



BLUE STORM: THE RISE AND FALL OF JASON KENNEY

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Jason Kenney, Energy, and Pipelines in the 2019 Alberta Election: A Study in Hubris

Jean-Sébastien Rioux

Introduction

Between 1970 and 2015, for almost two generations but with one notable exception in the mid-1980s resulting from Pierre E. Trudeau's National Energy Program, Alberta has been a high-growth province, welcoming people, capital, and technologies largely linked to the development of the oil sands. Alberta's population grew from 1.6 million in 1971 to 4.4 million in 2021, mirroring the growth of its oil production, which averaged just over 1 million barrels per day in 1970 to about 4 million in 2021.¹ These fortunes have enabled Alberta to become a perennial "have" province since the 1960s, and thus a positive contributor to Canada's equalization payments, reflecting higher incomes linked to the economic value of the energy sector.

Those good times, however, have been declining since the global oil price collapse of 2014–2015, locking Alberta into a seemingly interminable recession that still endures: while the unemployment rate in 2013 averaged about 4.5 per cent, it reached an unimaginable rate of 15.8 per cent in June 2020, when Calgary made the national headlines as having the highest unemployment rate in Canada.² To be sure, this Canadian record was set during the global COVID-19 pandemic, but prior to that the

unemployment rate did reach 9 per cent in 2016, still among the highest of any Canadian metropolitan area.³

It was thus during this long-term recession that Jason Kenney, who had been a federal member of parliament since 1997, decided to leave his seat in the House of Commons in September 2016 to seek the leadership of the Alberta Progressive Conservative (PC) Party, which he succeeded in achieving in March 2017. He then set his sights on uniting the PCs and the Wildrose Party, which happened in July 2017; he became the United Conservative Party (UCP)'s first leader in October of that year, then won his seat in the Legislative Assembly in a December 2017 by-election in the constituency of Calgary-Lougheed. His political acumen, tireless backroom work, and infamous blue Ford F-150 pickup truck were a testament to his determination, with a healthy balance of political capital thanks to having served with distinction in the Stephen Harper federal conservative cabinet. And while his ascension to become the leader of the united conservative movement in Alberta did not come without controversies—which are detailed in other chapters of this book—there was always a sense of inevitability to his goal of merging and leading the two centre-right parties in Alberta.

His election to the Legislative Assembly of Alberta in December 2017 afforded him the higher profile of leader of the opposition during the height of the energy policy crises faced by the Rachel Notley New Democratic Party (NDP) government, and about fifteen months to gather his forces to win the next provincial election, held in April 2019.

Relentlessly, the campaign focussed on the perceived shortcomings of the NDP government on the energy file: low oil prices, lack of pipeline take-away capacity, a growing flight of valuable capital away from Alberta's energy sector, and a growing environmental and activist-investor climate that hammered on the most valuable commodity produced in Canada: oil. Alberta faced anti-oil and anti-pipeline provinces to its west in British Columbia, and to the east in Québec—not to mention Prime Minister Justin Trudeau, whose cabinet had cancelled the Northern Gateway pipeline project in November 2016 and enacted Bill C-69 in June 2019—titled “The Modernization of the National Energy Board and Canadian Environmental Assessment Agency”—but which conservatives across Canada would label the “no more pipelines act.”

Jason Kenney's promise to Alberta's electorate went along these lines: elect me, and I can fix this. Elect me, and I can speak to my fellow premiers across the country and stand toe-to-toe with Justin Trudeau. Elect me and I will go to New York and Washington to speak to the Wall Street investors, policymakers, and lobbyists; they will listen to me. I can bring them around and we'll get our energy industry back on track. I'll get Alberta open for business again.⁴

These promises worked to get him and the UCP elected to form government with 54.8 per cent of the popular vote and sixty-three of the eighty-seven seats in the Legislative Assembly, but were predicated on the notion that the Notley NDP government had done nothing to help stave off the threats to Alberta's energy sector, and that the NDP was somehow responsible for consistently lower oil prices for Alberta crude oil, for the lack of pipeline capacity, etc. (see Graham Thomson's chapter). Merriam-Webster defines *hubris* as "exaggerated pride or self-confidence," while the Cambridge online dictionary defines it as "a way of talking or behaving that is too proud."⁵ While perhaps a difficult concept to use as a theoretical framework and with which one can deduce and test hypotheses, in this chapter I use *hubris* as an analytical framework to highlight the gap between rhetoric and action that characterizes the Kenney-led UCP government.⁶

