Alberta's proposed West Coast Oil Pipeline

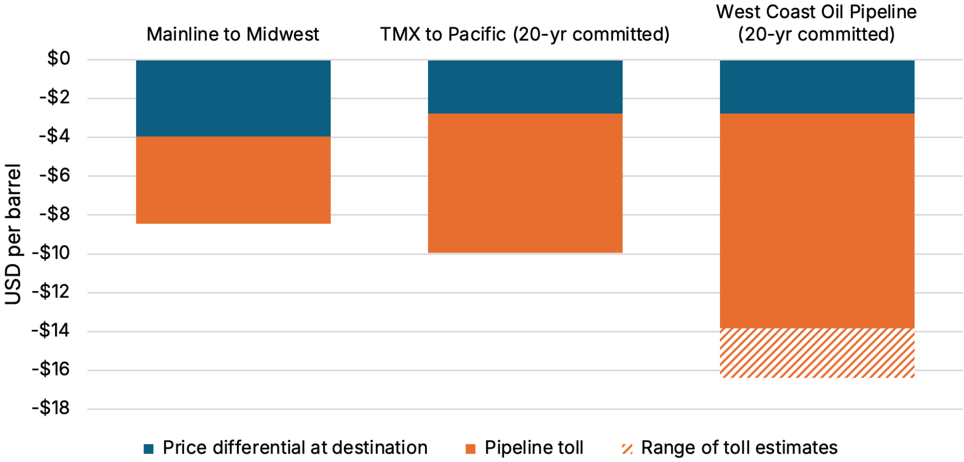
With oil demand growth waning, the project is unneeded and too costly

The government of Alberta is proposing a crude oil pipeline that could transport 1 million barrels of oil per day between Alberta and the West Coast of British Columbia. Analysis from IEEFA finds that the project's costs outweight its benefits and its future capacity needs are overstated. With the energy transition changing global outlooks, the project is unlikely to beneficial to Alberta, British Columbia, or the Canadian energy economy as a whole.

THE COMING OIL DEMAND DROP

- Future supply scenarios and global market conditions call into question the pipeline based on capacity need.
- If clean energy technology continues to outperform expectations, it could lead to lower global prices, and lower future oil sands output.
- Cost of commitments and tolls on exports make the project's costs too expensive.

Netback per barrel, differential to WTI for West Coast Oil Pipeline, Mainline, and TMX



Source: Authors' analysis

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