statistics and forecasting into useful information, disseminate that information effectively to interested stakeholders, and manage its internal operations. To do that, EIA is organized into four offices. The two largest, the office of energy statistics and the office of energy analysis, focus on developing statistics and forecasts respectively, and on developing interpretation and analysis of their implications together. The office of communications focuses on the dissemination of our products, and the office of resource and technology management manages the budget, procurement, and technology.

I'd like to describe our approach to statistics, forecasting, and analysis in a little more detail.

As an official government statistical agency, EIA is dedicated to producing objective energy data that are relevant to market and policy questions. That means maintaining a strong commitment to the principles of official statistics as interpreted in the United States and as applied to all federal statistical agencies. The significant components of these principles include producing relevant, objective data; establishing and protecting credibility with data users; maintaining trust with data providers; and clearly operating outside political influence.

EIA has developed its statistical program in the context of U.S. law, with the U.S. Office of Management and Budget implementing standards and guidelines, and EIA implementing these standards and guidelines independently.

Maintaining effective and efficient management systems is an important component of EIA's statistical systems. We have developed a view of a statistical life cycle for identifying important information, developing efficient strategies to provide useful information, disseminating that information, and evaluating the results.

● (0955)

Our approach has been heavily influenced by international practices, and we've made good use of what we've learned from Statistics Canada, from the UN Oslo group work, and the International Energy Agency, among others in developing our life cycle.

In recent years this has led to increased use of third-party data sources, including administrative data, close-to-real-time business operating information, and crowd-sourced data, to bring vital energy context and information to our stakeholders. The role of official government statistics is often to provide timely and accurate information that is difficult to get.

For example, in the past few years EIA determined that it needed to introduce a monthly oil production survey to keep up with recent U.S. oil production growth. Prior to the EIA survey, oil production information had been estimated from state data. When the new survey was released, issues with some of the previously used administrative data became clear, and everyone's understanding of oil production in the United States improved significantly.

In total, EIA produces approximately 57 surveys and other data collections, with regular and irregular cycles ranging from one hour to four years. They cover a varied landscape of energy facilities, types, and uses. Often, these parts of the overall energy landscape don't seem to have much relation to one another, but we find that a working understanding of the pieces that make up energy in the United States and a focus on how they fit together brings genuine insight into our work, making all the parts work better.

Another important dimension to EIA's collection of energy data is our effort to look all along the value chain. This is evident from our weekly petroleum stocks report on Wednesday mornings and our natural gas storage report on Thursday mornings, which are known for routinely moving their respective financial markets.

The EIA's consumption surveys, which are among the most difficult and expensive and least regular, are acknowledged to provide information about energy consumption for industry, residential, and commercial sectors that is virtually unmatched in the world and invaluable in understanding those sectors' energy use.

The changes in commercial and residential consumption patterns in just the last decade are notable. The rapid expansion of distributed, off-grid solar photovoltaic systems for commercial and residential customers is changing utility planning in some areas.

In addition to energy statistics, EIA prepares a short-term domestic energy outlook examining monthly trends over the next one or two years and a domestic and international energy outlook with annual projections over the next 20 to 25 years. Also, when requested by congressional committees or the administration, EIA develops forecast analyses around other energy issues.

EIA derives tremendous value from both operating as a statistical agency and having a mission for forecasting analysis. Each side benefits. EIA forecasting has access to well-organized detailed statistics about U.S. energy activity, often having had input to the survey design.

EIA's reference case analyses and outlooks are developed using current laws and policies. This provides a common framework against which policy changes may be transparently assessed through sensitivity cases, using methodologies that are accessible and well documented for EIA stakeholders.

EIA statistics benefit from being combined with forecasting analysis as well. Our forecasters are deeply engaged in trying to understand energy activity. As a consequence, their identification of information needs tends to be closer to the cutting edge of new issues. That kind of feedback is invaluable in planning a relevant energy information program.

EIA's place as the recognized source for U.S. energy information over its more than four decades of existence arises directly from the intersection of statistics, analysis, and independence in its mission and operation. The legislation that created EIA enables it to propose what data is needed to serve its missions to perform analysis that policymakers and markets rely on and to solicit stakeholders' views while maintaining its independence.

Combining statistics and analysis in one governmental organization has worked well for the United States. As you consider a framework for providing Canadian government energy information, I would urge you to consider our experience with that combination and the value it has added for us in our work.