Hubris in Politics and Decision-Making

While "hubris" is not a utilized (or even a developed) theoretical framework in political science, the concept has been used in academic literature to provide a basis to analyze decision-making in the context of what political science and public policy literature would call complex and even "wicked problems." Among the most difficult public policy dilemmas, complex or wicked problems are "characterized by conflicting values and perspectives, uncertainties about complex causal relationships, and debate about the impacts of policy options."⁷ For example, Sovacool and Cooper analyze four of the largest energy "megaprojects" ever developed in Asia to understand why these massive undertakings all went well over budget, over timeline, and generally failed to meet their intended expectations. The authors point out that studying these megaprojects is worthy because of the massive investments required, "their failures have greater relative

impacts on markets . . . [and] also produces greater opportunity costs.”⁸ Moreover, scholars are forced “to not view megaprojects as a ‘black box’” and to focus on the accountabilities for their failure.⁹ They find that, despite multiple examples of failures, cost and time overruns, project proponents keep pushing for more megaprojects for a few reasons, such as the “seduction of standardization”¹⁰ and the “allure of modernism.”¹¹ In other words, the previous project proponents failed because they had inferior designs, technologies, or project managers. The hubris of proposing more megaprojects is that this time, this project won’t fail like the previous ones did because we know what to do and what to avoid. But megaprojects never get better because of the hubris displayed each time a new proposal is created.

The well-known Canadian trade negotiator Michael Hart wrote about hubris in the context of global climate change policy (which, incidentally, is often used as a prime example of a wicked problem due to all the complexities involved). Hart’s thesis is that the endogenous (anthropomorphic) and exogenous (geophysical, solar) causes of climate change are extremely complex, and the possible solutions are even more so because of the nature of State sovereignty, macro and micro-economic levers and impact, global trade, etc. Therefore, anyone or any organization proposing a clear set of policy responses to impact climate change amounts to hubris.¹²

One final example to illustrate the concept of *hubris* in public policy is drawn from the field of international development studies. Writing about the disproportionate role of International Organizations (IOs) in shaping domestic policies in many African countries, Professor Desmond Odugu describes the “intellectual hubris of ascribing IOs with objectivity and neutrality” in designing public policies, because they are by their nature founded on the neoliberal ideologies of the prevailing notions of “development” found in donor States.¹³ In his analysis, it is hubris to think that adopting public policies say, on education or social welfare, developed in the IO headquarters of New York, Paris, or Geneva will be relevant and transferable to Sub-Saharan Africa.

It would be difficult in many specific cases to separate true hubris from the normal exuberance and excitement of a political rally; politicians are as good as any Hollywood comedian in warming up a crowd or convincing them to take time out of their day to cast a ballot. But perhaps we can

infer—particularly in consideration of the aforementioned Sovacool and Cooper study of energy megaprojects—that repetitive failures, supported by lofty rhetoric, can point to that direction. Whether the policy issues of the day revolve around energy policy or the province’s COVID-19 response, hubris and groupthink are as damaging as bad data and information in developing policy.

The Global Energy Collapse of 2015 and the Alberta New Democratic Party’s Response

The Alberta NDP electoral victory happened during a serious economic downturn linked to a crash of commodities prices, mostly of oil and gas.¹⁴ Successive Alberta governments have relied heavily on non-renewable resource revenues—i.e., royalties, fees, and taxes linked to oil and gas production—to the tune of up to 30 per cent of its budgetary expenditures; the 2014–2016 downturn was calamitous for provincial revenues. In 2016, “real per capita resource revenues collapsed to a level not seen since the 1950s.”¹⁵ In addition to the global factors causing the collapse of oil and gas prices,¹⁶ the long-term prospects for further energy and pipeline development projects in Alberta and Canada were, by 2015, in serious decline. Detailed in chapters by Gillian Steward and Deborah Yedlin in *Orange Chinook: Politics in the New Alberta*, the public’s appetite for drilling more oil and building more pipelines had already been waning due to a confluence of events.¹⁷ An increasingly challenging social environment for the energy sector began in July 2006 when the Ralph Klein government decided to shine a spotlight on Alberta’s burgeoning oil sands by displaying giant bitumen hauling trucks on the National Mall in Washington, DC, as part of Alberta’s exhibit at the Smithsonian Folklife Festival.¹⁸ Two experienced energy reporters, Jason Fekete and Chris Varcoe, wrote that the “stunt backfired” and “the truck unexpectedly became a powerful symbol and prime target for a U.S. environmental movement searching for a focal point for its next campaign.”¹⁹

In quick succession after the oil sands were elevated into the public (and environmental groups’) spotlight, several disasters struck and ensured that oil became synonymous with risk and danger. In April 2008 an estimated 1,600 ducks became disoriented during a spring storm and

landed on a tailings pond, killing them. Two years later, in April 2010, the BP Deepwater Horizon offshore platform exploded and created the largest oil spill in history. That same year, an Enbridge-owned pipeline failed in the Kalamazoo River in Michigan and in July 2013, a train carrying light crude oil derailed and exploded in downtown Lac Mégantic, Québec, killing forty-seven people and destroying half of the town.

