

Canadian
Gas Association

Association
canadienne du gaz

241 P NP DM158.1

Projet d'implantation du terminal méthanier
Rabaska et des infrastructures connexes

Lévis

6211-04-004



Rabaska LNG Project

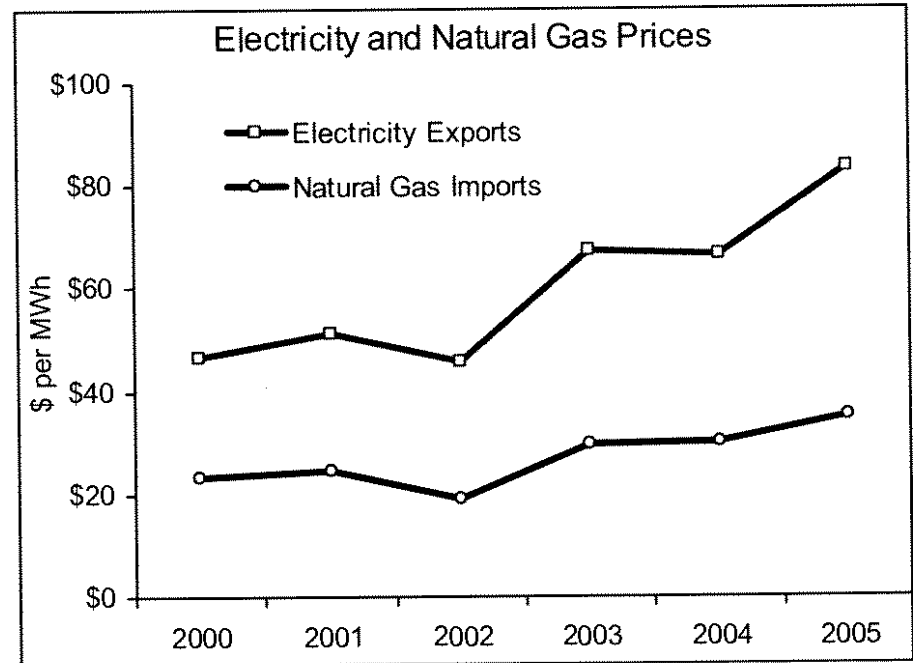
Bryan Gormley
Director, Policy & Economics
Canadian Gas Association

The voice
of Canada's
natural gas
delivery industry



Economic Benefits of Natural Gas

- Replace the use of a higher price product (electricity) with a lower price product (natural gas)
- Using natural gas in place of electricity is like a value-added process
 - Generate valuable “negawatts” (electricity savings) using natural gas as the input



Source: National Energy Board data, CGA calculations

Natural gas import price adjusted upward, assuming 90% end-use efficiency (ie. raw price divided by 0.9)

Environmental Benefits of Natural Gas

- Quebec Energy Strategy
 - *“In the case of Québec, the electricity made available by a switch to natural gas heating could be exported to Ontario or certain US states that use more environmentally detrimental means to generate their electricity. Several governments in the areas concerned have targeted a reduction in their reliance on the most polluting options, with a corresponding increase in the use of renewable energy.” -p. 55*
- Example: Natural gas used in a 90%+ efficient furnace frees up electricity for other uses
 - Displace neighbour’s coal, oil and natural gas electricity generation that is about 30%-60% efficiency

Supply Diversity Benefits of LNG

- Quebec Energy Strategy
 - *“Liquefied natural gas (LNG) terminals could be used to diversify our supply options and strengthen our energy security in view of our dependency on natural gas supplies from Western Canada for which demand is high and depend on a single supply route.” -p. XIV*
- Multiple regions to purchase from and get the best deals
- More flexible than a primarily West-to-East natural gas flow