I'm happy to answer any of your questions.

Thank you.

● (1000)

The Chair: Thank you, Mr. Conti.

Mr. Millard.

Mr. Duncan Millard: Good afternoon from Paris, and thank you very much for the invitation to provide some input for you. I'm Duncan Millard, the chief statistician at the International Energy Agency, and former chief statistician of the Department of Energy & Climate Change in the U.K.

I hope to bring some international and national experience to try to answer, firstly, the five questions you've asked me, and then, obviously, to contribute to any follow-up questions.

To start, one of the points was about the benefits of energy statistics and I think they need to be very clear to everybody. These days, energy underpins all social and economic activity. Therefore, the need for energy security, the need to understand energy, and the need to properly understand where energy comes from for businesses, investors, and the public are all very clear.

The need for energy data is also expanding. Maybe some time ago we were just looking at energy security and perhaps production, but now, increasingly, we're looking at the growth of renewables, energy efficiency, prices, and investment. This is perhaps particularly so in a country such as Canada where the data we discovered shows that energy relates to about 7% of GDP and about 18% of exports; and for consumers, energy and transport spending is around 6% of total household expenditure. So energy is very important there.

Energy is also very important for Canada in the international context. Again, using our global data, we can see that Canada is the second-largest producer of hydro, fourth-largest producer of crude oil, fourth-largest gas producer, sixth-largest nuclear producer, and seventh-largest wind producer. It's very clear that energy is very important to Canada and all Canadians.

The next question was about meeting user needs. It's very clear that the users have a variety of needs, but they also have a variety of needs to get the data. There will need to be different dissemination strategies used, and we're discovering an increasing use of social media as a means of getting information to consumers.

Overall, with energy information, you can think of the energy balance as being the fundamental framework for it, bringing together the production, transformation, and final use of all energy types in a framework where the interactions between them all can be understood and data quality can be improved through an energy balance.

Linked to that, this data is supported by information on energy prices, RD and D, and also bespoke policy monitoring, and it's worthwhile just saying a little thing about the role of the statisticians in policy-making.

If you think about a normal policy development cycle, you can think about the step of understanding the need for a policy, and one of the questions might be, is there a policy gap or is there an information gap? You can think of the development of policy and starting to appraise ideas in terms of how the outcomes of a policy might be monitored, and what the baseline is for moving that data forward. You can think about preparing for delivery and the potential need to undertake a pilot of the policies and put in place the policy and monitoring framework. Then, of course, there is the final stage, during and after the policy is running, the need to monitor and evaluate the policy. Thus, a very important question is the extent to which statisticians and energy data are being used effectively in policy-making.

The next question raised was around gaps in energy data. Of course, I'm not in the position to answer a question on gaps from the perspective of the Canadian government or the Canadian people, but perhaps I can make a few reflections from the point of view of the IEA.

We've been working very closely with colleagues in Statistics Canada and NRCan for many years to try to improve data, and we're very grateful for their continuing support in working with us. We do note potentially two larger issues, firstly around timeliness. Our deadline for data is September, and often our colleagues in Canada are not able to meet that. Other countries aren't either, but we just note that. I don't know if that's the same issue in relation to information for Canadians.

There's also the issue that I'm sure you're all very familiar with about confidentiality, where data exists but ultimately it has to be estimated because of statistics laws that are in place.

● (1005)

There are a number of other issues. There are some issues around data weaknesses where we notice specific issues about our electricity supply and demand, or notice a growth in distribution losses. Again, if that is a genuine trend, it's a policy area that might need to be addressed.

There are potentially some survey gaps. Most notably, a concern for us would be the non-reporting in some aspects of the oil industry. There are also some issues about comprehensiveness of data. One small example here would be that we're not currently able to get a breakdown of the combustible fuels used for electricity generation on a monthly basis.

We also know that going forward there's an increasing need for data. If I look globally at what the needs are—and I'm sure they also apply to Canada—there's an increasing need for energy-induced data, for understanding how and why energy is being used and not just that it is being used; there are the challenges of off-grid generation and of energy consumers increasingly being producers of electricity; but there are also opportunities around open data and digitalization.

Then there's thinking about some best practices for data systems. A very clear point to emphasize here is that we deal with many countries with many different models, and there is no one best-fit model, but there are some common features that feature in the ones that are the most effective.