These disasters happened in the context of several major pipeline projects under development at the same time, and the desire to develop *more* of Alberta's oil sands were also tied to building the needed take-away capacity—all while the environmental movement was gaining momentum thanks to burgeoning social media.²⁰ Caught in these crosshairs were the TransCanada Keystone XL project, proposed in 2010 and ultimately aborted in 2021; TransCanada's Energy East pipeline project, proposed in 2013 and abandoned in 2017; Imperial Oil's Mackenzie Valley Gas Pipeline project, first proposed in the 1970s and also abandoned in 2017; Enbridge's Northern Gateway pipeline project, proposed in 2002 and killed by a federal cabinet decision in 2017; and the Kinder Morgan Trans Mountain Expansion pipeline project, first proposed in 2012 and may actually be completed in the next few years. It should be noted that during all these tumultuous events that directly affected Alberta's—and therefore Canada's—economic potential, the federal government under Stephen Harper was largely uninvolved and perhaps even unhelpful in resolving some of the issues that were actually under federal purview.²¹

As Rachel Notley's government came to power, all these issues were happening in real time, and faced with the greatest threat to Alberta's economic future in decades, she became “the unlikely advocate for Alberta's energy development.”²² Notley went to work immediately to strike a “grand bargain” that would hopefully demonstrate to the other Canadian provinces that Alberta was serious about reducing its environmental and carbon footprint, in exchange with more positive engagement over pipelines. Aware that a key UN climate conference (COP-21) was soon to be held in Paris in December 2015 and hoping to have something to show to other jurisdictions, the investor community, and perhaps even some climate groups, her government produced the Climate Leadership Plan in November, right before the COP-21 meeting. In it was a hard cap on oil sands emissions of 100 Mt; it introduced a levy, or tax, on oil and gas

consumption; it accelerated the phaseout of coal-fired electrical plants; and it developed new programs and funding to lower individual, household, and industrial emissions (see Duane Bratt's chapter). These initiatives were meant to coordinate with the newly elected federal liberal government's environment policies and to "soften opposition by opponents in other provinces to proposed new oil pipelines."²³ Moreover, Notley outright embraced the energy sector by proposing several policies to diversify Alberta's energy markets and embracing pipeline construction in the May 2016 Throne Speech.²⁴

Finally, another crisis hit during the fall of 2018: as oil prices recovered around the world (except in Alberta due to our lack of pipeline takeaway capacity), some key US refineries had to shut down during a severe hurricane season on the Gulf Coast. These events caused a massive differential between the price of US West Texas Intermediate (WTI) crude oil and Alberta's Western Canada Select (WCS) crude, where Alberta oil was selling at a 70 per cent discount. The Notley NDP government responded by appointing three "special envoys" to study the issue and report their recommendations directly to her.²⁵ The panel eventually proposed, and the NDP government acted upon its recommendation, curtailing production to reduce the glut of oil, and leasing 4,400 rail cars to transport 120,000 barrels per day of crude.

At the same time, the relatively new NDP government in British Columbia, made possible by a deal with three Green Party MLAs to ensure that the NDP had one more seat than the long-governing Liberals, began litigating and legislating against the Trans Mountain Expansion project (TMX), which would have been the single outlet for Alberta crude oil outside the US. The legal and regulatory environment became so fraught that Kinder Morgan, the TMX proponent, announced that it was seriously considering abandoning the pipeline project. In a last-ditch effort to save Canada's investment climate, the Trudeau government negotiated the purchase of the Kinder Morgan assets for US\$4.5 billion and vowed to see the project completed.²⁶

All the events described above created a climate in which oil prices (and thus, revenue for the province) were perennially low due to mostly exogenous factors; the necessary infrastructure to access global markets (e.g., pipelines) were stalled, thus exacerbating the longer-term impacts

of low oil prices; and the broader societal environment to address the first two were going against the province's and the energy sector's interests. By 2019, an estimated US\$30 billion in foreign capital had left Alberta, as companies divested assets in the province.²⁷ Thus was the energy policy climate as the 2019 provincial elections were being contested. One thing seems obvious, however, upon recounting the events of 2015–2019: there is no evidence that Premier Notley did “nothing” to counter the unfortunate series of events. To the contrary, Notley consulted a broad range of stakeholders at every decision point and convened expert panels to solicit advice.²⁸

The 2019 Election: Only the United Conservative Party Can Revive Alberta's Energy Sector

Jason Kenney saw many of these issues transpire firsthand as leader of Her Majesty's Loyal Opposition in the Legislative Assembly of Alberta. The situation for oil, gas, and pipelines was dire, and politically, he had two easy scapegoats around which to mount a strong electoral challenge: first, Premier Rachel Notley as his main “villain,” and second, Prime Minister Justin Trudeau, son of the man who imposed the despised National Energy Program in 1980, which many Albertans were still cursing nearly forty years later.

