REMARKS FOR
Alison Scott, Deputy Minister of Energy
Nova Scotia Energy Research & Development Forum 2008
8:45 AM, May 21, 2008

"Nova Scotia Research & Development Vision"

Thank-you Bruce. As I welcome you to Nova Scotia's third energy R&D Forum I'd like to reflect a little bit on how far we have come since the last one – 2 years ago here at St. Francis Xavier University.

In May of 2006, we had just announced a five point two million dollar investment in energy R&D. That funding allowed two distinct groups to begin work on closing the knowledge gaps that stand in the way of a prosperous and sustainable energy future.

Our first grant went to the Offshore Energy Technical Research Association. The three members, Dalhousie University, Saint Mary's University and the Department of Energy, set as our priority building the geological knowledge that will lead to new exploration activity offshore Nova Scotia.

The mission to find new sources of energy is critical for all of us. It is critical for the hundreds of Nova Scotians who depend directly on the success of our offshore for their jobs. It is critical for all of the nearly one million Nova Scotians who receive the benefits of the more than half a billion in annual offshore revenues we are now receiving from the Sable Project alone.

We know one of the major barriers to our future success in offshore oil and gas is the complex geology in our offshore. We believe there are trillions of cubic feet of natural gas trapped in the sands and reefs offshore still to be found.

But we have only scratched the surface … and we are far from understanding where that gas may be found in commercial quantities.

Today, O-E-T-R is building our geoscience understanding literally from the bottom up. Research grants totaling nearly one million dollars were given to three outstanding teams of scientists a year ago. And now here at St. FX you will begin to see the results.

Georgia Pre-Piper at Saint Mary's University received a three year grant of one hundred thousand dollars per year to define the distribution systems for sand and help industry explorers refine their exploration targets and better understand the quality of underground petroleum reservoirs.

Keith Louden at Dalhousie University received a three year grant of one hundred thousand dollars per year to look at petroleum systems on the Scotian Slope using thermal and seismic techniques. This work will lead to a better understanding of the nature of basement and salt structures and their effect on petroleum maturation.

Grant Wach, also at Dalhousie University, received a three year grant of close to one hundred thousand dollars per year to investigate reservoir distribution within the petroleum system. The project will provide industry with the groundwork for a better understanding of petroleum reservoirs.

O-E-T-R is also a key sponsor of the international Conjugates Margin Conference in Halifax this summer. The Conference will bring together potential industry, academic and government participants to gain an increased understanding of the hydrocarbon prospectivity of the margins, reduced exploration risks, and more exploration successes. Hopefully this gathering of international expertise will spark new ideas, theories and research ideas that will help us renew interest in our offshore.

But, I would also like to note that the O-E-T-R is also playing another important role – it is a driving force in the bringing together of the Nova Scotia geoscience community. The Geological Survey of Canada, the Canada-Nova Scotia Offshore Petroleum Board, Dalhousie and Saint Mary’s and the Department of Energy are now working more closely together than ever before. It is this demonstrated, solid commitment to collaboration that has given the government confidence that we can increase support for OETR by an order of magnitude.

At the end of March, the Government announced that it would commit as much as $25 million toward offshore energy research. $20 million of that will go to OETR. The exact sum depends upon the final settlement with Ottawa on how to implement a commitment they made more than 20 years ago under the offshore Accord. This Crown Share settlement may be large and although most of the money will be used to reduce the province’s debt, a portion is guaranteed to go to energy research.

The O-E-T-R priority research project is to pull together a full picture of our geoscience knowledge. Those who have done similar exercises elsewhere tell us we are data rich. The surge in offshore interest from the early 2000’s has left us with a legacy of seismic and other forms of data. That data came in various programs under varying conditions. The task at hand is to pull it all together and show potential exploration investors what we might have.

In the past, the large oil and gas companies would do this sort of work themselves. But today the picture is different. Much of the world potential oil and gas reserves are under the control of National oil companies. The private sector is more focused in offshore oil plays with oil at 125 dollars a barrel. And the large, integrated oil companies aren't really interested in smaller fields. Nevertheless, what might be small for ExxonMobil or Shell can be very important and material for us. So smaller players like Nova Scotia can take on this work ourselves.

A very important part of the work ahead will be to negotiate with the data owners to enable us to put their data and interpretations of it out in the public domain. Governments get the data for free. We can study it and we can even help negotiate research access. But if researchers can't publish and new commercial interests can't see the details that led to the new conclusions, all credibility is lost.

None of this is cheap – but with the potential of upwards of $20 million in hand – we can be confident that the funding is in place to help us make a very meaningful contribution to Nova Scotia's energy future.

Now let me turn my attention to our second major energy research agenda – the environment. We all know that true prosperity must be sustainable. Sustainability requires that our actions today do not impair the future for our children. Sustainability means we need to understand what impact our energy exploration and development activities have on the environment – especially the marine environment.

Up until recently, much of the concern about energy and marine environment impacts has been focused upon oil and gas. Marine noise from seismic, impacts from drilling and production, consequences of spills. These were and still are the bread and butter issues for research. But, as our interest in finding new renewable sources of energy grow, the need to understand how these new sources of energy will impact upon the environment also grows.

The Offshore Energy Environment Research Association is founded upon the principle that if we understand energy and its environmental impacts, we can design practices and technologies to mitigate these impacts. The benefit from that is a lower risk to the environment and greater certainty to industry. With greater certainty of what will happen if an application is made, comes greater investment interest. So both research agendas help us create sustainable prosperity.

O-E-E-R is an association made up of the Department of Energy, Cape Breton University, St. Francis Xavier University and Acadia University.

At this forum we are showcasing a major project undertaken by the OEER in the past year – the Strategic Environmental Assessment for tidal and other marine energy renewable technologies in the Bay of Fundy. This work was carried out on time and on budget by a very dedicated group of stakeholders. The results are now into the Department of Energy and a draft response is being prepared for the Minister and the rest of government. We are very pleased with the process and the outcome. We are interested in your assessments as well.

In terms of future work, the OEER will also receive a set portion of the Crown Share Settlement – upwards of five million dollars. That is in addition to the original funding and additional grants from the Department for the Bay of Fundy Tidal Project.

In general terms, the OEER is now well positioned to help advance the agenda on understanding and mitigating any potential adverse impacts from tidal projects. About a quarter of the Association's funding is for marine renewable energy environmental research.

Another significant area of research priority is marine sound – with a particular emphasis on understanding impacts on invertebrates. We are expecting proposals in this area in 2008 that will make a significant contribution to our knowledge in this area – with concrete results to report at the next forum. We are also interested in risk assessments, building knowledge about technology and best practice.

Over the next two days you will also hear about other research that is important to energy – including research on carbon capture and storage and bio-mass/bio-fuels. In all cases the research agenda is one of multiple partners and multiple funding sources. At the first R&D forum, projects in all these areas were on a wish list – now they are on the active research list. We are making progress.

Before I close, I want to acknowledge the continuing partnership we have with Petroleum Research Atlantic and with the Centre for Offshore Oil and Gas Environmental Research. Both organizations have significant management and research infrastructure access.

I also want to thank the CNSOPB, Geological Survey of Canada and Encana whose expertise and guidance we look to at every decision point.

Nova Scotia Energy and the research community in academia, government and the private sector are working together to unlock the science puzzles and fill in the knowledge gaps. Research is underway – results are coming in. Let's use the next two days to understand how we can secure Nova Scotia's energy future research by building our resources and getting results.