It's perhaps first worth thinking about the Fundamental Principles of Official Statistics, a very good document endorsed by the UN, which also talks about the need for data and the importance of the independence of statistical functions in terms of methodology and dissemination, but also about the need for coordination across ministries and other organizations to achieve the best practice data.

We note that generally data systems that are good are focused, they collect only the data needed, they maximize the use of that data so that it's collected once and used often, they use administrative data where available, they have a proper legal basis not only covering reporting and dissemination to an agreed timetable but a published legal basis so that everybody can understand. There are resources there—statistical work can cost money, and these are properly resourced. Also we see that they are ones that review their methodology. Statistical methodology and approach has to change as the market changes: surveys need to be reviewed, and the best ones will continuously do that.

Systems that work along those principles are generally able to meet the data needs of the users, and user feedback is of course very important.

I'll offer perhaps just a couple of words on sharing data across government. This is an area we work on with many countries, and it is seen as an important area. Canadians perhaps are like many citizens of the world and would view government as a single entity. They may appreciate, of course, the difference between the provincial government and the national government, but to many citizens, from what we understand, government is one organization. There's a certain understanding, though, that maybe there should be decent co-operation among government departments and ministries.

Of course, some data needs stronger protection. Tax and health data are two examples of this. There are, however, many examples in which data can be shared either at an aggregate level or an anonymized record level and can thereby really boost the understanding and the ability to produce more comprehensive energy data. Such systems often require memoranda of understanding between ministries to achieve this, but generally those that use them achieve a reduced burden on business and a reduced burden on households to comply with data.

Finally, I was asked to make some recommendations or offer some thoughts. I should start with a very important point. Globally, Canada has a very strong reputation for overall statistics. We're also very keen to see visibly—visibly to us—the strong co-operation that we see between the various parties.

If I think, however, from where we are and from our understanding of the data, about some of the issues that could be coming forward and therefore some of the recommendations we might propose, it's first to understand the user needs—what data are needed at the national, provincial, and federal levels—and then how to assess the data availability from all sources, including administrative data, and then to do a data map of the way the data meets the users: are there any gaps in the data, or are there areas of duplication?

● (1010)

Then, you need to think about the clear responsibility of who is doing what. That clarity is very important. It should again help avoid any duplication, or help identify the gaps. It's often the case that some sort of governance structure across senior representatives of the ministries or agencies involved can be helpful in bringing everybody together. In the Canadian situation, it would likely include the provinces as well.

Our stress would be to focus on improvements in data rather than the structures of organizations. We would like to think of all parties involved as being part of an "energy statistics Canada", with everybody involved in the production of data to meet the users' needs across Canada and internationally.

Naturally, we in the IEA are very happy to continue to provide support, technical advice, and any other assistance that would be of use to Canada in helping you improve the energy data you have.

I hope that was helpful. I'm delighted to answer questions.

The Chair: Thank you very much. It was indeed helpful.

First is Ms. Ng.

Ms. Mary Ng (Markham—Thornhill, Lib.): Good morning, gentlemen.

Thank you very much for joining us this morning and sharing the benefit of your expertise and experience with our committee. As you know, we're trying to understand, through this study, how we might improve and go forward with our energy data here in Canada.

I'll start with our wonderful colleague in the U.S.

By way of very quick background for you, a lot of testimony has indicated that we are gathering a lot of data. There's a lot of data coming in that's collected at the federal and provincial levels. It's collected by stakeholders and industry and so forth. Clearly, your agency has the responsibility of coordinating, analyzing, and then disseminating that data.

Prior to having that centralized approach, can you talk to us about what some of those challenges were? In other words, were you experiencing what we seem to be experiencing here by way of challenges?

Mr. John Conti: I think I can answer that question, but it might be in a slightly different way from what you'd expect.

There were a few predecessor organizations to the EIA, but its creation in 1977 was the result of the OPEC oil embargo. The U.S. government and the Congress were getting information, mostly from oil companies, about energy data. They didn't have a source to get its own energy data. Everybody was skeptical of the type of information that was provided by oil companies that had their own interests in providing this data.

The motivation for establishing an agency like EIA was independence, so that it not have any ulterior motives in its collection process, and to be able to collect in a systematic way across all the different sources and uses of information.

Ms. Mary Ng: Thank you for that.

Can you help us understand or maybe give us some advice as we're thinking through this?