Justin Trudeau's policies on energy and environment at times seemed purposeful, and at others seemed random and spiteful. In his initial prime ministerial campaign in 2015, he had taken aim at the venerable National Energy Board as having lost the trust of the people. His government introduced Bill C-69 in February 2018, titled “An Act to enact the Impact Assessment Act and the Canadian Energy Regulator Act, to amend the Navigation Protection Act and to make consequential amendments to other Acts.” It eventually replaced the National Energy Board with the Canadian Energy Regulator, and the Canadian Environmental Assessment Agency with the Impact Assessment Agency of Canada. The changes to the existing way of assessing major projects were so massive that Jason Kenney and other pro-energy opponents would dub the bill the “No More Pipelines Act.”²⁹

Indeed, Justin Trudeau seemed somewhat schizophrenic when it came to his support of pipelines: his government strongly stated that the

TMX was in Canada’s national interest by purchasing it; yet his support for other pipelines was nonexistent—his cabinet delivered the fatal blow to the Northern Gateway pipeline project in 2016 by declaring that it was not in Canada’s national interest to approve it. This was in addition to his government’s Bill C-48, the Oil Tanker Moratorium Act banning oil tanker traffic from the northern tip of Vancouver Island to the Alaska border, thus ensuring that no pipeline can be built around Kitimat or Prince Rupert. Bill C-69 and the new, retroactively applied criteria for assessing the proposed Energy East pipelines was one reason why TC Energy abandoned the proposed project to carry Alberta (and Bakken) oil across Canada, to the Irving refinery in New Brunswick—another reason being Quebec’s strong opposition to it.

On 19 March 2019, Premier Notley called the election to be held on 16 April. Riding the issues described above, Jason Kenney “made his first official campaign appearance at an Edmonton-area energy services company where he accused Notley of pandering to Prime Minister Justin Trudeau and driving the province to ‘economic stagnation.’”³⁰ His slogans were “Alberta strong & free” and “getting Alberta back to work” as the unemployment rate still hovered around 7 per cent in Alberta.³¹

The UCP election platform was a staggering 114 pages in length. It listed three priorities, which are discussed in other chapters, but which all wrapped around the energy sector: “getting Albertans back to work,” “making life better for Albertans,” and “standing up for Alberta.”³² More specifically, it contained measures such as promises to

- repeal the carbon tax (pp. 17–18 of the UCP platform);
- create jobs in oil and gas (pp. 30–33);
- get pipelines built, including several items to fight Bill C-69 (p. 94);
- stand up to foreign influences—including a \$30 million war room (pp. 95–97); and
- unusually specific “to-do” items like “[f]ire Ed Whittingham from his position at the Alberta Energy Regulator” (p. 97).

Jason Kenney relentlessly campaigned on these issues, with the ubiquitous UCP campaign slogan of “jobs, economy, pipelines”; unsurprisingly given the moribund state of Alberta’s economy in the spring of 2019, the UCP won.

In his victory speech on the night of 16 April 2019, and true to his pipeline agenda, he not only thanked electors and laid out his electoral commitments, but also included a section aimed directly at Quebec Premier François Legault and Quebeckers in general, in which he spoke in French and repeated many key points in English. In some of the French passages that he did not repeat in English, he talks about the natural alliance between Quebec and Alberta, of his admiration for Premier Legault, and about the tough economic times Albertans are experiencing because there are no outlets for our crude oil. Of the passages that he spoke in both languages, he touched on the core of his message that if Quebec is to keep receiving equalization payments, it behooves the province to support the Western Canadian industry that is chiefly responsible for generating the wealth that keeps the dollars flowing:

And now I would like to speak directly to our friends in Quebec.

We need pipelines for the prosperity of all Canadians, including Quebeckers!

The decision we need to make is not difficult: must we favour Alberta’s oil, which is produced at the highest standards of environmental and social responsibility? Or must we choose oil from the United States and foreign dictatorships?

If Quebec and other provinces want to accept massive fiscal transfers generated in Alberta, then please help us develop our resources and get them to global markets! It’s a win-win!

Let us work together to strengthen our shared prosperity in the Canadian federation!³³

It is worth recalling that although Legault had been elected Premier of Quebec only six months previously in October 2018, he had been a Member of the National Assembly as a *Parti Québécois* MNA and cabinet minister for eleven years, from 1998 to 2009. Then, after a brief departure from politics he co-founded the *Coalition Avenir Québec* (CAQ) in 2011, and he was re-elected to the National Assembly in 2012 as leader of the CAQ and second opposition leader. The point is that he was a savvy and long-serving politician, minister, and party leader with over seventeen years of elected experience by that point.

