



Canadian
Electricity
Association

Association
canadienne
de l'électricité

Remarks by the Honourable Sergio Marchi,
President and CEO of the Canadian Electricity Association

Canadian Embassy and annual CEA Washington Board Forum Dinner

Washington, April 12, 2018





Good evening ladies and gentlemen, and a warm welcome to our Canadian Embassy and our annual CEA Washington Board Forum Dinner.

Thanks for joining us.

And a special thanks to our Embassy team for their cooperation.

We had a full slate of good meetings yesterday and today, and more are on tap for tomorrow. And tonight, we are looking forward to the words of Bruce Walker.

Our board members value this annual visit to Washington, because they recognize just how valuable our cooperation with the US is.

The Canada-U.S. integrated electricity system is critical to the positive and mutually beneficial North American energy relationship.

Moreover, it is the backbone of a modern, competitive economy and the high quality of life that our citizens have become accustomed to.

Linked by over 35 cross-border transmission lines – with seven more under development – system integration has resulted in a flexible, reliable and secure grid on both sides of the border.

Some 30 US states engage in electricity trade with Canada each year.

At this point in our relationship, which in several non-electricity areas is under some stress, I would like to underscore several points, which I believe are critical to our electricity partnership.

First, we must protect the progress we have made.

In other words, protect what works --- and make no mistake, our bilateral energy file is working well.

This is one area where the status quo does not require wholesale change or reform.

We naturally can always improve things, but the core message is: **'do no harm'**. Let's not play with, or undercut, our long-standing and mutually beneficial relationship.





Second, let us successfully conclude NAFTA re-negotiations, including the strengthening of Chapter 6.

Towards this end, CEA and its U.S. counterpart, the Edison Electric Institute, have signed a joint letter outlining shared NAFTA priorities. And we have shared this with our respective negotiating teams.

At the top of the list, tariff and duty-free cross-border electricity trade must be maintained, and we both have called for keeping the energy chapter in place.

In terms of modernization, we also agree that:

- Mexico should be a signatory to the chapter;
- that labour mobility for skilled trades should be improved;
- that regulatory coherence should be enhanced,
- and that investor protections should be maintained and ideally strengthened.

Third, let us develop a North American Energy Strategy, with or without NAFTA.

Building on the successful trilateral Ministerial meeting that was held in Houston, TX, in November 2017, CEA has been consistently calling for the last several years, for the development of a North American Energy Strategy.

One that would:

- Promote North American energy security and affordability;
- strengthen energy infrastructure protections;
- increase shared R&D;
- reduce regulatory red tape;
- and transform North America into the world's leading and most competitive energy region.

Fourth, we must be vigilant in protecting the grid against ever increasing cyber threats.

We know that secure, reliable electricity is essential for our way of life.

Which means that protecting the system's integrity against the growth industry of cyber-attacks must be a top priority.



Our two industries and governments already enjoy considerable collaboration on the cyber front. But because of the grave threat posed, we must be constantly pushing ourselves to up our game even further.

In this case, the status quo should willingly give way to something better and stronger.

For a start, our two Ministers of Energy should make this a standing agenda item during their regular bilateral and North American meetings, and these discussions should be joined by private industry representatives.

Finally, we must support infrastructure renewal through regulatory cooperation

Powering North America's next phase of economic growth will require massive investments in grid infrastructure. That is why CEA encourages both national governments to act to strengthen regulatory cooperation and alignment.

There is an opportunity, for example, to better align application and approval processes for cross-border lines.

We also would support a joint study to identify any regulatory, resilience or security misalignment, that could be ironed out through joint action.

Most importantly, for us in Canada, we must again find our nation-building ways when it comes to critical, transformative energy infrastructure. National interests cannot be vetoed by merely local concerns.

Together, by focusing on the things that matter the most, we can ensure that the electricity system we pass on to our children, is as robust and as resilient, as the one we were fortunate to have inherited.

In closing, let me again thank all of you for your presence this evening.

Please Enjoy your dinner, and after the main course, our Chair will be up to introduce our guest speaker.

Bon appétit.