We are increasingly hearing that data such as the inclusion of indigenous knowledge, for example, in energy sector analysis and socio-economic and environmental data, is important as part of the datasets. Could you talk about any of those specifics?

In other words, knowing the changing climate now and in the future, would you even be looking at it? Would you advise us, as the federal government, about those additional data inputs as we are thinking about this at this particular juncture because we have that opportunity?

● (1015)

Mr. John Conti: Sure. I think—

Ms. Mary Ng: That's in the context of climate change and what we're trying to achieve to enable good policy-making, but also good planning on the part of those who are the providers of energy.

Mr. John Conti: Okay, I'll try to answer that question. Realize that my answer is very limited, because the Energy Information Administration only deals with the collection of energy information. We have the Environmental Protection Agency, which deals with other pollutants that contribute to climate change.

It's important, as you mentioned, that in the collection of energy data you understand the local and regional characteristics of the data. That will change according to the data elements you collect. You'll have to have a stream of specialized knowledge in the collection of that information. Probably methane emissions from hydraulic fracking was not a big thing 20 years ago; it's a very important thing now. It's information that probably needs to be regulated.

The important thing to note is that you need, as you construct this entity that's going to coordinate your energy information, collection, and dissemination, to build into it a process in which there are professionals identifying the need for the information on an ongoing basis, and then put in place life-cycle analyses to get that information and disseminate it. We could sit here today and delineate all the specific Canadian energy needs that might be missing, but it's not relevant, if you're setting this institute up for the next 20 years. It has to be embedded in the organization.

One thing we noticed in looking across our international counterparts is the lack of end-use information. That's a very important aspect. People don't want to consume energy and hence emit carbon; they really want to use energy to achieve the modern activities of life. If we can understand what they're trying to do with the energy, maybe we can eliminate some of those associated emissions.

Ms. Mary Ng: Thank you.

I'm going to share my time with my colleague T.J.

Mr. T.J. Harvey: Thank you, Ms. Ng, and once again, thank you to both of our guests for being here with us today.

Mr. Conti, I have a couple of questions around jurisdictional boundaries. How does the EIA work, within the context of a federal overarching organization, in conjunction with the individual states? What role does the state level play there, or what are the boundaries between the two levels?

Mr. John Conti: In the United States, very little information at this point is obtained directly from states. All of the information is obtained mostly from users of energy or providers of energy or transporters of energy.

We have good relationships with the states and we try to maintain them and build on them continuously, because they're one of our major users of information, and that helps. The main interaction along those lines is the identification of information needs. It's constantly evolving, and so you want to make sure as a stakeholder that you understand what their energy information needs are.

In the past, I mentioned, we used to collect oil production information directly from administrative data from states. In the process of creating this new data form, we've eliminated that data collection. We've noticed that there had been a lot of problems, when we looked back and saw the data that we had received previously.

● (1020)

Mr. T.J. Harvey: You've in fact found, then, that—

The Chair: I'm sorry, T.J., we're out of time.

Mr. T.J. Harvey: Do I only have, then, about 10 seconds?

The Chair: You had 10 seconds 30 seconds ago.

Some hon. members: Oh, oh!

Mr. T.J. Harvey: Okay. Thank you.

The Chair: Mr. Bernier.

Hon. Maxime Bernier: My first question will go to Mr. Conti; after that I'll go to Mr. Millard.

Are you in collaboration with us here in Canada—with Statistics Canada or other agencies that are collecting data? If you are, what is the credibility of our data in Canada? Is there a lack of information that you wish you could have?

Mr. John Conti: I don't consider myself an expert in that area, but I believe we work with our counterparts in Canada—NRCan and Statistics Canada—and the information we receive from them has always been of high quality.

The only thing we sometimes wish we both had more of is energy use data. That's one area that probably they would identify themselves as showing a need for information.

In working on this trilateral effort with Canada and Mexico, one thing that came out that people should pay attention to is that we all have slightly different definitions of energy. You have to work very closely with one another in order to overcome that difference, and it's often fairly difficult. If you have one agency that oversees a broader data collection effort, it probably is going to eliminate some of those definitional problems that tend to creep into specific, different agencies.

Hon. Maxime Bernier: That's why you are saying that maybe the best modification we could make to collecting data in Canada would be to have one agency that will have supervisory authority and the ability to collect data from the provincial and other levels of government. Is that your recommendation?

Mr. John Conti: Yes, it is.