So it was that Premier Legault did not flatter that easily, and when reporters asked for his reaction to Premier Kenney's speech the next day he responded that while he congratulated him on his victory, all political parties in Quebec oppose any new oil pipeline: “[w]hat I am saying is there is no social acceptability for a new oil pipeline in Quebec,” thus putting the notion of reviving Energy East to rest.³⁴

That *contretemps* aside, once his cabinet was named and work in the Legislature resumed, Kenney launched his “summer of repeal,” where many programs and policies enacted by the previous Notley government were overturned and/or replaced. Indeed, Bill 1 of the new 30th Legislature was titled “An Act to Repeal the Carbon Tax (\$)”—with the dollar sign indeed on the actual title of the Bill and introduced by Premier Kenney himself. The title was even somewhat misleading because Bill 1 did more than simply repeal the carbon tax; in only one section consisting of seventeen words, it said, “The Climate Leadership Act is repealed immediately at the beginning of the day on May 30, 2019.”³⁵ This was to be expected since he had campaigned on it, but nevertheless came as a shock to many corporations that had been working to implement all the provisions of the Climate Leadership Act (and likely violated energy analyst Peter Tertzakian’s “First Rule for attracting investors,” which is “Create Policy Certainty”).³⁶

Continuing the UCP’s “summer of repeal” were Bill 2, An Act to Make Alberta Open for Business; Bill 3, Job Creation Tax Cut (Alberta Corporate Tax Amendment) Act; and Bill 4, styled the Red Tape Reduction Act. Significantly, Bill 3 cut the corporate tax rate from 12 per cent to 11 per cent and eventually to 8 per cent in 2022; yet, despite the electoral rhetoric about creating jobs, supported by an actual corporate tax cut, global majors were still exiting Alberta in 2019 and early 2020. And the “summer

of repeal” would not be complete without the “fighting back” strategy, so in June 2019 Kenney announced that he would soon launch an energy war room to counter misinformation related to oil and gas—which led to the incorporation of the Canadian Energy Centre Limited in December 2019 (see Brad Clark’s chapter).

In spite of all this “fighting back” and “restoring the Alberta Advantage,” in October 2019 the Norwegian Sovereign Wealth Fund announced that it was divesting its shares in the largest oil sands operators in Alberta (Cenovus, Suncor, Imperial Oil, and Husky); in February 2020, Teck Resources announced it was withdrawing its application to build the \$20 billion Frontier oil sands project; a few months later in July 2020, French energy giant Total announced it was writing off \$9.3-billion worth of oil sands assets in Alberta; later that same month, Deutsche Bank announced it would henceforth ban financing of oil sands operations. Jason Kenney’s policies were not having the intended effect at all, and then a global pandemic only made matters worse for him—not only on the health policy front—but on the energy front as well.

Kenney, COVID, and KXL

By mid-March 2020 the global COVID-19 pandemic had reached Alberta and it was now our turn to begin society-wide lockdown measures (see Lisa Young, chapter twenty). Domestic and international air travel restrictions, border closures, and stay-at-home measures, while not stopping the spread of the virus, certainly stopped vehicular, air, and rail travel, not to mention cruise ships and holiday travel. This caused an unseen-before drop in oil prices due to an estimated 90 per cent drop in demand: by April 2020 oil prices even dropped into *negative* territory for a few days when WTI traded at (-)\$37 per barrel, meaning that “producers were paying buyers to take their product.”³⁷ Indeed, during the month of April 2020, WCS averaged only \$3.50 per barrel,³⁸ placing a huge strain on revenues but more importantly, further demonstrating Alberta’s continued lack of take-away capacity as the glut of oil simply filled all reservoirs with nowhere to go.

Ironically, the UCP government was now in a very similar position to that of the Notley government less than two years previously, in 2018, when a North American glut of oil caused prices to drop and caused the NDP government to stand the expert advisory panel that ultimately

recommended the curtailment and crude-by-rail actions described previously: it had to do something to help the energy sector in this unprecedented situation. So Kenney's government—like Trudeau before him—decided to purchase (part of) a pipeline.

Prime Minister Trudeau's government had taken a significant—yet calculated risk—when it purchased Kinder Morgan's Trans Mountain pipeline and related assets in May 2019 for US\$4.5 billion, not to mention the actual construction costs. It was a calculated risk because the federal government had many of the necessary levers to—in Roger Fisher and William Ury's famous phrase—"get to yes" on a decision to construct.³⁹ The federal government "owns" the Crown-Indigenous relationship, for example, as well as the purse strings and legal authority over things like marine spill response. Therefore, if it did a good job on meeting the needs of various stakeholders, its investment would likely pay off and its plan, after all, was to hold on to the investment until it could find another suitable commercial buyer for the project and assets.⁴⁰ Premier Jason Kenney's reaction to the federal purchase of the Trans Mountain Expansion project was "cautious," and he was quoted as saying he wouldn't celebrate "until shovels are in the ground and the project . . . is built."⁴¹