Hon. Maxime Bernier: Who's paying for the work of your agency in the U.S.? Are you charging people who use your data, or is your funding coming from the government or from the private sector?

Mr. John Conti: All of our funding comes from the federal government by U.S. taxpayers, and we provide all of our work for free to whoever wants it through our website.

Hon. Maxime Bernier: I appreciate that. Thank you.

The other question is for Mr. Millard.

You're not so convinced that we must have one agency in Canada that will supervise and be in charge of the data collection and dissemination as in the U.S. If I can say so, you think it would be better for us to have a better arrangement with our other agencies in Canada at the provincial levels, and we would be able to be as efficient as we would be if we had only one agency. Can you explain that?

Mr. Duncan Millard: Yes. Thank you. I'm very happy to.

My point is that as we deal with countries globally, we see a whole range of different structures. The key feature in all structures, whether there's one agency or multiple agencies, is strong communication through the agency.

The thought of where you are now is driven by those areas where you need improved data, and what is actually going to be the best way of improving that data. Is it going to be trying to reorganize the structure of the bodies involved, or could data be improved by agreeing on the ways of working between the existing organizations such that data gaps can be identified and data duplications can be avoided?

It's not that one model is better than the other. It's actually the need, as you were obviously highlighting, to work to improve data in Canada, an activity that we thoroughly endorse. Maybe if there's greater clarity as to what data is collected at the provincial level, the speed with which that can be shared to the federal level.... StatsCan already collects a lot of the data at the federal level, and they feed it into NRCan, so there is a whole series of arrangements there. There is absolutely no reason why those flows can't be made to work better. That may just be a quicker solution to improve data than would be starting now to establish an overall new agency.

● (1025)

Hon. Maxime Bernier: About the quality of our data, do we have something to improve there? Sometimes it's all about the definition of energy. As somebody said, if the definition is different, the data would be a little bit harder to use for different purposes. Do you think we need to improve the quality of our data in Canada?

Mr. Duncan Millard: In every country we work with in the world, we identify areas where data can be improved. In my opening remarks I highlighted a few areas where data could be improved in Canada. Those are all areas we have been working on with StatsCan and NRCan, with regard to some of the comprehensiveness of data, both at the monthly and the annual levels.

I'll say just a word on definitions. I think it's very important to think about definitions. Of course, they are vital in thinking about energy data. One thing we do is to encourage all countries of the world to think about the International Recommendations for Energy Statistics, the UN-endorsed document and, within that, the standard energy classification. The more countries who are using that standard international classification, the easier it is for them to make comparisons among themselves, and the easier it is for us as an international organization to produce comparable data that allows us to really understand the global and regional pictures for energy.

The international definitions are there, and we would encourage countries to adopt these where they have not yet been adopted. Canada will be using the vast majority of them, but in some areas where they are not, we would strongly encourage them to.

Hon. Maxime Bernier: Merci. Thank you very much.

The Chair: Mr. Whalen, over to you.... Or, sorry, Mr. Cannings first.

Mr. Nick Whalen (St. John's East, Lib.): I was fine with that.

The Chair: I'm very excited about his questions.

Mr. Richard Cannings: Thank you both for joining us today.

I'll start with Mr. Millard and pick up on some of the comments you were just making on the benefits—or detriments—of having a centralized one-stop shop energy data agency in Canada.

Both you and Mr. Conti represent centralized one-stop shop energy data sources for international systems and the United States. I can see why maybe it wouldn't matter to your agencies whether Canada had a centralized agency, as long as the data were credible and good and flowed in a timely manner. I'm just wondering if you could comment on the other side of that: the users who want access to that data, and whether the system would work better if they had one place to go to, one website where they could get the data they needed in a timely manner, and be trusting of that data, rather than requiring professional knowledge to navigate this myriad of data. We have 20 agencies in Canada that produce it.

I'll start with you, Mr. Millard, and then Mr. Conti could comment on that.

Mr. Duncan Millard: Of course, to the user there are two aspects here: there's the operational means by which the data are produced, and there are the roles and responsibilities of the players involved, which may be driven by their own legal framework. It may take a long time to unpickle that, so the point of view is how to improve data in the most cost-effective way, which I think is important to all countries.

Within that, it is very important to think about how that overall aggregated information, brought together from the various agencies or ministries involved, is made readily available to everybody. The more that is brought together in a single web platform, with different communication tools for the different sorts of users, the more people will feel engaged with the energy data. That front end of information dissemination, if you like, could be put onto any model, and the point I'm making about the model is, really, you start where you are, not necessarily from a blank piece of paper. If we think about how to improve Canadian data, we can think about the end dissemination through a single portal or a single front end, but the organization behind it could still be across different agencies—or it could be one agency. That's entirely your choice. It's what you might consider the best means of improving the data—filling in the gaps in the data, addressing some of the issues that you know you need more data from—but also making that data available at the national and provincial level. From my understanding of Canada, this, again, is a very important issue.

● (1030)

Mr. Richard Cannings: Mr. Conti, do you want to add to that?

Mr. John Conti: Yes, I could give you a very quick response.

I believe there are a lot of efficiencies and economies of scale in having one federal or national energy agency, and I'll give you an example. Most of our data transfer now happens through an application program interface; most of our sophisticated data users go onto our website and suck 80% of the data off that they need on a weekly basis. I think that would be harder to do if there were a number of different places that users had to go to get that information. I think it allows not only for the provision of data, but also for the provision of information as you begin to pull all of the different sorts of data together, and for the synergies of looking at it in a holistic way.

Mr. Richard Cannings: If I can just follow up on that, at a minimum we would need one agency to provide that front end, or whatever you want to call it—

Mr. John Conti: Yes.

Mr. Richard Cannings: —and also to be in charge of regulating the form of that data so it's consistent. It's the nightmare of gathering data from across various boundaries and setting up the rules to make people and industries report in a timely manner. To me it sounds like we're getting back to a fairly robust agency, one that would have to oversee all of that.

Mr. John Conti: I probably have a biased perspective on that, but yes, I think that's a good summary.

Mr. Richard Cannings: Okay.

Just quickly, in the time I have left, perhaps both of you can comment on something. We've heard a lot about the confidentiality of some sorts of data, and from others about unnecessary confidentiality.

I'm just wondering how your agencies deal with that when perhaps certain industries or companies or utilities want to hold onto data for reasons that are perhaps unknown to the outside world. How do you get around that problem?

Mr. John Conti: The information that we collect from businesses is very business-competitive information. It's very sensitive. Unless we have the laws in place to safeguard information, those individuals wouldn't want to provide it. But as we are a federal agency with federal statutes that empower us to collect that information and not disseminate it unless required by the federal entity, they feel much more induced to provide that information.

On the other hand, there's a lot of information and we're working in United States at even at a broader federal statistical level at finding ways to aggregate and randomize information so that people can get information across government agencies. It's both a two-way street. You need to be able to protect proprietary company information as well as find ways to aggregate and randomize information to get it out, even across a different set of statistical categories or agencies.

The Chair: Thanks, Mr. Canning.

Mr. Whalen, over to you.

Mr. Richard Cannings: I think we're out of time. I'm sorry.

The Chair: Mr. Whalen.

Mr. Nick Whalen: It's okay, because I was going to proceed, regardless, to Mr. Millard on a similar topic.

Membership in the IEA appears to require a number of different things, such as CO2 reduction, a commitment to the CERM, and also industrial disclosure obligations.

I'm wondering if you could let us know whether or not Canada meets its industrial disclosure obligations to provide the types of data that the IEA expects.

● (1035)

Mr. Duncan Millard: In terms of the data that we request from Canada and the way it comes into us at the Energy Data Centre, then Canada is meeting all of the requirements that we ask of it.

I've mentioned a couple of issues with timeliness. Those are areas that we continue to work on with Canada.

From our data requirements, we are getting all the information that we require from Canada.

Mr. Nick Whalen: Then in terms of other countries and whether or not they have sufficient laws in place, do you think Canada can take best practices from your other member states in terms of the types of rules that are in place to make sure that the data is comprehensive, timely, and accurate?

Mr. Duncan Millard: Yes.

We do a lot of sharing information across all our members, and our non-member association countries as well. We have an annual meeting of statisticians that Canada is always an active contributor too. There is a lot of learning.

The legal framework, as has been said, is very important. There's the legal framework to collect the data, and also the legal framework to be able to effectively share and use that data. There's little point in the information coming into one place and then can't be used. Of course, confidentiality has to be protected, but it's better that confidentiality be addressed across everybody.

One scenario, which I'm sure you're familiar with at the moment, is that we understand that some data can't be passed from StatsCan to NRCan because of confidentiality. There's obviously the need to protect that confidentiality in the published information, and quite rightly so.