Then, just a few months after the federal cabinet did give its final approval for the construction to begin in the summer of 2019, the US federal election cycle kicked in when Democratic Party hopefuls began announcing their candidacies in the summer and fall of 2019. Over the next few months, Senator Joe Biden locked up enough Democratic state primaries and caucuses by May 2020 to secure the nomination, and indeed was officially selected by the democrats at their August nomination convention to face Donald J. Trump in the November 2020 election.⁴² Senator Biden had been Barack Obama's vice-president for all of Obama's eight years as US president and therefore had a front row seat to Obama's opposition to the Keystone XL pipeline, which was still embroiled in judicial contestations in Nebraska and even in a US District Court in Montana, and therefore not yet formally approved for completion. Biden had also reiterated his opposition to Keystone XL during the campaign.

It was in this context that on 31 March 2020, Premier Jason Kenney announced it was investing \$1.5 billion to "cover planned construction costs through the end of the year," with an additional \$6 billion loan guarantee,

stating that the “investment in Keystone XL is a bold move to re-take control of our province’s economic destiny and put it firmly back in the hands of the owners of our natural resources, the people of Alberta.”⁴³ To be sure, this Kenney government investment was on-brand with the 2019 platform of “economy, jobs and pipelines,” but also somewhat incomprehensible because he seemed to be betting either that the legal issues would be resolved, and President Trump would approve it in the next six months, or squarely betting that Trump would win the November 2020 election. Even more incomprehensibly, Kenney stated a few months later that his government made that decision because he “doesn’t trust Prime Minister Justin Trudeau to stick with the completion of the Trans Mountain pipeline Ottawa bought in 2018,” and that “the federal Liberals want to destroy Canada’s oil and gas sector . . . I was not prepared to put all of our eggs in the basket of the Justin Trudeau-owned pipeline.”⁴⁴

The logic of Kenney’s position is unusual: he did not “trust” the federal prime minister to follow through on resolving the legal issues and constructing a pipeline situated entirely in Canada, where the feds hold most levers to make it happen, yet his counter-move was to invest even more money—comparatively speaking on a per capita basis—to own a stake in a pipeline in which the provincial government had almost no legal power to influence because most of it was across an international border—and where a very consequential election was to be held mere months later. Alberta held none of the levers to influence the legal and regulatory processes or outcomes. Was that hubris-level confidence on display?⁴⁵

Perhaps so, because Jason Kenney seemed convinced that he could achieve a feat that neither Jim Prentice nor Rachel Notley provincially, nor Stephen Harper or Justin Trudeau federally, had been able to accomplish: to convince American governors, legislators, and others of the importance of the Keystone XL pipeline. Like other Alberta premiers before him, Kenney had

[a]ppealed to pro-pipeline American governors and unions for help, tried to get as much of the pipeline constructed as possible before the Nov. 3 presidential election, and vowed to use every legal means to protect the investment . . . Alberta’s government also recently approved more than \$1 million to hire influential

Capitol Hill lobbyists and communication experts to help win support in Washington for the pipeline and other trade interests south of the border.⁴⁶

These tactics have been used by Alberta premiers before. Jim Prentice details in *Triple Crown: Winning Canada's Energy Future* his trip to Washington and New York to speak to politicians and investors, and the efforts deployed by Alberta's and Canada's representatives in Washington on the pipeline files.⁴⁷ Premier Notley travelled to Washington and New York to deliver the same messages. But in Jason Kenney's worldview, perhaps *his* plan would have a higher chance of success.

What eventually happened is known: Joe Biden won the November 2020 presidential election and was sworn in at noon on 20 January 2021. That very afternoon on his first day in office, he revoked the permit and effectively killed the project. Premier Kenney reacted by saying that the decision was a “gut punch to the Alberta and Canadian economies” and an “insult” to the cross-border relationship, and called on the federal government to consider retaliatory measures.⁴⁸ He also noted that as a part-owner of the pipeline, Alberta would have a seat at the courthouse to defend their interests under the Canada-US-Mexico Trade Agreement; these steps were not to become necessary, as TC Energy formally terminated the Keystone XL project in June 2021, leaving Albertans on the hook for \$1.3 billion.⁴⁹

The End of Hubris?

As I mentioned towards the beginning of the chapter, a “hubris hypothesis” is difficult to operationalize and measure, in part because “energizing the base” and “hubris” could look alike during a campaign. Perhaps one defining characteristic of hubris might be the *inability* or *unwillingness* to change course even in the face of contrary evidence.

Another related concept might be groupthink, which Irving Janis defined as a psychological drive for consensus that suppresses dissent and minimizes any systematic appraisal of alternative choices in decision-making settings.⁵⁰ *Calgary Sun* columnist Rick Bell has written that Premier Kenney does not consult widely, and often calls him “Professor Kenney” because of his “know-it-all” attitude.⁵¹

Whatever scholarly analysis may eventually emerge from a “hubris hypothesis,” we can tentatively and likely correctly assert that Jason Kenney has, to date, failed to deliver the results he campaigned on the energy, jobs, and pipelines fronts: oil prices are still well below WTI average,⁵² unemployment is still stubbornly high at 7.9 per cent,⁵³ investments have declined by \$50 billion in 2020 in spite of his corporate tax cuts,⁵⁴ and no new pipelines have been approved or built—except for the one owned by the Canadian government. To be sure, the global COVID-19 pandemic caused the drop in oil demand and prices, but no one cut Rachel Notley much slack when other global forces were at play in the oil price collapse of 2018, and she was forced to take unprecedented action as well.

But to add insult to injury in Jason Kenney’s platform and further contrast his rhetoric with events happening “on the ground,” two news items dropped in October 2021 that further undermined Kenney’s pro-pipeline stance and constant messaging of the “Alberta Advantage.” On 1 October 2021, the Canadian Energy Pipeline Association (CEPA), which is the industry association for Canada’s gas and liquid pipeline owners and operators, announced that after almost thirty years of advocacy and representation, it was ceasing operations on 31 December 2021. The short news release cites “recent changes to CEPA’s membership which makes it no longer feasible to carry on operations and effectively execute CEPA’s mandate in the future.”⁵⁵ Indeed, three of the largest association members had left the organization since 2019—Enbridge, Pembina, and TC Energy—but one reason discussed by experts is simply that there were no new energy pipelines being proposed or planned in Canada by anyone, so an industry-wide advocacy mandate was now moot.⁵⁶

Another negative news item that recently came out is that for the second year in a row, there was a net *outmigration* from Alberta to other provinces. In other words, Alberta is losing more people to other provinces than are coming into Alberta, particularly in the crucial youth demographic, raising concerns that “a brain drain has begun.”⁵⁷ Alberta’s overall population has still grown by just over 20,000 people due to immigration and natural population replacement, but the Alberta Advantage no longer seems attractive to the eighteen-to-twenty-four-year-old demographic.

In conclusion, no one knows when—or even whether—the global economy will revert to a pre-pandemic “normal” with respect to demand

for oil and gas. But we can confidently predict that the Trans Mountain Expansion pipeline will likely be the last major piece of linear energy infrastructure to be built in Canada, and we can predict that most countries and even global corporations are moving to a lower carbon future. Whether Jason Kenney's psychological make up tends to hubris, exuberance, or a victim of groupthink, the best way out of the current doldrums is to "be more like Rachel" and consult more broadly with stakeholders. Listen to differing voices, look beyond hydrocarbons to fuel Alberta's economy, and embrace the opportunities coming from outside traditional resource sectors.