Mr. Nick Whalen: That does speak to the independence perhaps that may be required in a singular entity.

Mr. Conti, on a different topic, I was interested to see the money that is being spent in your industry. The EIA's budget last year was about $122 million.

Do you have any other sources of revenue than the federal contribution?

Mr. John Conti: No.

Mr. Nick Whalen: In your opening remarks, you referred to users as the customers of your data. Did you mean the audience? There are no paying customers for any data.

Mr. John Conti: We still consider them customers or stakeholders, but they're not paying for anything, yes.

Mr. Nick Whalen: Do you see any conflict with some of the earlier suggestions we've heard today that a private profit-making entity should be involved with data collection in exchange? Would that conflict with other mandates or other ethical requirements the organization has?

Mr. John Conti: I don't think it would conflict with any mandates. I think it makes it harder. At least in the United States, the populace is more skeptical of private data than federal data. One of the things that benefits federal organizations is their longevity, which contributes to their reputation, which helps us to be able to get data from respondents. As well, the information we provide to customers is thought to be valid.

Mr. Nick Whalen: I've really enjoyed over the last number of years receiving the daily emails from *Energy Today* and from *This Week in Petroleum*.They've really informed some of my thinking around energy uses in North America. I'm wondering to what extent those datasets already include information about Canada and Mexico. Are they largely restricted to the United States, or are they more the integrated system in our North American market?

Mr. John Conti: We put out a lot of articles that include information from Canada and Mexico. Of course, it's not as extensive as we have in the United States, but we love our North American brethren.

Mr. Nick Whalen: When I think about access to information and this agency that American congressmen have, I'm a little bit envious and maybe wish we could go back to 1977 and start this here. It sort of speaks to end-use data.

You talked a little bit about the effect that the smart grid and micro-generation might have on utilities. Can you speak a little more about how your organization is engaged in collecting data related to battery power and solar panels in homes, and how that affects the overall energy infrastructure.

Once you've answered, Mr. Millard can speak a little bit about how the International Energy Agency addresses end-use and micro-generation.

Thank you.

Mr. John Conti: Most of the information we currently get about either battery storage or photovoltaic systems we get directly from utilities, which are regulated in the United States, so their information is mostly available to everyone. We also get information in our residential energy consumption survey, which is a more general survey about what energy-using facilities or devices households or commercial businesses have. We try to put all of that together. It's only been in the past four or five years that we've started to put that information out on a more regular basis to make it more widely available as it becomes more and more important in the United States.

● (1040)

Mr. Duncan Millard: I'll make a quick couple of points on what we're doing in those two areas. Firstly, on energy end-use, as you may be aware, under the G20, we have an energy end-use data initiative that we're currently running with France. We're very grateful that both Canada and the U.S. are a part of that initiative, where we're looking to share best practices or enhance energy end-use data, including the use of data that may become available under the correct conditions from smart meters and other smart technology.

On micro-generation, our role within the agency is really to highlight the best practices of what countries are doing in this area. We noticed that some countries have done some very clever work and data matching to understand the impact of the self-consumption of solar PV when attached to roofs, and the impact that has on grid generation. So we're doing two things: questioning where countries aren't supplying data for that sort of generation where we know it's prevalent within the country, and then sharing knowledge with them to help them collect the data.

The Chair: We're going to have to stop there.

Mr. Nick Whalen: Fair enough. Thank you very much.

The Chair: You're right on time, too. That was perfect.

Gentlemen, thank you very much for joining us today from Paris and Washington. Your information is incredibly helpful to the study we're undertaking here, so you have our gratitude.

Mr. Ted Falk: Can you suspend for committee business?

The Chair: We don't need to go in camera. I was just going to advise that, based on some discussions I've had with members on your side, I'm going to be reaching out to the minister to invite him to come to speak about the main estimates—subject to his availability, of course.

On that note—

Hon. Maxime Bernier: Is the goal to pass them before the end of June?

The Chair: I'm going to extend the invitation. Then ideally, it would be before the end of June. You're welcome to come back in July, if you'd like.

Mr. Ted Falk: Well, ideally—

The Chair: You can take that up with the other members and then get back to me, okay? How's that?

Some hon. members: Oh, oh!

The Chair: That's all for today. Thank you again, everybody.

We are adjourned.