NOTES

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- 2 Melissa Gilligan and Caley Ramsay, "Calgary's unemployment rate the highest in Canada for second straight month," *Global News*, 7 September 2020, <https://globalnews.ca/news/7316107/calgary-edmonton-alberta-unemployment-rate-august-2020/> (accessed 29 September 2021).
- 3 See Alberta Economic Dashboard, "Unemployment Rate," <https://economicdashboard.alberta.ca/Unemployment> (accessed 28 September 2021).
- 4 National Post, "Jason Kenney's prepared victory speech in full after UCP wins majority in Alberta election," 17 April 2019, <https://nationalpost.com/news/canada/read-jason-kenneys-prepared-victory-speech-in-full-after-ucp-wins-majority-in-alberta-election> (accessed 29 September 2021).
- 5 Merriam-Webster Dictionary, "Hubris," <https://www.merriam-webster.com/dictionary/hubris>; and Cambridge Dictionary Online, "Hubris," <https://dictionary.cambridge.org/dictionary/english/hubris> (both accessed 16 September 2021).
- 6 Although beyond the scope of this chapter, the concept of hubris may also explain some of Premier Kenney's actions during the global COVID-19 pandemic. Two examples come to mind: first is the now-infamous "Open for Summer" announcement in June 2021 that was purportedly based on Kenney's confidence in one British epidemiological model he was shown; and a second example of this excess of confidence is his aide Matt Wolf's June 2021 Tweet saying, "The pandemic is ending. Accept it," (see <https://twitter.com/mattwolfab/status/1400182922427043840?lang=en>).
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- 8 Benjamin Sovacool and Christopher J. Cooper, *The Governance of Energy Megaprojects: Politics, Hubris and Energy Security* (Northampton, MA: Edward Elgar, 2013), 4.
- 9 *Ibid.*
- 10 Sovacool and Cooper, *The Governance of Energy Megaprojects*, 20.
- 11 Sovacool and Cooper, *The Governance of Energy Megaprojects*, 22.
- 12 Michael Hart, *Hubris: The Troubling Science, Economics, and Politics of Climate Change* (Ottawa, ON: Compleat Desktops Publishing, 2015.)
- 13 Desmond Ikenna Odugu, “International Corporate Politics and the Hubris of Development Discourses,” in *Indigenous Discourses on Knowledge and Development in Africa*, eds. Edward Shizha and Ali A. Abdi (New York: Routledge, 2015), 156.
- 14 John Gibson, “Alberta recession one of the most severe ever, TD Economics report finds,” *CBC News*, 19 July 2016, <https://www.cbc.ca/news/canada/calgary/td-economics-report-alberta-recession-gdp-forecast-1.3684056> (accessed 24 September 2021).
- 15 Ron Kneebone and Jennifer Zwicker, “Fiscal Constraints on the Orange Chinook,” in *Orange Chinook: Politics in the New Alberta*, ed. Duane Bratt, Keith Brownsey, Richard Sutherland, and David Taras (Calgary: University of Calgary Press), 232.
- 16 Prentice and Rioux discuss some of these causes in chapter 2 of their book. In summary, the refinement of hydraulic fracturing and deep horizontal drilling techniques enabled the US to unexpectedly double its oil and gas production between 2008 and 2015, creating a glut in global markets, thus lowering prices and decreasing imports. Russia and OPEC collaborated to increase their production to undercut American domestic investments and prices plunged further. Alberta was caught in the middle, with no option to access oil customers outside the US due to lack of crude oil export capacity and our reliance on that single customer. See Jim Prentice and Jean-Sébastien Rioux, *Triple Crown: Winning Canada’s Energy Future* (Toronto: HarperCollins, 2017).
- 17 Duane Bratt, Keith Brownsey, Richard Sutherland and David Taras, eds., *Orange Chinook: Politics in the New Alberta* (Calgary: University of Calgary Press, 2019).
- 18 See Gordon Kent, “Big trucks, dead ducks put Alberta’s oilsands under environmental scrutiny,” *Calgary Herald*, 28 September 2017, <https://calgaryherald.com/business/energy/big-trucks-and-dead-ducks-put-albertas-oilsands-in-the-environmental-spotlight> (accessed 27 September 2021); and Deborah Yedlin, “Notley: The Accidental Pipeline Advocate,” in Bratt et al., *Orange Chinook*, 191–206.)
- 19 Jason Fekete and Chris Varcoe, “How an Alberta PR stunt backfired in the U.S., sparking a decade of oilsands opposition,” *National Post*, 25 July 2016, <https://nationalpost.com/news/canada/a-decade-of-bitumen-battles-how-10-years-of-fighting-over-oilsands-affects-energy-environment-debate-today> (accessed 19 September 2021).
- 20 Yedlin, “Notley.”
- 21 See Prentice and Rioux, *Triple Crown*, and Yedlin, “Notley.”
- 22 Yedlin, “Notley,” 206.
- 23 Gillian Steward, “Betting on Bitumen: Lougheed, Klein and Notley,” in Bratt et al., *Orange Chinook*, 160.

- 24 The Honourable Lois E. Mitchell, CM, AOE, LLD, *Alberta Throne Speech*, 8 May 2016, https://www.poltext.org/sites/poltext.org/files/discoursV2/Alberta/AB_DT_2016_29_02.txt (accessed 26 September 2021).
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- 28 Steward, “Betting on Bitumen,” 161.
- 29 Josh K. Elliott, “Why critics fear Bill C-69 will be a ‘pipeline killer,’” *Global News*, 21 June 2019, <https://globalnews.ca/news/5416659/what-is-bill-c69-pipelines/> (accessed 29 September 2021).
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- 32 United Conservative Party, *Alberta Strong & Free: Getting Alberta Back to Work* (2019 electoral platform), <https://albertastrongandfree.ca/getting-alberta-back-to-work/> (accessed 29 September 2021).
- 33 National Post, “Jason Kenney’s prepared victory speech.”
- 34 Jacques Boissinot, “Legault congratulates Kenney but says Quebec won’t accept a new oil pipeline,” *Globe and Mail*, 17 April 2019, <https://www.theglobeandmail.com/canada/article-legault-congratulates-kenney-but-says-quebec-wont-accept-a-new-oil-2/> (accessed 16 September 2021.)
- 35 Legislative Assembly of Alberta, 2019 Bill 1. First Session, 30th Legislature, 68 Elizabeth II, https://docs.assembly.ab.ca/LADDAR_files/docs/bills/bill/legislature_30/session_1/20190521_bill-001.pdf.
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